



**NU-OIL AND GAS PLC**

**AIM symbol: 'NUOG'**

**27 April 2017**

## **NU-Oil and Gas plc ("NU-Oil" or "the Company")**

### **MoU with Calm Oceans Pte for the Supply of Production Facilities**

NU-Oil, the independent Oil and Gas company, is pleased to announce that Marginal Field Development Company (MFDevCo) Ltd. ('MFDevCo'), in which the Company has a 50 per cent. interest, has executed a Memorandum of Understanding ('MoU') with Calm Oceans Pte Ltd. ('COPL') for the supply of production facilities under a lease arrangement to be entered into at a later stage. The MoU anticipates that the arrangement will last for at least the first four projects secured by MFDevCo.

#### **Key points:**

- The MoU is a precursor to the entering into of a Lease Agreement between MFDevCo and COPL under which COPL will be the first choice supplier of production facilities, on a leased basis, for projects secured by MFDevCo on a 'right of first refusal' basis;
- The arrangement is expected to cover a minimum of four projects that MFDevCo are currently targeting;
- COPL has designed and patented, amongst other things, a Mono-Column Platform (MCP), which is a self-installing, self-removal and relocatable platform with the characteristics identified by MFDevCo as key for the cost-effective development of marginal and stranded fields;
- In addition to the MCP, COPL has designed and has a patent pending on the Relocatable Pivoting Storage and Offloading system (RPSO), a self-installing, self-removal and relocatable storage tower that is expected to be suitable for use on MFDevCo projects;
- The MCP, RPSO and topsides production facilities will be provided to MFDevCo projects on a lease basis meaning that MFDevCo is able to drastically reduce the capital required to develop projects that it may acquire in the future;
- The topsides production facilities will be based upon the solutions that MFDevCo have developed with respect to normally unattended operations.

## **Background**

NU-Oil is pleased to announce that MFDevCo, the company in which it holds a 50% interest, has entered into an MoU with COPL which is expected to lead to arrangements under which COPL will provide a fully functioning production facility to MFDevCo for projects that it secures. The schedule for the design and fabrication of the MCP and RPSO will allow MFDevCo to accelerate the time to development of projects and, critically, the lease arrangement is the final major element in MFDevCo's financing strategy, spreading the cost of a facility through the life of the project and significantly reducing the upfront capital required to commence project development.

The MCP and RPSO, together with the topside facilities designed and stipulated by MFDevCo will be supplied to MFDevCo projects on a bareboat charter basis, subject to agreement between the parties on an appropriate lease term and rate and associated terms and conditions.

### **Calm Oceans Pte Ltd.**

Calm Oceans Pte. Ltd. ('COPL') is a Singapore-based global Offshore Oil & Gas company that designs, engineers, builds, owns and leases offshore solutions cost-effectively to monetise the oil and gas fields earlier. It is owned by Mr. Brian Chang, an established offshore entrepreneur with more than 40 years' offshore experience, who has designed and developed more than 600 offshore projects of which many are innovative. COPL owns patents, or has patents pending, on two designs that are particularly applicable to MFDevCo projects, the MCP (Mono-Column Platform) and RPSO (Relocatable Pivoting Storage and Offloading system). The MCP and RPSO (Brian Chang Designs) are developed with advanced engineering over existing platform, jack-up and offshore installation technologies. This allows for the MCP and RPSO to be easily outfitted in shipyards, reducing on-site construction/installation risks and time to operation. Deployment during the project period is also prolonged and the requisite cost reductions enable marginal field development.

The MCP is a self-installing and self-removal relocatable offshore platform capable of supporting MFDevCo's normally unattended operations and is scalable to project requirements. It comprises a Deck connected to a Mat (foundation) through a 4-chord square truss structure (Mono-Column). The MCP has a large deck area, can support a high deck load and is suitable for operation in water depths up to 500 feet. The first MCP, CO-101, is currently held in a shipyard in China, ready for a project definition to outfit with the needed topside facility.

The RPSO is a self-installing, self-removal gravity-based storage and offloading system designed to be fatigue free yet enabling it to withstand in harsh environment. It is a single

chamber that can be sized to cater to field-specific storage needs. The RPSO can also be used as a mooring system for vessels if the need arises. It has a patent pending and the system can be operated unattended. The design has ABS Approval-In-Principle (AIP).

**Alison Pegram, Managing Director of MFDevCo commented:**

*“We are delighted to have executed an MoU with Calm Oceans for the provision of production facilities. That they are to be provided under a lease arrangement significantly enhances our offering and in conjunction with the arrangements secured with COSL Pan Pacific show that we now have a coherent and attractive financing strategy for projects. We are now able to demonstrate to operators the ability to supply and finance the two high cost elements of project development, drilling and the production facility.”*

**Nigel Burton CEO of NU-Oil commented:**

*“We are obviously very pleased with the arrangements between MFDevCo and Calm Oceans. The project financing strategy is now clear and its potential delivery demonstrable.”*

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**Note to Editors:**

*NU-Oil and Gas plc is an independent oil and gas company whose strategy is to build a diverse portfolio of assets with a strong emphasis on acquiring interests in stranded and marginal fields.*

***These fields are low risk highly-appraised projects and consequently the Company's entry cost will be low. NU-Oil will look to develop these assets utilising solutions delivered by MFDevCo and the Marginal Field Development Consortium (see below), which can significantly improve the development economics of a project. This is also expected to enable the early booking of reserves.***

***MFDevCo is a company focused on identification, evaluation and development of marginal offshore oil and gas fields through the development of technology that licence holders need to unlock the, potentially, significant value within such marginal assets. MFDevCo leads a consortium of specialist companies (the MFD Consortium) which collaborate to develop marginal fields.***

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").*