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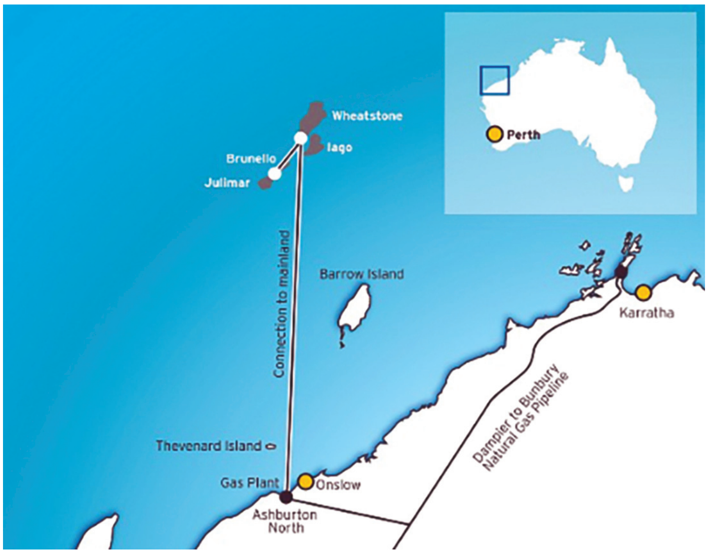
Woodside's revenue fall offset by Wheatstone and Persephone success

Carrier at plant in the Pilbara region for commissioning of loading system

Our Asia-Pacific editor

Woodside Petroleum, the operator of the North West Shelf and Pluto LNG plants and a shareholder in the recently producing Wheatstone LNG project, delivered 7.4 percent lower total revenues in the third quarter.

Woodside said an LNG carrier had arrived at the Wheatstone marine terminal in the Pilbara region of Western Australia and the loading system commissioning was being conducted.



Woodside said Wheatstone is major part of growth strategy

Advances

"Loading operations will commence shortly and the start-up LNG Train 2 is expected in six to eight months," the company said.

On it earnings, Woodside said its income from sales, including LNG, oil and condensate amounted to US$914.1 million in the three months versus $987.5M in the same quarter of 2016.

That's as production increased at the Pluto LNG plant where Woodside said it achieved daily, weekly and monthly production records.

"Monthly production for July was 3 percent higher than the previous record set in July 2016 and the 350th Pluto LNG cargo was delivered," said Woodside.

Woodside is a one-sixth shareholder in the NWS plant at Karratha in western Australia and its share of volumes dropped to 637,329 tonnes compared with 752,125 tonnes in the 2016 quarter.

The Perth-based company said its average realized LNG price for NWS plant cargoes was US$6.60 per million British thermal units versus US$5.30 per MMBtu in the 2016 quarter. The average Pluto LNG price was $7.90 per MMBtu.

Chief Executive Peter Coleman said the highlights of the quarter were the start-ups of the Wheatstone LNG plant, operated by Chevron, and the Woodside-led Persephone project to boost NWS plant LNG output.

"In October, Woodside realised a major component of our near-term growth strategy with the start of LNG production at Wheatstone, which will contribute more than 13 million barrels of oil equivalent of annual production once its two LNG Trains and domestic gas plant are fully operational," said Coleman.

"Persephone was delivered A$355 million below the expected cost of A$1.2 billion, representing an outstanding achievement by the project team," added Coleman, referring to the two-well natural gas subsea tieback from the Persephone field to the existing North Rankin platform.

The Persephone gas field is located 135 kilometres northwest of Karratha in water depth of around 126 metres.

"The period marked further strong operational performance from Pluto LNG," added Coleman.

Pluto record

"For the second quarter in succession, Pluto achieved a number of production records, with production in July 3 percent higher than the previous high set in the same month of last year," he explained.

Woodside also reported a further natural gas discovery in Myanmar, also known as Burma.

The Australian company said its Pyi Thit-1 well in its offshore Block A-6 in the Southern Rakhine Basin intersected a gross gas column of approximately 65 metres.

"Approximately 36m of net gas pay is interpreted within the primary target interval in sandstone reservoirs," the company added. ■

UNLIMITED AGENDA

Asia-Pacific stakeholder Santos sees LNG average cargo prices hit US$7.50 per MMBtu

Our Asia-Pacific editor

Australian energy company Santos, a shareholder in three Asia-Pacific LNG plants, said its average realized sales price in the third quarter jumped to US$7.50 million British thermal units from US$5.72 per MMBtu in the year-ago period.

Santos said 60 LNG cargoes were shipped from the plants it has stakes in, including Papua New Guinea, the ConocoPhillips-operated Darwin plant in Australia's Northern Territory and the Gladstone coal-seam-gas-to-LNG facility the company itself operates in Queensland.

Japanese are seeking lower costs for fuel shipments

Revenue jump

Total sales revenues jumped 22 percent to US$793 million compared with US$650M in the same three months of 2016 on higher LNG and oil prices even as volumes of LNG cargoes were little changed year-on-year.

PNG LNG, operated by ExxonMobil and in which Santos has a 13.5 percent stake, operated at an annualised rate of 8.6 million tonnes per annum for the quarter, the highest quarterly rate since start-up in 2014.

A total of 29 cargoes were shipped in the quarter to Japan, China and Taiwan from the PNG facility, located northwest of the capital Port Moresby.

The Queensland GLNG plant delivered 20 cargoes to Asia during the three months, while 11 cargoes were shipped to Japan from Darwin LNG.

Santos added that income from LNG alone in the quarter rose to US$293M versus US$227M in the year-ago period, an increase of 29 percent on higher prices.

Upstream equity sales gas production in Queensland was about 4 percent higher than the previous quarter, primarily due to strong field performance from Fairview and higher Roma field output.

A total of 53 new development wells were drilled in the GLNG fields in the quarter, with 40 development wells connected and gas sold in the Fairview and Roma fields.

The Adelaide-based company said net debt was reduced to US$2.8Bln at the end of the quarter, down from US$3.5Bln at the end of 2016.

"The company's third-quarter results continue to highlight the value of our disciplined operating model in delivering a low-cost, reliable and high performance business that can generate significant free cash flow in the current oil price environment," said Chief Executive Kevin Gallagher.

"Compared to the end of 2016, our net debt position is US$700M lower and our forecast free cash flow breakeven for 2017 sits at US$33 per barrel, well below the US$47 per barrel at the beginning of 2016," the CEO stated.

Santos said its overall production was up 2 percent compared with the previous quarter, driven by a 4 percent increase from the five core assets, including the Cooper Basin, GLNG in Queensland and the PNG LNG plant.

Santos also announced during the quarter its role in the supply of more than 125 petajoules of gas into the southeast Australian domestic market over the coming years.

"As an Australian company, we understand the importance of reliable and affordable energy for Australian businesses and households and are committed to playing our role in supplying the domestic market," said Gallagher.

Plan advances for Origin Energy to boost feed-gas for APLNG and develop shale gas

Origin Energy, the stakeholder in the Australia Pacific LNG plant with ConocoPhillips and China's Sinopec, said it aimed to help stabilize the country's domestic natural gas market by developing the Ironbark coal-seam gas project in Queensland and a shale-gas venture in the Northern Territory.

Origin Chief Executive Frank Calabria outlined the plans at the company's annual meeting in Sydney.

"Gas will continue to be a core part of Origin and has always been a key differentiator for our business," said the CEO.

"At a time when gas supply has been tight, we have continued to write contracts with large customers such as manufacturers.

"We have increased volumes of gas sold to industrial customers by 12 percent in 2017, with more than 760 supply agreements signed with customers and we are actively looking to bring on more gas supply this year.

"We are also looking to future development opportunities to bring more supply to the market, including targeting front-end engineering and design on Ironbark during 2018," stated Calabria.

"This work will help us understand what the future development options and timeframes might look like," added the CEO.

Ironbark is a CSG field located on the western flank of the Walloon sub-basin in Queensland.

The Ironbark project could produce CSG from 800 new gas wells in the next 30 years in addition to the nearly 10,000 wells Origin is drilling with ConocoPhillips as feed-gas supply for the APLNG plant.

Calabria also pointed out to shareholders that earlier in 2017 Origin had discovered "a material contingent shale resource" in the Northern Territory's Beetaloo Basin - the most prospective underdeveloped onshore basin for unconventional gas.

"We also increased our interest to 70 percent," he stated, while adding that the company hoped to advance with the venture.

Origin has estimated that resources in the Beetaloo Basin, located about 500 kilometres southeast of Darwin, amount to around 6.6 trillion cubic feet of natural gas.

The three Beetaloo permits held by Origin cover an area of more than 18,500 square kilometres within the Basin.

However, future extraction of the shale gas depends on the Northern Territory government lifting a ban on hydraulic fracturing to develop the resources.

Spain cargo volumes offset by drop in piped supply

Spanish net liquefied natural gas imports rose almost 5 percent last month compared with the same month a year ago as more of the fuel was needed for power generation and to offset lower pipeline imports from North Africa.

The Barcelona regasification facility in the northeast of Spain received six out of the net total of 15 shipments imported.

The Huelva terminal in the southwest of the country was the second busiest in September and handled five cargoes.

The Sagunto facility, located just north of the eastern city of Valencia, the Cartagena terminal in the south near Murcia and the Mugardos and Bilbao terminals in the northwest each unloaded a single shipment.

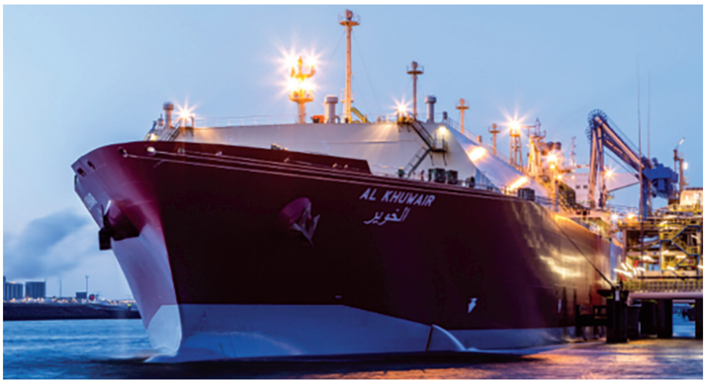
The imports came from countries such as Qatar, Peru, Nigeria, Algeria and Trinidad.

Spanish terminals had handled 19 cargoes in August 2017 because of a surge in power demand.

LNG imports reached 11.9 terawatt hours in September compared with 11.4 TWh in the same month last year as Spain's total natural gas imports were down 6.2 percent overall at 27 TWh, mainly due to an almost 17 percent decrease in pipeline imports from Algeria.

Enagas, the natural gas transmission network owner, is the main operator of Spain's LNG terminals. ■

Japan event hears finance pledge for Asia and security of supply warning



Japanese are seeking low lower costs of fuel shipments

Japan duly offered the $10 billion flagged by the government beforehand at the LNG Producer-Consumer Conference in Tokyo where the nation pledged to help finance the value chain of LNG projects in developing countries in Asia.

The promise came in the welcoming speech at the conference hosted in Tokyo since 2012 by the Ministry of Economy, Trade and Industry.

Value chain

The finance would go towards upstream, midstream and downstream LNG projects in Asian and other countries to help encourage LNG demand, said METI Minister Hiroshige Seko at the event in the International Convention Center at the Grand Prince Hotel New Takanawa.

Seko added that the Japanese government and the country's main energy companies and utilities involved in the LNG business would offer training to develop workforces for projects in gas producing and consuming countries.

Fatih Birol, the executive director of the International Energy Agency, told delegates in his speech that over the next five years about 40 percent of the world's gas production growth will come from the US.

Birol had earlier launched the IEA's Global Gas Security Review and referred to it as providing an analysis of recent natural gas market balancing issues and risks related to security of supply.

"As recent events demonstrated, the security of natural gas supplies cannot be taken for granted even with the current low-price environment and oversupplied market," said Birol.

"From cold spells in southern Europe, to hurricanes in the Gulf of Mexico, to diplomatic tensions among Gulf countries, energy security is impossible to ignore," he explained.

He noted that the IEA published its first review of global gas security last year to identify elements of the market such as physical production, LNG infrastructure and flexibility in contractual arrangements.

The destination clause issue in LNG contracts has been regularly debated at the Tokyo Producer-Consumer Conference over the past six years.

LNG buyers argue that when a cargo is delivered to a buyer, the buyer must be allowed to resell it in another market or at a higher price to balance its own supplies in times of lower energy demand. ■

Japanese imports drop amid rise in prices and low seasonal demand

Japanese liquefied natural gas imports dropped amid rising oil-linked prices as the nation also opted for fewer purchases of thermal coal shipments and existing fuel stocks were used for lower seasonal power demand.

The LNG imports fell 12.7 percent in September to 5.82 million tonnes compared with 6.67MT in the same month last year.

The latest imports of LNG cost a total of 270.6 billion yen ($2.40Bln), an 8.6 percent rise on the 249.1Bln yen paid for the fuel in September 2016, according to the trade figures from the Japanese Finance Ministry.

Thermal coal shipments also plunged by a double-digit amount to 8.57MT, a drop of almost 15 percent.

Japan's nuclear power plants, numbering more than 50, were largely still offline, with only four currently operating.

In the previous month of August the nation's LNG shipments had amounted to 7.26MT, down 3.5 percent from the 7.72MT posted in August 2016.

Those cargoes had cost 345.7 billion yen ($3.10Bln), 27.4 percent more than the 271.3Bln yen paid in August 2016.

The Ministry data on September LNG imports also showed that Asian shipments from nations such as Malaysia and Indonesia, Papua New Guinea and Brunei dropped 8.1 percent from a year ago to 1.86MT.

Imports from the Middle East region dropped even further by 25.1 percent compared with September 2016. The shipments from countries like Qatar, the United Arab Emirates and Oman totalled 1.13MT.

Monthly Russian shipments, mostly from the Sakhalin Island plant in the Far East, plunged 35.0 percent to 392,000 tonnes.

Small volumes delivered to Japan from the US Sabine Pass plant in Louisiana amounted to 68,000 tonnes. ■

NEWS NUDGES

TechnipFMC in UK buy

TechnipFMC, the French-US LNG and energy engineering company, has agreed to acquire the Plexus wellhead exploration equipment and services business from Plexus Holdings of the UK for an initial $20 million, rising to around $55M depending on performance. TechnipFMC said the Aberdeen-based firm would be integrated into its surface technologies division and key personnel would be transferred from Plexus. "I am very pleased that we have reached this agreement, which fits within TechnipFMC Surface Technologies' strategy to extend and strengthen our position in exploration-drilling products and services," said Richard Alabaster, President of TechnipFMC's Surface Technologies.

Enagas profit increases

Enagas, the Spanish LNG terminal and natural gas transmission network owner, posted a net profit of 322.5 million euros ($380M) for the first nine months, a rise of 1.6 percent compared with 2016. The company said natural gas demand in Spain rose by 9.3 percent in the year to September. "This increase was driven by continued growth in demand from the industrial sector, which represents 60 percent of total demand for natural gas," said Enagas.

Indian gas price ceiling

The Indian Ministry of Petroleum and Natural Gas has fixed its latest half-year ceiling price for domestic natural gas output from October 2017 to March 2018 at $6.30 per million British thermal units on a gross calorific value (GCV) basis for gas produced from discoveries in deep water, ultra-deep water and high-pressure areas.

Italy's gas infrastructure owner Snam buys stake in Adriatic LNG

Our Europe editor

Italian natural gas infrastructure company Snam, owner of the long-established Panigaglia import facility near the Mediterranean port of Genoa, has bought a stake in the offshore Adriatic regasification terminal on the east coast previously held by French-owned Italian utility Edison.

Snam also bought Edison's pipeline to the regas terminal

Snam said it also bought Edison's pipeline assets linked to the Adriatic terminal as well as its 7.3 percent shareholding in the facility for a total of 225 million euros ($265M).

Edison's is the smallest shareholder in Adriatic LNG, a joint venture mainly between the world's biggest owner of LNG export capacity, Qatar Petroleum, and US major ExxonMobil Corp.

The Italian LNG terminal began operations in 2009 and is capable of importing 6 million tonnes per annum of LNG to cover about 10 percent of Italian natural gas needs.

In addition to regular cargoes from Qatar, the Adriatic facility has also handled shipments from nations such as Trinidad and Norway.

Edison is a subsidiary of French utility Electricite to France and has held its stake in the terminal since it began operations from a gravity-based structure in the Northern Adriatic Sea.

Snam, the main owner of the Italian gas transmission system, has also purchased annual pipeline capacity of 9.6 billion cubic metres from Edison linked to Adriatic LNG.

This comprises 83.3 kilometres of pipeline from Cavarzere in the Veneto region of Italy to Minerbio in Emilia Romagna, connecting the regasification terminal to the gas transmission network in Minerbio.

"Moreover, should Adriatic LNG sign new contracts for the utilization of the terminal capacity, Snam will recognize for Edison a potential additional consideration under the form of an earn-out," said Snam on the sales agreement.

"This investment enables Snam to strengthen its infrastructure in Italy as well as exploit new synergies in the integrated management of the gas system, connecting a strategic entry point to Italy's natural gas market," added Snam.

Net Italian LNG imports amounted to 5.47 million in 2016 compared with 4.32MT the previous year.

Prior to Adriatic LNG being commissioned Italy had just the small onshore Panigaglia terminal owned by Snam. ■

Spanish utility Gas Natural Fenosa agrees $1.2Bln sale of Italian units

Gas Natural Fenosa, the Spanish utility and liquefied natural gas market participant, has sold its gas distribution assets in Italy to Rete Gas and Edison for a combined sum of 1.02 billion euros ($1.2Bln) as part of a restructuring plan.

The Milan-based company Rete Gas, formerly known as Enel Rete Gas and now called 2i Rete Gas, has purchased GNF's distribution group in Italy, Nedgia, as well as Gas Natural Italia for 727 million euros.

For its part, Edison has bought the gas and electricity trader, Gas Natural Vendita, and a gas supply contract associated with the trader's operations for 293 million euros.

GNF is one of Europe's main LNG operators with a supply portfolio of more than 22 million tonnes per annum, which is set to increase with additional volumes from the US and Russia.

It also operates a fleet of nine LNG carriers and imports volumes from the North African Maghreb-Europe and Medgaz pipelines.

GNF said the Italian sale transactions were expected to be completed between December 2017 and March 2018 and are subject to approval by the European Commission competition authorities.

GNF added that the purchase by Edison, a subsidiary of French utility Electricite de France, of the Gas Natural Vendita subsidiary includes a gas supply contract for 11 terawatt hours per annum from 2020.

When the transactions are complete, GNF said the Gas Natural Italia unit would continue to provide corporate services to both Nedgia and Gas Natural Vendita.

"Gas Natural Fenosa, after conducting a review of its business and position in Italy, and taking into account the new legal framework regarding the obtaining of distribution authorizations in the country, has decided to abandon the Italian market and carry out a sales process of its business in Italy," stated GNF. ■

Processing company Ebara integrates US LNG equipment firm into its Elliott Group

Our North America editor in New York

Ebara Corp., the Japanese process industries company whose headquarters are in Tokyo, said its EIC Cryo unit in the US for LNG and turbomachinery equipment has been integrated with Ebara's other US subsidiary, the Elliott Group, in the US state of Pennsylvania.

Ebara said the US EIC Cryo and the cryodynamics division will become part of the Elliott Group, based in the town of Jeannette in Pennsylvania.

Gas market

"This integration will further strengthen our position in liquid gas markets," said Ebara.

"The integration of the two businesses is a natural fit. In addition to sharing the same corporate parent, we also serve many of the same markets and customers," said Ebara.

"These synergies will enable us to support our customers more efficiently with integrated product options.

"Elliott Group's global service footprint and manufacturing capability will enhance EIC Cryo's capabilities," said the Japanese company from its US base.

Elliott has appointed John Rann as Vice President of the pumps business for EIC Cryo. Shugo Hosoda is the new Vice President of Engineered Products.

Ebara said the integration of EIC Cryo, including relocation of manufacturing and test facilities into Elliott Group, will take place over the next 24 months.

"EIC Cryo will continue to operate under that name and will be operated as one of four business units within Elliott," it explained.

At the same time, Elliott announced new executive appointments to go with the restructuring.

Elliott said it had appointed John Rann as Vice President of its newly integrated cryogenic pumps business for EIC Cryo.

"John's broad experience in oil and gas processing makes him uniquely qualified to lead EIC Cryo, and his in-depth knowledge of processes related to the production of LNG and other liquefied gases will reinforce this natural expansion of Elliott's technologies and capabilities," said Michael Lordi, Chief Operating Officer of Elliott.

Ebara said Rann joined Elliott's UK engineering apprenticeship programme in 1973.

"In the four decades since, he has worked for each of Elliott's business units, in every region of the world, in positions ranging from manufacturing and product engineering, to sales and marketing.

"Most recently, he has held executive roles as Vice President of Industrial Products from 2011 to 2013, and Vice President of Engineered Products from 2013 to October, 2017," the company said.

Elliott also announced the promotion of Shugo Hosoda to Vice President of Engineered Products in succession to Rann.

Hosoda transferred from parent company Ebara in 2016 to serve as Deputy Vice President of Elliott's Engineered Products business.

Prior to his transfer to Elliott, he served as Division Executive for Ebara's Corporate Strategy Planning Division in Tokyo.

"Shugo brings nearly 25 years of product engineering and executive experience within Ebara and Elliott to his new role," said Lordi.

"With his strong credentials in business development, strategic planning, and R&D, he is well equipped to lead our Engineered Products business," he added.

Carrier with rare storage tanks to deliver from Cove Point

Mitsui OSK Lines, the Japanese shipping company with a liquefied natural gas fleet operation of 70 vessels, has held a naming ceremony for a vessel with a rarely used storage tank system that will transport LNG from the Cove Point plant in the US state of Maryland to Tokyo Bay.

The newbuild LNG carrier, jointly owned by MOL and the Tokyo LNG Tanker Company of utility Tokyo Gas, was constructed at the Tsu Shipyard of Japan Marine United Corp.

Among the main guests was Tokyo Gas President Michiaki Hirose, who gave the name "Energy Liberty" to the vessel, after which his wife cut the rope.

MOL said the "Energy Liberty" will be the eighth LNG carrier owned and managed by Tokyo LNG Tankers. MOL will directly manage six of those vessels.

After delivery, the vessel will transport LNG from the Cove Point plant currently being completed on Chesapeake Bay on the US East Coast.

The 165,000 cubic metres capacity "Energy Liberty" has a tri-fuel, diesel-electric propulsion system and self-supporting, prismatic-shape (SPB) IMO Type B storage tanks.

The tanks were designed by IHI Marine, formerly Ishikawajima-Harima Heavy Industries.

A series of four 165,000 cubic metres capacity ships are being built at the Japanese yard for Tokyo Gas to lift cargoes from Cove Point.

The SPB tanks are subdivided into four spaces by a centreline, liquid-tight bulkhead and a transverse bulkhead.

Greek natural gas company DEPA to join floating LNG import and gas hub

Our Europe editor

Greek state-owned natural gas distribution company DEPA has signed a cooperation and participation agreement with local project development company Gastrade for a floating import terminal venture for northern Greece and the Balkans region.

DEPA Chief Executive Theodoros Kitsakos and Gastrade Managing Director Konstantinos Spyropoulos signed their accord in Athens.

How FSRU will look offshore port of Alexandroupolis

EU grants

The FSRU venture and gas hub will be located offshore the port of Alexandroupolis and has been listed by the European Union as a Project of European Common Interest, allowing EU grants.

"The agreement includes the next steps for the participation of DEPA in the share capital of Gastrade and its further commercial development," said a statement from DEPA and Gastrade.

DEPA owns the one existing onshore LNG import terminal in Greece, which has been in operation at Revithoussa since 2000.

"The (FSRU) project will secure new natural gas quantities for the supply of the Greek and the regional Southeast European markets, offering new sources and routes of natural gas supply, promoting competition and enhancing the security of supply in Greece and the Balkan markets," the two companies added.

The FSRU and gas hub project are also seen as "improving the reliability and flexibility of the Greek National Natural Gas Transmission System and of the regional and trans-European gas network" systems.

The project will involve the deployment of the FSRU to "create a gas gateway" for northern Greece and Bulgaria. GasLog, the Monaco-based owner of 27 LNG carriers, will supply the FSRU to Gastrade.

The Greek-controlled shipping line also signed an agreement in 2017 to acquire a 20 percent shareholding in Gastrade.

A Greek licence has already been received to develop an independent natural gas system offshore Alexandroupolis, the capital of the Evros area in the northern Greek region of East Macedonia and Thrace.

Wood Group of the UK has secured a front-end engineering and design contract from Gastrade for the subsea part of the FSRU project.

GTT posts revenue drop as order book helped by FSRU growth

Gaztransport and Technigaz (GTT), the French LNG maritime storage company, reported a fall in revenue from royalties for its technology as the order book stood at 86 units, including tanks for 11 floating storage and regasification units (FSRUs) used as import terminals.

The orders also comprised storage for 70 conventional LNG carriers, mostly ordered from South Korean shipyards, as well as for two floating production hulls, two onshore simple storage tanks and equipment for one LNG bunkering barge.

GTT said it posted revenues for the first nine months of 168.5 million euros ($222.4M), 4.6 percent lower than the 176.7M euros registered in the same period of 2016.

At the start of the year, GTT's order book had stood at 96 units and it has evolved with 24 ships being delivered, including 21 conventional carriers and two FSRUs.

During the year to date there have been 14 new orders, including eight LNG carriers, five FSRUs and one FLNG hull.

GTT said it expected full-year revenues to be in the range of 225M-240M euros.

"Third-quarter sales activity was marked by a new order for an FSRU, highlighting the market's appetite for this type of solution," said Philippe Berterottiere, Chairman and Chief Executive of GTT.

"Our services activity has seen strong growth, largely thanks to our engineering studies," he added. He explained that the company's research and development efforts had concentrated on finalizing a new variant of the Mark III Flex tank, whose performance stands at a level comparable to that of the latest Mark V technology, itself currently the focus of a new development phase.

"The high level of new orders since the start of 2017 and the growth in our services activity enable us to confirm our revenue, net margin and dividend targets for the full financial year," the CEO said.

GTT had announced in September 2017 that it had decided to revalidate some aspects of its Mark V tank system after the discovery of a technical concern.

UK Wood Group wins contract from Honghua of China for US LNG project using Gulf platform

Our Europe editor

China's Honghua Group has awarded a front-end engineering and design contract to the UK Wood Group for a project that will be the first platform-based LNG export project and located in the US Gulf of Mexico.

The LNG platform development will be sited in the West Delta area of the Gulf.

Facility will be designed to produce about 4.2 MTPA of LNG

Capacity

Wood said the facility would be designed to produce up to 4.2 million tonnes per year of LNG and have storage with 300,000 cubic metres of capacity.

Honghua is one of the world's largest makers of land drilling equipment and also produces accessories for other types of drilling rigs.

It has had a subsidiary in Houston, Texas since 2004 called Honghua America to market oilfield equipment as well as drilling rig packages and mud pumps.

The main objective of the FEED for Wood is to finalize the design of the platform-based liquefaction plant and storage facility.

Wood said it recently completed the pre-FEED for this project and the most recent award was worth $12 million.

"Wood's scope of work includes the onshore gas pre-treatment plant configuration and layouts, general utilities, feed gas processing and compression, and transportation and delivery via repurposed pipelines from the existing onshore Toca and Venice, Louisiana, facilities to the LNG facility 10 miles offshore," said Wood.

"Once complete, around 2020, gas from the Texas Permian Basin will be transported to the offshore platform where it will be liquefied, stored and ultimately exported globally" the UK company explained.

Wood said it would compile and develop the necessary technical documentation for a Deep Water Port (DWP) permit application, which the LNG project would need from the United States Maritime Administration (MARAD), the main permitting agency for offshore structures.

"This includes designing onshore, pipelines and offshore elements of the facility in sufficient detail to satisfy the MARAD," said Wood.

"Wood will update and complete the preliminary design of the full offshore gas liquefaction facility," the company added.

The FEED is being conducted in collaboration with several other companies, including EnTX GasTek Global Ltd and Baker Hughes GE.

Braemar Technical Services of the UK has been named as the owner's engineer on what was being called the LNG 21 project.

Braemar is also leading the design and development of the LNG storage system.

Braemar in 2014 signed a licence agreement with US shipyard General Dynamics NASSCO to utilise its patents in the design and construction of its FSP LNG containment system.

The FSP system, comprising flat-panel, semi-membrane, prismatic-shaped LNG containment Type B tanks, uses flat plate technology to overcome the issues associated with partial filling and sloshing.

Andrew Stewart, Chief Executive of Wood's Asset Solutions Americas business, said Wood was very excited to be a part of this "ingenious" project.

Papua New Guinea LNG expansion starts in 2018 as current plant production soars

Oil Search, the Australian-listed company with a stake in the Papua New Guinea LNG plant operated by ExxonMobil, posted record third-quarter production underpinned by an "excellent performance" from PNG LNG, where output was 25 percent higher than nameplate capacity.

The company said PNG LNG, located northwest of the capital Port Moresby, contributed 6.39 million barrels of oil equivalent with its annualized production rate of 8.6 million tonnes per annum.

Oil Search stated this was the highest quarterly rate achieved since the plant came on stream in 2014.

"The plant is now operating at approximately 25 percent above nameplate capacity, which has been achieved for little additional cost, delivering significant value to all project stakeholders," said Oil Search Managing Director Peter Botten.

"The second phase of compressor upgrades are scheduled for the fourth quarter of 2017, which Oil Search expects to result in further production optimisation, allowing the project to maintain production at or above current levels, factoring in normal levels of downtime," he added.

The Oil Search-operated PNG oil and gas fields also performed well, contributing 1.52 million barrels of oil equivalent to Oil Search compared with 1.34 mmboe in the previous quarter.

The latest earnings come as plans are also being drawn up for an expansion of LNG production at the existing plant by the addition of two processing Trains.

"Work on LNG expansion took place over a wide number of fronts during the quarter," said Oil Search.

The company added that this included engineering studies on the various integrated development options for the Elk-Antelope natural gas fields in Petroleum Retention License (PRL) 15 and the P'nyang field in PRL 3.

"Discussions on commercial structures all made good progress," added Oil Search.

"The joint venture partners are working towards being in a position to present an aligned view on the development to the PNG Government around year end," it said.

Oil Search said site preparation for the P'nyang South 2 well was completed during the quarter and a rig was moved to the site, with drilling expected to commence shortly.

Site preparation for the Muruk 2 appraisal well also started during the quarter.