

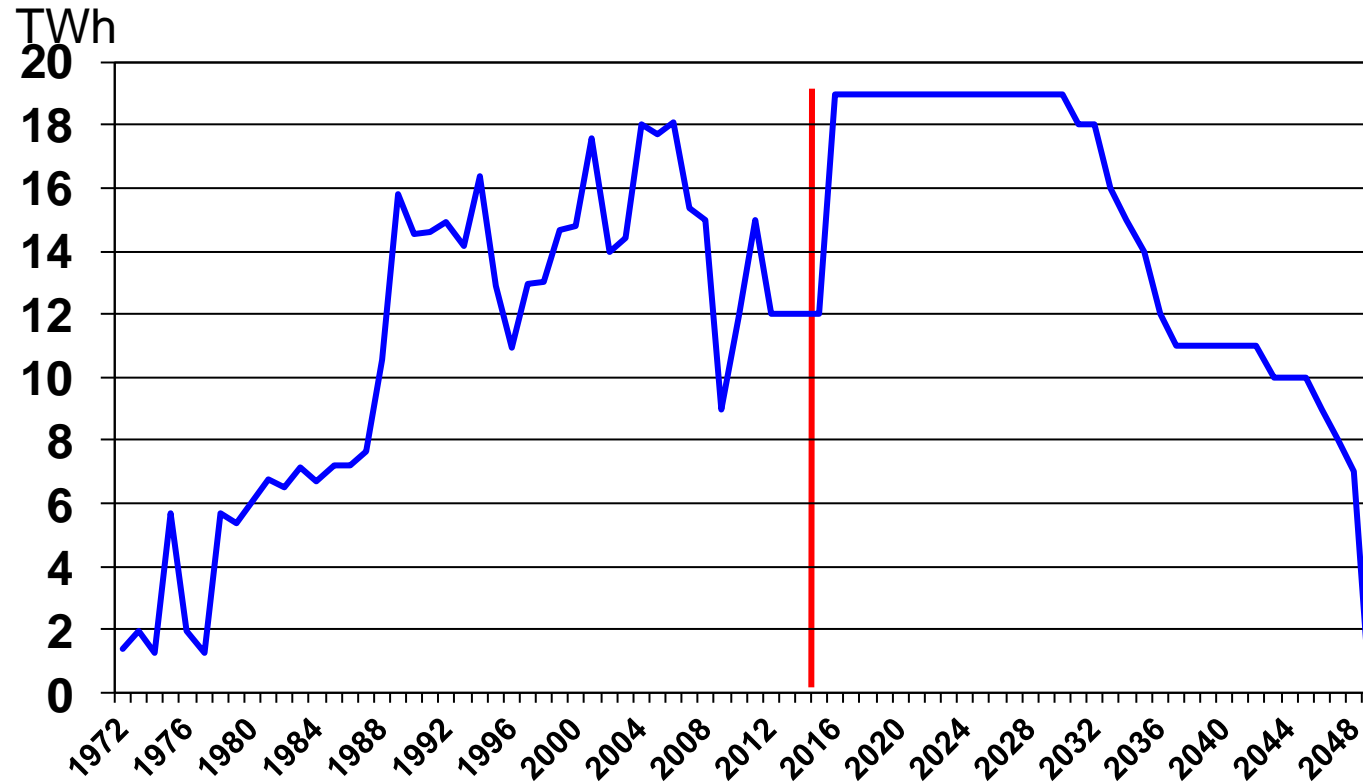
Challenging times for OKG



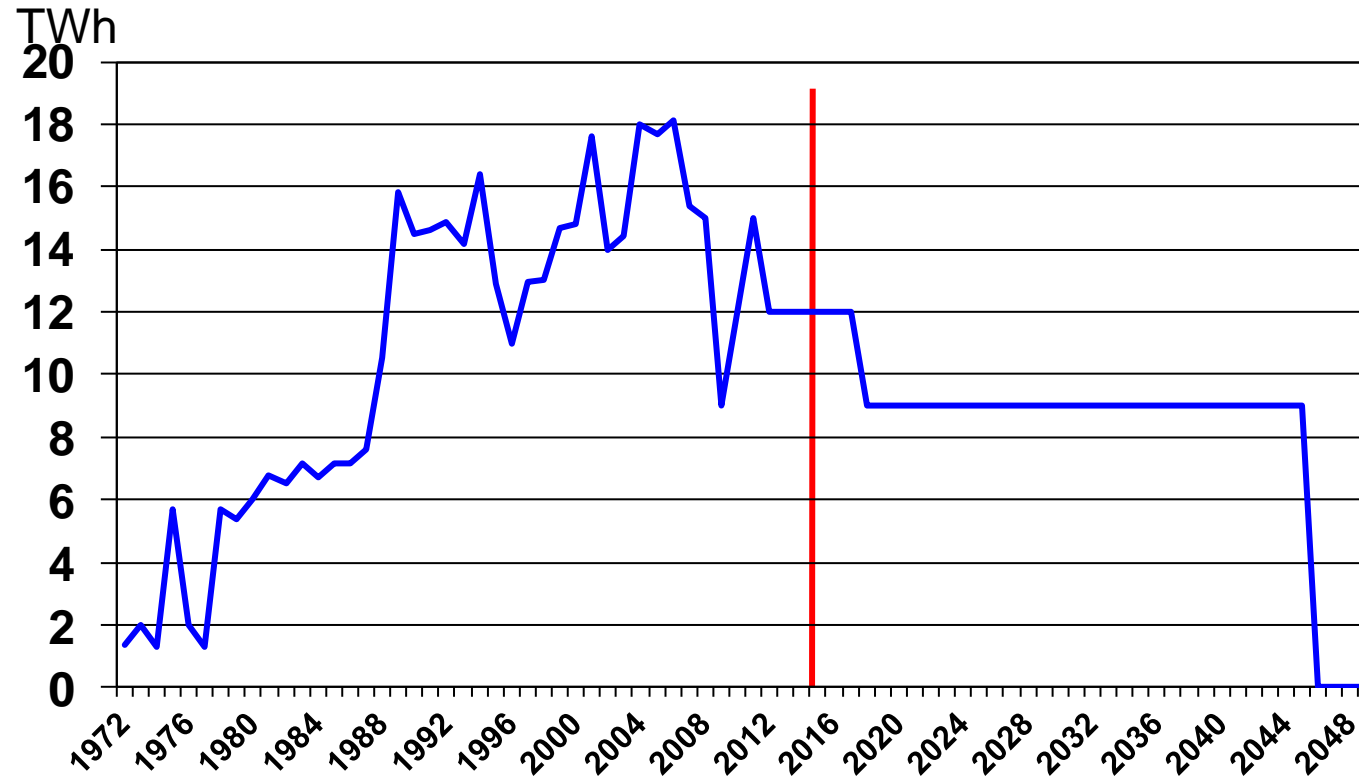
2016-04-28

Anders Österberg, Communications Manager, OKG

OKG – in its middle age ...



OKG – in its middle age ...



Decommissioning decision on O1 and O2

- **Strategic evaluation that only O3 is able to provide long term profitability**
- **Decision that O1 will be decommissioned June 30th 2017**
- **Decision that O2 never will resume operation after fulfilled modernization**
- **The decisions to decommission O1 and O2 are strictly business related**

Devaluated assets 2015

- E.ON has devaluated its assets in OKG
1 billion Euro
 - E.ON has devaluated its other power generation assets
0,3 billion Euro
 - Fortum has devaluated its assets in OKG
0,8 billion Euro
 - Vattenfall has devaluated its assets in Ringhals
2 billion Euro
 - Statkraft has devaluated its power generation assets
0,2 billion Euro
- Sum: 4,5 billion Euro**

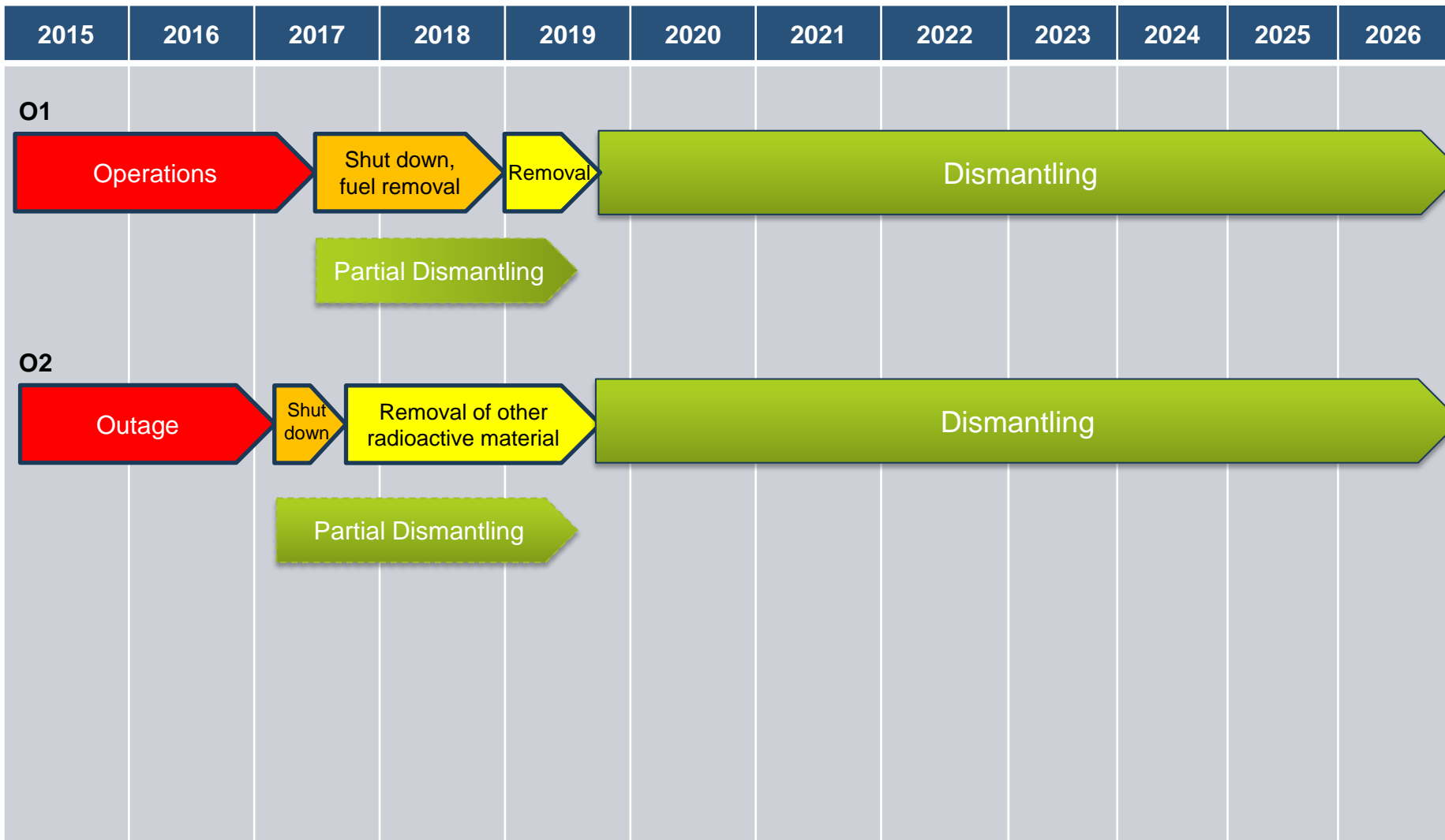
The OKG view on Energy Politics

- **OKG state that a premature decommissioning of O1 and O2 had not been a reality in a market based on free competition and equal terms**
- **OKG state that the market is brought to unbalance due to political influences**
- **OKG state that subsidized commissioning of production facilities has created an overcapacity in the supply**
- **OKG state that a premature decommissioning of reactors nevertheless will lead to a lack of supply**

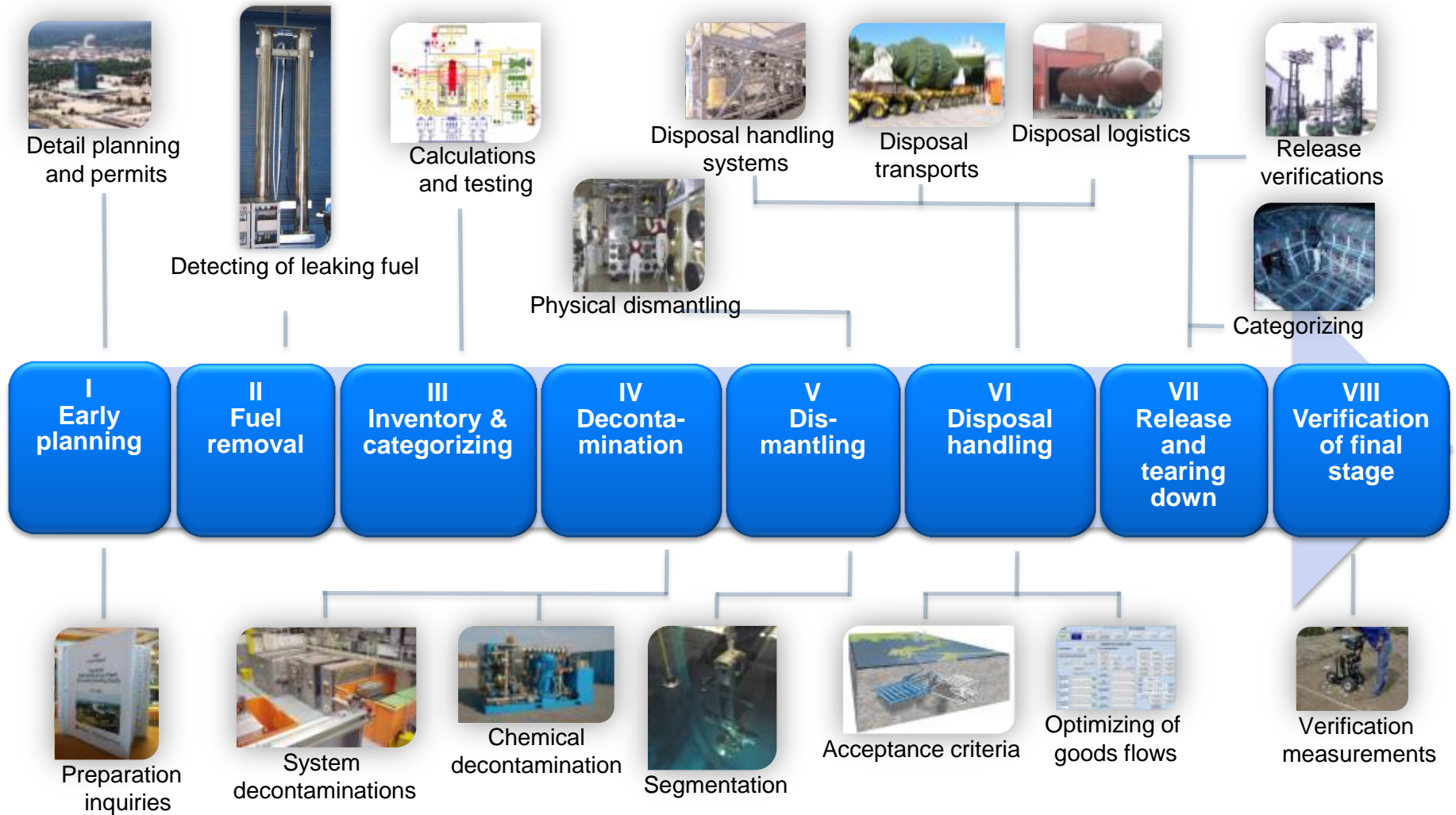
The OKG view on Power Supply

- **Four out of ten reactors are now planned to be decommissioned within five years**
- **O1, O2, R1 and R2 have a total output on around 2 800 MW**
- **Annual decline of production volume: around 17 billion kilowatt hours**
- **Risk for lack of effect in the Swedish electricity supply during cold winter days**
- **Loss of four big generators means declined stability in the grid and therefore risk for decreased deliverance quality**

Time schedule



Decommissioning Process



Current OKG-activities

- **Maintain safety, effectiveness and responsibility**
- **Create motivation to develop both production and decommissioning**
- **Secure managers, cooperators and unions commitment**
- **Secure control room competence until all fuel is emptied**
- **Organize an decommissioning department**
- **Secure competences for long term operations at O3**
- **Evaluate insourcing of external services**
- **Adapt the organization to new prerequisites**
- **Secure a cost effective operation based on a single unit plant**
- **Construct a new OKG based on sound business concepts**