



World leading suppliers of burners and inert gas systems added to the Aalborg Industries Group

The market leading marine boiler company, Aalborg Industries, on 23 May 2006 signed a binding agreement with the owners of the Australian company Gosfern Pty Ltd for the 100% acquisition the company. Gosfern's core competence lies within combustion technology and related control and safety systems. On 16 June 2006, Smit Gas Systems BV in the Netherlands became another member of the Aalborg Industries Group. Smit Gas Systems specialises in inert gas systems and nitrogen generators.

Driven by the increasing oil prices and the strong global economic growth, in particular in Asia, development in the oil & gas business sector has accelerated in the past decade. As a result of a focused strategy, Aalborg Industries has during this period gained a position as the market leading boiler and inert gas systems supplier to the FPS (Floating Production Systems) industry.



Gosfern Pty Ltd was founded in the late 1980s when Foster Wheeler sold the Australian company Fornay International to two of its experienced engineers.

The company's core competence lies in burner management systems and process control system applications. The Gosfern™ Para-Flow burner is typically used on marine boilers to generate 5-50 MW of heat and can be applied as a dual-fuel burner. Gosfern's annual turnover is approx. DKK 100m (about USD 17.2m). The company has sales/commissioning offices in Australia, Singapore and the USA.



Gosfern technician at "FPSO Falcon" owned by SBM, Monaco. In 2001, the company carried out a burner conversion and installed 6 off Gosfern Para-Flow burners for FHO/IMDOgas.

With the acquisition of **Gosfern Pty Ltd** in May 2006, Aalborg Industries has become the leading supplier of complete boiler plants with related combustion equipment, automation and safety systems to the maritime oil and gas sector.

The company's head office is located in North Wyong north of Sydney, Australia, and employs approx. 50. Now renamed "Aalborg Industries Pty Ltd", the company's main activities involve sales, engineering, manufacturing and commissioning of combustion plants.

Aalborg Industries continues its expansion within the oil & gas sector

In June 2006, Aalborg Industries entered an agreement to acquire 100% of the shares in Enraf Smit Gas Systems BV in the Netherlands from Delft Instruments. The acquisition has significantly strengthened Aalborg Industries' position within supply of inert gas systems for the fast growing oil & gas market.



"Smit Gas Systems is the global market leader of inert gas systems and represents together with our recent acquisition of Gosfern in Australia an important step to fulfill our growth strategy within the oil and gas business segment. Smit Gas Systems' core competence lies within process, combustion and control technology. The combination of Aalborg Industries and Smit Gas Systems will enable us to provide our customers with complete solutions", says President and CEO Jan Vestergaard Olsen, Aalborg Industries.

During transportation and storage of gas, crude oil and refinery products

there is a risk that explosive gas mixtures may be formed in the cargo tanks. To avoid this dangerous situation, nitrogen or (inactive) inert gas (which is a mixture of N₂ (nitrogen) and CO₂ (carbon dioxide)) is applied. The nitrogen takes the place of these explosive gases and prevents the air (with its oxygen content) from entering the cargo tanks, thus creating a safe situation.

Smit Gas Systems, headquartered in Nijmegen, the Netherlands, has since the early 1960s supplied more than 2,000 inert gas systems for all types of tankers to customers around the world.

Aalborg Industries has for more than 25 years in a very successful co-operation represented Smit Gas Systems in Japan. The Aalborg Industries Group already had its own design of inert gas system, but the addition of the Smit Gas™ inert gas generators, inert gas topping-up systems and nitrogen generators constitutes a global market leading position as an inert gas systems supplier.

Now renamed "Aalborg Industries Smit Gas Systems B.V.", the company has approx. 75 employees within sales, engineering, production, testing and commissioning of inert gas systems. The annual turnover is today approximately EUR 55 million (about USD 69m).

A Smit Gas™ inert gas generator is installed on "Kizomba A" FPSO.



To link the slogans of the three parties - Gosfern, Smit and Aalborg - the Aalborg Industries Group can now supply steam and hot-water boiler plants, heat exchangers and inert gas systems for the oil and gas industry from concept to completion when customers are concerned with safety and precision so that we may be Your Preferred Partner in the FPS segment.

FU type inert gas generator installed on board

The Aalborg Industries Group has its own subsidiaries in all parts of the world, supplemented by experienced representatives. The two new Aalborg Industries Group members can, however, be contacted at their head offices at:

Smit Gas™ inert gas systems, nitrogen, generators, etc.:

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Ideas and suggestions for topics are most welcome.

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