LNG Unlimited

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Equatorial Guinea floating LNG on track despite one firm backing out

Ophir Energy CEO says UK company's plan makes progress

Our Europe editor

Ophir CEO Cooper talking with 'quality' counterparties

Ophir Energy Chief Executive Nick Cooper said the London-based company was still on track to take a final investment decision on its Fortuna Floating LNG project in 2016.

The venture is still planned for offshore Equatorial Guinea in West Africa, even as US energy services company Schlumberger has backed away from being a partner.

Options

"The Fortuna project workstreams are progressing towards FID. We have been reviewing a number of options and our discussions continue with other quality counterparties that can offer an attractive source of funding," the CEO said of the venture it's developing with Golar LNG.

"In addition, the reduction in the capital expenditure to first gas has lowered the project breakeven oil price to approximately $40 per barrel," Cooper said.

"We continue to work closely with Golar, the prospective offtakers and the other potential partners and remain confident that we will take the FID in 2016," the CEO said.

He also gave details of the Schlumberger backtrack on becoming an investor.

"Since the 26 January 2016 announcement of a non-binding Heads of Terms Agreement with Schlumberger for upstream participation, Schlumberger has satisfactorily completed its technical due diligence.

"However, Ophir and Schlumberger have been unable to complete the transaction on the terms agreed in the Heads of Terms. As such, discussions between the parties have terminated," Cooper said.

"Notwithstanding this the project still represents a technically and financially attractive project for Ophir and its shareholders," the statement added.

"The Schlumberger agreement was one of several options being reviewed as a basis for development of the project and delivery of value to shareholders," it said.

Ophir explained that it would continue to progress with the project. Engineering and construction bids have been received as planned in early April 2016.

The company said it had remained in active discussions with a number of other parties with regards to participation in and funding of Fortuna FLNG.

"These discussions include upstream equity participation, vendor financing and pre-sales of gas," it added.

"Offtake selection has progressed to a decision between three alternative solutions. Fully-termed LNG sales agreements are nearing completion," Ophir said.

The UK's company's Fortuna midstream partner, Golar, also issued a statement saying that itself and Schlumberger wished to inform the market that Schlumberger's withdrawal from the Fortuna-Ophir development "will not in any way influence" their own framework agreement.

Target

"The target of this framework agreement is to develop integrated solutions for stranded gas assets," Golar said.

"Significant efforts have been put into this over the last months and the results have confirmed to both parties the commercial attractiveness and the technical viability of the FLNG concept as a solution for rapid modernisation of stranded gas.

"The partnership is currently exploring several specific opportunities," Golar stated.

"Although a commercial agreement between Ophir and Schlumberger was not reached, Golar will independently continue to work with Ophir with the target to reach an FID for the Fortuna development this year," it added. ■

UNLIMITED AGENDA

Santos CEO says natural gas is only fuel that can be clean energy for nations like China

Our Asia-Pacific editor

Australian energy company and major LNG stakeholder Santos said natural gas was the only fuel at present that could help clean up Asia and control carbon emissions, including in the region's largest economy, China.

The pledge was made by new Chief Executive Kevin Gallagher in an address to the annual meeting of the company shareholders at its corporate base in Adelaide, South Australia.

CEO Kevin Gallagher provides Santos with breath of fresh air

Adelaide six

CEO Gallagher also said that a new management team of six would help move the company clear of the worst effects of the oil price slump.

Gallagher spoke about the benefits of exporting LNG to the region from the three liquefaction plants where it has stakes, the Gladstone coal-seam-gas-to-LNG venture in Queensland, the Darwin LNG plant in Australia's Northern Territory and the Papua New Guinea project.

The company had earlier reported that the three plants delivered 56 LNG cargoes to Asia during the first quarter.

Santos operates the Gladstone LNG plant, which recently started commercial operations on Curtis Island in Queensland after costing US$18.5 billion to build.

"I am genuinely excited by the opportunities within our asset portfolio to deliver real long-term growth, based on an increasing global need for cleaner energy," the Santos CEO said.

"Natural gas is the only fuel that can deliver reliable, cleaner and affordable energy to the world's major developing economies, including China.

"For example, replacing 1 per cent of China's coal-fired generating capacity with natural gas generation would save 35 million tonnes of carbon emissions per annum. This is equivalent to 6 per cent of Australia's annual emissions," he stated.

"There is no question that lower oil prices have put significant pressure on oil and gas companies, including Santos.

"The 2015 financial results reflect the impact of low oil prices on our profits and on the value of our assets.

"Despite the pleasing production and a solid operating performance in 2015, Santos recorded an overall loss of A$2.70 billion (US$2.02Bln) following asset impairments of A$2.8Bln.

"This is a disappointing result, but it shows the stark reality that our business must be sustainable in a low oil price environment.

"Since joining the company in February, I have had a first-hand look at our major operating assets," he said.

"Last month, I announced a new executive team and a new organisational structure that involves a move away from geographic business units to create a single business: one Santos," he said.

"This means an asset-based management structure with strong technical capabilities in exploration, development and production.

The CEO said the new management team had three priorities.

"The near-term strategy is clear: stabilise the business; reduce debt and put the right framework in place to become a low-cost, reliable and high-performance business," Gallagher said.

"This includes an assessment of targets in the Northern Territory and Queensland, and near-field exploration to deliver additional gas.

"The exploration team, led by Bill Ovenden, will do the hard technical work to define new resources that will ultimately provide backfill for existing infrastructure or that will be developed as new projects.

"Brett Woods, as head of development, will provide the necessary capabilities to manage sustaining capital and to deliver our development projects such as the opportunities in PNG, Darwin LNG backfill and the ongoing technical assessment of the Narrabri Gas Project," the CEO said.

"Vince Santostefano, as Chief Operations Officer, will build on the production success of 2015 and drive safe and low cost, reliable production across the business to maintain and increase our revenue stream," he added.

"John Anderson, as head of commercial and business development, will provide the necessary commercial capability and expertise that protects and increases our margins.

"John will look to reshape our portfolio and prioritise assets and opportunities. Our objective is to create a good balance of conventional and unconventional projects to provide more stable returns throughout the cycle," he said.

Break-even aim

"The other Executive Committee members, Andrew Seaton and Angus Jaffray, will work with me to support Bill, Brett, Vince and John," Gallagher added.

"Our aim, is to be cash flow break-even at between US$35-40 per barrel on a portfolio basis," the CEO stated.

"This will put Santos in the position where it has the flexibility to take advantage of future opportunities," he said.

> "Natural gas is the only fuel that can deliver reliable, cleaner and affordable energy to the world's major developing economies, including China."
>
> *Kevin Gallagher, CEO, Santos*

Bureau Veritas buys UK-based consultancy TMC Marine

Bureau Veritas, the French classification society, said it reinforced its position in marine services where recent work included liquefied natural gas bunkering ship design, with the acquisition of a leading UK-based consultancy, TMC Marine Ltd.

The UK firm, whose headquarters are in London and with a network of offices in the US and the Far Fast, focuses on marine claims and accident investigations, salvage and other services and whose client base includes insurers, law firms and ship owners.

Headquartered in London, TMC has a network of offices in the US, China, Singapore and Australia. It employs over 50 people and generated revenues of 8.5 million euros ($9.7M) in 2015. The value of the transaction was not disclosed.

BV, whose base is in Neuilly-sur-Seine, near Paris, has recently been active in issuing requirements for liquefied natural gas bunkering tankers and their arrangements for transferring LNG to ships using the fuel.

The French class society believes that securing safe LNG bunkering methods is the key to a swift uptake of the fuel by the shipping industry.

BV has additionally granted an approval in principle to French LNG containment manufacturer Gaztransport and Technigaz (GTT) for an LNG bunker tanker design.

The approval covers GTT's latest 4,000 cubic metres cargo capacity bunkering ship concept.

"TMC is a recognized brand that enables the group to enhance its offering to the marine insurance consultancy market, thereby expanding the services that we already provide in offshore to the maritime market," said Didier Michaud-Daniel, Chief Executive of BV.

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Shell places BG volumes and more as LNG sales show sizeable increase

Our Europe editor

Shell's LNG combination with BG starts off strongly

Royal Dutch Shell said it first-quarter LNG sales volumes were 12.29 million tonnes, putting the company on track for around 48MT of LNG sales for the whole of 2016 that will demonstrate its more dominant position in the market after its take-over of BG Group of the UK.

While giving its LNG sales volumes, the Anglo-Dutch giant has quickly done away with BG's comprehensive roundup of its LNG portfolio activities, including cargo destinations and volumes by region.

Impacts

Shell gave its LNG sales volumes for the first-quarter of 2015 as 9.81MT and added that its first-quarter 2016 liquefaction volumes at various plants amounted to 7.04MT.

Shell's overall first-quarter 2016 net income attributable to shareholders amounted to $800 million compared with $4.8 billion for the same quarter a year ago.

"Compared with the first quarter 2015, earnings excluding identified items were impacted by the decline in oil, gas and LNG prices and weaker refining industry conditions," Shell said.

Shell Chief Executive Ben Van Beurden said the company's Downstream and Integrated Gas businesses delivered strong results to underpin the financial performance despite continued low oil and gas prices.

"We continue to reduce our spending levels, to capture cost opportunities and manage the financial framework in today's lower oil price environment.

"The combination with BG is off to a strong start, as a result of detailed forward planning before the completion of the transaction," Van Beurden added.

"This will likely result in accelerated delivery of the synergies from the acquisition, and at a lower cost than we originally set out," the CEO said.

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French energy player Engie changes strategy amid pledge on natural gas

Engie's new Chief Executive Isabelle Kocher has named a new group executive committee for the French energy company, including two liquefied natural gas executives, as it launches an ambitious transformation plan.

Engie seeks to be "a forerunner, a leader in tomorrow's energy world, thanks to rapid change in his activity portfolio," to give more priority to solar power and lots of wind, with less emphasis on activities in the hydrocarbon sector.

The team includes Pierre Chareyre, Executive Vice President in charge of supervision of Global Energy Management, Global LNG, Exploration and Production International and the Latin American business units.

Another executive in the team with LNG responsibilities is Sandra Lagumina, Executive Vice President in charge of supervision of the Engie LNG import terminals operating company Elengy, as well as gas transmission unit GRTgaz, gas and energy storage and the China business.

"The shared qualities of this executive management team include recognized skills and strong operational legitimacy in each of their respective fields, a collaborative spirit and habit of teamwork and, finally, a shared vision for the transformation of Engie," the statement said.

Engie now has operational units under its restructuring and based on a principle of territoriality "along country or country group boundaries."

The group also embarked upon "Lean 2018," an ambitious operational performance programme, aiming to reduce net costs by 1 billion euros ($1.15Bln) within three years, improve efficiency and contribute financing for investments.

CEO Kocher has said she wants "a complete re-deal of the geopolitical cards."

"In the short term, that is putting the producing countries under pressure. In the longer term, they will have to cope with a structural revolution," she said.

"Solar power is becoming competitive - its price is now one-eighth of what it was five years ago - and now represents a viably exploitable energy asset for many countries, and especially African countries," she said in an interview published on the company website.

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NEWS NUDGES

Exmar LNG income steady

Exmar, the Belgian LNG fleet owner with various stakes in 15 carrier and floating storage and regasification units, posted a drop in first-quarter turnover to $25.5 million from $32.4M in the same three months last year. LNG operations contributed $13.3M to operating income compared with $8.9M in the same 2015 quarter. "All LNG carriers but "Excel" remain employed on long-term contracts at rewarding levels. Despite difficult market conditions, "Excel" continues to be employed on the spot market," Exmar said. "Following the termination of the contract with Pacific Exploration and Production, Exmar is in discussions with several parties to deploy the FLNG barge on projects located mainly in the Middle East, South America and West Africa," it added.

France's Total shows LNG fall

French energy company Total said its liquefied natural gas sales in the first quarter fell 6 percent to 2.64 million tonnes compared with 2.80MT in the same three months of 2015, though will improve during the rest of 2016 as Angola LNG and Australian Gladstone LNG volumes have an impact. Total noted that during the quarter it signed sale and purchase agreements with Indonesian energy company Pertamina and ENN Group of China.

Statoil sells shale assets

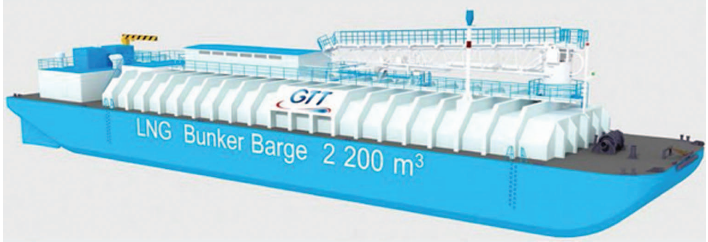
Statoil, the Norwegian energy major and owner of Europe's only industrial-scale LNG production plant at Hammerfest in northern Norway, said it agreed to sell its operated Marcellus shale properties in the US state of West Virginia to US company EQT Corp. for $407 million in cash.

French firm GTT awarded contract to train crew for US LNG bunker ship

Our Europe editor

Gaztransport and Technigaz (GTT), the French owner of liquefied natural gas maritime and other storage tank technologies, has signed a contract to train personnel to operate the first LNG bunkering barge to operate in the US.

GTT said it would train those who will be operating and handling LNG from the 2,200 cubic metres capacity barge using its technology and under construction at Conrad Industries Shipyard in Orange, Texas.



LNG barge is being built at Conrad Shipyard in Orange, Texas

Parties

The contract was signed with US shipping line Totem Ocean Trailer Express (TOTE), owner of the bunkering vessel.

The Texas shipyard building the LNG bunkering barge is located on the Sabine River about 37 miles from the Gulf of Mexico.

The barge will eventually be relocated to Jacksonville in Florida to serve parent company TOTE's Marlin Class dual-fuel container vessels and other LNG-powered ships in the Port of Jacksonville

GTT said the program to be carried out by its training unit would cover the LNG barge crew and that of an associated tug. The course will be the subject of US Coast Guard approval.

"At present, there are no LNG specific competency and training standards for LNG barges that can serve as the basis to establish crew credentials and qualifications by the Flag authorities," GTT said.

GTT will collaborate with the STAR Center, an internationally recognized and USCG-accredited LNG training center located near Miami, Florida. "We are excited to partner with GTT and other stakeholders in developing a training program that sets the standard for safety when working with LNG," noted Peter Keller, Executive Vice President of TOTE.

Philippe Berterottière, Chief Executive of GTT, commented: "We are proud and honored by this agreement with TOTE. It demonstrates GTT group's capability to provide TOTE a wide range of services, beyond the containment system technology, to assure their personnel are certified and competent to safely conduct all operations related to the LNG bunker barge."

US LNG equipment-maker Chart swings to loss amid contract win

Chart Industries, the US manufacturer of equipment for the LNG and energy industries, swung to a first-quarter loss because of restructuring and acquisition-related costs, though logged a contract for an import terminal in India.

The net loss for the first quarter of 2016 was $4.7 million compared with a net profit of $5.2M for the first quarter of 2015.

Cleveland, Ohio-based Chart said net sales for the three months decreased 20.9 percent to $193.8M from $245.1M in the same period the previous year.

"We are pleased with demand strength for our LNG-related products in Distribution and Storage, including our contract for LNG vaporizers for an import terminal in India," said Sam Thomas, Chart's Chairman, President and Chief Executive.

"Our D&S business is benefiting from greater availability of LNG worldwide, some of it coming from plants that Chart's Energy & Chemicals unit has been helping to build.

"Despite the loss, which was largely due to acceleration of share-based compensation expense in the quarter, we continue to demonstrate the strength of our diversified product portfolio and strong cash flow generation despite low energy prices and a weak Chinese economy," the CEO said.

"We are focused on our long-term strategic initiatives and maintaining our engineering and execution capabilities, particularly in Energy & Chemical," he added. "Lean initiatives, including our plant consolidation in Tulsa, Oklahoma, will allow us to improve our manufacturing efficiencies to reduce future costs," Thomas stated.

Orders received in the first quarter of 2016 were $199.3M, a decrease of $31.9M over orders received during the fourth quarter of 2015.

"This decline was partially offset by solid order levels within D&S, including the previously announced AB Klaipėdos Nafta (Lithuania) LNG award," the company said.

Chart's backlog of orders on March 31, 2016 was $382.4M, up 2.1 percent from the December level of $374.6M.

France's LNG player Total mulls appeal on fines from FERC for gas market manipulation

Our North America editor in New York

The US subsidiary of French energy company Total has asked for more time to put together a possible appeal against fines of $216.6 million from the US Federal Energy Commission's Office of Enforcement that found Total and two of its traders guilty of manipulating natural gas market prices.

The trades allegedly took place at four Southwest locations over the period of June 2009 to June 2012.

Assessment

Fines were assessed at $213.6 against the company, $2M against a trader named as Therese Nguyen Tran and $1M for a second trader, Aaron Hall.

The FERC Enforcement Office has given Total Gas & Power North America (TGPNA) and traders Hall and Nguyen Tran 30 days to "show cause why it should not be required to disgorge unjust profits of $9.18 million, plus interest" as well as the fines.

Natural gas trades by Total employees were in 2009-2012

The FERC further directs TGPNA, Hall, and Nguyen Tran to show cause why they should not be assessed for the civil penalties at the given amounts. The case followed a detailed FERC investigation and alleges that Total and the traders Hall and Nguyen Tran violated section 4A of the Natural Gas Act and section 1C of FERC's regulations, which prohibit natural gas market manipulation.

The FERC claims that Total, through Hall and Nguyen Tran, deliberately traded to affect monthly natural gas indexes "by transacting at prices and in ways that were designed to move index prices in a direction that benefited its related derivative positions."

Specifically, it alleges that, principally through Hall and Nguyen Tran, Total "devised and engaged in uneconomic trades" of monthly physical fixed-price natural gas during bid week at regional trading hubs.

The hub involved were named by FERC as Southern California Gas Co. (SoCal), El Paso Natural Gas Co., the Permian Basin, West Texas and the El Paso San Juan Basin.

The FERC said the Total trades were then reported to price assessment publications "for inclusion in monthly index prices." ■

Air Products says company rose to profits challenge

Air Products, the leading provider of LNG liquefaction equipment, posted adjusted quarterly net income from continuing operations of $397 million, up 18 percent compared with a year ago.

The Lehigh Valley, Pennsylvania-based company said its fiscal 2016 second quarter sales of $2.27 billion decreased 6 percent from the same three months a year ago because of the strong dollar.

Air Products has won contracts for ongoing LNG ventures around the world. They include Sempra's Cameron LNG project on the US Gulf Coast, the Cove Point plant in Maryland, the Ichthys project in Australia and the first Floating LNG venture in the world being developed by Malaysia's Petronas.

The company said Volumes were unchanged, as the company's Industrial Gases division showed continued growth in Asia, while most other segment volumes were lower.

"Pricing overall was flat despite higher pricing in Industrial Gases," it said.

Adjusted operating income of $532M increased 20 percent versus the year-ago period, and the record adjusted operating margin of 23.4 percent improved 500 basis points.

"With their sharp focus on executing our strategic Five-Point plan by controlling what they can control, the committed and motivated team at Air Products delivered excellent results again this quarter," said Seifi Ghasemi, Chairman, President and Chief Executive.

"In the face of challenging economic conditions and a weak manufacturing environment, Air Products again posted significant profit improvement," he said.

Australia's Origin Energy improves results thanks to Sinopec LNG lifting

Our Asia-Pacific editor

Origin Energy, a shareholder and coal-seam gas provider for the Australia Pacific LNG plant in Queensland, reported an improved quarterly performance thanks to the cargoes lifted from the facility by Chinese energy company Sinopec.

APLNG shipped its first LNG cargo on January 9, 2016, and a total of 11 shipments were loaded during the first three months of the year.

Australia Pacific LNG plant on Curtis Island in Queensland

The plant is one of three coal-seam-gas-to-LNG facilities built in Queensland and its shareholders apart from Origin include US major ConocoPhillips and Sinopec.

APLNG is located on Curtis Island, near the port of Gladstone, and was built at a cost of A$25 billion (US$18Bln).

Origin said its revenue for the three months to the end of March was A$316.4M (US$242M), a 49 per cent increase on the previous quarter and a 45 per cent increase on the previous corresponding period, primarily reflecting the commencement of LNG sales by APLNG.

"The commencement of LNG exports from Australia Pacific LNG made a strong contribution to Origin's overall production and sales results during the quarter.

"The majority of the 11 cargoes shipped from Australia Pacific LNG's Curtis Island facility during the quarter were purchased by Sinopec in accordance with the Sale and Purchase Agreement. The project shipped an additional four cargoes during April," said David Baldwin, Origin's Chief Executive for Integrated Gas.

"Pleasingly, daily production rates from APLNG's first production Train have exceeded design nameplate capacity of 4.5 million tonnes per annum.

"First cargo from the project's second production train is expected during the first half of the 2017 financial year," added Baldwin.

Origin's 2017 fiscal year starts on 1 July 2016 and ends on June 30, 2017.

Cedigaz says LNG trade returned to growth after three years of stagnation

LNG trade returned to growth after three years of stagnation, according to according to a report from Cedigaz, the France-based consultants and information organization that publishes analyses and surveys of the energy sector.

The apparent resumption of global natural gas market growth can be misleading as the higher growth is essentially the result of a weather-driven recovery in the European Union where demand rebounded by 4.5 percent after having dropped by 11 percent.

"For the rest of the world gas demand growth was actually lower than in 2014, 1.2 percent versus 2 percent, and was pulled by a limited number of countries led by the US," the Cedigaz report said.

"The inability of natural gas demand to keep pace with an accelerated supply growth, led to an imbalance in the global gas market and to a price weakness which is expected to continue in the short and medium-term, amid a sluggish economic environment," Cedigaz said.

"The weakness of the oil price impacted that of long-term LNG contracts, the majority of which is still indexed on oil.

"The falling oil price also acted as a cap on spot LNG in Asia, through oil switching in the power and industrial sectors.

"Overall, regional gas prices tended to converge except for North American prices which remained significantly lower than in the rest of the world," the Cedigaz report said.

After falling by 4.4 percent in 2014, international natural gas pipeline trade resumed growth in 2015, up 2.9 percent, according to Cedigaz estimates.

"This growth was mainly due to a rebound in Russian gas exports to Europe, where surging consumption combined with falling indigenous production resulted in a growing dependence on extra-regional imports," it said.

"LNG production growth in Asia-Oceania quickened, whereas LNG demand was constrained by economic factors and inter-fuel and pipeline gas competition, causing a growing imbalance inside the Asian market (with declines of LNG imports in Japan, South Korea and China) and an LNG glut which benefited Europe.

French engineer Technip advances floating LNG projects and Russian Yamal venture

Our Europe editor

French energy and liquefied natural gas engineering company Technip said it achieved its first-quarter objectives in the "harsh" downturn as it advanced the world's first two floating LNG projects while its net income rose and revenue was down slightly.

The French company's adjusted first-quarter revenue was down 4.2 percent at 2.76 billion euros ($3.13Bln) compared with $2.88Bln euros in the same three months of 2015.

Progress

Technip also posted first-quarter net income of 114.4 million euros ($130M) compared with 86.1M euros in the year-ago quarter, a rise of 33 percent.

The company said its Asia-Pacific ventures were progressing, including two in Australia, and the "PFLNG Satu" liquefaction hull being constructed for Malaysia's Petronas and which will be the world's first FLNG project to come on stream in the third quarter of 2016. Technip is responsible for the topsides of the "PFLNG Satu" which will soon leave the South Korean shipyard of development partner Daewoo Shipbuilding and Marine Engineering.

Technip CEO Pilenko meeting objectives in downturn

Technip is also currently working on the subsea section of the onshore Wheatstone LNG project in Western Australia being developed by Chevron Corp. and Woodside.

It is also involved as a joint venture engineering partner in the Australian Prelude FLNG venture of Royal Dutch Shell.

Another of its projects is the Yamal LNG venture in Arctic Russia being developed by Novatek of Russia, France's Total and China National Petroleum Corp.

Referring to the Yamal project, Technip said in its earnings report: "The first of the 2016 shipments of process modules fabricated in Chinese yards were sent on their way to the Yamal LNG site at Sabetta."

Technip said its adjusted revenues of almost 2.8Bln euros was equally split between its subsea and offshore-onshore divisions.

The company's backlog in the first quarter was 15Bln euros ($17Bln), with order intake put at 930 million euros in the three months.

"At the start of the year, Technip set out to execute our projects, sustain our balance sheet strength, reduce our costs and progress our strategy - all in response to the harsh and prolonged downturn in our industry," said Thierry Pilenko, Chairman and Chief Executive

"The first quarter shows that our teams are following through on these objectives," Pilenko stated.

"On revenues down 4.2 percent, we improved our profitability," he added.

"In Subsea, our manufacturing plants were busy and so were our vessels on West African offshore campaigns in particular driving a record 82 percent vessel utilization rate for a first quarter.

"In terms of early stage work, we won an important contract with Statoil through our Forsys Subsea joint venture for the development of the Trestakk field.

"In onshore-offshore, we started the 2016 campaign on Yamal with the first module shipments and early works continued," Pilenko said.

Energy and LNG engineer Amec FW names Jon Lewis from Halliburton as new CEO

Amec Foster Wheeler, the energy and LNG engineering and construction company, said it had appointment Jonathan Lewis from US company Halliburton as its new Chief Executive with effect from 1 June 2016.

On that same day Ian McHoul will cease to be interim CEO, though will remain with Amec FW as Chief Financial Officer.

Amec FW said Lewis has been employed in a number of senior roles at Halliburton Company since 1996.

"He is currently based in Houston, Texas where he is a Senior Vice President and member of the Halliburton Executive Committee, with responsibility since 2014 for leading its largest division. The London-based company is operating on three Asia-Pacific LNG projects, including two in Australia and one in Timor Este.

Amec FW said its new CEO is 54 years old, has dual UK-US citizenship and will be based in London.

"His salary will be £775,000 per annum and he will be eligible for an annual bonus and participation in the long-term incentive plan," it added.

Lewis joined Halliburton following nine years in academia, where he was research fellow at the Royal School of Mines at Imperial College in London and Conoco Lecturer in Petroleum Geology at Heriot Watt University, Edinburgh.

He received his PhD in reservoir characterisation from the University of Reading in 1987.

Amec FW Chairman John Connolly commented: "I am delighted that Jon will soon be joining us as our new CEO.

"He brings with him 30 years of experience in the oil and gas industry across many parts of the world, including 20 years as a senior executive at Halliburton where he built a reputation for safe and ethical operations, strategic market insight, strong leadership, commercial discipline and consistently delivered against commitments."

Amec FW also posted its first-quarter results, with revenue put at 1.3 billion pounds ($1.9Bln) compared with 1.32Bln pounds in the 2015 quarter, down 1.5 percent.

Lewis held several roles Halliburton since 1996

The order book stood at 6.4Bln at the end of March, compared with 6.6Bln pounds at the end of 2015.

US energy and LNG contract firm FMC still ‘fairly resilient’ amid earnings slump

Our North America editor in New York

FMC Technologies Inc., the US-based energy and liquefied natural gas project contractor and services supplier, posted a first-quarter drop of 29 percent in revenues to $1.2 billion as net income also plunged because of the industry slowdown, restructuring costs and the negative impact of the strengthening dollar.

Net income for the three months to the end of March 2016 amounted to $19.8 million compared with $148.1M because of one-time charges, restructuring and inventory write-downs of $47.6M.

Subsea

“Subsea Technologies delivered operating margins of 13.1 percent, excluding charges, as we benefited from solid execution and restructuring savings,” said John Gremp, Chairman and Chief Executive of FMC.

John Gremp, Chairman and CEO of Houston-based FMC

The company said total inbound orders were $671.6M, including $345.9M in Subsea Technologies orders.

The order backlog for the company was $4Bln, including Subsea Technologies backlog of $3.4 billion.

Much of FMC's current LNG work is in Australia. In January 2016, it was awarded a contract for the Greater Western Flank project that will extend the lifespan of the North West Shelf LNG project at Karratha in Western Australia.

FMC is also working with Royal Dutch Shell to supply subsea production and associated topside systems for the Prelude Floating LNG project for offshore Australia.

Another is with ConocoPhillips for the Bayu Undan field feed-gas expansion for the Darwin LNG plant.

“While operators' reduced capital spending continues to delay large deepwater projects, we believe that our subsea service orders will remain fairly resilient in 2016,” added Gremp.

The Subsea Technologies unit logged first-quarter revenue of $864M, down 25 percent from the year-ago quarter.

“After excluding the $57M of negative impact due to the strong US dollar, total revenue was down 20 percent year-over-year,” FMC said.

Surface first-quarter revenue was $265.5M, down 41 percent from the same three months of 2015, primarily due to the significant decline in North American land activity. ■