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Caledonia LNG: Joint Co-operation Agreement to Develop Liquefied Natural Gas (LNG) Deliveries in North UK and North Sea

Collaboration to enable continued growth of LNG as fuel option including marine

- **Project will explore provision of LNG for north UK and North Sea customers**
- **Proposal will leverage parties' heritage and expertise in LNG**
- **Scheme to examine marine and land-based LNG supply opportunities**

UK – ExxonMobil, Babcock International Group, Bernhard Schulte Shipmanagement (BSM), Calor and Orkney Islands Council have signed an agreement to collaborate in the "Caledonia LNG" project. The aim is to develop the infrastructure, storage and technical support needed to enable safe liquefied natural gas (LNG) operations for customers in the north of the UK and North Sea, including bunkering.

The parties signed a Memorandum of Understanding (MOU) on 22 November to investigate opportunities to supply LNG for marine and land-based applications.

ExxonMobil will explore the potential for its global marine network to deliver LNG bunker fuel to customers in the region as well as providing technical support and expertise to enable safe bunkering operations. Babcock International Group will provide its experience of storage, handling and distribution of LNG, while BSM will be responsible for supervising the building, management and operation of the marine craft and related assets for the project. Calor will investigate opportunities to supply LNG to industrial and automotive sector customers and Orkney Islands Council will supply port services and security.

"The Memorandum of Understanding is a clear indicator that ExxonMobil, Babcock International Group, Bernhard Schulte Shipmanagement (BSM) and Calor are determined to leverage their history and expertise with LNG to work with Orkney Islands Council to maximise the possibilities for customers," said Luca Volta, LNG Venture Manager at ExxonMobil Marine Fuels. "We will also draw upon our extensive global marine network to provide our customers in northern UK and the North Sea with LNG bunker fuel."

The recent decision by the International Maritime Organization (IMO) to implement a global 0.50% sulphur cap on vessel emissions in 2020 is likely to increase demand for compliant low-sulphur fuel options, which could include LNG.

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About ExxonMobil

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. ExxonMobil holds an industry-leading inventory of resources and is one of the world's largest integrated refiners, marketers of petroleum products and chemical manufacturers. For more information, visit www.exxonmobil.com or follow us on Twitter www.twitter.com/exxonmobil.

About Babcock International Group

Babcock International Group is the UK's leading engineering support services company, delivering complex and critical support both in the UK and overseas. With revenue of circa £4.8 billion in 2016 and an order book of circa £20 billion, we manage vital assets within a number of industry sectors including energy, defence, emergency services, transport and education. The unparalleled expertise of our 35,000 global employees means that – whether designing, building, operating, managing, maintaining or decommissioning vital assets - Babcock is a partner that can be trusted to deliver.

www.babcockinternational.com

About Bernhard Schulte Shipmanagement

Bernhard Schulte Shipmanagement (BSM) is an integrated maritime solutions leader, with a strong heritage spanning more than 130 years in the shipping industry, and trusted as a partner by responsible and demanding customers worldwide. Managing a fleet of 600 vessels, 20,000 employees enable the delivery of safe, reliable and efficient ship management services through a network of ten ship management, 23 crew service and five wholly-owned maritime training centres across the world. For more information visit www.bs-shipmanagement.com

About Calor Gas Limited

Calor Gas began operating in Scotland in 1935 with the aim of bringing clean, efficient, and modern energy to homes and businesses across the country. Today Calor is Britain's leading supplier of Liquefied Petroleum Gas (LPG) and also supplies LNG for use in off gas grid industrial applications and transport. Calor is part of a global group of energy companies owned by SHV Energy, operating in over 27 countries across three continents. SHV Energy is part of SHV Holdings N.V. – a family-owned Dutch multinational company with a turnover of over €18.1 billion.

About Orkney Islands Council

Orkney Islands Council Marine Services is the competent harbour authority for the 29 piers and harbours within its Ports Estate. The oil port of Scapa Flow at 125 square miles is the largest natural harbour in Europe and the second largest in the World, and is the location for Ship to Ship transfers of crude oil, LNG and LPG with over 400 transfer operations having taken place safely and without incident. Scapa Flow is also the base for the maintenance of dynamic positioning, semi-submersible accommodation vessels and the home base of the Flotta Oil Terminal. Scapa Flow was the location of the first LNG ship to ship transfer in the world in 2007.