

## **Flogas Britain and Stolt-Nielsen announce LNG project for Rosyth**

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### **NEW PROJECT TO BRING LOW COST, ENVIRONMENTALLY FRIENDLY ENERGY TO SCOTLAND**

- Innovative Project to Deliver Liquefied Natural Gas (LNG) Directly to Scottish Port**
- Project Aims to Reduce LNG Prices and Help Lower Carbon Emissions**
- Over 150 Jobs Created if Plans Get the Green Light**

Flogas Britain, the UK's leading liquefied natural gas (LNG) provider, and Stolt-Nielsen LNG Holdings Limited, a subsidiary of Stolt-Nielsen Limited (Oslo Børs: SNI), a leading global provider of bulk liquid transportation and storage solutions, today announced a joint project to explore bringing LNG to areas of Scotland not served by the existing natural-gas grid.

The initiative is a step towards reducing the cost of energy for homes and businesses located off the national gas network. LNG will be shipped by Stolt-Nielsen LNG via small-scale LNG carriers and stored in bulk at the Port of Rosyth, before being distributed by Flogas across Scotland by road tanker, mainly to industrial customers.

At present, Scotland's off-grid natural gas is delivered by road tanker from Kent, South East England. The costs associated with the long distances are high, forcing many off-grid businesses to use oil to power their industrial processes, or pay a premium for gas.

With a target completion date set for 2019, the bulk LNG solution will deliver LNG more cost effectively, thus enabling users to switch to the more environmentally friendly fuel, which will help reduce carbon emissions in line with the Scottish Government's Low Carbon Economic Strategy (LCES).

For the next phase of the project, a leading engineering firm has been engaged to support the preliminary engineering and permitting of the small-scale LNG terminal at the Port of Rosyth. Once permits are obtained, construction of the facility can begin on the site, which will generate over 100 local jobs during the 18-month construction phase, and 50 more following completion.

Commenting on the agreement, Flogas' Head of Sales Rob McCord said: "This unique project is the beginning of Scotland's LNG future and a chance to establish Scotland as an even greener nation.

"It will encourage the development of a natural gas infrastructure in Scotland's remote regions and will attract future investments from leading industrial groups.

"Flogas already supplies gas to many businesses and housing estates in Scotland, and the interest we have from potential new customers is huge. The demand is certainly there. We now need to work with the Scottish Government and our other stakeholders to bring the project to life."

Stolt-Nielsen has already completed the permitting for a similar project with the Italian Government in Sardinia.

Fiona Doherty, Port Manager at Rosyth said: "*We offer Flogas Britain and Stolt-Nielsen an appropriately warm welcome to the Port of Rosyth. As one of Scotland's best connected ports, Rosyth is an ideal location for the storage and distribution of their LNG product and we look forward to working with them as the development of the project gets underway. At Rosyth we are committed to working with customers to support Scotland's future growth.*"

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**Notes to Editors:**

- LNG is produced by liquefying natural gas to significantly reduce its volume, so that it can be more efficiently transported.

- Off mains, high energy users across all sectors, which would otherwise use oil (or electricity) to drive large manufacturing or industrial processes, would benefit by switching from oil to LNG—which is also ideal for large logistics operations, such as road haulage and shipping, as well as for powering emergency backup generators at large usage sites.
- High energy users are typically those with a current fuel spend of over £½ million. Above this figure, the more a facility uses, the greater the savings, when compared to oil.
- For lower energy users (i.e., anything up to a current fuel spend of £½ million), LPG (liquefied petroleum gas) is the best option, as it offers exactly the same advantages and savings over oil as LNG.
- LNG is suitable for high volume users, while LPG is more suited to lower volume users, because of costs and pricing. Put simply, the unit cost per litre of LNG is lower than that of LPG, but LNG set-up costs are higher than those of LPG. Those currently spending £½ million and above would reap the benefits of LNG's lower unit price.
- The proposed small-scale LNG carriers will have a capacity of 7,500 m<sup>3</sup> and the small-scale LNG terminal in the Port of Rosyth will have a capacity of 10,000-15,000 m<sup>3</sup> of LNG.

### ***About Flogas Britain Ltd***

Flogas has more than 30 years' experience in providing tailored energy solutions to both commercial and domestic customers across the UK. From Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and mains gas, to cutting-edge renewable technologies – the company delivers high-performance, reliable, cost-effective energy solutions to suit customers' exact needs – making them the leading 'Experts in energy.' To learn more about Flogas's solutions visit: [www.flogas.co.uk](http://www.flogas.co.uk) or call 0800 574 574.

### ***About Stolt-Nielsen Limited***

Stolt-Nielsen Limited is a leading global provider of integrated transportation solutions for bulk liquid chemicals, edible oils, acids, and other specialty liquids through its three largest business divisions, Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers. Stolt Sea Farm produces and markets high quality turbot, sole, sturgeon, and caviar. Stolt-Nielsen Gas develops opportunities in LPG and LNG shipping and distribution. Stolt-Nielsen Limited is listed on the Oslo Stock Exchange.