



Press release
8 November 2017

Another major step taken in ENGIE's transformation plan

- **ENGIE reached an agreement with Total for the sale of its upstream and midstream Liquefied Natural Gas (LNG) activities**
- **ENGIE is accelerating its development in downstream gas activities and becomes Total's preferred green gases supplier**

ENGIE continues to deliver on its transformation plan by reaching a new major milestone: the Group has received a firm and binding offer from Total for the sale of its upstream and midstream LNG activities, liquefaction, shipping and international LNG trading, for an aggregate value of 2.04 billion US dollars, including an earn-out of up to 550 million US dollars, payable under certain conditions.

ENGIE will keep its downstream activities, of which the regasification infrastructures, and LNG retail end-customer sales, and further accelerates its development in this area. ENGIE is therefore pursuing its refocus on three key businesses: low carbon power generation, infrastructures – notably gas, and integrated downstream customer solutions.

ENGIE is also convinced that green gases, biogas and renewable hydrogen, are key to the energy transition. Hence it is establishing a new entity dedicated to the development of renewable hydrogen and just signed an agreement whereby ENGIE becomes Total's preferred biogas and renewable hydrogen supplier.

Total's firm and binding offer is for the acquisition of ENGIE's upstream and midstream LNG activities: liquefaction, shipping (including the Gazocean subsidiary) and international LNG trading operations. The European regasification booked capacities are also included in the perimeter. The intended transaction is in line with ENGIE's strategy to reduce its exposure to commodity prices. It also completes the Group's action plan to move away from upstream oil and gas activities following the announcement of the sale of ENGIE Exploration & Production International in May of this year.

ENGIE will remain committed to its downstream activities which are core to its strategy, notably its retail sales, its GTT subsidiary and the Group's regasification terminals in France, the United States and Chile.

The aggregate value of 2.04 billion US dollars includes an earn-out of up to 550 million US dollars based on future oil market developments. The proposed transaction is expected to translate into a 1.4 billion US dollars reduction in ENGIE's consolidated net financial debt, excluding earn-out. This transaction will enhance ENGIE's profit profile for the upcoming years.

« This intended transaction demonstrates once again ENGIE's ability to deliver on its transformation plan and to improve its risk profile by reducing its exposure to commodity prices. Total is the best placed to secure the future development of liquefaction, shipping and LNG trading employees and activities. ENGIE is nonetheless accelerating its development in its LNG downstream activities, notably in the regasification domain and the supply of LNG to its end customers. Furthermore, ENGIE is convinced that green gases are a key element to the energy revolution and further materialises its lead in this area by becoming Total's preferred supplier », said Isabelle Kocher, ENGIE Chief Executive Officer.

Total's ambition is to consolidate ENGIE's upstream and midstream LNG activities with its own LNG business in order to become a global leader on the whole LNG chain.

The envisaged transaction will be presented to the relevant employee representative bodies of ENGIE and is subject to customary closing conditions. ENGIE will conduct a continuous dialogue with employee representative bodies and has already asked Total to make commitments regarding the employees concerned by the proposed transaction. As part of the intended transaction, ENGIE will also meet its commitments to its counterparties.

The intended transaction could be completed in the course of 2018.

In parallel, ENGIE is accelerating its development in downstream gas activities and announces the creation of a new entity responsible for the development of renewable hydrogen which is set to become increasingly important for the energy revolution. This entity, with a global reach, will coordinate the Group's efforts in the hydrogen space, will develop major hydrogen production, transport and sales projects, and will therefore foster the development of this emerging source of energy.

In this context, ENGIE has also reached an agreement with Total in the green gases space. This agreement foresees, for an initial 10-year period partnership, that ENGIE will become Total's preferred supplier for all new projects of renewable hydrogen and biogas supply. This agreement will also facilitate the promotion of green gases as an affordable, clean and competitive source of energy for mobility use.

About ENGIE

ENGIE is committed to take on the major challenges of the energy revolution, towards a world more decarbonised, decentralised and digitised. The Group aims at becoming the leader of this new energy world by focusing on three key activities for the future: low carbon generation in particular from natural gas and renewable energies, energy infrastructures and efficient solutions adapted to all its clients' needs (individuals, businesses, territories, etc.). The customers' satisfaction, innovation and digital are at the heart of ENGIE's development. ENGIE is active in around 70 countries, employs 150,000 people worldwide and achieved revenues of €66.6 billion in 2016. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

To learn more : www.engie.com

ENGIE contacts

Press contact:

Tél. France: +33 (0)1 44 22 24 35

Email: engiepress@engie.com

Investors relations contact:

Tél.: +33 (0)1 44 22 66 29

Email: ir@engie.com

