



**NU-OIL AND GAS PLC**  
**AIM ticker: NUOG**

12 February 2019

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

### **Siemens support MFDevCo in Development of Marginal Gas Fields**

Further to the announcement on the 25 January 2019, the Company is pleased to announce that Marginal Field Development Company ("MFDevCo"), the Company's 50%-owned joint venture, has entered into a collaboration agreement with Siemens' Dresser-Rand business ("Siemens"). Siemens becomes the second company, following Marnavi Offshore ("Marnavi"), to join MFDevCo's gas to wire initiative, which forms a part of MFDevCo's overall strategy to maximise the recovery and value of resources within fields currently considered stranded or marginal. Siemens, a world-renowned digital pioneer that focuses on electrification and automation, brings key capabilities and experience to this initiative, as well as the market position required to assist MFDevCo in capitalising on its gas to wire opportunities.

Siemens supplies technical expertise and equipment to various industries worldwide, and its tried and tested systems are a critical component in the delivery and operation of MFDevCo's gas to wire facilities. Siemens has extensive experience in the provision and maintenance of power generation equipment in the offshore industry, as well as expertise on renewable energy systems, offshore energy generation, and access to the grid. Siemens is working with MFDevCo with an initial focus on UK projects but is also keen to investigate other projects that MFDevCo is pursuing worldwide.

Under the terms of the collaboration agreement, Siemens will provide information and support to MFDevCo to secure identified gas to wire projects in return for an exclusive first option ("right of first refusal") to provide certain equipment and services to those MFDevCo projects on terms acceptable to both parties. This commitment by Siemens to project evaluation and design will be critical as MFDevCo finalises its assessment of the technical and economic feasibility of selected projects and provides the independent verification required to demonstrate deliverability to both partners and investors.

The initial term of the agreement is two years; however, both parties are viewing this as the basis for a long-term working relationship.

**Alison Pegram, Joint Managing Director of Nu-Oil and Managing Director of MFDevCo, commented,** *"We are very pleased to be working with Siemens in our latest initiative to maximise the economic recovery of resources currently considered stranded. I am excited about the opportunities that gas to wire presents and encouraged that a company like Siemens shares our belief in both the potential and our plans."*

**Rob Barnes, Head of Siemens Oil and Gas ERA Region, said,** *"We are delighted to support the MFDevCo team which has a real insight into the viability of the marginal fields in the UK. By applying the right technologies to the efficient development of these fields we believe that the untapped potential of these assets will be realised."*



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## Notes

### **Marginal Field Development Company Ltd**

Marginal Field Development Company (“MFDevCo”) focuses on maximising recovery from the vast, undeveloped hydrocarbon resources contained within marginal fields worldwide, utilising appropriate re-deployable solutions to transform these undervalued assets. MFDevCo seeks to manage the entire lifecycle of marginal field projects from opportunity screening, suitability assessment and financing through engineering to production and decommissioning. [www.mfdevco.com](http://www.mfdevco.com)

### **Siemens plc**

Siemens is a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world’s largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. In infrastructure and industry solutions the company plays a pioneering role.

Established more than 170 years ago, today Siemens has around 377,000 employees in more than 200 countries/regions. They operate in production and manufacturing plants worldwide and have offices, warehouses, research and development facilities or sales offices in almost every country/region in the world. [www.siemens.com](http://www.siemens.com)

### **Gas to Wire**

Gas to wire offers an alternative method of economically recovering offshore gas resources. Rather than developing and exporting gas using traditional methods, gas is converted to power using gas turbine generators located on an offshore platform and the power is transmitted to shore using subsea power cables.

Benefits of recovering gas resources using this method for the Company and MFDevCo include:



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- **Value Adding:** Low-cost entry to low-risk production with the possibility to further extend revenue through hydrokinetic energy;
- **Low capital requirement:** CAPEX reduced through utilisation of existing facilities and infrastructure, low entry cost expected;
- **Access to reliable production:** Development of late-life gas fields reduces subsurface risk;
- **Minimising price risk:** Natural arbitrage between hydrocarbon and power generation, which reduces the exposure to price risk associated with gas markets
- **Accelerated time to production:** Utilising existing facility & infrastructure reduces cost & lead-time for fabrication & construction; use proven technology to convert gas to wire, transported to the grid by hooking into live network;
- **Attractive & complementary market:** Immediate opportunities in local markets, licence holders have commercial imperative to defer decommissioning
- **Regulatory support:** significant contribution to objectives of delivering energy security, deferring decommissioning costs and maximising economic recover; gas to wire initiatives supported by UK's Oil and Gas Authority.

The Oil and Gas Authority's "Gas to Wire report: UK SNS and EIS" details their assessment of the opportunities for the use of such methods to recovery stranded gas resources and the benefits for the UK.

<https://www.ogauthority.co.uk/news-publications/publications/2018/gas-to-wire-report-uk-sns-and-eis/>

### Disclaimer

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").

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