

EXPRESSION OF INTEREST FOR SSLNG SERVICE

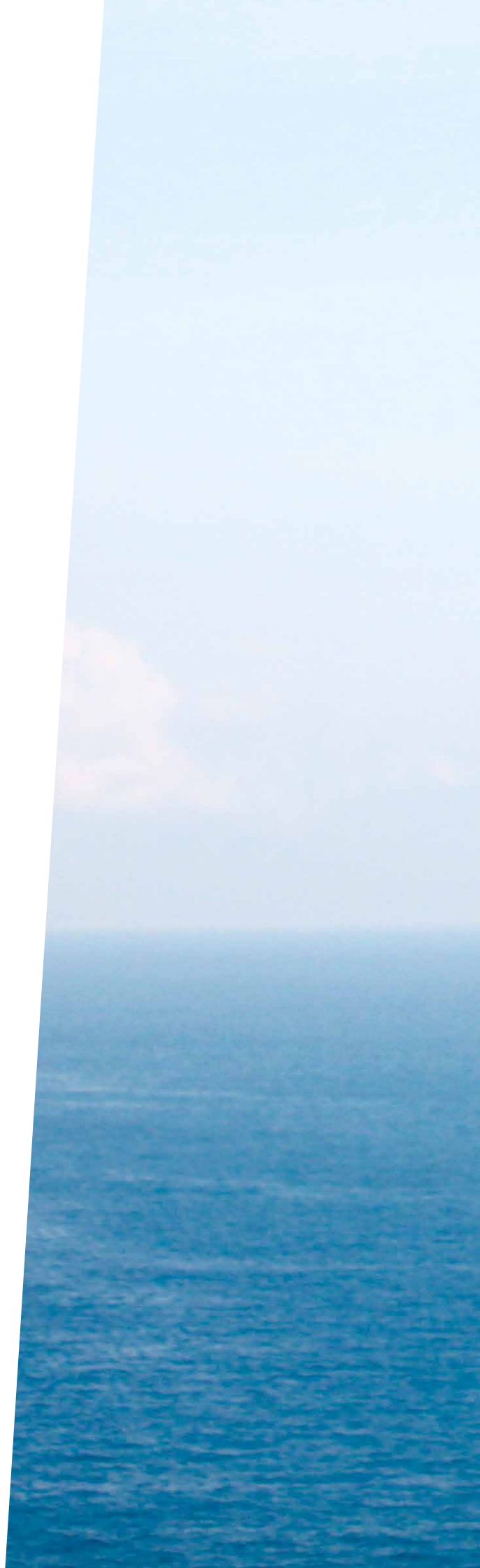


Call for expression of interest for the loading service of SSLNG carriers at “FSRU Toscana” LNG terminal

The purpose of this call is to assess the market’s interest in the provision of Small Scale LNG service (SSLNG) by OLT Offshore LNG Toscana (OLT) at the “FSRU Toscana” LNG regasification terminal, located off the Tuscany coast.

Information contained in this document shall prevail over any information regarding this service previously published or communicated by OLT, with the Italian version prevailing over the English version.

This call for interest neither commits interested parties to confirm any of the needs expressed, nor binds OLT to executing the aforementioned terms and conditions for the Small Scale LNG service.





The “FSRU Toscana” regasification terminal represents one of the main infrastructures for the import of LNG, contributing to the diversification and security of supply of the Italian energy system.

CONTEXT IN WHICH
THIS EXPRESSION
OF INTEREST
TAKES PLACE

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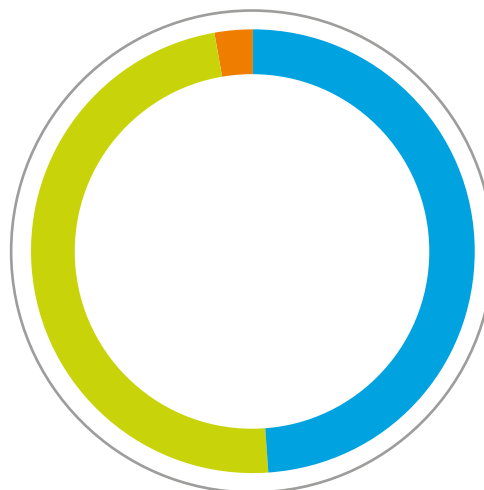
The “FSRU Toscana” regasification terminal represents one of the main infrastructures for the import of LNG, contributing to the diversification and security of supply of the Italian energy system.

The partners that hold shareholdings in OLT are: Snam - one of the world’s leading energy infrastructure operators and one of the largest Italian listed companies in terms of market capitalization – holding 49.07%, First Sentier Investors - a global asset manager with over 8 billion euros of unlisted infrastructure capital under management – holding 48.24%, and Golar LNG - a LNG Shipping company engaged in the acquisition, operation and chartering of LNG carriers and FSRUs, holding 2.69%.

On board the Terminal, liquefied natural gas, supplied by LNG carriers, is stored in tanks, regasified and sent into the National Gas Pipeline Network through a sub-sea pipeline that reaches the ground.

The plant is the result of the conversion of an LNG carrier into a floating regasification terminal and it is allowed to receive LNG carriers with cargo capacity from 65,000 up to about 180,000 liquid cubic meters (“New Panamax” class); this corresponds to almost 90% of the LNG carrier fleet currently in operation.

Before the discharge, every LNG carrier is subject to a technical compatibility process, where all the construction characteristics are assessed in relation to the operations to be carried out at the Terminal. Once the assessment is completed, the LNG carrier is added to the list of carriers pre-approved, published in the commercial area



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of OLT’s website, to which all potential users can freely have access.

In addition to the current regasification service (described above) and following the obtaining of the Ministerial Decree of October 8th, 2020, OLT is about to provide the new LNG loading service on small LNG carriers, also called SSLNG service.

The Regasification Code of the Company has been updated to introduce the Small Scale service: the proposed amendment of the document, in consultation from February 24th, 2021 to April 12th, 2021, is available at the following link: [Regasification Code and Updating Proposal Area](#).

MARKET CONTEXT

The SSLNG market has developed as a result of a long strategic process put in place by the European Community aimed at differentiating and making less polluting the fuels used in the transport sector. The European “Green Deal” has further strengthened this path, setting the rules for an energy transition of all sectors - industrial, civil and transport - which will have to achieve total GHG emission neutrality by 2050.

Italy, with Decree n. 257 of the Ministry of Economic Development of December 16th, 2016, which transposes the European “Directive on Alternative Fuel Infrastructure”, emphasizes the strategic infrastructure storage, regasification and transport of LNG; the attached National Strategic Framework, dedicates an important section to the diffusion of LNG supply infrastructure for maritime and inland navigation, for road transport and for other uses. Subsequently, the National Energy and Climate Plan (NECP), presented by the Italian Government to the European Commission at the end of 2019, reaffirms the essential role of LNG in the energy transition.

The “Semplificazioni” Decree issued in September 2020, at Article 60 paragraph 6, foresees the development of an entire SSLNG logistics chain for Sardinia Region that could soon become a pilot area with the establishment of the first virtual “pipeline”.

In this scenario, “FSRU Toscana” terminal can have a key role for Italy opening the Small Scale LNG market, due to the flexibility and strategic position of the Terminal.

With the offer of the SSLNG service from the “FSRU Toscana” terminal, the Italian supply chain of the market SSLNG is completed, currently totally supplied from foreign countries, allowing, moreover, Italy to be competitive in one of the markets with the highest rate of potential growth, as demonstrated by the experiences of northern European countries, helped by the introduction of a SECA area in the North Sea, in the Channel and the Baltic. In this regard, as stated in the above mentioned NECP, the establishment of a SECA area in the Mediterranean would also be envisaged.

LNG is the fuel that will allow the transition to 2050 towards fuels with zero CO² emissions, such as hydrogen.

In Europe, LNG propulsion is spreading particularly in the Ro/Ro sector, passenger ferries, support vehicles for port activities as tugs and dredgers and in the cruise sector, with 12 new orders and 2 cruise ships already operating in the North Sea and the Mediterranean. In this scenario also the spread of Small Scale LNG carriers is included, passed from the 6 units in 2019 to 21 previewed operating units within the end of 2021.

Moreover, LNG is playing a central role especially in heavy road transport; in Italy, the terrestrial market for LNG’s automotive distributors has gone from 2016 to the end of 2020, from 6 to 94 distributors, confirming the country at the first place at European level for the number of distributors available.

CO₂

by 2050

Zero CO₂ Emissions

1.2

AUTHORIZATION AND REGULATORY CONTEXT

The provision of SSLNG services, as defined in art. 10 paragraphs 2 and 3 of Legislative Decree 257/2016 is not under the regulatory functions of the Regulatory Authority for Energy Networks and Environment (ARERA) and is, therefore, carried out in a free market regime. The ARERA is required, however, in order to avoid cross-subsidisation between the activities and improper charges borne by the regulated system, to determine the accounting separation rules, and verify any interference with the regasification service.

Therefore, following the document for consultation 590/2018/R/gas of 20 November 2018, with resolution 168/2019/R/gas of 7 May 2019, the Authority defined the regulation for the additional services provided by regasification terminals, the so-called SSLNG services. As foreseen for in that resolution, OLT has provided that the

LNG, to be received in liquid form, is delivered to the Terminal using the regasification capacity offered through the allocation procedures defined in accordance with the Integrated text of the provisions on guarantees of free access to the regasification service of liquefied natural gas (TIRG).

This second option allows greater logistic flexibility in the planning of the discharge of LNG carriers since a user of the Terminal does not have to carry and unload an LNG carrier dedicated exclusively to the loading of the service of SSLNG but can optimize operations by dedicating part of the LNG delivered for the regasification service also for the loading service. This option allows OLT Terminal to receive small LNG carriers for the LNG loading service.

OLT has been authorized by the Ministry of the Economic Development (MiSE) on October 8th, 2020 to the realization of the plant modifications necessary to the discharge of LNG into Small Scale LNG carriers. Following the issue of this Decree, and in compliance with all the requirements received during the authorization process, OLT has started the realization of the works and the service will be offered from January 1st, 2022.



"FSRU Toscana" moored about 22 km off the Italian coast between Livorno and Pisa

MODIFICATIONS UNDER REALIZATION

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THE SMALL SCALE SERVICE

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OLT will provide the new SSLNG service from “FSRU Toscana” terminal starting from January 1st, 2022.

This service will be offered in addition to the other services currently provided by the Terminal, however giving priority to the regasification service that will remain the prevailing activity as described in clause 1.4.1.3. of the

Regasification Code in consultation from February 24th to April 12th, 2021.

The characteristics of the service offered are preliminary set out below, but may be subject to changes following the outcome of the consultation procedure of the Regasification Code currently underway.

The loading service will provide for the publication of an annual schedule in accordance with clause 3.3.1 of the Regasification Code no later than the 30th of July for the following gas year. The first publication will then be made by July 30th, 2021;

The loading of the Small Scale LNG carriers will take place according to the provisions and specifications contained in the Maritime Regulations and the maximum loading capacity is about 900 liqcm/h;

At this stage, OLT does not intend to set a reference tariff. Those interested in the service will be able to express a tariff level to receive the loading service, which will also be evaluated in terms of the number of slots required and the number of years for which applicants will require the use of the service. The indications provided will not be binding and the allocation procedure will follow the rules described in clause 2.1.16 and following of the Regasification Code;

The offer of the SSLNG service will start from January 1st, 2022, therefore within July 30th, 2021 OLT will publish the availability of the service of loading from the gas year 2021/2022 until the gas year 2032/2033;

The SSLNG user will have to procure or make available the LNG that he intends to load from the Terminal;

In the event that the Small Scale user holding a Small Scale Slot programmed in month M does not have LNG available at the Terminal, he will be required to make himself assignee of the quantities of LNG in storage pursuant to clause 3.6.6.1, provided that it is also a user of the regasification service, or of the quantities of LNG at the flange pursuant to clause 3.6.6.2, in the event that the user of Small Scale does not have regasification capacity.

EXPRESSION OF INTEREST

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Those interested in the SSLNG service are invited to express their interest as follows, specifying their needs regarding the service:

A The number of loading slots that are intended to be used in the different gas years of availability of the service and, if possible, the programming preference within the gas year or years of interest;

B The amount of LNG of interest for the Small Scale service, indicating the gas years of interest and, for each gas year, the annual volume in liquid m³ (it is possible to indicate a minimum and a maximum) and the related number of berths;

C The expectations in terms of sustainable tariff expressed in €/Mwh, in view of its own market;

D The technical and capacity characteristics of Small Scale LNG carrier/s which the interested party intends to use, for the loading operations that will subsequently have to be subjected to technical compatibility checks as required by clause 2.2.2 of the Regasification Code;

E Any additional information that may be considered useful for the purposes of this expression of interest.

The answers related to this expression of interest must be received **no later than May 17th, 2021** and must be sent to the following e-mail address: SSLNG@oltoffshore.it.



CONFIDENTIALITY AGREEMENT

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To express freely needs and expectations, this expression of interest will be governed by a Confidentiality Agreement between the parties. Those interested in the SSLNG service can find the template published on the OLT website.

CONTACTS

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For any further information, interested parties can contact directly:

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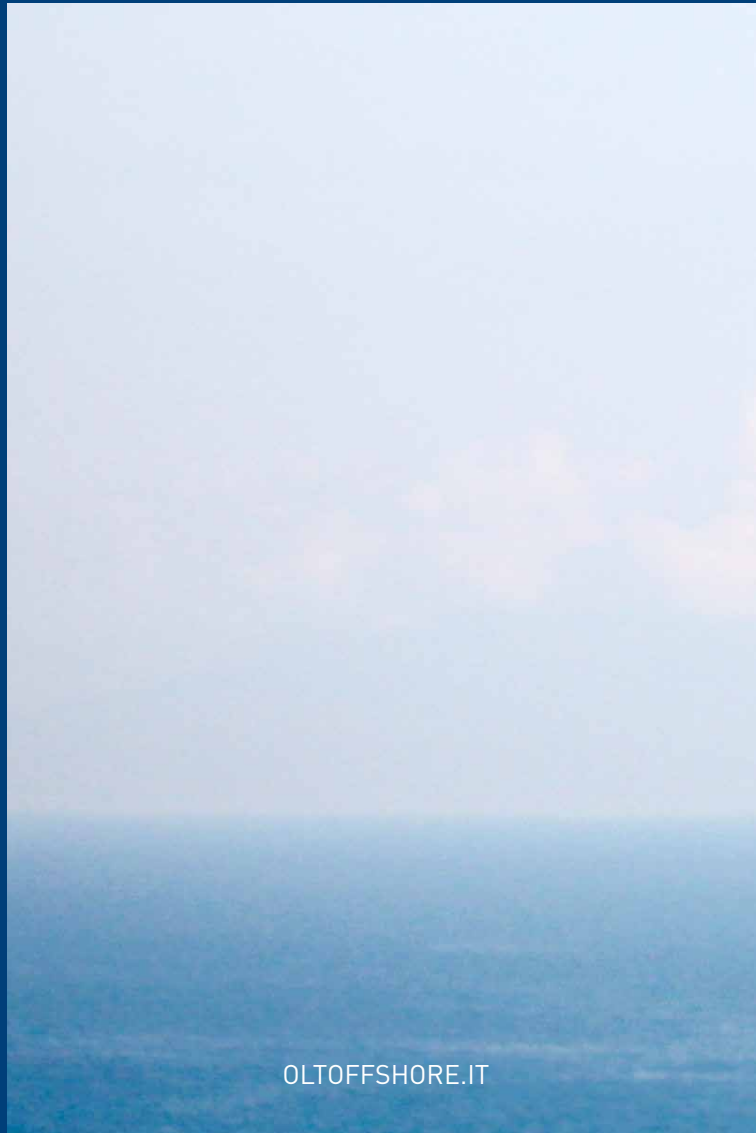
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