

Press Release  
2017-03-15



## Preem and Vattenfall collaborate on large-scale biofuel project

**Preem and Vattenfall have concluded an agreement to investigate the potential of using climate-smart hydrogen gas in the large scale production of biofuel for the Swedish market.**

Preem's objective is to produce three million cubic metres of renewable fuel yearly by 2030, which would account for the bulk of the reduction in carbon dioxide emissions in the Swedish transport sector. Green raw materials are required to achieve this. Vattenfall, which strives to power climate smarter living, can provide climate-smart hydrogen gas for the fuel production. Preem and Vattenfall will set up a work group and pilot study which are financed by both parties.

Preem and Vattenfall will also review the potential of producing green hydrogen gas by utilising electricity from hydro and wind power, which give emissions that have very little impact on the climate.

"We need to use many different types of raw materials and produce several different types of fuels to replace fossil fuels with renewables. Many different solutions are also needed. Preem's contribution is to make fuels that are as green and efficient as possible. The collaboration is also a step in our vision to be to the fore in the transition towards a sustainable society," says Petter Holland, CEO and President at Preem.

"This is a significant step for us and I am very positive about the potential of this collaboration. I see both business opportunities and climate benefits, where Vattenfall can contribute with climate-smart and competitive hydrogen gas," says Magnus Hall, President and CEO at Vattenfall.

Today Preem already produces biofuel or so-called biodiesel (non-fossil diesel) made from tall oil, a by-product of the forestry industry, but it also intends in the future to produce renewable fuel from sawdust and forestry residues from timber felling and lignin from the wood pulp industry.

Hydrogen gas is a decisive part of the process to transform renewable raw materials into biofuel. Climate-smart hydrogen gas and different by-products from the wood pulp industry could multiply the production volumes compared to those of today.

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### **About Preem**

*Preem is the largest fuel company in Sweden. Our vision is to lead the transition towards a sustainable society. Preem's two refineries are seen as the most modern and environmentally adapted in Europe with a refining capacity of more than 18 million m<sup>3</sup> of crude oil every year. Our operations comprise production, sales, distribution, trading and product sales. We refine and sell petrol, diesel, heating oil and renewable fuels to companies and consumers in Sweden. Around two-thirds of the production is exported. We also have a nationwide service network with 570 fuel stations for private and commercial traffic. Preem AB has over 1,300 employees, of which 900 work at our two refineries. Preem had a turnover of SEK 66 billion in 2015.*

### **About Vattenfall**

*Vattenfall is a Swedish, state owned energy company with around 20,000 employees with operations in Sweden, Germany, the Netherlands, Denmark, UK and Finland. Vattenfall focuses on growth in the business areas that drive the transition to a climate smarter energy system and thereby ensures a reliable and cost-effective energy supply.*