

Cepsa and C2X set up joint project to develop the largest green methanol plant in Europe

- **At COP28 and in the presence of Spanish Prime Minister Pedro Sánchez, the two companies announce a joint project to provide green methanol for multiple industries, including chemicals and shipping**
- **The project is to develop a plant in Huelva, Spain, entailing an investment of up to €1 billion, that would become one of the five largest green methanol plants in the world with an annual production capacity of 300,000 tons, preventing the emission up to 1 million tons of fossil CO2**
- **Green hydrogen produced in the Andalusian Green Hydrogen Valley being developed by Cepsa and partners in southern Spain will supply part of the hydrogen required by the plant**
- **A final investment decision is expected in 2025. If approved, the project has the opportunity to create 2,500 direct and indirect jobs and further position Andalusia and Spain as a leading global sustainable energy hub for the production of green molecules such as hydrogen and methanol, and for their use and transportation through the region's strategic ports**
- **Spanish Prime Minister Pedro Sánchez said:** "This project will not only represent a significant reduction of CO2 emissions. Green methanol will also allow us to advance in the decarbonization of hard-to-abate sectors, such as shipping or the chemical industry. In other words, this is a significant step towards a future free of fossil fuels. This investment is fully aligned with Spain's strategy of reindustrialization and energy transition. We want that 81% of our power generation come from renewable sources by 2030. Green hydrogen will play a crucial role and, thanks to projects like this, Spain stands as a global reference."
- **Cepsa CEO Maarten Wetselaar said:** "This partnership is another milestone in our strategy to make Spain a European hub for green molecules this decade, with viable projects to reduce emissions in sectors that are difficult and urgent to decarbonize. We will work with the Spanish government to develop the regulatory framework needed for this project to be successful and scalable."
- **Brian Davis, CEO of C2X said:** "We see a growing demand for green methanol to help industries like shipping, aviation and chemicals move away from fossil carbon-based products. While this project has strong fundamentals it will need an enabling framework in order to offer a competitive source of green methanol to its target customers. We look forward to working with Cepsa and the Spanish government as we develop the project."

Cepsa, which is owned by Mubadala and Carlyle, and C2X, an independent company majority owned by A.P. Moller Holding with A.P. Moller – Maersk as minority owner, announce a joint ambition to develop a green methanol plant in the port of Huelva, southern Spain.

Green methanol is made by using green hydrogen and non-fossil sources of carbon captured from the atmosphere or from agricultural and forestry waste and can replace fossil methanol, reducing carbon emissions in hard-to-abate industries such as long-distance shipping and other industries such as chemicals and plastics.

The project's aim is to reach an estimated annual production capacity of 300,000 tons of green methanol, which Cepsa calculates would prevent the emission of up to 1 million tons of CO₂. The plant would have the capacity to reach a maximum production of 380,000 tons. A final investment decision for this project, which would entail an investment of up to €1 billion, is expected to be made in 2025.

If approved, the project has the opportunity to create 2,500 direct and indirect jobs, further supporting the Andalusian Green Hydrogen Valley being developed by Cepsa and its partners with an ambition to reach a green hydrogen production capacity of 2GW by 2030. Some of the green hydrogen produced will supply the new green methanol facility.

By 2050 the demand for methanol could triple to some 300 million tons per annum, with the majority being for green methanol¹. A step change is needed to scale production capacity of non-fossil methanol to meet the demand that is building now. However, significant support from governments and other bodies is also required to ensure that this production capacity can supply green methanol at a price that is acceptable to its target customers.

The project places Andalusia as one of the most competitive locations globally for the production and transportation of green molecules thanks to its renewable electricity capacity and industrial and port infrastructure, positioning Spain as a leading sustainable energy hub and securing independent and affordable clean energy for Europe.

The project was presented at COP28 in Dubai with the participation of Spanish Prime Minister Pedro Sánchez; Spanish Third Deputy Prime Minister and Minister for Ecological Transition and Demographic Challenge, Teresa Ribera; Brian Davis, CEO C2X; and Maarten Wetselaar, CEO Cepsa.

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¹ McKinsey Insights



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The partnership between Cepsa and C2X follows a protocol of collaboration agreed between A.P. Moller - Maersk and the government of Spain in November 2022 to explore the possibilities of producing green fuels in the country. This partnership is also in line with the declarations made at governmental level by Spain and Denmark to increase their bilateral cooperation in green energy transition.

About Cepsa

Cepsa is a leading international company committed to sustainable mobility and energy with a solid technical experience after more than 90 years of activity. The company also has a world-leading chemicals business with increasingly sustainable operations.

In 2022, Cepsa presented its new strategic plan for 2030, Positive Motion, which projects its ambition to be a leader in sustainable mobility, biofuels, and green hydrogen in Spain and Portugal, and to become a benchmark in the energy transition. The company places customers at the heart of its business and will work with them to help them advance their decarbonization objectives.

ESG criteria inspire everything Cepsa does as it advances toward its net positive objective. Over the course of this decade, it will reduce Scope 1 and 2 CO₂ emissions by 55% and its carbon intensity index by 15-20%, with the goal of achieving net zero emissions by 2050.

About C2X

C2X is aiming to make a significant contribution to a fossil-free future by accelerating the availability of green methanol in large quantities. C2X will develop, own, and operate green methanol production facilities in strategic locations, which will serve to de-fossilise the chemical and shipping sectors. The venture is majority owned by A.P. Moller Holding with A.P. Moller - Maersk as minority owner.

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