



12 February 2009

**Gasol plc**  
("Gasol" or "the Company")

**Gasol makes strides in near shore liquefaction solution and expands strategic alliance with Teekay**

***Gasol (AIM: "GAS") is pleased to announce that Gasol and Teekay have agreed to strengthen their relationship and have signed a Memorandum of Understanding ("MoU") centred on the development of a unique liquefaction process.***

Gasol, with the assistance of Teekay Corporation ("Teekay"), has developed the concept of a Near-Shore LNG Production System ("NSPS™") with a view to applying this concept to gas monetization projects in Nigeria and elsewhere in the Gulf of Guinea region. The NSPS™ is based on using floating modules on barges that are berthed and moored to a fixed and protected jetty. It is designed to be used in benign waters (as found in the Gulf of Guinea) in close proximity to the shore, to produce LNG, LPG, condensates and power.

The Company's concept is predicated on already tried and tested technology put to an alternate use, thereby minimising the development risks. The Wood Group-owned Nitrogen Dual Expander (NDX-1) liquefaction process design uses a proprietary, nitrogen refrigeration process that is simple, compact, energy efficient and flexible over a wide range of feed compositions. The NDX-1 liquefaction process is easy to operate, and will have a production scalability for this project of 2-6 million tonnes per annum ("mtpa") of LNG.

Mustang, a Wood Group company, has completed a Feasibility Study, commissioned by Gasol, to review, evaluate and optimise the NSPS design. Facility operation input was contributed by Teekay Gas Services. The NSPS feasibility study concluded that the design is technically sound and can be designed and built to industry accepted codes and standards.

While further detailed evaluation and feasibility of the NSPS will need to be conducted, the NSPS's total CAPEX / OPEX estimates for the facility are competitive on a cost per tonne of LNG production capacity as compared to other industry projects;

The parties will jointly decide the timing to proceed to Front End Engineering Design (FEED), applied on identified gas reserves in the Region. The project lead time from start of FEED to first delivery of LNG cargoes is 3.5 to 4 years and is therefore an economic alternative to both onshore traditional LNG plants and FLNG. Gasol is currently in negotiations with various gas reserve owners and LNG partners/off-takers regarding the application of NSPS to emerging projects; the initial feedback to NSPS is encouraging.

In case NSPS does not suit the development of a particular project, alternate floating LNG (FLNG) solutions would be considered.



Generally, off-shore or floating LNG production is cheaper than onshore / conventional liquefaction. It also offers additional advantages of stimulating the development and monetisation of smaller and more remote gas reserves, being quicker to build, as well as being adaptable to specific projects.

**Mark Kremin, Teekay's Vice President of Gas, commented:**

"The progress made on the NSPS confirms the development of a viable alternative liquefaction solution for stranded gas in West Africa. We are pleased to reinforce our partnership with Gasol through the involvement in this initiative and to provide alternate Teekay FLNG solutions as applicable; we look forward to contributing to the next development phase in the various project opportunities."

**Scott Worthington, Mustang's President of Midstream Business Unit, commented:**

"The completion of the NSPS Feasibility Study clearly shows there is more than one technically feasible design concept for developing floating liquefaction projects. Mustang's extensive offshore topsides process design experience coupled with Wood Group's simple and efficient NDX-1 liquefaction process will certainly strengthen Gasol's ability to grow its position in this highly competitive LNG business sector."

**Soumo Bose, Gasol's Chief Executive Officer, commented:**

"The development of the NSPS is an important step in Gasol's progress in developing gas monetization projects in Africa. With vast amounts of stranded gas reserves awaiting monetization solutions in the Region, NSPS offers a commercially attractive and technically robust LNG alternative, while catering for host nation priorities of supply to domestic industries. Gasol is proud of what has been achieved and appreciates the support from Teekay and Mustang in this initiative. We are particularly delighted to expand our cooperation with Teekay, to cover the development of NSPS and FLNG for Gasol's projects in Africa."

**Enquiries**

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## About Gasol

Gasol's strategy is to identify and develop commercially attractive opportunities in the gas sector, with initial focus on liquefied natural gas (LNG), sourced from Africa's Gulf of Guinea region.

Through the creation of a substantial value chain via a series of partnerships involving gas gathering, liquefaction and the shipment and regasification of LNG into high-value markets worldwide, Gasol aims to become the premier Africa-focused gas independent.

Gasol works in partnership with governments, energy majors, utilities and independents in Africa, the USA and Europe. Gasol is Afren's exclusive downstream liquefaction partner in developing an LNG monetisation strategy.

Further information is available from the Company's website: [www.gasolplc.com](http://www.gasolplc.com)

## About Teekay

Teekay Corporation transports more than 10 percent of the world's seaborne oil, has built significant presence in the LNG shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP), is further growing its operations in the offshore oil production, storage and transportation sector through its publicly-listed subsidiary, Teekay Offshore Partners L.P. (NYSE: TOO), and continues to expand its conventional tanker business through its publicly-listed subsidiary, Teekay Tankers Ltd. (NYSE: TNK). With a fleet of over 200 vessels, offices in 17 countries and 6,400 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay's reputation for safety, quality and innovation has earned it a position with its customers as the Marine Midstream Company.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".

## About Mustang

**Mustang Engineering**, a Wood Group company, is an independent services provider to the global oil, gas and chemical industries. Mustang specializes in design, engineering, procurement, project management and construction management and offers these services through its six business units: upstream oil and gas, midstream, pipeline, automation and control, refining and petrochemicals, and process and industrial. Mustang has U.S. offices in Houston and Ft. Worth, Texas; Birmingham, Alabama; Monroe, Louisiana; Martinez, California; Atlanta, Georgia; Greenville, South Carolina; and Wilmington, Delaware, as well as international offices in London, Perth, Melbourne, and Mumbai.

## About Wood Group

**Wood Group** is an international energy services company with approximately \$5.0bn sales, employing approximately 27,000 people worldwide and operating in 46 countries. The Group has three businesses - Engineering & Production Facilities, Well Support, and Gas Turbine Services - providing a range of engineering, production support, maintenance management and industrial gas turbine overhaul and repair services to the oil & gas, and power generation industries worldwide.