

New Fortress Energy and Government of Sri Lanka Sign Agreement for LNG Terminal and Gas Supply to Power Plants

July 08, 2021 04:45 PM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--New Fortress Energy Inc. (NASDAQ: NFE) ("New Fortress") announced today that it has signed a Framework Agreement (the "Agreement") with the Government of Sri Lanka to construct a new offshore liquefied natural gas (LNG) receiving, storage and regasification terminal (the "Terminal"). The Terminal will be located off the coast of Colombo to supply gas to the country's power plants, primarily located in the Kerawalapitiya Power Complex.

About New Fortress Energy Inc.

New Fortress Energy Inc. (NASDAQ: NFE) is a global energy infrastructure company founded to help accelerate the world's transition to clean energy. The company funds, builds and operates natural gas infrastructure and logistics to rapidly deliver fully integrated, turnkey energy solutions that enable economic growth, enhance environmental stewardship and transform local industries and communities.

The Kerawalapitiya Power Complex consists of 300 MW in operation today and is ultimately expected to grow to over 1,000 MW by 2025.

As part of the Agreement, New Fortress will supply natural gas to the existing 300 MW Yugadanavi Power Plant and is negotiating the purchase of the Government's 40% stake in the company that owns the power plant. This power plant is currently under a long-term power purchase agreement (PPA) to provide electricity to the national grid that extends through 2035. The plant consists of General Electric turbines and was configured to run on natural gas in combined cycle.

"We are excited to support the transition of Sri Lanka to clean, reliable and affordable energy," said Wes Edens, Chairman and CEO of New Fortress Energy. "This investment in Sri Lanka's first LNG terminal will advance the country's clean energy transition and support sustainable development for this vibrant economy. This is the first of what we think will be a number of investments in power and infrastructure in the country."

This Terminal will introduce natural gas to the country of Sri Lanka for the first time and will assist the transition to lower-carbon energy sources.

According to the Sri Lankan authorities, NFE's investments are in line with the Government policy of accelerating the transition to cleaner and cheaper energy sources and signify that the Country is open to investments and business.

As part of the Agreement, the Government will facilitate the obtainment of necessary permits and entitlements by New Fortress to construct the LNG terminal. The Terminal is expected to begin operations by the second half of 2022.

This investment in Sri Lanka, a diverse and vibrant island nation with over 21 million people, represents New Fortress' first LNG terminal in Asia.

The purchase of the Government's interest in the company owning the power plant is subject to final documentation and the parties will work together to finalize their commercial agreements. New Fortress signed the Agreement with the Secretary to the Treasury and the Ministry of Finance.