

## Press Release

### **THE ADRIATIC LNG REGASIFICATION TERMINAL HAS LEFT THE CONSTRUCTION SITE IN ALGECIRAS AND IS ON THE WAY TO ITALY**

*Towed by 4 tugs, the terminal will travel 1,700 nautical miles  
to reach the final location 15 kilometers off the coast of Rovigo*

*With a capacity of 8 billion cubic meters of gas per year, the terminal will make a  
significant contribution to increasing and diversifying Italy's energy sources*

Milan, 1 September 2008 – The Adriatic LNG regasification terminal has left the bay of Algeciras (in Spain, near Gibraltar) and is moving to the final location in the Adriatic Sea off the coast of Porto Levante (Rovigo province). The terminal is being towed across the Mediterranean Sea and will travel 1,700 nautical miles from Algeciras to the Adriatic Sea on a journey that should take approximately 22 days. After reaching its destination—an offshore area approximately 15 kilometers off the coast—the terminal will be positioned on the sea bed (approx. 28 meters deep). Then the mooring facilities will be installed and the terminal will be connected to a pipeline that will bring natural gas to the Italian national grid.

Following final hook up and completion in the Adriatic, the terminal will undergo a period of commissioning and testing to ensure readiness for operations before reaching full operational capacity in 2009.

The terminal has been constructed by Terminale GNL Adriatico Srl, a company owned by Qatar Terminal Limited (45%), ExxonMobil Italiana Gas (45%) and Edison (10%). Qatar Terminal Limited is a 100% owned subsidiary of Qatar Petroleum.

*“The Adriatic LNG Terminal's departure from Spain is a major step in our strategic project for Italy's energy supply,”* said Scott Miller, Managing Director of Terminale GNL Adriatico. *“The terminal, which is nearing completion thanks to the significant commitment and capabilities of our partners, also represents a major opportunity for the development of the local economy as well as an opportunity for employment.”*

The gas for this project will come from the North Field in Qatar - the largest non-associated natural gas field in the world, with reserves of more than 25,000 billion cubic meters - more than 900 trillion cubic feet - will be liquefied in Qatar for transportation to Italy.

*“Qatar has the third largest reserves of natural gas in the world, and it is making significant investments in consumer countries to make this important energy resource available,”* said Saad Al-Kaabi, Director Oil & Gas Ventures for Qatar Petroleum and Chairman of Terminale GNL Adriatico *“This project will contribute to increasing the diversity of LNG exports from Qatar, confirming its status as the world's largest and most innovative exporter of liquefied natural gas.”*



The Adriatic LNG terminal will be the first offshore gravity based structure in the world for the unloading, storage and regasification of liquefied natural gas. This state of the art example of sustainable development was built using innovative technologies.





*“To build the terminal, we applied innovative ExxonMobil technologies and advanced engineering techniques, while observing the strictest standards of safety, environmental compatibility, and operational reliability,”* said Jeff Woodbury, Vice President, ExxonMobil Development Company. *“Through the combination of advanced technology and strong project expertise this terminal will provide Italy with the ability to access global LNG supplies..”*

The terminal will have a regasification capacity of 8 billion cubic meters per year, approximately equal to 10% of Italy’s gas consumption and to about 10% of installed LNG regasification capacity in Europe. It will significantly contribute to diversifying Italy’s energy sources and to increasing national energy security, as well as the competitiveness of natural gas in the Italian market.

80% of the terminal’s regasification capacity—approximately 6.4 billion cubic meters per year—is reserved to Edison for a 25-year period to support an LNG Sales and Purchase Agreement (SPA) with Ras Laffan Liquefied Natural Gas Company Limited II (RLII) (a joint venture between Qatar Petroleum and ExxonMobil), while the remaining 20% will be available to third parties according to procedures established by the competent authorities (Autorità per l’Energia Elettrica e il Gas).

*“This project is a key opportunity both for Edison and for Italy,”* said Umberto Quadrino, Chief Executive Officer of Edison. *“Thanks to this new infrastructure and the related supply contracts, Edison is opening up a new way for gas by importing LNG from a country that so far has had no gas connection with Italy, thus contributing to the security of Italy’s energy system as well as to the diversification of its energy sources.”*

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## APPENDIX

### TECHNICAL DATA ON THE ADRIATIC LNG TERMINAL

The structure (Gravity Based Structure or GBS) is made of reinforced concrete, and weighs about 290,000 tons. It is 180 meters long, 88 meters wide and 47 meters high: larger than two soccer fields and as high as a ten-floor building most of which will be under water.

Inside the concrete structure are two LNG storage tanks, each with a working capacity of 125,000 cubic meters, and on the top are located the regasification plant and the auxiliary facilities, including a gas turbine module for power generation, a helicopter platform and living quarters.

Once the terminal is on site, it will be located on the sea bed, in waters approximately 28 meters deep, and stabilized by filling the infrastructure with sand and water ballast.

The mooring and LNG unloading facilities are designed and tested to safely receive LNG ships of differing tonnages, .

The terminal will be connected to the Italian gas network by pipeline. The first route, built by Terminale GNL Adriatico, crosses 15 km of sea, 10 km of the Po river delta and 15 km of wetlands, reaching the metering station at Cavarzere (Venice province). The second pipeline route 84 km in length, built by Edison, will transport the gas from Cavarzere to the national gas pipeline hub, near Minerbio (Bologna province).

The plant and its associated structures have been constructed according to international standards of safety and environmental protection. The project has completed four Environmental Impact Assessments and the consultation with Italian authorities has led to the adoption of more than 100 specific environmental protection measures and the implementation of a comprehensive monitoring program, both for the construction and operational phases.

### LNG

LNG is natural gas which is cooled to  $-162^{\circ}\text{C}$  until it shrinks to a liquid that is 600 times smaller than its original volume. Liquefaction and transportation of most of the natural gas for the Adriatic LNG terminal will be carried out by Ras Laffan Liquefied Natural Gas Company Limited II (RLII) in and from Ras Laffan Industrial city (State of Qatar).

The liquefied gas will be transported by special ships. Five ships have been built and are ready to cover the route to the Adriatic Sea: the new LNG regasification terminal will be served weekly by ships coming from RasGas.

LNG terminals and ships are designed and constructed with safety as a priority. Industry standards, codes, training, and operating procedures as well as government regulations are in place for the safe design, construction and operation of LNG terminals and ships. In LNG's 45-plus year shipping history, LNG carriers have traveled more than 100 million miles without a major incident.

The LNG industry has effectively bridged the distance between some of the world's largest - but often remote – gas fields and the countries that seek additional sources of supply. By transporting LNG via ships, we can make energy resources available in parts of the world where they would otherwise be inaccessible.

Liquefaction technology has resulted in accelerating LNG use worldwide: today LNG represents around 25% of the international gas trade. In Italy, however, LNG currently represents only 5% of imported gas volumes, but it will play an increasing role by diversifying the traditional sources of energy imports and thus contributing to the security and competitiveness of Italy's energy supplies.