July 16, 2008

**<u>Personal / Confidential</u>**

**Extract from the Minutes**

Executive Committee Meeting of July 15, 2008, Essen

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| Participants: | Dr. Bernotat |
| | Dr. Teyssen |
| | Mr. Bushke |
| | Mr. Cocker |
| | Mr. Dänzer-Vanotti |
| | Dr. Golby |
| | Mr. L. Feldmann |
| | Dr. Maubach |
| | Dr. Reutersberg |
| | Dr. Schenck |
| | Mr. Staffieri (by phone) |
| Guests: | Mr. Winkel |
| | Mr. Wallraff |
| | Mr. French |
| | Dr. Wachsmuth |
| | Mr. Brockmann (by phone) |
| | Mr. Weber (by phone) |
| | Mr. Jungwirth |
| Excused: | Dr. Mastiaux |
| | Mrs. Viohl (minutes) |

**2. Market price report**

Wallraff reports on the latest developments on the commodity markets. The underlying question is, whether the current price rises in the European power markets are reasonably related to the fuel prices or whether the power market is reacting unreasonably overheated. It is shown, that all underlying fuel prices have had a significant rise, especially in the last six months. The related generation margins have only minor moves in these periods and therefore the current price rises in the European power markets are strongly related with the fuel price rise. Afterwards, French explains the impact of the rising fuel prices on the end consumer prices in Germany, UK and Sweden. The ExCo members acknowledge the report and discuss the mechanism of the market and the development of the market prices in the near future. Winkel and Wallraff are requested to prepare an outline of the future development of the prices based on current assumptions regarding the long term curves. Taking these fundamental developments into consideration, the question has to be raised as to how far the business of E.ON will be influenced by the future market prices. Hence Kopp is requested to analyze the strategic impact this may have.

Copies to: Mr. Winkel, Mr. Degenhardt, Dr. Kopp

**3. Market roadmap Europe.on – Status and follow-up**

Wallraff presents the current developments of the market roadmap europe.on. The steering committee of the market roadmap has proposed a bundle of measures to foster European market integration. Teyssen stresses, that the ExCo fully supports to the further integration of the European markets. Therefore he welcomes the proposal of the steering committee. Cocker emphasises, that the further development of semi liquid gas markets should be kept in roadmaps focus. Reutersberg comments, that these developments should be carried out with regard to the ERG EBIT drivers. It is agreed to discuss these issues further in the ongoing work of the roadmap project group. All proposed measures are agreed by the ExCo for implementation.

Copies to: Mr. Winkel