LNG Unlimited

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Engie looks to future after losses and more restructuring moves

CEO Kocher is planning to focus on three divisions including natural gas

Our Europe editor

French President François Hollande and Engie CEO Kocher

Engie, the French energy, utility and LNG trading and importing company, narrowed its net losses to 415 million euros ($437M) for 2016, though it took a massive hit of over $4 billion for impairments in the power market and one-off items as it restructured in the commodities downturn.

The 2016 net loss was an improvement on the 4.6Bln euros in losses posted in 2015. The latest asset impairments that weighed on the European natural gas and utility player amounted to 3.8Bln euros.

Provisions

"These impairments mainly relate to the power production activities in merchant markets in Europe (1.9Bln euros) impacted by the decrease in prices, but also to the revision of the nuclear provisions in Belgium (1.0Bln euros) due to the change in the discount rate and to the market environment on some of its global businesses (600M euros)," Engie said.

"Beyond an unfavourable impact of exchange rates mainly related to the pound sterling and the Brazilian real, this decrease was mainly attributable to lower commodity prices which impacted LNG and gas midstream activities, gas and electricity sales businesses, exploration-production and power generation businesses," stated Engie.

"The decrease was partially offset by the positive effect of slightly colder than average temperatures in France in 2016 compared with a very warm 2015," it said.

Net revenues dropped 4.5 percent to 66.6bln euros from 69.8Bln in 2015.

The French company said that gross earnings in its LNG and Global Energy Management division declined compared with 2015.

This was mainly due to the fact that there was "a greater positive impact of revisions to gas supply conditions in 2015 than in 2016" and to the halting of LNG shipments from Yemen as of April 2015 because of the civil war.

External LNG sales were stable and were the equivalent of 108 cargoes, though the division posted a loss. The impacts of the Yemen losses were partially offset by LNG sale opportunities in Asia in the fourth quarter of 2016.

"The (LNG and energy management) business incurred a current operating loss - after the share in net income of entities accounted for using the equity method - of 74 million euros in 2016, representing a deterioration on both a reported and organic basis," it stated.

Engie, whose Elengy subsidiary owns three import terminals in France, pointed to several positive events during the earnings period in its LNG operations.

These included its inauguration of the first floating LNG import terminal in Turkey, deployed offshore Izmir in the form of the Floating Storage and Regasification Unit "Neptune".

Engie also signed an agreement with the Dominican Republic LNG import terminal in the Caribbean to provide supplies for small-scale operators and fuel users in the region.

"In China, Engie and Beijing Gas Group strengthen their strategic partnership in security of supply with a delivery of 10 LNG cargoes to Beijing," added Engie.

The Engie Group anticipates "strong organic growth compared to 2016" during 2017 with a net recurring income share of between 2.4Bln euros and 2.6Bln euros.

Engie's net debt stood at 24.8Bln euros at the end of December, down by 2.9Bln euros compared with 2015.

"Our results for 2016 are robust, in line with guidance," said Isabelle Kocher, Chief Executive.

"We are ahead of schedule on our 3-year transformation plan. In one year, we have already signed more than 50 percent of the planned disposals and identified 75 percent of the investments. ■

UNLIMITED AGENDA

Developers of large-scale US LNG export plant on Mississippi River bank start permit process

Our North America editor in New York

The US export projects being developed by Washington DC-based Venture Global LNG on the banks of the Mississippi River in Louisiana has begun its permit application process with the Federal energy Regulatory Commission.

The company has begun the process for the proposed Plaquemines LNG plant to be located on 630 acres near river mile-marker 55 on the west side of the Mississippi, 30 miles south of New Orleans.

Plaquemines plant to be near mile-marker 55 on 630 acres

20 Trains

The Mississippi river project will produce 20 million tonnes per annum of LNG and will include 20 small-scale liquefaction Trains, four LNG storage tanks and three marine loading berths for ocean-going vessels. Venture Global is also planning a second plant at Calcasieu Pass in Louisiana with plans to produce at least 10 MTPA of LNG.

The company was founded by Michael Sabel, an equity fund manager and venture capitalist, and Robert Pender, a former partner at Hogan Lovells, a global law firm, and they recently signed an agreement with the oil and gas unit of General Electric to supply compressor power for liquefaction and to generally cooperate on the projects.

The FERC permit application for the Venture Global's Plaquemines LNG project also includes one for its affiliated Gator Express pipeline project.

"Submitting our formal application is a significant milestone in the development of our second low cost LNG export terminal," said a statement from co-founders Sabel and Pender.

"With the support of the Plaquemines Port and the Plaquemines Council, this large, attractive site on the Mississippi River is convenient and safely accessible to our international LNG customers," they explained.

"Further, we can access plentiful sources of US natural gas through nearby, liquid interconnection points and skip the high-cost, long-distance lateral pipelines that many projects are burdened with," they stated.

Venture Global added that working with GE Oil & Gas as a strategic partner, Plaquemines LNG would be incorporating GE's comprehensive power, pre-treatment and highly modularized LNG liquefaction system. ■

Texas LNG joint venture at Brownsville selects Samsung Engineering and KBR for project

The Texas LNG Brownsville project said it formally selected Samsung Engineering of South Korea and KBR Inc. of the US to provide a detailed engineering report and estimates before a final investment decision is taken and an engineering, procurement and construction contract signed.

The US venture, led by co-founders and industry veterans Vivek Chandra and Langtry Meyer, is already well into the permitting process of the Federal Energy Regulatory Commission as well as front-end engineering and design.

The Texas project is for an export plant with initial capacity of 4 million tonnes per annum using the Air Products propane pre-cooled mixed refrigerant LNG processing system.

The plant will be constructed on a 625-acre site on the north shore of the Brownville Port's deepwater ship channel.

Samsung is a minority equity owner and technical partner of Texas LNG. The Korean company has already completed the conceptual study and front-end engineering and design.

"The Texas LNG project design concept envisions constructing modular designed and pre-fabricated liquefaction trains using proven technology and standardized components in a controlled shipyard environment to reduce overall project costs," a statement said.

Braemar Engineering, acting as Texas LNG's owners' engineer and together with Samsung and KBR, said it would continue to identify value engineering enhancements to reduce project costs and optimize performance.

The Braemar consultancy, which has offices in the UK and the US, said its role also included responding to data requests during the FERC permitting process.

Texas LNG said KBR is a welcome participant in the joint venture as a pioneer and leading company in engineering and construction.

"KBR also has 30 years of experience with the proven and robust APCI AP-C3MR™ technology used in most world LNG operating liquefaction facilities, and which Texas LNG has chosen for its liquefaction plant design," Texas LNG added.

Samsung and KBR will focus on value engineering and optimization for the proposed 4 MTPA export facility to be built in two phases, each bringing on stream 2 MTPA of capacity.

"Pre-FID Detailed Engineering, expected to begin this year, will include further design and schedule optimization, identification of long lead items and early works commitments, early preparation of purchase orders, and all due diligence," it added.

The company added that all of the preparations are to enable Samsung and KBR to execute a lump-sum, turnkey EPC contract.

"Agreements between Texas LNG and Samsung Engineering-KBR for pre-FID detailed engineering and EPC will be negotiated over the coming months," it said.

Samsung Executive Vice President and Chief Marketing Officer, Jae Hoon Choi, said the project wants to firmly establish its competitiveness.

"We've formed a multi-disciplinary LNG task force consisting of LNG liquefaction process engineers, modularization specialists, and cost and schedule experts," said Jae.

"Samsung and KBR will execute an EPC with Texas LNG and deliver a high-quality plant at a world competitive price," he added.

Texas LNG noted that it had already signed detailed non-binding accords with four independent LNG buyers in Southeast Asia and China for a volume of 3.1 MTPA.

The FID for the development of the liquefaction project is expected in 2018. ■

CB&I optimistic for growth in LNG and energy projects led by US

Chicago Bridge and Iron, the US energy and LNG engineering and construction company, said it was optimistic for substantial backlog growth from new projects in the US and the Middle East during 2017 after posting an operating loss in 2016.

CB&I said engineering and construction awards in the fourth quarter amounted to $325.6 million compared with $1.7 billion in the same three months of 2015.

Its net loss from operations was $665.6M versus a loss of $65.7M in the three months of 2015. The annual loss from operations was down to $313.1M from $504.4M in the previous year.

CB&I said that for the fourth quarter, adjusted net income was $85.6M, or $0.85 per diluted share.

The company added that for the year, adjusted net income was $438.1M, or $4.23 per diluted share and adjusted operating income was $658.2M

"The fourth quarter was impacted by charges for material increases in cost-to-complete estimates in our Engineering & Construction and Fabrication Services operating groups," said Philip K. Asherman, CB&I's President and Chief Executive.

"Despite this result, operating cash flow was extremely strong both in the quarter and for the year," Asherman added.

"I'm optimistic that stability in commodity prices and continuing development of major capital programs, particularly in North America and the Middle East, will result in resumption of substantial backlog growth by mid-year of 2017," he said.

Engineering revenue was up over 8 percent at $6.1Bln compared with $5.6Bln in 2015.

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Kinder Morgan takes partner in US LNG export project at Elba Island

Our North America editor in New York

Kinder Morgan, the US pipeline company, has taken investment fund firm EIG Global Energy (EIG) as its partner in the US LNG export project at Elba Island in the state of Georgia.

Kinder said EIG had purchased a 49 percent joint venture participation in Elba Liquefaction Co. EIG Global Energy Partners for an upfront cash payment of around $385 million and has agreed to fund its share of future capital expenditures under commissioning of the LNG plant.

EIG Global now has stake on plant near Savannah, Georgia

Output

Elba Island is an existing LNG import terminal being transformed into an export plant to produce an initial 2.5 million tonnes per annum of LNG.

Royal Dutch Shell was the former partner of Kinder in the Elba island project and while it sold its stake, it remains the main customer for the completed venture.

The Elba Island project involves the installation of 10 small-scale liquefaction units and modifications to the terminal infrastructure.

Under the current schedule, the Georgia liquefaction plant could be producing LNG by the end of 2018 or early 2019.

Kinder awarded the engineering, procurement, construction, commissioning and start-up contract in April 2016 to the US subsidiary of Japan's IHI Engineering & Construction, based in Houston, Texas.

The existing terminal on Elba Island is about eight miles upstream from the mouth of the Savannah River. It was first authorized by the FERC in 1972 as an import facility.

"EIG has agreed to fund its share of future capital expenditures necessary to complete construction and commissioning of the liquefaction facility.

"The total project cost is estimated to be approximately $1.3 billion, excluding capitalized interest," Kinder said.

Steve Kean, Kinder Morgan President and Chief Executive, said he was excited that EIG will become an equity owner as construction continues at Elba Island.

■

Greek LNG fleet owner Dynagas has US and Russian benefits

Dynagas LNG Partners, the US affiliate of the Greek shipping company with a fleet of just six LNG vessels carrying some US cargoes and future Russian shipments, reported an 11 percent rise in annual net income.

Dynagas Partners posted a fourth-quarter net profit of $15.47M compared with $14.82M in the same three months of 2015 and $66.85M for all of 2016, up from $60.05M in 2015.

Voyage revenues for the three months amounted to $41.38M compared with $37.01M in the same quarter of the previous year and $169.85M for 2016 versus $145.20M for 2015.

The company in addition to currently delivering cargoes from the Cheniere Energy plant at Sabine Pass in Louisiana will also have several of its ships chartered to carry shipments for the Yamal LNG export joint venture in Arctic Russia.

Yamal's liquefaction plant is being built at an estimated cost of $27 billion and will have a capacity of 16.5 million tonnes per annum of LNG when it comes on stream at the end of 2017 or early 2018.

Among key voyages carried out by Dynagas ships in 2016 was one by the 155,900 cubic metres capacity carrier "Clean Ocean", chartered to Cheniere and which delivered a cargo to the Dalian terminal in northeast China operated by PetroChina.

The Marshall Islands-flagged Dynagas ship "Clean Ocean" also carried the first split cargo from Sabine Pass when it travelled to two destinations in South America in August 2016.

The carrier delivered LNG into a Brazilian terminal before unloading the remainder of its cargo in Argentina.

The Brazil-Argentina split cargo was priced at Sabine Pass at $4.32 per million British thermal units.

Among the Dynagas ships chartered for Russian deliveries from 2018 is the 155,900 cubic metres capacity vessel "Clean Energy".

The Chief Executive of Dynagas LNG Partners, Tony Lauritzen, said he was pleased with the latest earnings reported by the New York Stock Exchange-listed company.

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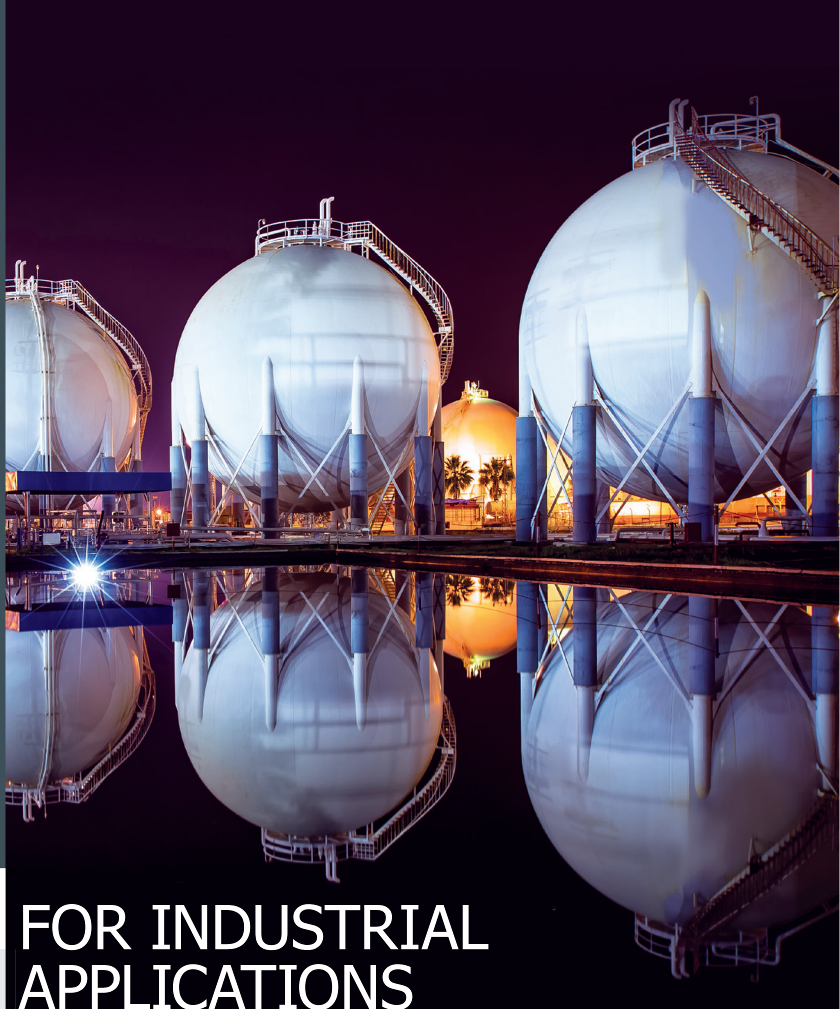

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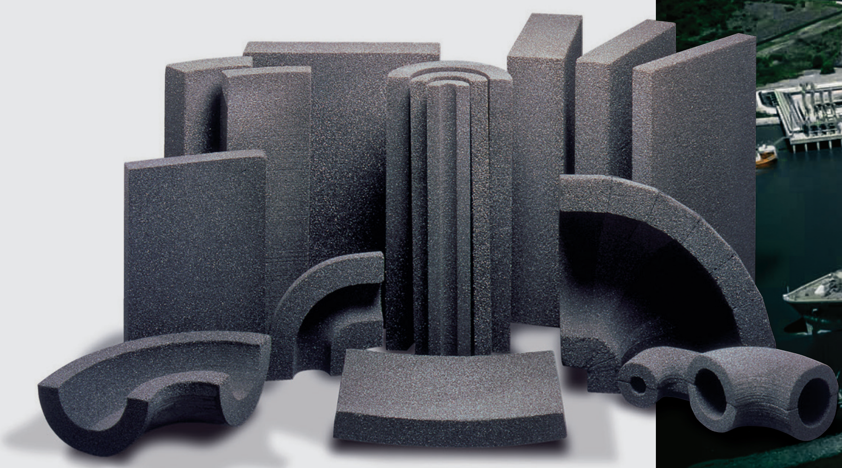


NEWS NUDGES

Trudeau at Houston event

Canadian federal Prime Minister Justin Trudeau whose energy policies revolve around the wholesale reduction of green-house-gas emissions and have sunk many LNG export projects and sent costs soaring, will deliver a keynote address at the CeraWeek 2017 energy conference organized by IHS Markit for March 6-10 at the Hilton Americas in Houston. Trudeau will participate in a special plenary dialogue with Daniel Yergin, vice chairman of IHS Markit and conference chair on Thursday, March 9. He will also receive the CeraWeek Global Energy and Environment Leadership Award "in recognition of his commitment to sustainability in energy and the environment."

Steelhead LNG advisor

Steelhead LNG, the Canadian development company, has named Kerri L. Fox, the former head of the Spanish bank Banco Bilbao Vizcaya Argentaria's project finance business in North America, as its chief financial advisor. "Kerri brings more than 20 years of experience in structuring and executing financings for energy and infrastructure projects in Canada, the United States and Latin America, including US Gulf Coast LNG projects," said Steelhead Chief Executive Nigel Kuzemko. Her arrival is the latest significant addition to the executive team.

Dutch gas tariffs hit

Gasunie Transport Services (GTS), the Dutch natural gas pipeline transmission operator, must cut its tariffs under the regulatory framework in the period 2017-2021. "The decision will result in a one-off depreciation of the GTS network of 450M euros ($475M)," said Gasunie.

Kosmos of US posts loss amid plans for floating LNG projects with BP off Mauritania and Senegal

Our North America editor

Kosmos CEO Inglis sealed deal with former employer BP

Kosmos Energy, the US company planning to produce liquefied natural gas with BP of the UK from floating hulls offshore Senegal and Mauritania in West Africa, said in its annual and fourth-quarter earnings that its highlight was drilling an exploration well with total discovered resource of 25 trillion cubic feet of feed-gas.

The first gas from Kosmos-BP FLNG Train 1 is scheduled for 2021 and the start of FLNG Train 2 is set for 2023.

Drilling

The company said it had drilled the successful Teranga-1 exploration well in 2016 and this will deliver some of the natural gas to the planned FLNG developments.

Kosmos also later appraised the Greater Tortue field successfully with the Guembeul-1 and Ahmeyim-2 wells

The BP agreement to buy stakes in the West African licenses for $916 million was completed in February 2017, helping to deliver the Greater Tortue gas development and accelerate the second phase of exploration

Kosmos said in its earnings report that it maintained a strong financial position, exiting in fourth quarter with cash of $1.2 billion.

However, the New York Stock Exchange-listed exploration and production company posted a fourth-quarter net loss of $56.7 million compared with a profit of $24M in the same three months of 2015.

Its annual 2016 loss amounted to $283.7M versus a narrower $69.8M loss for 2015.

According to the US company, the Mauritania-Senegal FLNG projects are aiming to produce free-on-board LNG cargoes at a break-even price of less than $5 per million British thermal units.

The Dallas, Texas-based company is also producing oil at its venture offshore the West African state of Ghana.

The Tweneboa, Enyenra and Ntomme (TEN) project in Ghana is the second major oil development in the West African nation and is progressing despite challenges.

"Diligent execution of its business strategy differentiated the company's performance despite a challenging industry environment," said Andrew G. Inglis, Kosmos Chairman and Chief Executive.

"With first oil from the TEN project, free cash flow from Ghana is now enhancing our strong financial position," said Inglis.

"Additionally, with our strategic partnership with BP in Mauritania and Senegal, the company is well positioned to deliver sustainable growth through the delivery of the Tortue gas development," said the CEO who is a former senior BP executive.

"Looking ahead, 2017 promises to be a transformational year as we plan to drill some of the industry's most prospective exploration wells in our second phase of exploration targeting liquids offshore Mauritania and Senegal," added Inglis.

Kosmos has stated that the natural gas resources for LNG production in the Mauritania-Senegal Basin can potentially surpass those offshore the southeast African nation of Mozambique, where onshore and floating LNG ventures are planned.

BP agreed Kosmos said the BP stake purchase would effectively fund 100 percent of Kosmos's portion of the Mauritania and Senegal exploration expenditures for the next several years.

Kosmos earnings showed that oil revenues in the fourth quarter were $156M versus $122M in the same quarter of 2015, on sales of 3.0 million barrels of oil in 2016 as compared to 2.8 million barrels in 2015.

Production from its oil finds started in August 2016 and was impacted by downtime associated with turret issues on the Jubilee Floating Production, Storage and Offloading (FPSO) vessel earlier in the year.

"Other income during the quarter was $55 million for loss of production income insurance proceeds associated with the Jubilee turret bearing issue, which covers the production period through November 2016," it added.

Kosmos noted that the Kosmos-BP partnership combined Kosmos's exploration expertise with BP's deepwater development and LNG production and marketing experience.

Under the deal, BP acquired a 62 percent participating interest in four Mauritania licenses, listed as C6, C8, C12 and C13.

In Senegal, BP bought a 49.99 percent interest in Kosmos BP Senegal Ltd, the affiliate company which holds a 65 percent participating interest in the Cayar Offshore Profond and the Saint Louis Offshore Profond blocks offshore Senegal.

North American LNG developer still has valid plans to ship Louisiana cargoes to UK and India

Our Asia Pacific editor

LNG Ltd, the Australian developer of two North American LNG export projects, has substantially reduced its net losses as it remained on stand-by to start building two fully-approved liquefaction plants amid preliminary agreements to ship cargoes to the UK and India.

The company, with fully approved plans to build the Magnolia LNG plant at Lake Charles in the US state of Louisiana and at Point Tupper in Richmond County in the Canadian Atlantic Coast province of Nova Scotia, said its consolidated half-year net loss was $13.6 million compared with $80.2M in the same six months of 2015.

Spending cuts

"Project development expenditure decreased from $68.4M (2015) to just under $7M in the 2016 period, reflecting the company's liquidity management plan and sole focus on completing the marketing of Magnolia LNG's offtake capacity," said LNG Ltd.

Model of proposed Magnolia plant site at Lake Charles

LNG Ltd noted that on 6 December 2016, Magnolia LNG and Meridian LNG Holdings Corp., the developer of an import venture offshore Cumbria in northwest England, had further extended the LNG offtake agreement for another year.

The Chief Executive of the UK-based Meridian LNG project is Roger Whelan who formed Liberty Natural Gas in the US in 2008 and subsequently merged it into a unit of the Canadian equity fund West Face Capital.

Meridian also has a joint development agreement with Hoegh LNG of Norway for the operation of two floating storage and regasification units for the project in England.

LNG Ltd said it "continues to focus on marketing efforts to secure tolling agreements" for Magnolia LNG and for the Canadian venture, Bear Head LNG.

LNG Ltd plans to use its own liquefaction processing technology and said it was examining technical improvements in its process called OSMR and in its modular plant designs to further reduce costs.

It added that several events had occurred after the year-end reporting period, including the January 2017 signing of a non-binding agreement with Vessel Gasification Solutions Inc. for sales of LNG to a planned import facility in India. ■

Sevan Marine signs agreement with ExxonMobil FLNG technology

Sevan Marine, the Norwegian engineering services company, said it signed a long-term framework agreement with US major ExxonMobil for the provision of services and use of Sevan's floating LNG cylindrical hull technology.

Sevan said it had worked with ExxonMobil since 2015, when the company was awarded a feasibility study to explore the use of the cylindrical hull for an FLNG development.

It is currently working on a follow-up study focusing on the hull and marine aspects of the unique cylindrical design.

The total value of the framework agreement is subject to the calling off of individual orders.

"We are delighted to have secured this long-term frame agreement with ExxonMobil," said Reese McNeel, Seven Chief Executive.

"It is a further milestone in the development of Sevan Marine, its cylindrical hull design and its engineering capabilities," the CEO said.

"We look forward to continuing to support ExxonMobil in the years to come," added McNeel.

"Sevan Marine has received substantially increased interest in its unique design from several oil companies over the last months and the company believes this is a reflection of a changing market place, increased willingness of large oil companies to consider different technologies and Sevan Marine's own business development efforts," the CEO stated.

Seven recently reported fourth-quarter revenue from operations of $2.2 million.

Australian operator Woodside and GE of the US to cooperate in LNG fuel

Our Asia-Pacific editor

Woodside Energy, the Australian liquefied natural gas plant operator, has signed an agreement with the oil and gas unit of US equipment maker General Electric to work together to support the use of LNG as a fuel in Western Australia.

The agreement will provide customers with the option of access to reliable LNG fuel supply and gas-fuelled transport and power generation solutions.

Linda Albano (Woodside) and Mary Hackett (GE) at signing

Maritime

Australia has just achieved its first bunkering operations for an LNG-fueled vessel near the Woodside export plant at the port of Karratha in Western Australia and in the port of Fremantle.

Woodside Chief Executive Peter Coleman said that this type of collaboration proposed by Woodside and GE was key to the development of the LNG fuel market in Western Australia.

"The agreement between our companies will harness the combined experience and offerings of Woodside and GE, allowing customers to choose LNG as a fuel that will deliver significant cost and emissions reductions," said Coleman.

"Woodside is ideally placed to lead the transition to LNG fuelling, with world-class LNG facilities in the Pilbara in close proximity to heavy industries," he said.

Mary Hackett, Regional Director for GE Oil & Gas, signed the deal with Woodside and said there was an opportunity to develop the LNG fuel market as a transition fuel that provides an alternate, cleaner fuel source.

"Businesses are continually under pressure to seek and adopt solutions that reduce their emissions footprint, while decreasing costs. LNG is a fuel source that is sustainable and cost effective," added Hackett.

"Developing new fuel technology to power industries such as marine, transportation and mining is key.

"GE looks forward to working with Woodside to deliver gas technology solutions for customers," said Hackett.

Two truck-to-ship bunkering operations have recently taken place in Australia.

One took place at Fremantle on February 19 involving fuel distribution company Evol LNG, part of the Wesfarmers Chemicals, Energy & Fertilisers group.

Total turns $200M investment into 45.9M shares in US LNG project firm

French energy company Total has received 45.9 million common shares in Tellurian Inc., the development company of former Cheniere Energy Chief Executive Charif Souki and his Driftwood LNG project in return for the $206.9M investment made in Tellurian by Total in January 2017.

The new shares are in the company listed on the US Nasdaq global stock exchange, giving the French major a stake of just over 23 percent in Tellurian.

Tellurian was founded by Souki and Martin Houston, the former head of LNG at the UK BG Group, and it completed a reverse takeover in mid-February of the small exploration and production company, Magellan Petroleum Corp., to gain a listing on the Nasdaq.

Another former Cheniere executive Meg Gentle remains Tellurian's President and CEO.

Tellurian's main project is the large-scale Driftwood LNG export plant planned for Calcasieu Parish in Louisiana and which will rival the nearby Sabine Pass facility, the first Gulf Coast exporter to start shipments in February 2016 and formerly headed by Souki.

The Driftwood joint venture, including Total as well as the General Electric unit GE Oil & Gas plans to have 26 million tonnes per annum of capacity and building is scheduled to start in 2018.

Tellurian also said it would soon file its formal application for permits with the Federal Energy Regulatory Commission for Driftwood LNG.

Total first said it was buying a substantial stake in Tellurian in December 2016 and agreed to pay $5.85 per share for the investment.

GE Oil & Gas also in late 2016 acquired $25M of preferred equity investment in Tellurian.

Souki had departed from Cheniere amid disagreements over remuneration and strategy with the new major stakeholder in Cheniere, US billionaire and active investor Carl Icahn.

Cheniere Energy reports losses of over $600M as first US Gulf Coast LNG plant plans to start third Train

Our North America editor in New York

Cheniere Energy, the owner of the Sabine Pass liquefaction plant in Louisiana, the first export facility on the US Gulf Coast, posted a net loss of $610 million for 2016, though forecast rising income in 2017 from the coming on stream of the third processing Train.

Cheniere's annual net loss was lower than the $975M loss registered in 2015 before the Sabine Pass plant began exporting cargoes in February 2016, setting up an income stream.

Cheniere President and Chief Executive Jack Fusco

Quarterly profit

On a quarterly basis Cheniere reported a profit of $109.7M, or $0.48 per share, for the three months to the end of December 2016, compared with net loss of $291M in the same three months of 2015.

"The fourth quarter of 2016 was another milestone quarter for Cheniere, as we report financial results driven by nearly a full quarter of LNG production from the first two Trains at Sabine Pass," said Jack Fusco, Cheniere's President and Chief Executive.

"Transition and execution will remain central themes for Cheniere in 2017, as we expect Trains 3 and 4 at Sabine Pass to begin commercial operations, with Train 3 having produced its first commissioning cargo in January.

"The financial and operational results we are reporting reflect our employees' steadfast dedication to execution on our goals," added Fusco.

Each of the liquefaction Trains has a capacity of 4.5 million tonnes per annum of output and the Houston, Texas-based company will have nameplate capacity of 27 MTPA when all six Trains come on stream.

It is also developing a second export facility at Corpus Christi on the Texas Gulf Coast to produce an initial 13.5 MTPA of LNG.

"Based on the current construction schedule, we expect Trains 1 and 2 to reach substantial completion in 2019," Cheniere said of the Corpus Christi venture.

Cheniere said total overall operating costs and expenses increased by $139.7M and $592.3M respectively during the three-month and 12-month periods in 2016 compared with 2015.

"General and administrative expense during the three and twelve months decreased from the comparable 2015 periods, primarily due to the timing of share-based compensation recognition and the recognition of certain employee-related costs within restructuring expense," it added.

Cheniere reported several one-off losses, including on early extinguishment of debt associated with the write-off of issuance costs by Sabine Pass Liquefaction and Cheniere Corpus Christi Holdings in connection with the refinancing of a portion of their credit facilities.

Cheniere noted among its quarterly highlights, the first commercial delivery from the 20-year LNG sale and purchase agreement for Train one inherited by Royal Dutch Shell after its takeover of BG Group of the UK.

The company also repaid some substantial debts linked to senior secured notes amounting to $420M and $1.66Bln. ■

UK major BP buys specialty methane brand from US LNG network builder Clean Energy Fuels

UK major BP has agreed to acquire the upstream bio-methane portion of the fueling business established by Clean Energy Fuels Corp. of the US as part of its build-out of a network of LNG stations in North America.

The US company, based in Newport Beach, California, supplies LNG, compressed natural gas and bio-methane as trucking and transport fuel.

The forerunner company of Clean Energy was Pickens Fuel Corp., founded by US oil tycoon and LNG fuel pioneer T. Boone Pickens.

Under the terms of the agreement, BP will pay $155 million for Clean Energy's existing bio-methane production facilities, its share of two new facilities and its existing third-party supply contracts for bio-methane made from waste.

Bio-methane is produced entirely from organic waste and is used as a fuel for natural gas vehicle fleets, including heavy-duty trucks.

Using LNG, liquefied bio-methane or CNG in vehicles is estimated to result in 70 percent lower greenhouse gas emissions than from equivalent gasoline or diesel-fueled engines.

Clean Energy in October 2016 opened its first public LNG fuel station in Washington State and completed the connection of a US Pacific Coast supply chain aimed at the trucking industry from southern California, through Oregon to the Canadian border.

Clean Energy said it would continue to have access to supplies to sell to the growing customer base of its "Redeem" bio-methane fuel brand through a long-term contract with BP.

"Demand for 'renewable' natural gas is growing quickly and BP is pleased to expand our supply capability in this area," said Alan Haywood, Chief Executive of BP's supply and trading business.

"BP is committed to supporting developments towards a lower carbon future and, working with Clean Energy, we believe we will be well-positioned to participate in the growth of this lower carbon fuel in the US," added Haywood.

Andrew Littlefair, Clean Energy's President and Chief Executive, said the company started its "Redeem" fueling business from scratch less than four years ago and it has grown it into a significant enterprise.

"This transaction will help to take it to the next level. BP's investment in and focus on 'renewable' (bio-methane) natural gas supply will ensure that Clean Energy can meet the growing demand of our customers for low carbon, 'renewable' fuel," added Littlefair. ■

French LNG maritime storage technology firm GTT sees signs of shipping emerging from slump

Our Europe editor

Gaztransport and Technigaz (GTT), the French owner of liquefied natural gas maritime and other storage technologies, said annual net profits edged higher as the shipping industry began to emerge from its slump.

GTT reported 2016 net income of 119.7 million euros ($126.6M) compared with 117.2M euros in the previous 12 months, a rise of 2.1 percent.

The company revenues increased by 4 percent to 235.6M euros as five new orders were booked for its maritime storage tanks in 2016, including the first LNG vessel equipped with Mark V technology.

Delivered

GTT tanks were also delivered to 27 LNG ships on a pre-ordered basis, including the first floating gas production and storage facility (FLNG) and the first multi-gas carrier.

Philippe Berterottière, Chairman and CEO of GTT

Philippe Berterottière, Chairman and Chief Executive of GTT, said that 2016 was marked by "wait-and-see behaviour" on the part of charterers and operators, limiting the number of storage tank orders for LNG carriers.

"Towards the end of the financial year, in a market environment that remains difficult for the transport of LNG, we observed an improvement in some market indicators such as the vessel charter rates," said Berterottière.

"We will continue to be attentive to these indicators in the months ahead. This being said, growth in demand for LNG, especially in Asia, and orders for FRSUs received in early 2017, show that the LNG market continues to see growth," stated the GTT CEO.

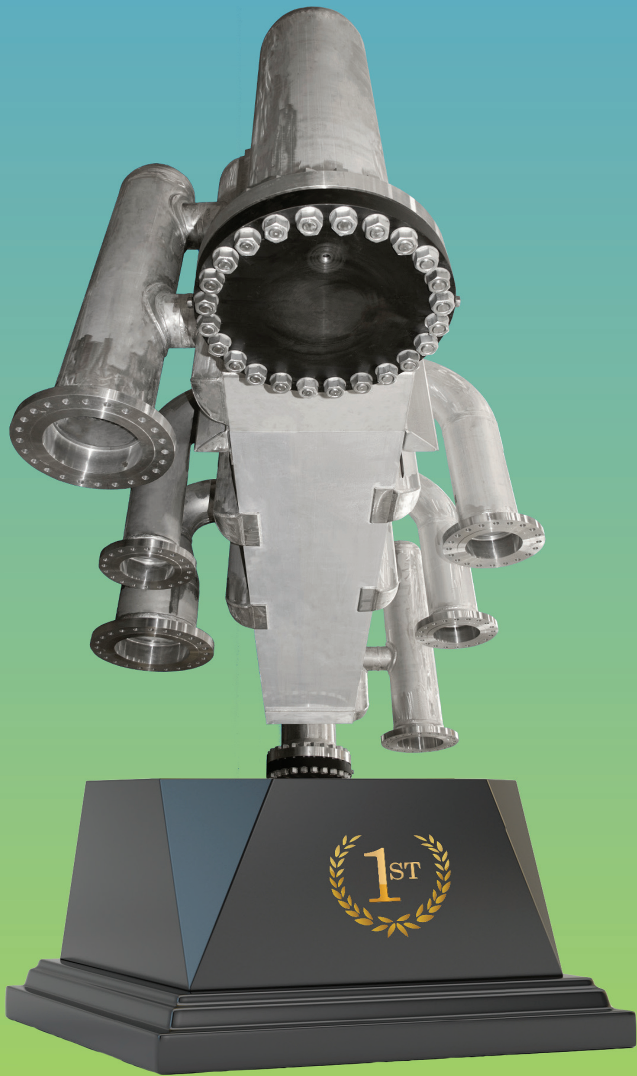
GTT said that it had continued its research and development work and has successfully marketed its very latest Mark V membrane technology.

"Regarding the outlook for the current year, we estimate that 2017 revenues should be in the range of 225-240 million euros, and are forecasting a net margin ratio above 50 percent, and the same level of dividend in 2017 as in the previous year," added Berterottière.

As sector leader in LNG storage, GTT is able to sell licensing agreements around the world for up to $10M per licence to install its membrane technology in vessels.

The Euronext-listed company also recently launched the No. 96 Max, an optimized version of the No. 96 system used in more than 120 LNG carriers to date.

Chart Brazed Aluminum Heat Exchangers



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