



EFETnet - the Peer-to-Peer Network for Confirming Energy Transactions - is Live.

Six Major Players in the European Wholesale Trading Industry for Electricity and Gas announce the successful completion of the Piloting Phase for the fully automated electronic Confirmation Matching (eCM) software in accordance to the EFET eCM Standard 3.0.

Joint Press Release of EFETnet B.V., Barclays Bank PLC, S.A. Electrabel N.V., EDF Trading, Gaselys, RWE Trading GmbH, Total Gas & Power Ltd

Amsterdam, London, Paris and Essen – March 21, 2005.

Barclays Capital, EDF Trading, Electrabel, Gaselys, RWE Trading and Total have today announced the successful completion of the piloting phase for fully automated electronic Confirmation Matching (eCM) in accordance to the EFET eCM Standard 3.0.

EFET is the European Federation of Energy Traders, a group of energy trading companies dedicated to promoting energy trading throughout Europe. The electronic Confirmations Standard (eCM) 3.0 has been developed by EFET and is offered to its members through EFETnet B.V. (www.efetnet.org), a subsidiary of EFET, to exchange standardised data over an industry-wide infrastructure. The new software is a safe and secure means of matching trade data electronically, previously handled via facsimile messages and manual checks, and is the first of its kind to fully comply with the EFET eCM Standard 3.0. EFETnet – the Peer-to-Peer Network for Confirming Energy Transactions - is Live.

The pilot phase for the eCM implementation project started in October 2004, and reached the major milestone of Final Software Acceptance on December 15, 2004. Since then, the EFETnet software has been in operation between the pilot testers Electrabel, Gaselys, RWE Trading and Total.

Elaine Whiting, Director and Head of Global OTC Commodities Transaction Documentation & Management Group, Barclays Capital: "This initiative is the first solution in the market, compliant with the EFET Standard Version 3.0, to optimise back office processes involved in bilaterally confirming physical OTC European power and gas transactions. The reduction in operational risk by faster identification of potential trade mismatches between counterparties, is coupled with a substantial time and cost saving benefit through standardising and automating these traditionally manual and labour-intensive environments. As take-up of this initiative grows, participants will be able to focus more on active exception management and the handling of bespoke/structured transactions, rather than on back office processing. For those participants also active in the OTC Commodity derivatives arena, there is great potential in the future for collaborative work between standard protocols utilised and vendor solutions."

Filip Sleeuwagen, Head of Back Office Trading and Portfolio Management, Electrabel: "For us at Electrabel, the EFETnet implementation is a major step in optimising our Back Office processes. This enables us to provide a better service to our clients, the Traders, which is what a Back Office is all about. At the same time, we can reduce the operational risk by excluding manual errors and finding Trade mismatches much faster than in the old manual process. Thus we will achieve a better service quality, while at the same time reducing cost by a factor of 10. If we just count the trades with those 10 of our counter parties, who are already committed to EFETnet, we are already talking about over 40% of our trading volume to be fully automated in the Back Office. This alone justifies the initial investment, and the ROI picture will become even brighter once more of our counter parties join. Having said that, automatic deal confirmation is just a first step. In the future, we aim to standardize the whole trading process using the EFETnet approach, including electronic invoicing and settlement."

Philippe Chauvain, Gas and Power Trading and Marketing Division - Risk Control and IT General Manager, Total Gas & Power: "We at Total Gas & Power have joined the EFETnet project because we thought that the concept would add efficiency and security to the old fashioned paper confirmation process. Being one of the pilot testers has allowed us to verify that the product kept the promises of the first presentations and discussions on the subject. Taking out of the way the tedious confirmation tasks on standard transactions, will allow our back office to dedicate more time to complex transactions. The risk of error inherent to manual processes, and its monetary impacts, will be greatly minimized. It is a great move forward for the industry and we are looking forward to utilizing the upcoming EFET standard for electronic invoicing and settlement."

Arnaud Cruiziat, COO, Gaselys: "As is the case for every partner in this project, Gaselys is involved in continuously optimizing its IT systems and processes. EFETnet is another clearly positive step towards this aim. More specifically, Gaselys, having a banking background through its status and its origins, has experienced the implementation and benefits of such systems in various fields of the financial sphere. This explains why we strived to be an early mover and an active player in their application to the energy trading business. Gaselys, in this area as well as in others, intends to foster harmonisation in Europe's increasingly financial-like energy markets".

Malte Möller, Manager Back Office, RWE Trading and Chair person of the eCM Project Working Group within EFET: "I am proud of the work done by the eCM Working Group in bringing the EFET Standard 3.0 to completion. Now the B2B standard is actually being implemented in the market, and we are seeing real results from the Piloting Phase. The next steps for the EFET standardization process will be to include brokers, thus achieving straight-through processing with all our counterparties.

I can say that so far, all of our expectations have been fulfilled – the new process is fast, secure, and significantly reduces our manual effort. From RWE's perspective, these efficiencies are important but the real benefit will come through the reduction of operational risk. By fully automating the process, and by taking out manual intervention, we are greatly minimising this risk".

Hugh Brunswick, Managing Director of EFETnet B.V. says: "I am particularly pleased with the rapid sign-on process. 9 major players in the European energy market have already joined EFETnet, namely Barclays, EDF Trading, Electrabel, Endesa, Eneco, Essent, Gaselys, RWE and Total. The interest in the market is tremendous. We expect to have at least 5 more majors as new members by the end of 2005."

Jan van Aken, General Secretary of the European Federation of Energy Traders (EFET): "The major goal of EFET as an industry association is to provide value to its members. One of the areas where a neutral body can provide the most value is in standard setting, where EFET has a track record of successfully providing legal standard contracts for most power and gas deal types.

With the eCM Working Group, EFET has covered new ground by providing an open, neutral, and vendor-independent XML-based B2B standard. However, without implementation, such electronic standard has no value. So I am very happy that within the short timeframe of 5 months since the final release of the EFET standard 3.0, we already have a working peer-to-peer network, which keeps growing rapidly. We have already reached the critical mass, and the network will become more valuable for all participants with each new participant added."

Michael Merz, Managing Director and Founder of Ponton Consulting: "For us at Ponton Consulting, it is a pleasure to support the fast-moving Energy Trading industry with our ebXML integration tools. We are proud of the fact that we have met an aggressive software development schedule in time and in budget. Thus we kept our promise: The time it takes our clients to integrate their systems with each other using our tools and services is measured in days, not months. Install, Configure, Integrate, Test – LIVE. Ponton will take you there."

The EFETnet software, fully compliant with eCM standard 3.0, consists of three main applications:

- Ponton X/P - Messaging Application fully compliant with the ebXML standard MS 2.0. This application has been in productive use since the last Quarter of 2000, mainly in the Paper & Print industry. More than 80 large companies world-wide are using Ponton X/P in production, amongst them Fortune 500 companies such as StoraEnso, UPM-Kymmene, International Paper, TimeWarner, News International, Axel Springer Verlag, and Burda.
- EFET Box+ - Workflow Management Application holds the business logic of the EFET Standard.
- Ponton X/D - Back-end Integration Application, converts XML documents into a database or flat file text format, and vice versa. Used to integrate the ETRM system with the EFETnet Software.

About EFETnet B.V.:

www.EFETnet.org

EFETnet B.V. is fully owned by EFET. The EFETnet B.V. mission is to provide an industrial strength, secure, standardised data exchange infrastructure for the European Energy Trading sector.

EFETnet B.V. was founded in 2004 by the European Federation of Energy Traders (EFET) to act as a cost sharing vehicle for the industry and to centrally coordinate the provision of the electronic data exchange infrastructure, initially to automate electronic Confirmation Matching (eCM).

EFETnet B.V. acts as a single contracting entity for EFET standard compliant data exchange services between IT Providers (e.g. Ponton Consulting), Industry Users, which are EFETnet clients (e.g. Barclays, EDF Trading, Electrabel, Gaselys RWE, Total, etc.) and Services Providers (e.g. Brokers).

EFETnet is responsible for ensuring that the standard infrastructure remains fully compliant with the EFET standards as they continue to develop. EFETnet's day to day business concerns liaison with the EFET Project Workgroup responsible for standards development as well as management and coordination of the infrastructure upgrades. EFETnet is able to act as an impartial provider, being owned by the members of the industry through EFET and is a reliable single point of responsibility for issues relating to security of the industry data exchange infrastructure

EFETnet's vision is for all counterparties to be able to exchange standardized data over a standard industry infrastructure between themselves and service providers (e.g. Brokers) and in future access standard services over this same infrastructure.

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About Electrabel: www.electrabel.com

About Gaselys: www.gaselys.com

About RWE Trading: www.rwe.com

About Total Gas & Power Ltd: www.total.com

About EFET: www.efet.org

About Ponton Consulting and the C1 Group: www.ponton-consulting.de and www.c1-group.com