



Gazprom Global Energy Solutions acquires Cyclo Systems International's Smart Grid Technology

The deal will bring a sophisticated set of energy management products and services to Gazprom Global Energy Solution's customers, enabling them to achieve further savings and cut energy consumption

London, 22 August 2011 - Gazprom Global Energy Solutions (GGES), a 100% subsidiary of Gazprom Marketing & Trading Limited (GM&T), is pleased to announce the acquisition of UK-registered Cyclo Systems International (CSI), a technology and solutions provider in the demand side management and smart grid sector. The acquisition will further enhance the GGES product range by adding Z-LYNK smart grid technology to an already comprehensive product portfolio.

The deal strengthens GGES's existing product offering, widening its portfolio of energy management solutions by adding unique technology that instantly turns existing power lines into 'Smart Grids'. CSI's proven cost-effective technology and energy management software provides real time energy monitoring and control capability to empower Network Operators, Utilities and end users to take control of their energy requirements without having to invest in expensive new infrastructure. The new technology offering will become available to GGES's customers globally, with the initial roll-out planned for the UK, Europe and the Asia-Pacific markets.

Highlights:

- Z-LYNK technology complements GGES's existing portfolio of products that includes AMR (smart metering) technology and web based management software across gas, water, electricity sectors, as well as embedded generation such as solar power, or other renewable sources of energy
- The technology has the potential to help consumers and business owners manage their energy consumption patterns and cut costs by remotely controlling electric appliances
- The new product range allows access to and remote control of all equipment connected to power network without any additional modifications
- Products application ranges from public street lighting to programming energy usage of offices and other buildings
- CSI's global customer base with current clients in the UK including EDF Energy and The Corporation of London

The deal strengthens GGES's ability to provide its customers with tailored solutions and cutting-edge technology to monitor and manage their energy consumption in real time and achieve real savings. CSI's portfolio of products already allows its clients a cost effective way to manage both the demand and supply sides of energy networks. For instance, CSI's technology is not only able to help utilities defer the need to build new plants through providing load balancing services; it can also help consumers and business owners manage their energy consumption patterns by providing them with a cost effect solution to remotely control electric appliances.

The technology itself is very 'green' as the impact of installing or using the system is minimal. It is designed to be part of the solution as governments and society struggle to satisfy the ever growing demand for energy and reduce carbon emissions at the same time. By linking usage profiles, environmental data, pricing signals and demand profiles with the CSI control mechanism, the technology allows optimization of energy use that benefits the end user and the supplier and ultimately the environment.



Phil McDermott, Managing Director of Gazprom Global Energy Solutions, commented: “We are delighted to welcome Cyclo Systems into the GGES and the wider Gazprom family. We firmly believe that the suite of demand side management, smart grid technologies and system applications that CSI has developed and deployed globally are unique, and will complement and enhance the GGES product portfolio. We intend to build on the solid foundation that CSI has created with clients such as EDF Energy and The Corporation of London, where CSI technology has been deployed to control loads across street lighting in the City of London. We also recognise the global potential of the CSI product range, and we now expect to realise this potential under the GGES umbrella.”

John Queripel, Managing Director of CSI, added: “We’ve been in this business for over a decade now, and our primary focus has always been on the development of unique first-class energy management products. For a number of years our Z-LYNK smart grid system has successfully and reliably operated across the City of London’s existing electricity infrastructure controlling public lighting, heating and other electrical loads proving beyond doubt the technologies effectiveness and reliability over one of the most technically challenging electricity grids in the world. Being part of GGES gives us instant access to a new client base across multiple geographies and a totally complementary set of GGES’s existing technology. The team here is very excited about this development and we look forward to implementing a wide range of smart energy systems on a much larger scale as GGES brings in additional skills, complementary technology, investment and access to more marketing opportunities.”

The acquisition will see CSI expand its product and customer base both inside and outside the UK, with primary focus on continental Europe and the APAC region. It will also aim to achieve considerable cost reduction in production and marketing costs over the next few years.

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About Gazprom Global Energy Solutions

Formerly Truread, Gazprom Global Energy Solutions (GGES) was founded in 2005 and became a 100% subsidiary of Gazprom Marketing & Trading Limited (GM&T) in 2010. GGES offers a completely managed end-to-end Automated Meter Reading (AMR) service using its own technology and integrated service solutions. Built on top of this fundamental smart/advanced metering platform are a whole host of energy management services.

As GM&T provides gas to many UK energy suppliers, there are synergies in assisting suppliers and consumers to control their energy use more accurately and efficiently. GGES’ customers span all industry sectors and range in size from blue chip multinationals such as McDonald’s and Bristol City Council to single site local companies.

For further information, please visit:

<http://www.gazprom-mt.com/WhatWeDo/EnergySolutions/Pages/default.aspx>



About Cyclo Systems International

Established in 1998, the UK-registered company Cyclo Systems International (CSI) has extensive expertise in power line technology and has developed a number of proprietary energy management systems and data control software compatible with the existing distribution network. The company's goal is to extend the reach and capability of these technologies, building on their renowned reliability providing existing and potential customers with a simple and cost effective method of energy management and equipment control.

CSI's products have been developed with the environmental issues and massive cost implications in mind that the power industry faces today. That's why the team strived to develop a system that allows a cost effective method to manage demand and supply deferring the need to build new plant and thereby help reduce emissions. CSI has a number of UK and International installation partners, including EDF Energy and the Corporation of London.

About Gazprom Marketing & Trading

Gazprom Marketing & Trading Limited (GM&T) is a UK-registered wholly-owned subsidiary of the Gazprom Group, the world's largest gas company by asset base, accounting for 17% of the world's total natural gas reserves and for about 70% of natural gas reserves in Russia. GM&T is headquartered in London and was established in 1999 to manage Gazprom's marketing and trading activities in the liberalised markets of Europe.

GM&T is responsible for the optimisation of Gazprom's energy commodity assets and downstream expansion through its marketing and trading network. With subsidiaries in Houston, Singapore, Paris, Berlin and Manchester, GM&T trades energy commodities including gas, power, oil and oil products, carbon, LNG and FX. GM&T has been trading financial oil products on a number of exchanges since 2006 and can now offer 24-hour coverage of the market between Singapore, London and Houston.

About further information, please visit:

<http://www.gazprom-mt.com>