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**April 25, 2013** 

# China: GDF SUEZ develops its presence in natural gas storage, LNG and the environment

On the occasion of the French President François Hollande's visit to China, GDF SUEZ signed several significant agreements with Chinese partners in the field of natural gas storage, the provision of liquefied natural gas regasification facilities and the environment. These agreements reflect the gathering momentum of GDF SUEZ's development strategy in China, where it has been established for close to forty years.

Gérard Mestrallet, Chairman and CEO of GDF SUEZ, said: "The signing of these agreements is proof of our commitment to China, further strengthened in recent years thanks to our partnership with the Chinese sovereign fund CIC. It enables us to increase and diversify GDF SUEZ's activities in this country, where the Group has a strong presence in the environmental sector and is experiencing growth in the energy and energy services sectors. These agreements also form part of GDF SUEZ's strategy to expand its presence in high-growth markets, particularly in the Asia-Pacific region."

## An initial agreement in natural gas storage

After the signing of liquefied natural gas (LNG) contracts, GDF SUEZ has for the first time signed an agreement in the field of natural gas storage in China. The gas market there is in fact growing at a very fast pace due to the country's growth and transition towards a greener economy, specifically with the desire of using natural gas instead of coal as much as possible. This market could double within five years.

The technical service agreement signed with China National Petroleum Corp. (CNPC) schedules the assessment of six projects to convert depleted fields into underground natural gas storage facilities, which its subsidiary PetroChina plans to fill with gas in 2013. The total storage volume would be 10 billion cubic meters (bcm), the equivalent of GDF SUEZ's entire storage capacity in France today.

This initial success follows a year of discussions during which PetroChina met experts from Storengy in both Europe and China. Storengy is a subsidiary of GDF SUEZ dedicated to the underground storage of natural gas.

With its presence and expertise in storage in France, Germany and the United Kingdom, Storengy is looking to expand its activities in China. As such, the twelfth Five-Year Plan currently in effect requires the construction of approximately 24 underground storage facilities, with a useful volume of 30 bcm by 2017, compared to 3 bcm today.

#### The first floating LNG import terminal in China

GDF SUEZ will also provide China with a floating storage and regasification unit (FSRU), speeding up the possible reception of LNG in Tianjin. The city is located around hundred kilometers from Beijing and the FSRU will support the region's growth. This agreement with the China National Offshore Oil Corporation (CNOOC) schedules the sub-chartering of the *GDF SUEZ Cape Ann* LNG carrier from October 2013 for a period of up to five years. The FSRU will be permanently moored in Tianjin and will become the first floating LNG import terminal in China. This delivery follows the signing in 2011 of a cooperation agreement on LNG floating storage and regasification units between GDF SUEZ and CNOOC.

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CNOOC is the largest importer of LNG in China. Under a supply agreement reached in 2010, GDF SUEZ is delivering to CNOOC about 2.6 million tonnes of LNG over a four-year period beginning in 2013.

GDF SUEZ has over 50 years' experience in land-based LNG terminals and built the Mejillones floating terminal in Chile. In 2012, the Group was also selected by the Andhra Pradesh Gas Distribution Corporation as a strategic partner for the development of a proposed floating LNG import terminal on the east coast of India.

### A new partnership in the field of waste management

Today, SUEZ ENVIRONNEMENT has also signed a cooperative contract with the Beijing Enterprise Environmental Group, a subsidiary of Beijing Enterprises Holdings to establish a joint venture dedicated to developing operations and management of waste facilities in China. This partnership, through SITA Waste Services, a subsidiary of SUEZ ENVIRONNEMENT, will offer comprehensive operating and maintenance services, consisting of waste operations and management, team training, and technical support. It will be integrated into existing facilities as well as new Beijing Enterprises projects.

SUEZ ENVIRONNEMENT has been established in China for nearly 40 years in the management of urban and industrial water networks, water treatment and waste.

# Strengthening the partnership between GDF SUEZ and the Beijing-based Beijing Enterprises Group

The agreement signed by SUEZ ENVIRONNEMENT extends the GDF SUEZ Group's partnership with Beijing Enterprises Holdings, established in natural gas supply via Beijing Gas, water supply via Beijing Water and waste via the Beijing Enterprise Environmental Group. GDF SUEZ and Beijing Gas signed a cooperation agreement for gas in late 2011 and have a joint venture in gas engineering, the Beijing United Gas Engineering Technology Co. During this visit, the two Groups widened the scope of their agreement to cover new topics: modulation of gas in Chinese cities, development of small gas storage capacities (in gaseous or liquefied form) and analysis of non-conventional gas resources.

#### About GDF SUEZ

GDF SUEZ puts responsible growth at the core of its businesses (electricity, natural gas, services) in order to meet major energy and environmental challenges: meeting energy needs, safeguarding supplies, fighting climate change and maximizing the use of resources. The Group provides innovative, high-performance solutions to individuals, cities and businesses by relying on a diversified gas supply, flexible and low carbon-emission electricity generation, and unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services. GDF SUEZ has 219,300 employees worldwide and achieved revenues of €97 billion in 2012. The Group is listed on the Brussels, Luxembourg and Paris stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone, Vigeo World 120, Vigeo Europe 120 and Vigeo France 20.

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