



JOINT PRESS RELEASE

Snam and BHGE enter into an agreement for the development of micro-liquefaction plants for sustainable mobility

The collaboration will focus on the development of four small-scale liquefaction plants for natural gas and biomethane – among the first of their kind in Europe – in order to make LNG and renewable bio-LNG available for mobility

San Donato Milanese (Milan), 28 May 2018 - Snam and Baker Hughes, a GE company (NYSE: BHGE), signed today an agreement aimed at developing micro-liquefaction infrastructure to boost sustainable mobility in heavy duty trucks and to promote sustainability in maritime transportation in Italy.

Snam and BHGE will determine by the end of 2018 the feasibility of the future development of four small-scale liquefaction plants distributed throughout the country. Each almost the size of a football field, these would be the first micro-LNG plants in Italy and among the first of their kind in Europe.

Total annual combined production from the four plants could be ca.140,000 Tons of liquefied natural gas (LNG) or bio-LNG (liquefied biomethane obtained from the organic fraction of urban waste or from agricultural and agro-industrial biomass), further enhancing the Italian production of renewable natural gas with zero CO₂ emissions for the transport sector.

The potential future investment for the four plants is in the order of 50 to 80 million euros in the coming years, pending the result of the study. The agreement also includes the opportunity to develop further micro-liquefaction plants in Italy and abroad.

Snam CEO Marco Alverà said: "With this agreement we want to give a further impetus to the spread of sustainable mobility and to the decarbonisation of the entire heavy transport sector throughout Italy. Our goal, in particular, is to make a decisive contribution to the diffusion of a new concept of mobility from renewable sources thanks to biomethane and bio-LNG. The entry into the micro-LNG segment – which can liquefy pipeline gas and biomethane - leverages Snam's European leadership in gas infrastructure and its existing presence in natural gas mobility, which is expected to be a growth market for gas consumption worldwide and where Snam may be able to export its competencies".

Lorenzo Simonelli, Chairman and CEO of BHGE, said: "We know that low carbon fuel sources will continue play an important role in enabling a seamless transition to a more sustainable energy mix. This agreement further demonstrates the strength of

BHGE's fullstream portfolio of advanced technologies and service solutions for the gas market as well as proven expertise in the micro-LNG sector. We will work in close partnership with Snam to develop solutions that lower emissions and support the rejuvenation and sustainability of the heavy transport sector. We are uniquely positioned to collaborate and deploy our broad range of capabilities, industry-leading systems, and fuel-efficient technology that boost productivity and reduce the carbon footprint of operations".

LNG for heavy transport is a rapidly expanding sector: the number of vehicles that use this fuel in Italy has increased from less than 100 to about 1,000 units since 2015. The number of stations supplying LNG has reached 20 units.

The construction of four new micro-liquefaction plants and therefore the availability of LNG throughout the national territory would support an increase in the number of LNG trucks circulating (potentially bringing it to about 15,000 units in the next years), facilitating the development of low-carbon transport also in Central and Southern Italy.

LNG is an immediately available solution to eliminate particulate from heavy duty trucks and maritime transport, and reduce CO₂ emissions from these sectors. Bio-LNG is the only currently available solution for fully-renewable zero CO₂ fuels for heavy duty transport.

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About Snam

Snam is Europe's leading gas utility. Founded in 1941 as "Società Nazionale Metanodotti", it has been building and managing sustainable and technologically advanced infrastructure guaranteeing energy security for over 75 years. Snam operates in Italy and, through subsidiaries, Austria (TAG and GCA), France (Teréga) and the United Kingdom (Interconnector UK). It is one of the main shareholders of TAP (Trans Adriatic Pipeline) and is the company most involved in projects for the creation of the Energy Union. First in Europe by transport network size (over 32,500 km in Italy, about 40,000 with international subsidiaries) and natural gas storage capacity (16.7 billion cubic meters in Italy, about 20 billion with international subsidiaries), Snam manages the first liquefied natural gas (LNG) plant built in Italy and is a shareholder of the country's main terminal. Snam's business model is based on sustainable growth, transparency, nurturing talent, and development of local areas by dialoguing with communities. It fosters sustainable mobility, expands into energy efficiency, and invests in biomethane and innovative technologies to increase the use of renewable gas, a key resource of the green economy.

www.snam.it

About Baker Hughes, a GE company

Baker Hughes, a GE company (NYSE: BHGE) is the world's first and only fullstream provider of integrated oilfield products, services and digital solutions. We deploy minds and machines to enhance customer productivity, safety and environmental stewardship, while minimizing costs and risks at every step of the energy value chain. With operations in over 120 countries, we infuse over a century of experience with the spirit of a startup – inventing smarter ways to bring energy to the world.

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Fine Comunicato n.0542-69

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