



ASX / MEDIA ANNOUNCEMENT

4 July 2019

CNG OPTIMUM LAUNCH INTO BRAZIL GAS MARKET

BRAZIL COUNTRY APPOINTMENT & MARKETING AGREEMENT

KEY HIGHLIGHTS:

- **GAIA Importação e Exportação Ltd. appointed as Brazilian Country Associate.**
- **GEV and GAIA jointly working together to identify, evaluate and develop prospective CNG projects in Brazil.**
- **Technical discussions held with several major oil and gas companies operating in Brazil's Santos & Campos Basins. Santos and Campos Basins are prolific offshore regions containing multiple billion-barrel oil & gas fields, with an estimated 1 billion cubic feet/d (30 million m³/d) of associated gas being reinjected.**
- **Multiple opportunities for marine CNG transportation of associated gas as a commercial alternative to the current implementation of gas re-injection.**
- **Appointment of a country associate provides GEV with local expertise to advance corporate and regulatory discussions for CNG projects in Brazil. GEV retains 100% control over its CNG projects.**
- **Regional gas markets within a half-day sail (~300 km) of GEV's gas supply targets including Rio De Janeiro & São Paulo (~60% of the country's gas demand).**

Global Energy Ventures Ltd (ASX: **GEV**, the **Company**), the leading developer of global integrated marine compressed natural gas (CNG) projects, is pleased to announce the appointment of **GAIA Importação e Exportação Ltd (GAIA)** as our Brazilian Country Associate. Brazil represents an ideal target for a marine CNG project given it has significant offshore associated gas production in close proximity to a well-priced gas market. In recent months GEV has met with several offshore oil and gas producers and developers in the Santos and Campos Basins whom are seeking a solution to monetise associated gas. GEV and GAIA are jointly working together to identify, evaluate and develop these prospective marine CNG projects.

The appointment of GAIA as our Country Associate will ensure GEV is adequately advised on the relevant federal and local government agencies as well acting as a liaison with offshore oilfield operators. Further to the appointment of GAIA as our Country Associate, GEV has also executed a Marketing Agreement with GAIA that will provide a success fee to be paid to GAIA based on gas sales volumes transported by CNG Optimum ships. GEV retains 100% control of CNG project development.

GEV's Project Development team will have primary responsibility for the review of all technical considerations including gas volumes; compression; CNG loading/unloading terminals, and the CNG Optimum Ship. GEV will provide an existing development team resource to this market opportunity and will be based out of GAIA's corporate office location in Rio de Janeiro, Brazil.

Executive Director & Chief Development Officer Garry Triglavcanin said: *"We are delighted to appoint GAIA as our Brazil Country Associate given their extensive experience and network in the Brazilian petroleum industry and also domestic government contacts. It is critical to the success of our CNG projects that we have the right local partner to drive discussions with operators, gas buyers and regulatory agencies. We are really excited by the multiple Brazilian opportunities qualified for marine CNG to deliver offshore producers with a commercial solution for their associated gas production."*

GAIA President, Luiz G. Bodanese commented: *"We are very proud to be appointed to this position on behalf of GEV and are eager to progress the development of a CNG solution for our clients in Brazil. The GAIA team has evaluated many different gas options for the region, and we believe GEV's CNG Optimum ships will offer operators a commercial solution to transport and monetise their associated gas where it is otherwise typically reinjected."*



BRAZIL IS HIGHLY SUITED FOR MARINE CNG DUE TO A COMBINATION OF THE FOLLOWING FACTORS:

- Brazil imports natural gas from Bolivia and LNG at spot prices across three LNG receiving terminals;
- Brazil's growing energy consumption relies on thermoelectric to supplement short falls in the hydroelectric base load;
- 1 billion cubic feet per day (30 million m³/d) in associated gas is reinjected across the numerous producing fields in the Santos & Campos Basins;
- Gas volumes are forecast to double over the next decade as major new oilfields are developed and produced;
- GEV has identified multiple target fields (producing and in-development) with a suitable gas specification and volume that make them candidates for gas supply and transport via marine CNG;
- Existing subsea pipeline infrastructure is already at maximum capacity;
- Santos Basin is situated in ultra-deep water (2,000 m) meaning new subsea pipelines are commercially challenging;
- Floating LNG has been thoroughly evaluated & deemed infeasible, due to met-ocean conditions and gas specification;
- Gas re-injection into high pressure reservoirs can be both technically & commercially challenging;
- All major oil companies in Brazil are reviewing solutions for associated gas;
- The majority of the target fields are located within 300 km (half day sail) of Rio de Janeiro & São Paulo gas markets;
- Marine CNG can act as a highly flexible 'floating pipeline' solution; and
- CNG Optimum offers operators a commercially attractive alternative for gas monetisation.

Figure 1: Target oil fields (with associated gas) within 300km of Rio de Janeiro / São Paulo markets



Source: Woodmackenzie Upstream Data, 2019



ABOUT GAIA

GAIA was established in 1995 and is based in Rio de Janeiro, Brazil. Lead by their company President, Luiz Germano Bodanese, GAIA is focussed on the deployment and service of offshore technologies as well developing engineering solutions, joint ventures and consulting with national and foreign companies operating in Brazil. The GAIA solution team is composed of a broad range of professionals with expertise across the entire Petroleum chain. GAIA is proud to be a certified TRACE 'anti-bribery compliant' organisation for over a decade.

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ABOUT GLOBAL ENERGY VENTURES LTD

The Company's mission is to create shareholder value through the delivery of integrated CNG solutions to global gas markets. CNG is a well proven solution with design and commercial advantages along with being safe and environmentally friendly. This will be achieved by:

- Continue the roll out of **GEV CNG Optimum ship** and maintaining global leadership in marine CNG design;
- Pursue **multiple CNG projects** to improve the probability of success;
- Secure **access to strategic gas resources** that provides for an integrated CNG gas supply solution;
- Offer CNG project stakeholders **flexible commercial arrangements**;
- Employ **world class management** and staff that are leaders in their chosen discipline; and
- Maintain the **highest standards** of efficiency, safety and environmental responsibility.

FORWARD LOOKING STATEMENTS

This announcement may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. The expectations reflected in these statements are currently considered reasonably based, but they may be affected by a range of variables that could cause actual results or trends to differ materially, including but not limited to : price and currency fluctuations, the ability to obtain reliable gas supply, gas reserve estimates, the ability to locate markets for CNG, fluctuations in gas and CNG prices, project site latent conditions, approvals and cost estimates, development progress, operating results, legislative, fiscal and regulatory developments, economic and financial markets conditions, including availability of financing . All references to dollars, cents or \$ in this document is a reference to AUD Dollars, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.