

PRESS RELEASE

Lower emissions from Gothenburg-based shipping

Within four years, the Donsö Tank fleet and other ships operating in Gothenburg will use Liquefied Natural Gas - LNG - as their main fuel. That is the core of the letter of intent signed in late May by Göteborg Energi AB, Gasnor AS, Rederi AB Donsö Tank and Wärtsilä Sweden AB. In addition to lower emissions of sulfur and nitrogen oxides, and generally decreased operational costs for energy suppliers and owners, it is also a major step in the establishment of cross-collaboration for an environmentally friendly shipping.

- This agreement reflects our commitment to achieve sustainable development in the region. It is particularly pleasing to see that Donsö Tank and Wärtsilä want to be involved and shares the objective, says Anders B Dahl, product manager at Göteborg Energi AB.

The Lol is based on their respective targets, and includes two specific projects: to work for the development of infrastructure in Gothenburg and for managing and delivering of LNG to the ship industry, and converting existing vessels in the Rederi AB Donsö Tank fleet of LNG, as the primary fuel.

- LNG is the solution to the challenge facing the owners when it comes to meeting today's requirements in environmental and climate impact in the choice of fuel. LNG is available both technically and commercially now, and forward-thinking owners will be the first to convert to LNG operations, said Eilef Strange, CEO of Gasnor AS.

From an environmental perspective, LNG is completely free from sulphur and particulate matter and allows reductions in nitrogen oxide emissions by up to 90 per cent and carbon dioxide emissions by up to 25 per cent. Ships in LNG operation have great opportunities to be at the forefront when emission restrictions are tightened further.

- It is with great confidence and faith we enter this agreement. We see LNG as a first step towards bio fuel in the shipping industry, i.e. renewable energy, and as a sustainable ship fuel that goes hand in hand with our environmental policy. In addition, gas operation means lower maintenance and operating costs and a better working environment for our staff, says Roger Nilsson, CEO of Rederi AB Donsö Tank.

The existing fleet can be converted

Conversion of vessels to LNG operation involves conversion of existing engines and fuelsystems on board. Wärtsilä's experience in pure gas operation in dual-fuel engines, in both the marine sector and on land-based power plants, is combined in solutions for conversion of existing machinery.

- As a technology company in general - and service companies in particular - we must understand our customers on a deeper level, which means that we see with new eyes at how we can be part of their development. Within this area, we have unique experience and knowledge which gives us the opportunity to act as an extension of the customer's own value creation, on customer's terms, rather than as a subcontractor, "said Bjorn Ullbro, CEO of Wärtsilä Sweden AB.

Under the Lol, the preparatory negotiations to continue until October 30 2010, when the parties have come to conclusion on direct continuation projects.

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Göteborg Energi is one of the most exciting workplaces for the future. With our electricity, district heating and natural gas systems we shape an important part of the infrastructure in western Sweden. One of the products of the future is energy services that help our customers to use the right energy in the right quantity at the right time - for the benefit of both environment and economy. We also stride towards creating sustainable energy solutions. Efficient energy supply is one of the most important foundation stones of a well-functioning society. Göteborg Energi is one of Sweden's most committed environmental energy companies. Göteborg Energi AB is a wholly owned subsidiary of Göteborg Kommunala Förvaltning AB. (Gothenburg Municipality Holding Company)

Gasnor is a leading distributor of natural gas in Norway, with operations in pipeline distribution, CNG and LNG. Gasnor distributes LNG via trailers and tankers and supply ships and industry and liquefied natural gas. Gasnor has today got 30 LNG terminals and is owned by StatoilHydro (41%), BKK (20%), E.on Ruhrgas (14%), Haugaland Power (13%), Total E & P Norway (7%) and Norske Shell (4%).