

## Nigeria to launch world-first floating LNG

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### **FLEX LNG, Mitsubishi and Peak Petroleum Industries Nigeria have signed a heads of agreement to jointly develop and market the world's first floating liquefaction project off the coast of Nigeria.**

Flex, a Norwegian floating LNG specialist, said the partners expect the project will produce 1.5 million tonnes of LNG per year for 15 years, with the first commercial LNG cargo planned for the second half of 2011.



A Flex LNG Producer offloading to an LNG tanker

Flex chief executive Philip Fjeld said Mitsubishi intends to become an equity participant in the LNG Producer vessel as well as having an integrated role in the upstream component of the project.

Flex, Mitsubishi and Peak Petroleum are committed towards a fast-track timeline to finalise agreements, according to Fjeld.

"We believe we have achieved a project structure with economics that can take advantage of having flexible LNG supply from 2011 onwards and that provide us with an attractive balance between oil and gas linked indices," he said.

"The agreed LNG off-take terms are robust and will provide the project with sound base economics to facilitate debt financing as well as secure alignment between the project partners in maximising the value generated through the sale of LNG."

Flex LNG was incorporated in 2006 with the objective of commercialising the world's first floating liquefaction units.

It has signed four ship-building contracts with Samsung Heavy Industries for LNG Producer hulls using the SPB LNG containment system.