

11 July 2023

Centrica signs major LNG supply agreement

Centrica and Delfin Midstream Inc. today announced the signature of a long-term Sale and Purchase Agreement for 1.0 million tonnes per annum (MTPA) of Liquefied Natural Gas (“LNG”) for 15-years on a Free on Board (“FOB”) basis at the Delfin Deepwater Port, located 40 nautical miles off the coast of Louisiana. This agreement will see Centrica take delivery of around 14 LNG cargoes per year and could provide enough energy to heat 5% of UK homes for 15 years.

The deal, with a market value of \$8bn, marks an additional move by Centrica to build further resilience in the UK’s energy security. It follows a three-year supply agreement with Equinor that will heat 4.5m UK homes through to 2024 and the reopening of the Rough gas storage facility in October 2022. Rough now provides half of the UK’s total gas storage capacity with the potential to store over 50 billion cubic feet (bcf) of gas, enough to heat almost 10% of UK homes throughout winter.

As a foundation customer of the Delfin LNG project, Centrica’s offtake underpins investment in the next wave of incremental LNG supply from the US. It will complement a diversified and flexible LNG portfolio.

Chris O’Shea, Group Chief Executive, Centrica said:

“This agreement is good news for our customers and the country. The last year has demonstrated the critical importance of investing in the UK’s energy security. Addressing the immediate impact of the energy crisis on our customers has been one of our biggest priorities, but I’m acutely aware that we also need to look ahead to manage future risks and secure our supplies.

Natural Gas is an essential transition fuel in the move to net zero and securing international agreements such as this are vital to the UK’s energy security. As well as strengthening the trade links between the UK and US, this deal – alongside reopening Rough and our major deal with Equinor – shows that Centrica is investing heavily to future-proof the UK’s energy supply and address one of the underlying causes of the energy crisis. We stand ready to invest several billion pounds in additional projects, creating thousands of new UK jobs, with the right regulatory framework.”

Dudley Poston, CEO of Delfin said:

“We are excited to finalize this SPA with Centrica, converting our previously announced Heads of Agreement and reaching another important milestone for our Deepwater Port LNG Export Facility.

“There is growing global demand for long-term, scalable LNG supply. With the off-take capacity for Delfin’s first FLNG Vessel now sold, we continue to move towards Final Investment Decision and bring this important project forward, becoming a partner to

countries like the U.K. as it continues to make progress bolstering national energy security and driving down prices with clean, reliable LNG.”

The deal follows a Heads of Agreement between Centrica and Delfin in August 2022. Operations and first LNG are expected to commence at the Delfin Deepwater Port in 2027.

Ends

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About Centrica

[Centrica](#) is the UK’s leading energy services and solutions company, founded on a 200-year heritage of serving customers in homes and businesses. We supply energy and services to over 10 million residential and business customers, in the UK and Ireland, through brands such as British Gas, Bord Gáis Energy and Centrica Business Solutions. Centrica’s Optimisation business provides commodity risk management on behalf of Centrica Group, trading physical and financial energy commodity products. We connect energy producers, suppliers and offtakers in the wholesale energy markets.

About Delfin

Delfin is a leading LNG export infrastructure development company utilizing low-cost Floating LNG technology solutions. Delfin is the parent company of 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 13.3 million tonnes of LNG per annum. Delfin purchased the UTOS pipeline, the largest natural gas pipeline in the Gulf of Mexico. 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. Further information is available at www.delfinmidstream.com.