kellas MIDSTREAM

h2 northeast

H2NorthEast

Teesside excellence and world class investors delivering low carbon hydrogen.

May 2023

northeast

Contributing up to an additional £300 million to the economy

Upskill 90 existing jobs and create over 100 new jobs

More than 97% overall CO_2 capture rate

Producing low carbon hydrogen, at scale, on Teesside.

H2NorthEast is a major project that will deliver the production of low carbon hydrogen on Teesside.

By building on existing CATS infrastructure, H2NorthEast, when complete, will deliver over 1GW of low carbon hydrogen to industries on Teesside, **equivalent to heating over 1 million UK households.**

Phase 1 of the project will deliver 355MW of low carbon hydrogen to local industry by 2028 with plans to scale up to **1GW by 2030.**

H2NorthEast has been offered funding from the Net Zero Hydrogen Fund which demonstrates **strong government support** for the project. Discussions with the Department for Energy Security and Net Zero are in progress regarding H2NorthEast's participation in the Cluster Sequencing Track 1 expansion process.

Kellas has extremely strong support for the project through its investors **BlackRock and GIC** and has extensive experience of working collaboratively with customers, stakeholders and partners to deliver **world-leading** energy infrastructure projects.

H2NorthEast will play a vital role in **decarbonising energy intensive industries on Teesside.** Looking forward, our ambition is for H2NorthEast to supply low carbon hydrogen to consumers beyond Teesside via Project Union/East Coast Hydrogen or blending into the national grid.

cats

The CATS pipeline and terminal transports and processes around a quarter of the UK's gas supply.

H2NorthEast Project Benefits

DELIVERABILITY

Unique combination of **highly successful operation at CATS**, industrial process synergies with key hydrogen customers and backing of world class investors.

EMISSIONS REDUCTION

H2NorthEast will have **very low emissions intensity** through CATS' excellent emissions track record and low emissions from UK domestic gas supply.

ECONOMIC BENEFITS

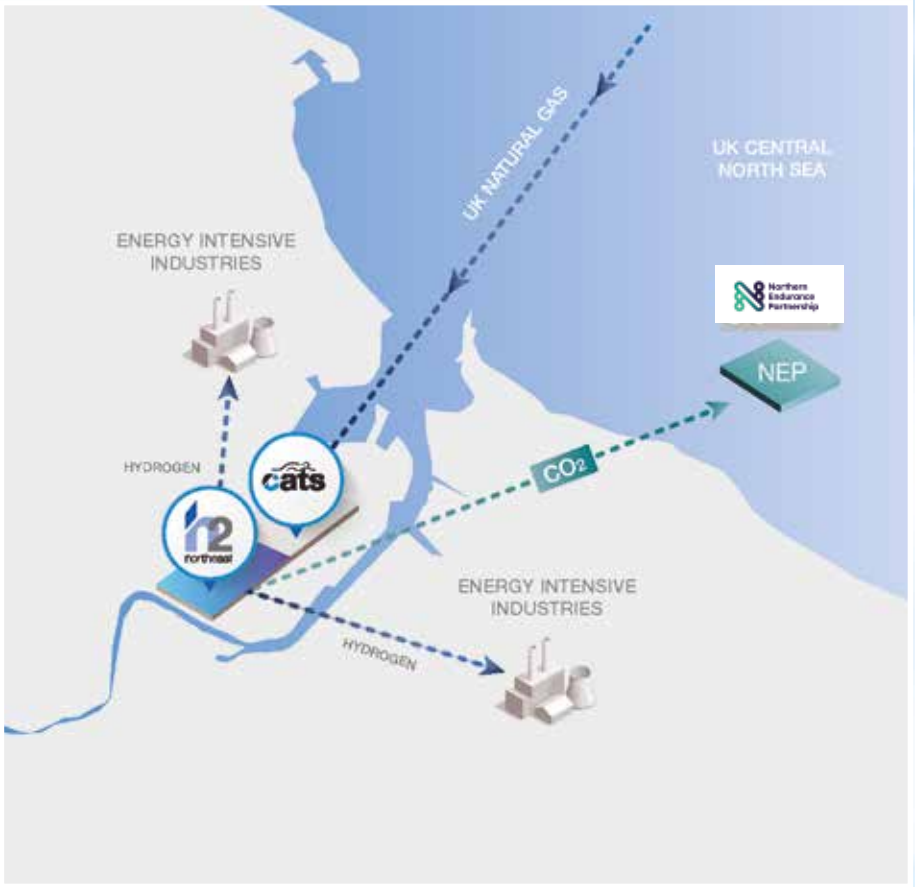
Upskill 90 existing jobs and **create over 100 new operational jobs**, contributing an additional **£200-300m** to the local economy.

COST CONSIDERATIONS

Deliver blue hydrogen at **lower cost** through **synergies** with CATS terminal and industrial customers, UK domestic sourced gas feedstock and **reuse** of existing distribution & storage infrastructure.

MARKET DEVELOPMENT & LEARNING

Future plans to scale up hydrogen production at H2NorthEast to over 1GW by 2030, and commitment to **investing in local people**, through high quality training, apprenticeships, and scholarships at Teesside University.



EAST CO_2AST CLUSTER

H2NorthEast's unique attributes make it the **most deliverable** low carbon project in the East Coast Cluster, delivering a significant reduction in emissions, increased economic benefits and value for money.

Our **H2NorthEast** project is part of the East Coast Cluster which has been named as one of the UK's first carbon capture, usage and storage clusters.

The East Coast Cluster, comprising the Humber and Teesside industrial regions, offers the single biggest opportunity to decarbonise industry anywhere in the country, representing almost 50% of carbon emissions from all UK industrial clusters.

A VISION FOR HYDROGEN IN THE TEES VALLEY

In November 2022, in partnership with other leading organisations operating in the region, we published *A Vision for Hydrogen in the Tees Valley*. This report sets out how the area can become globally significant in the production, consumption and export of low carbon hydrogen and demonstrates our collective commitment to bringing new low carbon hydrogen production projects to Teesside.

kellas MIDSTREAM

Kellas Midstream is an independent energy infrastructure company that owns, manages, and operates a portfolio of critical energy infrastructure assets in the Central and Southern North Sea, including the CATS (Central Area Transmission System) terminal in Teesside that transports and processes around a quarter of all UK gas production.

As the energy industry continues its transition to net zero, we are embarking on low carbon hydrogen initiatives that will significantly contribute to industry decarbonisation and domestic energy security and support the UK's 2050 net zero targets.

Find out more at
www.kellasmidstream.com/hydrogen