



ASX / MEDIA ANNOUNCEMENT

28 October 2019

CNG OPTIMUM LAUNCH INTO THE US GULF COAST GAS MARKET

US HENRY HUB GAS TRANSPORT FROM AN OFFSHORE CNG EXPORT SITE

KEY HIGHLIGHTS:

- **GEV to target an offshore export terminal as a CNG project from the Gulf of Mexico using CNG Optimum ships for transportation to markets.**
- **The target regional markets available to such a CNG transport solution will include Mexico, Central America and the Caribbean, with GEV's initial focus on the Yucatan region, Mexico.**
- **Due diligence underway with an owner and operator of numerous offshore platforms connected to existing network of underutilised pipelines serving producers in and near the Gulf of Mexico.**
- **GEV will source natural gas linked to Henry Hub pricing to be exported from the proposed platform using the Company's CNG Optimum ships to be built.**
- **Selection of an offshore CNG export terminal / platform where all the infrastructure is in place will accelerate US CNG export site development.**
- **The USA has an abundance of natural gas therefore providing certainty of reliable gas supply.**
- **Regulatory approval process is well defined, and the Company expects that all approvals will be obtained in a timely manner.**

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 selection of the Gulf Coast, USA, as its next region to develop a CNG export terminal, located in the Gulf of Mexico.

GEV has commenced due diligence with operators of numerous offshore platforms connected to existing offshore and onshore gas pipelines serving producers in and near the US Gulf of Mexico. The US Gulf of Mexico contains underutilised gas pipelines and platforms with connecting pipelines to shore for access to the major gas resources available along the Gulf States.

In the selection of a US located site, GEV's strategy is to position the export facility where all or most of the infrastructure is already in place such that GEV would add compression and loading facilities to transfer the CNG to the Company's CNG 200 Optimum ships.

GEV has commenced discussions with an operator of an offshore platform with capacity to transport GEV's initial requirement of 220MMscf/d (or 80bcf/year), with the parties to work together to determine the technical and commercial viability of repurposing an existing platform as a potential CNG export terminal. Adjoining pipelines currently transport gas for major gas suppliers and gas aggregators who can offer gas supply at or close to the Henry Hub Index pricing.

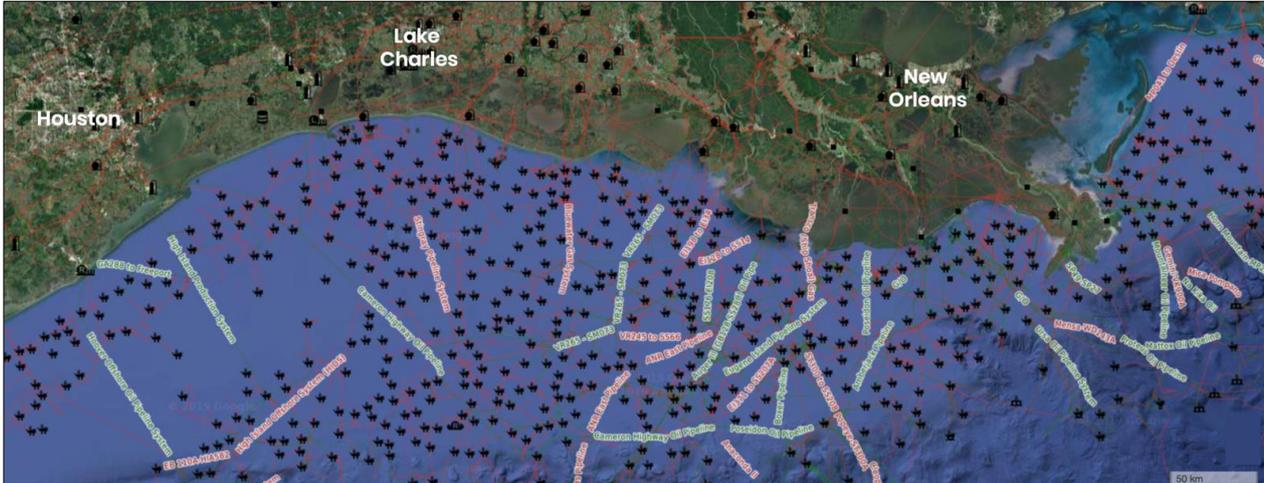
Executive Director & Chief Development Officer Garry Triglavcanin commented: "The US has an abundance of well-priced gas and extensive network of gas transport pipelines, so it is a logical region for GEV to establish a CNG export site to market gas to attractively priced regional markets that include Mexico, Central America and Caribbean. Our research into regional markets within 2,000 nautical miles that are gas constrained and/or are proposing gas fired power generation, contemplating LNG or other fuels. Using a Henry Hub Index feed gas price, our analysis of regional gas markets suggests CNG can be delivered to such regions on a very competitive basis."

Executive Chairman & CEO Maurice Brand added: "GEV's management team has a long and successful history of developing and permitting a US gas export facility to be shovel ready and has maintained a strong network of skilled resources who are excited to work on what is expected to be the first CNG export terminal in the Gulf Coast. Our discussions with a number of parties with onshore and offshore sites has quickly reinforced our view that an offshore export facility can get GEV to market with a timely, economic and practical solution. With up to 80% of the capital cost in our projects related to the CNG shipping, we can avoid the elevated costs associated with onshore facilities ramping up in construction for gas export sites in the next 3-5 years."



GEV will immediately commence work on the selection of the platform review and gas supply options, as well as, for a plan for US regulatory approvals. This regulatory approval process is considered as well defined, and the Company expects that all approvals will be obtained in a timely manner. GEV will progress to a preferred export site from the shortlist of platforms already identified, together with the associated commercial terms. GEV will update shareholders in the current quarter of 2019.

Figure 1: US Gulf Coast Offshore Production Area Facilities



Source: WoodMackenzie 2019

US gas is plentiful and relatively low cost. The US government agency EIA in their 2019 Annual Energy Outlook has forecast continued resource and production growth in the unconventional basins by 2025 to achieve 99 Bcf/d, along with the Permian gas outlook increasing driven by oil production economics, gassier wells being drilled, and generally more investment by the majors. Therefore, in our view, a looming gas oversupply is expected to keep Henry Hub Index prices stable and lower for longer and has established the US as a major exporter of gas via LNG. It is logical for GEV to target the US as a gas supply region for the deployment of our CNG Optimum gas transport solution. Gas pricing in the US for the Henry Hub Index is now expected to stay within the US\$2.50 to 3.00 per MMBtu range for the foreseeable future, with spot rates currently at US\$2.30/MMBtu.

In recent months, GEV commissioned a gas market report to focus on five countries in the target region given that in one country there is a well-documented gas shortage given pipeline infrastructure constraints and urgent need for power, and another four countries who either are or about to import LNG. The results of this study reinforced our view that a delivered gas price via GEV's CNG Optimum transport solution is very competitive to LNG or other imported fuels.

Figure 2: Target CNG Markets from the US Gulf Coast



Source: Global Energy Ventures Ltd



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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.