

Pernambuco will have natural gas supply hub for the Northeast with investment of R \$ 1,8 billion in Suape

The Golar Power Brazil project, a company of the Golar Group – one of the largest liquefied natural gas logistics companies (LNG) in the world, will generate 300 new jobs in the vicinity of the port industrial complex. Company targets supply to industries, trade and LNG/LNG stations throughout the region.

Consolidated as a regional logistics hub, Pernambuco took an important step in establishing a new hub for natural gas supply in the Northeast. And the conquest of this differential for the attraction of new private investments will be sealed on Friday (13), with the signing of a protocol of intentions between the State Government and Golar Power Brazil, Company of the Golar Group – one of the largest LNG logistics companies in the world, for the implementation of a Liquefied Natural Gas Terminal (LNG) in the Suape port industrial complex. The private contribution will be R \$ 1,8 billion, with the prospect of generating 300 direct and indirect jobs.

With the start of operations already scheduled for the second half of this year, the project foresees an infrastructure of natural gas supply for electricity generation, in addition to meeting the demands of industries, trade, LNG/LNG stations and residences. For this, the Pernambuco Natural Gas Company (Copergás) will work in partnership with the company to internalize natural gas in regions of the state that are not yet served by traditional distribution networks.

"The arrival of Golar Power strengthens the economy of Pernambuco and helps in the distribution of gas at lower cost to the population and companies that adopt this energy matrix, through partnership with Copergás. It is an expressive investment that will further increase the competitiveness of our state, creating even more job opportunities for the people of Pernambuco ", said Governor Paulo Câmara.

The installation of the terminal will develop the economy of the cities of the State and the Northeast, in regions not served by pipeline, since the supply of natural gas in these places will be carried out by road through ISO-containers (small Scale). Golar Power Brazil promotes the internalization of LNG in the country through a strategic plan that contemplates the Northeast as a priority region for small-scale distribution.

According to Golar Power's global CEO, Eduardo Antonello, the increase in LNG supply in Brazil will promote economic and social development, generating jobs and boosting industry. " The LNG integration project is unique for the whole region, allowing economic growth and job creation, in addition to environmental gains, extremely compensatory. It is a cleaner and cheaper energy, which can be used both by the industrial sector and in the replacement of the current fleet of freight transport. The conversion of diesel trucks by LNG, for example, could reduce the freight price in the country, allowing a better financial performance for truck drivers", he says.

This is another project that confirms the strategic location and favorable infrastructure of the Port of Suape for implementation of large enterprises and complex operations. Suape is already the largest liquid bulk hub and gas hub in the country and will now be one of the

leading LNG distribution hubs in the Northeast, with full integration of maritime and terrestrial modals.

"The entire port industrial complex of Suape is the result of a very well-done planning, of more than 40 years. And the goal has always been to turn the port into an infrastructure hub for the entire Northeast. We already have the largest cargo movement and concentration of distribution centers and industries in the country, we managed to attract to a refinery. Now, with this new federal regulation of the gas market, the opportunity arose to set up this new infrastructure, which will be important for the industrial and economic development of the state. With this investment of R \$ 1,8 billion, It will be possible to meet the demand of Pernambuco and other northeastern states", highlights the Secretary of Economic Development of Pernambuco, Bruno Schwambach.

HOW THE SUAPE OPERATION WILL BE

The Golar Power terminal will operate as follows: the Golar Mazo LNG vessel, with a capacity of 135,000 cubic meters and 290 meters in length, will permanently dock at the Multiple Uses Pier of the Port of Suape. This vessel will act as a supplier for filling isotanks (type of tank container) mounted on trucks. These vehicles, in turn, will distribute to cities within a radius of up to a thousand kilometers. The flow by truck will reach a volume of 800 m³ of LNG/day, which is equivalent to approximately 480 thousand m³ of natural gas per day.

LNG distribution will also be made from Suape to other states of Brazil, through cabotage. The small cryogenic vessel Golar Group will be supplied by transshipment and used to transport LNG to other ports in the region. The vessel has 123 meters of length and storage capacity in each operation of 7,5 thousand m³ of LNG, equivalent to 4,5 million m³ of gas in natural state.

LNG WILL INCREASE LOADS IN THE COMPLEX

With the new terminal, the expectation is to increase the movement of loads by more than 500 thousand tons per year in Suape. If we consider Golar's future plans to supply thermoelectric projects and natural gas distributors connected to the pipeline network, this volume may triple. LNG used in operations may be imported from Qatar, Nigeria, the Gulf of Mexico or Trinidad and Tobago. In a horizon of five to eight years, it could even be produced in Brazil from the liquefaction of the domestic production of natural gas and distributed along the entire Brazilian coast also by cabotage.

"In addition to fostering the economy of Pernambuco, generating employment and income for the population, the implementation of the LNG terminal in the Port of Suape reinforces our vocation as hub port in the Northeast. Suape is currently the leader in the country's bulk liquids and gases. In 2019, we reached the historical record in cargo movement, reaching the mark of 23.8 million tons, of which 74% were liquids and gases. For 2020, we are working hard to make other announcements of this size, confirming that Suape is on a curve of growth and large investments", says President of Suape Complex, Leonardo Cerquinho.

COPERGÁS WILL ACT ON INTERNALIZATION

The Local Network Project of the Pernambuco Gas Company (Copergás), in partnership with Golar Power, aims to internalize natural gas in regions of the State that are not yet served by traditional distribution networks. Golar's supply shall include the installation of equipment necessary for regasifying the product, operation, maintenance and technical assistance necessary for the delivery of natural gas in these localities.

Petrolina, in the Sertão of San Francisco, and Garanhuns, in the southern wilderness, will be the first cities to be attended by the local network. Copergás will build the distribution station and the networks that will supply the fuel within the two municipalities. The total investments in these projects is R\$ 15.9 million, R\$ 3.2 million in 2020 and the remainder in 2021.

"This agreement with Golar will implement what is the priority of the Government Paulo Câmara and Copergás: internalize the distribution of natural gas, increasing our competitiveness and helping in the attraction of new ventures to the State. In addition to being more economical and safer, NG is more sustainable than other fuels. These advantages will be available for a greater number of Pernambuco and Pernambuco", says the CEO of Copergás, André Campos.

The Petrolina Project will be divided into two phases. Phase 1 will serve the Petrolina Industrial District, including the construction of an LNG regasification plant (transformation of liquid natural gas to gaseous form), a measuring station, pressure reduction and gas odorization and construction of 6,80 Km of natural gas distribution networks through high density polyethylene (HDPE) pipes. Industrial customers and GNV stations will be served, with investments estimated at R\$ 3.2 million. The forecast is to distribute the gas by the end of this year.

Phase 2, in turn, will take the natural gas distribution network from the Industrial District to Orla, the city center and towards the airport. This expansion aims to reach residential, commercial, vehicle and industrial segments located outside that locality. The construction will comprise the installation of approximately 30 kilometers of natural gas distribution networks through polyethylene high density pipes (HDPE), with an investment of R \$ 9,3 million with an execution schedule of 12 months, designed to start in February 2021.

In Garanhuns, a regasification station for LNG (transformation of liquid natural gas into gaseous form), a measuring station, shall be constructed, reduction of gas pressure and odorization and construction of natural gas distribution networks through polyethylene high density pipes. Industrial customers and GNV stations will be served. Restaurants and hotels are planned in a second phase. The planned investment is R \$ 3,4 million with an execution schedule of six months, from next semester.

ABOUT THE GOLAR POWER

Golar Power is a joint venture formed between the Norwegian Golar LNG and the Stonepeak Infrastructure Partners Fund, dedicated to the development of integrated projects of regasification terminals for liquefied natural gas (LNG) and power generation. It is one of the world's leading liquefied natural gas logistics companies. It is the only one to operate with LNG in an integrated way with electricity generation in its three segments:

upstream (floating liquefaction of natural gas), midstream (maritime and road transport) and downstream (regasification and supply of gas to the various modalities of final customer).

ABOUT THE LNG

Liquefied Natural Gas (LNG) is the natural gas that has undergone a cooling process at very low temperatures (cooling of the gas at -162°C , with a reduction of volume of about 600 times) to the point of switching to the liquid phase. This makes it easier to transport and store the fuel more safely, as it does not require high pressures. LNG has more competitive costs when compared to LPG, fuel oil, diesel, alcohol and gasoline. It is adopted as an efficient energy solution in several industrial segments.