

## **GASOL PLC (AIM: GAS)**

### **Exclusive Joint Venture Agreement to develop gas projects in Equatorial Guinea signed by Sonagas and Aflas**

*Gasol plc ("Gasol" or "the Company") is pleased to announce that African Gas Development Corporation ("Aflas") and Sociedad Nacional de Gas, GE. ("Sonagas") today announced the signature of an exclusive joint venture agreement ("JV") to monetize gas supplies from Nigeria, Cameroon and Equatorial Guinea through infrastructure and facilities in Equatorial Guinea. This marks a critical step in Gasol's ambitions to capitalise on growth in the Liquefied Natural Gas ("LNG") sector through its investment in African LNG ("AFLNG"), a subsidiary of Aflas.*

#### **Summary:**

##### **Exclusive Joint Venture between Sonagas and Aflas**

- ▶ Sonagas is the national gas company of the Republic of Equatorial Guinea which has the exclusive responsibility for the State's interest in all existing and future gas related projects in the country
- ▶ Sonagas' existing gas projects include a 25% stake in the US\$1.4 billion Equatorial Guinea Liquefied Natural Gas ("**EGLNG**") plant
- ▶ The Joint Venture and its partners (including Afren PLC (AIM:AFR)) will assemble the necessary regional gas supplies, primarily from Nigeria and Cameroon, to supplement existing gas sources from gas related projects in Equatorial Guinea
- ▶ The Joint Venture will be responsible for providing all required subsea pipelines, facilities and related infrastructure for the gas related projects, and Heads of Agreement for this purpose, have been entered into with Acergy and AMEC

##### **Relationship between Aflas, AFLNG and Gasol**

- ▶ Gasol announced the purchase of a 20% stake in AFLNG on 1 September 2006
- ▶ AFLNG is a subsidiary of Aflas (the largest shareholder in Gasol) and was established to integrate and build on the group's gas and LNG strategy
- ▶ AFLNG's strategic intention is to become the premier independent LNG company in the Gulf of Guinea

##### **Impact on Gasol**

- ▶ The establishment of the Joint Venture allows AFLNG to fast track gas related projects and respond to the growing demand for LNG and other gas products from the Gulf of Guinea
- ▶ Aflas's exclusive Joint Venture with Sonagas marks an important critical step for AFLNG to realise its goal to become the premier independent LNG company in the Gulf of Guinea
- ▶ As announced on 1 September 2006, Gasol has an option to increase its shareholding in AFLNG to 100%

***Haresh Kanabar, Chief Executive of Gasol plc, commented: "The Joint Venture with Sonagas marks the first critical step for African LNG to achieve its goal of becoming the premier independent LNG company in the Gulf of Guinea."***

### **Exclusive Joint Venture between Sonagas and Afgas**

Sonagas is the national gas company of the Republic of Equatorial Guinea which has the exclusive responsibility for the State's interest in all existing and future gas related projects in the country. Sonagas' existing gas projects include a 25% stake in the US\$1.4 billion Equatorial Guinea Liquefied Natural Gas ("EGLNG") plant, which will begin deliveries of LNG to international markets from mid-2007. Train 1 has a capacity of 3.8 million tonnes and negotiations are currently underway regarding Train 2 and possible Trains 3 and 4. The Joint Venture will assemble the necessary regional gas supplies, primarily from Nigeria and Cameroon to supplement existing Equatorial Guinea gas sources.

Other Sonagas projects include participation in the Bioko methanol plant which currently produces approximately 3,000 tonnes per day and the Punta Europa Liquefied Petroleum Gas plant, which currently produces approximately 25,000 barrels per day.

The Afgas / Sonagas Joint Venture will be responsible for providing all required subsea pipelines, facilities and related infrastructure for the gas related projects. Afgas has entered into Heads of Agreement with each of Acergy (NASDAQ NM:ACGY; Oslo Stock exchange: ACY) (formerly Stolt Offshore) and AMEC (LSE:AMEC), for the design, procurement, building and operation of the infrastructure and facilities required in support of the Joint Venture's various gas monetization projects.

### **Relationship between Afgas, AfLNG and Gasol**

Gasol announced the acquisition of a 20% stake in AfLNG on 1 September 2006. AfLNG is majority owned by Afgas and was established to integrate and build on the group's gas and LNG strategy. AfLNG's strategic intention is to become the premier independent LNG company in the Gulf of Guinea. The Joint Venture with Sonagas is the group's first critical step in realising the independent LNG strategy.

### **Impact on Gasol**

LNG is rapidly emerging as the swing gas supplier in an increasingly global market, particularly given depleting indigenous European and US gas supplies and concerns over the security of European gas supplies. Gasol's objective is to access opportunities to capitalise on the growth in LNG demand.

The Gulf of Guinea has approximately 200 TCF of gas reserves, with more than 80% of those reserves being situated in Nigeria; therefore Equatorial Guinea is ideally placed to be one of the leading regional gas processing centers in West Africa.

African LNG - in which Gasol holds a 20% shareholding, with the option to acquire the remaining 80% - is pursuing a cohesive strategy to develop LNG and gas related projects in West Africa. Afgas's exclusive Joint Venture with Sonagas, which already has a significant stake in an expanding LNG infrastructure, marks an important critical step for AfLNG to realise its goal to become the premier independent LNG company in the Gulf of Guinea.

**For further information:**

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**Editors' Notes**

**Gasol plc**

Gasol plc was established in February 2005 to identify and secure acquisition and investment opportunities in the oil and gas sectors. Following the IPO on the London Stock Exchange on 16 March 2005, Gasol has since refined its strategy to focus on opportunities in liquefied natural gas in the Gulf of Guinea region of West Africa. Gasol made its first acquisition, of a 20% shareholding in African LNG Holdings Ltd, in September 2006. Gasol shares trade under the ticker symbol GAS. Further information is available from the Company's website, [www.gasolplc.com](http://www.gasolplc.com).

**African LNG**

African LNG was established in late 2005 with the intention of becoming the premier independent LNG company in the Gulf of Guinea with a focus across the LNG value chain from gas gathering and liquefaction to shipping, storage and regasification in the Atlantic Basin.

**About Afren plc**

Afren ([www.afren.com](http://www.afren.com)) was founded in December 2004 by a management team including Dr Rilwanu Lukman with the vision to become the leading pan African independent Exploration and Production company. Since the Initial Public Offering in March 2005, Afren has rapidly expanded its African portfolio across five countries; Nigeria, São Tomé and Príncipe, Gabon, Congo and Angola.

**Acergy**

Acergy is a company engaged in seabed-to-surface pipeline gathering and transportation, engineering, procurement, construction and installation services for the offshore oil and gas industry. Acergy has a market capitalization of approximately US\$3.8 billion and 7000 employees worldwide.

**Amec**

AMEC is a project management and engineering services company that designs, delivers and supports infrastructure assets for customers in the oil and gas industry. AMEC has a market capitalization of US\$ 2.3 billion and 20,000 employees worldwide.