

FLEX LNG LTD ("FLEX LNG") and SAIPEM Execute MOU for Floating Liquefaction Project in Australia

Road Town, Tortola, 02 August 2010. FLEX LNG (Oslo Axess: FLNG) is pleased to announce that it has signed a Memorandum of Understanding (MoU) with SAIPEM for exclusive cooperation towards the development of a Floating Liquefaction (FLNG) project with an Asian National Oil Company for their offshore gas reserves in Australia.

FLEX LNG will contribute its LNG Producer concept and its construction contracts with Samsung Heavy Industry while SAIPEM will provide its superior project management skills, as well as its outstanding combination of capabilities in the domains of Floating Production Systems and natural gas treatment and LNG liquefaction plants.

The parties intend to form a joint project team to manage the Pre-FEED and FEED work for the project. The joint team also intends to cooperate closely after Final Investment Decision (FID) for the overall management of the project to ensure successful execution of the Engineering, Procurement, Construction, Integration and Commissioning (EPCIC) phase.

Commenting on the agreement, Chief Executive Officer of FLEX LNG Management Ltd, Philip Fjeld stated:

"It is with great pleasure we announce that FLEX and SAIPEM have joined forces to work together on one of the world's first floating LNG projects. The two companies bring complementary strengths that I am confident will greatly enhance the ability to provide the client with world-class project execution.

FLEX LNG also sees the cooperation with SAIPEM as a promising starting point for the two companies to cooperate closely on other FLNG projects."

About FLEX LNG LTD

FLEX LNG was incorporated in 2006 with the objective of commercialising among the world's first floating liquefaction units (LNG Producers) and has signed four ship building contracts with Samsung Heavy Industries for LNG Producer hulls utilising the SPB LNG containment system. In addition FLEX LNG on 17 September 2008 signed a contract with SHI for the Engineering, Procurement, Construction, Integration and Commissioning of the world's first floating liquefaction unit. This provides the LNG industry with a unique possibility of accessing currently uncommitted gas reserves for LNG production from 2013 onwards.

By using the proven nitrogen expander liquefaction cycle, the most robust and flexible liquefaction technology in use in the LNG industry, the LNG Producer is to source gas from numerous potential offshore locations worldwide where natural gas today is either left stranded or is being flared.

About SAIPEM

Saipem is organised in three Business Units: Offshore, Onshore and Drilling, with a strong bias towards oil & gas related activities in remote areas and deepwater. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and the execution of large scale offshore and onshore projects, and technological competences such as gas monetisation and heavy oil exploitation.

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Illustration Courtesy of Samsung Heavy Industries