



## ***PRESS RELEASE***

February 14, 2014

### **JGC Awarded Contract for Floating LNG Plant in Malaysia**

First FLNG Contract Awarded to a Japanese Company

**Yokohama, Japan** – JGC Corporation announced today that, as leader of a consortium with Samsung Heavy Industries Co. Ltd., it has received a contract from Petroliam Nasional Berhad (PETRONAS), the Malaysian state-owned oil company, to construct a floating LNG plant on gas fields off the Malaysian coast. The lump-sum turnkey contract calls for the engineering, procurement, construction, installation and commissioning (EPCIC) work for a floating LNG plant with a production capacity of 1.5 million tons per year of LNG, scheduled for completion in 2018.

This project will be the second floating LNG plant to be constructed for the Malaysian offshore gas fields. The main responsibility of JGC will be the engineering and procurement of the LNG facilities, while Samsung Heavy Industries in South Korea will construct the hull as well as the modular facilities.

In 2012, PETRONAS awarded the FEED (front end engineering and design) contract for this project to two separate consortia under a dual FEED scheme, with both groups bidding competitively for the EPCIC portion of the project on the strength of their FEED work. The EPCIC contract was awarded to the JGC-led consortium.

This project will be the third commercial floating LNG plant to achieve Final Investment Decision (FID) in the world. The contracts for the previous two plants were awarded to non-Japanese companies, so this will be the first floating LNG plant to be executed by a Japanese company. It is also the first floating LNG plant located over gas fields more than 1,000 meters beneath the ocean's surface, and as such is a ground-breaking project for the global offshore oil and gas industry.

It is believed that the consortium was selected on the basis of JGC's superior project execution capabilities for the floating LNG field, as well as Samsung's high level of

shipbuilding technology, backed by JGC's project management know-how and the strong leadership we demonstrated during the FEED stage.

Over the past 30 years, starting from the 1980's, JGC has performed numerous EPCC projects for PETRONAS, and built up a strong trust relationship with the company. JGC is looking forward to the successful completion of this project. Together with the PETRONAS LNG Train 9 Project awarded last year, we aim to live up to the client's high expectations and further deepen our relationship of trust by the smooth execution of the work.

Currently, numerous plans are progressing around the globe for constructing floating LNG plants for mid- to small-scale offshore gas fields where extraction of resources had not been deemed economically feasible. To date, JGC has been responsible for the construction of about 30% of LNG plants worldwide, and is currently executing seven (7) new LNG plant projects in Malaysia, Australia, Indonesia, Papua New Guinea, Russia, and Canada.

Branching out into offshore fields is one of the main tenets of our medium-term management plan, "New Horizon 2015," and as a part of this initiative we are nearing completion of the FEED work for another floating LNG plant in Asia, as well as investing in a shipbuilding company in Brazil. This new contract marks a major step toward greater involvement in the offshore sector, and is epoch-making in the history of JGC. Going forward, JGC aims to become a top offshore contractor focusing on the field of floating LNG plants and will be exerting efforts to achieve this goal.

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Floating LNG Plant