



12 March 2014

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
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PERTH WA 6000

By E-Lodgement

Wison Offshore and Marine to prepare Concept Study for Floating LNG Vessel

Cott Oil and Gas Ltd (ASX: CMT) ("**Cott**" or "**Company**") is pleased to announce that it has received an Expression of Interest (EOI) from Wison Offshore and Marine Ltd (Wison) in supporting the development of the Pandora Gas Field, in which Cott has a 40% interest, with a floating LNG FLNG. Consequently, Cott has engaged Wison to deliver a Concept Study for a FLNG that would be suitable for the project.

As a result of the award of PRL 38 in December 2013, Wison delivered an Expression of Interest (EOI) to Cott stating that it believed that the Pandora Gas Fields could be commercially developed using FLNG. Wison has significant experience in the design and manufacture of FLNG and regasification facilities having been awarded the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) contract by Exmar BV for the world's first Floating LNG Liquefaction and Storage vessel. The 0.5 million tonnes per annum (mtpa) liquefaction capacity barge is currently under construction at Wison's Nantong shipyard in China and will be completed later this year before being delivered to the Caribbean LNG project off the coast of Colombia.

The Caribbean FLNG vessel is expected to cost in the region of US\$300m or US\$600 per tonne per annum of liquefaction capacity. This is significantly less than the cost of land-based LNG facilities and at the lower end of the capital cost reported for FLNG vessels. With operating costs expected to be in the region of US\$1.50 -\$2.00 per mcf of gas processed, an FLNG solution of this type could lower the minimum economic size for a stranded gas resource substantially. While super-majors such as Shell (Prelude) and ExxonMobil (Scarborough) are pursuing the development of 3 mtpa+ FLNG vessels capable of processing and storing significant quantities of gas (LNG), condensate and Liquid Petroleum Gas (LPG), the majority of new projects either sanctioned or under development, are in the range of 1 - 1.5 mtpa and can be delivered within 3 years of FID for in the region of US\$1,000 per tonne per annum. As well as Wison's Caribbean FLNG vessel, Petronas is in the process of constructing two mid-scale FLNG vessels for its Kanowit and Rotan fields.

As a result of numerous discussions since receiving the EOI, Cott has engaged Wison to prepare a Concept Study for an FLNG facility that would be suitable for the Pandora gas fields. The Concept Study is expected to outline a potential FLNG concept that would be appropriate for the resource, location, gas composition and expected production rates of the Pandora gas field and to provide preliminary advice and recommendations on the following:

BOARD & MANAGEMENT

Mr Stephen Dennis
NON-EXECUTIVE CHAIRMAN

Mr Andrew Dimsey
MANAGING DIRECTOR

Mr David Bradley
NON-EXECUTIVE DIRECTOR

Ms Sarah Smith
COMPANY SECRETARY

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ASX CODE

CMT



- Description of the pathway for development and evaluation of an FLNG concept (including Pre-FEED and FEED)
- Alternative concepts including new build and retro-fit
- Minimum storage requirements (sloshing minimisation and transshipment)
- Sea states and mooring requirements
- Offloading options
- Gas pre-treatment and processing
- Support infrastructure and vessels
- Indicative capital costs and operating costs
- Financing options
- Economic viability of FLNG concept

Wison is currently constructing the Caribbean LNG vessel at its Nantong yard but has recently opened Stage 1 of a second fabrication yard at Zhoushan which, when complete, will encompass an area of 1.5 million and have nearly 2.3km of coastline. The new fabrication yard is intended to provide Wison with the capacity to leverage its FLNG expertise and deliver much larger FLNG vessels.

The Concept Study is expected to be complete by the end of April 2014. A positive outcome from the Concept Study would enable the Joint Venture to commence Pre-FEED (Front End Engineering and Design).

In commenting on today's announcement, Cott Managing Director Andrew Dimsey states:

"We are delighted to have established a commercial relationship with Wison Offshore and Marine, one of the most dynamic and innovative engineering and construction groups in the oil and gas industry. Wison are using proven LNG and offshore technologies and a highly experienced offshore engineering management team with its own shipbuilding capacity. Wison's Expression of Interest validates Cott's view that the Pandora gas fields are suitable for stand-alone development using Floating LNG technology.

For and on behalf of the Board,

Andrew Dimsey
Managing Director

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About Cott Oil and Gas Ltd

Cott Oil and Gas has a highly experienced management team and holds a strategically prospective suite of oil and gas opportunities across the Westralian Superbasin, which underlies Australia's northwest continental margin.

The Company's current portfolio includes:

Papua New Guinea

- 40% interest in PRL38 comprising the Pandora gas discoveries.
- PPL 437 (20%, KPL 80%) – an advanced permit adjacent to the Ketu, Elevala and Tingu wet gas discoveries.
- PPL 435 and PPL 436 which constitute large underexplored, strategic onshore acreage, held in 50/50 JV partnership with PNG specialist Kina Petroleum Limited (ASX:KPL).
- Cott's granted interests in PNG cover over 10,750km² (2.65m acres) on a net basis.

Carnarvon Basin

- Shallow drilling targets in the Rivoli gas field.