



## **For Immediate Release**

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### **Delfin Announces Advancements in Newbuild FLNG Vessel Development in Partnership with Samsung Heavy Industries and Black & Veatch**

HOUSTON, TX – Delfin Midstream (“Delfin”) initiated cooperation with Samsung Heavy Industries (“SHI”) and Black & Veatch in Q4 2018 and successfully completed a pre-FEED study for a Newbuild FLNG Vessel in the first half of 2019. In parallel the parties have been developing a Term Sheet for a Lump-Sum, Turnkey Engineering, Procurement, Construction, Installation and Commissioning contract (“LSTK EPCIC”) for the construction and completion of the Newbuild FLNG Vessel.

Today the Company is pleased to announce it has entered into new agreements for front-end design and engineering work with SHI and Black & Veatch. Delfin and its partners are on-track for completion of the engineering work, including a fully termed LSTK EPCIC by the middle of 2020, for the Delfin LNG project.

Many land-based LNG export projects seek ‘economies-of-scale’ to lower their costs by developing 10 – 20+ MTPA projects. By re-purposing existing offshore pipelines and building the FLNG Vessels at efficient, low-cost Asian shipyards, Delfin can achieve total capital costs around 500-550 \$/tpa<sup>(1)</sup> for just 3.5 MTPA FLNG Vessels. Furthermore, each FLNG Vessel can be developed independently with its own commercial and financial structure. This enables Delfin to offer standard HH+ or tolling models with terms of 10 to 25 years, integrated structures or JV arrangements with offtakers, producers and/or traders. Delfin’s existing offshore pipelines connect directly to the extensive network of onshore pipeline systems, with ample supply capacity for the first 2-3 FLNG Vessels.

With the lowest costs for FID thresholds of just 2.0 to 2.5 MTPA of firm offtake and with full commercial flexibility, Delfin is a true differentiator among the US LNG export companies. With 4 FLNG vessel slots at the Delfin project for a total of 13 MTPA of LNG export and with up to 8 MTPA expansion potential with the Avocet project, Delfin offers large scale LNG production at the bottom-end of the cost curve.

In 2018 Delfin appointed new executive management and has been growing its staff to bring the Delfin LNG project to a FID on its first vessels and in parallel commence the development of additional projects in North America as well as its own Avocet expansion project. Based on the solid technical and commercial progress and with the continuing strong support from its long-term shareholders the company is on schedule to reach FID in 2020.

Commenting on the Company’s progress Dudley Poston, CEO of Delfin said: “The two most important innovations of the last 20 years in the global gas market have been the shale gas revolution and the emergence of floating LNG technologies for regasification and liquefaction. Delfin combines these two innovations to offer the LNG market a low cost, simple and flexible LNG supply solution.”

Dudley added: “Having completed permitting work with a positive Record of Decision from the Maritime Administration and a 13 MTPA Non-FTA DoE export licence, Delfin’s successful technical cooperation with the two leaders in Floating Liquefaction, SHI and Black & Veatch, make the Delfin project one of the most advanced projects in the second wave.”

Wouter Pastoor, COO of Delfin, added: “We are very pleased to advance the collaboration with SHI and Black & Veatch. Both companies have been pioneering the FLNG space and have been involved in the vast majority of global FLNG projects. Since the Delfin FLNG Vessels are not producing from a reservoir, but purely liquefy standard ‘pipeline quality gas’, these FLNG Vessels lend themselves for low-cost and standardized solutions. Working with SHI and Black & Veatch, collaboratively offering a complete EPCIC wrap, enhances the robustness of our projects and marks another important step forward in the LNG industry.”

“Black & Veatch is excited to build on the work with SHI in support of Delfin’s leading edge efforts in the global LNG and FLNG space,” said Jim Schnieders, Black & Veatch’s Executive Vice President and Managing Director, Floating Oil & Gas Solutions and Oil & Gas - Asia. “With the proven onshore and offshore performance of Black & Veatch’s patented liquefaction technology, PRICO®, combined with SHI’s extensive history of shipbuilding and recent FLNG experience, the combined experience of the two companies in the floating liquefaction industry provides a unique integrated EPCIC solution that aligns well with Delfin’s innovative approach to the market.”

*(1) Includes all costs up to start of commercial operations (incl. FLNG Vessel, disconnectable mooring system, pipeline connections, owner’s costs, transit, installation, commissioning, contingencies), excl. finance costs, on a nameplate capacity basis*

#### **About Delfin Midstream Inc.**

*Delfin Midstream Inc. (“Delfin”) is a leading LNG export development company using low-cost Floating LNG technology. Delfin is the parent company of the Delfin LNG LLC (“Delfin LNG”) and Avocet LNG LLC. Delfin LNG is a brownfield Deepwater Port requiring minimal additional infrastructure investment to support up to four FLNG Vessels producing up to 13 MTPA. Delfin purchased the UTOS pipeline, the largest natural gas pipeline in the Gulf of Mexico, in 2014 and submitted its Deepwater Port license application in 2015. Delfin LNG received a positive Record of Decision from MARAD and approval from the Department of Energy for long-term exports of LNG to countries that do not have a Free Trade Agreement with the United States for up to 13 MTPA. Further information is available at [www.delfinmidstream.com](http://www.delfinmidstream.com).*

#### **About Samsung Heavy Industries**

*Samsung Heavy Industries or SHI was established in 1974 and is today one of the largest shipbuilders in the world. A core subsidiary of the Samsung Group, South Korea’s largest conglomerate, SHI’s main focus is the building of high added-value and special purpose vessels, including FLNG, LNG carriers, oil drilling ships, FPSO/FSO’s and ultra Large container ships. SHI has secured three newbuild FLNG projects out of four that have been placed to date globally, boasting the highest FLNG market share in the world.*

#### **About Black & Veatch**

*Black & Veatch is an employee-owned, global leader in building critical human infrastructure in Energy, Water, Telecommunications and Government Services. Since 1915, we have helped our clients improve the lives of people in over 100 countries through consulting, engineering, construction, operations and program management. Our revenues in 2018 were US\$3.5 billion. Follow us on social media.*

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