

**Press release - 6 July 2004**

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## **Distrigas and Fluxys LNG Sign 2.5 BCM per year Capacity Subscription Agreement for the Zeebrugge LNG terminal (Belgium)**

**6 July 2004 - Distrigas and Fluxys LNG announced today that they have signed a long-term LNG terminalling Capacity Subscription Agreement. The Agreement gives Distrigas the right to unload and regasify 2.5 billion cubic metres of natural gas per year at the Zeebrugge LNG terminal for a period of 20 years starting in 2007.**

As for the LNG supply source for the Zeebrugge terminalling capacity as from 2007, Distrigas is negotiating with several LNG producers. These negotiations should be completed in the months to come. LNG has been and will remain in the future one of the three constituents of Distrigas' long-term supply portfolio, the other two being pipe gas from the Netherlands and Norway.

At present, Distrigas uses its capacity at the Zeebrugge terminal for its long term supply contract with Sonatrach, the Algerian national hydrocarbon company. This supply contract expires at the end of 2006.

Considering the strategic location of its terminal at the heart of European cross-border gas flows, Fluxys LNG launched in early 2003 an open season market campaign with LNG companies to express interest in booking capacity as from 2007. The current capacity of the Zeebrugge LNG terminal is 4.5 billion cubic metres per year. The Capacity Subscription Agreement with Distrigas is the second one to be concluded as a result of the market campaign, after the Capacity Subscription Agreement with Qatar Petroleum/ExxonMobil which was signed last week. Up to now, an overall capacity of 7 billion cubic metres per year has been booked at the terminal as from 2007. A third Capacity Subscription Agreement is to be signed in the days to come.

In order to meet capacity demand as from 2007, Fluxys LNG has decided to invest €165 million in doubling the terminal's capacity. The capacity enhancement project requires the construction of a fourth storage tank and additional send-out capacity (see also Fluxys Press Release of 30 June 2004).

The **Dutch and French versions of this press release** are available on the homepage of both the Distrigas and Fluxys websites: [www.distrigas.be](http://www.distrigas.be) and [www.fluxys.net](http://www.fluxys.net)

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### **Notes to the editor**

**Fluxys** is the independent operator of both the natural gas transmission infrastructure in Belgium and Hub Zeebrugge, the leading international short-term natural gas market in Europe. Driven by its first mover approach, Fluxys has developed its transmission grid to make it the very heart of cross-border natural gas flows in Europe.

The company has 850 employees and is listed on the first market of Euronext Brussels. Fluxys' natural gas infrastructure comprises 3,700 km of pipelines, a peak shaving plant and an underground natural gas storage facility.

Fluxys transports annually some 16 billion m<sup>3</sup> of natural gas for redelivery to end-users in Belgium. Reserved long term capacity on the primary market for border-to-border transit flows amounts to some 48 billion m<sup>3</sup> per year.

**Fluxys LNG**, a Fluxys subsidiary, is the owner and operator of the Zeebrugge LNG terminal and commercialises terminalling capacity as well as ancillary services. The Fluxys LNG terminal in Zeebrugge currently has a throughput capacity of max. 4.5 billion m<sup>3</sup> per year. Over 850 LNG carriers have been unloaded at the terminal since its commissioning in 1987.

**Distrigas** is a natural gas merchant company listed on the first market of Euronext Brussels. Benefiting from its strategic position at the heart of the European gas networks, the company is now active in Western Europe. With a strong experience of 75 years, Distrigas has developed a real partnership with its customers -industries, distribution companies, electricity producers and natural gas resellers- by offering them complete and tailor-made solutions at competitive price, combined with flexibility and security of supply.

To meet the requirements of its customers, Distrigas carries out several activities: natural gas sales and trading (arbitrage); sale of transit and international transport capacity; LNG trade and shipping.

In 2003, the company sold more than 23 billion m<sup>3</sup> natural gas, of which about 40 % outside Belgium, its home market.

In Europe, Distrigas has been one of the pioneers in LNG. The company currently has 2 LNG carriers under long term charter and is the co-owner of a third one.