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COMP/M. 4020-WINGAS/ZGHG/JV

SECTION 1.2

Description of the concentration

This notification relates to a proposed joint venture (the "JV") between ZMB Gasspeicher Holding GmbH ("ZGHG") and WINGAS GmbH ("WINGAS") (together, the "Parties") (the "Transaction").

The Transaction relates to the gas storage sector in the UK. WINGAS currently owns 100% of the issued share capital of WINGAS Storage UK Ltd, which owns the Saltfleetby gas field, a natural gas field in Lincolnshire (north-east England). Gas production from the Saltfleetby field is depleting and it is the intention of the Parties, through a joint venture, to convert the field into a storage facility by 2008.

The parties will establish the joint venture by ZGHG acquiring a 50% stake in WINGAS Storage UK Limited.

The JV's business will comprise the conversion of the Saltfleetby field into a gas storage facility. After conversion into the storage facility, the JV will be active in the operation, marketing and sales of gas storage capacity.

Neither of the parent companies currently owns any UK gas storage facility in the UK. The only gas sector in which both parents are currently active in the UK is in respect of their trading activities at the UK NBP. The Parties' share of supply of the UK NBP trading market is negligible.

The Transaction will result in the entry of a new competitor onto the market for the supply of gas storage capacity in the UK.