LNG Unlimited

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CB&I advances with McDermott merger and updates on Louisiana-Texas plants

Engineering company posts losses amid some charges on Cameron and Freeport projects

LNG Journal editor

Cameron LNG owner Sempra settled cost dispute with CB&I

CB&I, the US energy and LNG engineering company in the process of merging with McDermott International, posted a fourth-quarter loss and gave an update on the US Gulf Coast liquefaction and export plants it is currently working on, Freeport LNG in Texas and Cameron LNG in Louisiana.

CB&I remained upbeat about the merger and the future LNG market despite having to make financial settlements for project delays.

The company posted a fourth-quarter net loss of $1.1 billion compared with a loss of $665.7 million in the same three months of the previous year.

Consolidation

The latest earnings came as CB&I and McDermott continued with their merger plans first revealed in December 2017 as an all-share transaction valued at $6 billion.

"The financial results for the quarter and the year include a number of non-operating items and project charges," said Patrick K. Mullen, President and Chief Executive.

"However, it's important to note that the vast majority of our portfolio continues to perform exceptionally well, in many cases above expectations.

"And this underlying strength reinforces the industrial logic of CB&I's planned combination with McDermott," added Mullen.

Mullen said CB&I had an attractive prospect list for 2018 and expected to see flows of new orders this year, including in LNG, one of its four core energy markets.

"CB&I and its joint venture partners continue to be well positioned in the US Gulf Coast and East African regions to capitalize on the strengthening LNG market," said Mullen.

"The company is confident that final investment decisions (FIDs) for projects will be made in 2018 because of continued robust growth in global gas demand, more serious offtake discussions between its clients and potential LNG buyers, and the company's continued active support in developing these projects with its clients," he added.

Mullen acknowledged that the latest financial results for the quarter and the year included a number of project charges.

For the Cameron LNG project there was a $39M charge, resulting in part from the recognition of incremental costs following from Hurricane Harvey, which the company agreed to absorb in connection with the December 2017 settlement agreement with the project sponsors, Sempra Energy of San Diego.

"The settlement considerably de-risks the project for CB&I, as it resolves all past commercial issues, provides significant cost coverage for certain past and current cost increases, includes an incentive bonus payment related to expedited project completion and, importantly, resets the trigger dates for any potential liquidated damages.

"As of December 31, 2017, the project was approximately 77 percent complete and is forecast to be completed in the fourth quarter of 2019," said CB&I.

As regards the Freeport LNG project on Quintana Island in Texas there was a $20M charge, due in part to the adjustment of contingency provisions in the existing contract.

"The company is continuing to evaluate and estimate the indirect impacts of Hurricane Harvey, including potential impacts to productivity and schedule-related prolongation costs.

"The company believes any costs incurred as a result of the hurricane are recoverable under contractual 'force majeure' provisions.

"The pace of incremental progress on the project increased substantially," said CB&I.

UNLIMITED AGENDA

US LNG exporter Cheniere scrapes to a profit in quarter after shipping 200 cargoes in 2017

LNG Journal editor

LNG exporter Cheniere Energy, owner and operator of the Sabine Pass plant in Louisiana and developer of the Corpus Christi facility in Texas posted a full-year loss though edged towards a fourth-quarter profit after shipping 200 cargoes in 2017.

Cheniere reported a narrowed annual net loss of $393 million compared with losses of $610M the previous year.

LNG carriers set to lift cargoes at the Sabine Pass plant

Ramp-up

Cheniere said it was bringing its losses under control primarily due to increased income from operations as more liquefaction Trains came on stream, now numbering four with 18 million tonnes per annum of LNG production.

The Houston-based company said more than 200 cargoes were produced, loaded, and exported from the Sabine Pass in 2017 and around 300 shipments since it started operations in February 2016.

To date, approximately 300 cumulative LNG cargoes have been exported from the SPL Project, with deliveries to 25 countries and regions worldwide.

The income from more LNG exports and sales was partially offset by increased allocation of net income to interest expenses and capital expenditure.

Cheniere posted fourth-quarter net income in positive territory of $127M compared with $110M for the comparable 2016 period.

Its annual revenue had more than quadrupled to $5.6 billion, up from around $1.3Bln in 2016. Fourth-quarter revenue rose to about $1.75Bln versus $572M the previous year.

The company said it also advanced its business in early 2018, entering two LNG Sale and Purchase Agreements with PetroChina, a subsidiary of China National Petroleum Corp. for the sale of 1.2 MTPA of LNG through 2043.

Cheniere also signed a 15-year sales deal with global commodities company Trafigura for 1 MTPA beginning in 2019.

The report noted that work was progressing with the Corpus Christi plant in Texas and Cheniere said it entered into an amended engineering, procurement and construction contract with plant builder Bechtel for the third Train at the facility.

"We entered into additional term agreements for a portion of the LNG volumes expected to be available to our marketing function. To date, we have contracted for approximately 2 million tonnes of LNG.

"In October 2017, we began the process of amending our filing with the Federal Energy Regulatory Commission for the Corpus Christi expansion project to incorporate mid-scale liquefaction technology," said Cheniere.

Cheniere Chief Executive Jack Fusco said 2017 was a breakthrough year for Cheniere and 2018 had gotten off to a robust start. ■

US LNG equipment-maker Chart moves ahead on sales after overhaul and three acquisitions

Chart Industries, the US LNG equipment-maker, was moving in a positive path with rising sales and fourth-quarter profits after restructuring, acquiring three new companies and winning a contract for a proposed new LNG export plant in Louisiana.

Chart posted slightly lower net income for the year even as sales rose 15 percent to $988.8 million from $859.2M the previous year.

Chart said net profits amounted to $28 million compared with $28.2M in 2016, excluding one-off charges

The company also swung to a fourth-quarter profit of $27.0M from a loss of $3.9M in the same three months of 2016.

Chart's order activity in 2017 increased 18 percent over 2016, or 14 percent excluding its Hudson Products acquisition.

There were no significant orders for LNG liquefaction plants in 2017, although in the fourth quarter, Tellurian Inc. of the US announced an agreement with Chart and engineers Bechtel to proceed with using Chart's IPSMR process technology and equipment on the Driftwood LNG export project proposed for Louisiana.

"We are pleased with the 2017 results in the business, in particular the completion of previously announced restructuring activities that we expect to generate $15 million of savings in 2018, the completion of three strategic acquisitions, a successful refinance of our debt," stated Bill Johnson, Chart's Chief Executive Officer and President.

"In addition, the acquisition of Skaff Cryogenics, which closed on January 2, 2018, continues to build upon our strong D&S installed base to build out a full solution for our industrial gas customers," added the CEO.

"This acquisition contributes to our global footprint of repair capabilities, which was enhanced in August of 2017 by the acquisition of VCT Vogel in Germany," stated Johnson.

"Each of the three segments had order growth over 2016, with E&C 2017 orders totaling $243.6M, or $212.3M excluding orders from Hudson.

"This compares to E&C's 2016 orders of $110.2M. Increases in United States shale and associated gas drove natural gas processing plant activity throughout 2017, resulting in the best order year for E&C's Air-Cooled Heat Exchanger product line since 2014," said Chart.

The Hudson acquisition contributed $58.0M in sales, $15.4M of gross profit, and $6.4 million of operating income to Chart for our period of ownership in 2017.

Fourth-quarter orders in the Distribution & Storage (D&S) segment were $153.2M, 14 percent higher than the third quarter of 2017, and the highest order quarter since the second quarter of 2016.

"The fourth quarter order strength in D&S was driven primarily by mobile equipment, industrial gas rail cars, and demand for beverage applications and packaged gas," said the company. ■

European LNG terminal owners bid for Greek operator

European LNG import terminal stakeholders in Spain and northwest Europe are part of two competing consortia who have placed final bids for a major stake being sold by the Greek government in natural gas grid operator DESFA.

Greece has received two binding bids for a 66 percent stake in DESFA being offered by the Greek privatization agency as one of the conditions for the European Union nation's international financial bail-out.

The government said bids were submitted by one group including three companies, Spanish gas transmission network owner and LNG terminal operator Enagas, Belgium's Fluxys and Italy's natural gas operator Snam.

Fluxys and Snam, through various units have stakes in the Zeebrugge LNG terminal in Belgium, Dunkirk LNG in France and the Panigaglia terminal in Italy, near the port of Genoa.

The second bidding group comprises the Spanish owner of the Mugardos terminal in northwest Spain, Regasificadora del Noroeste (Reganosa), Romanian gas network owner Transgaz and the European Bank for Reconstruction and Development (EBRD).

A share purchase agreement and a shareholders' agreement for DESFA are scheduled to be signed by April 2018 for the sale to be concluded by June, clearing the way for further international funding of the Greek government.

DESFA owns and operates Greece's natural gas network and the nation's only LNG import terminal on the island of Revithoussa.

DESFA also owns the 1,460-kilometre pipeline network to transport gas from the Greek-Bulgarian and Greek-Turkish borders. ■

Fluor starts engineering work for floating import terminal in Thailand

LNG Journal editor

Fluor Corp. of the US has started the front-end engineering and design work for a project planned by Electricity Generating Authority of Thailand (EGAT) to deploy a floating storage regasification unit (FSRU) and build associated facilities in the northern Gulf of Thailand.

"In addition to our extensive FSRU and liquefied natural gas project experience, Fluor has a proud history of executing some of Thailand's most prominent oil and gas projects," said Ken Choudhary, President of Fluor's Energy and Chemicals business for the Asia-Pacific region.

Power link

"We are honored to develop Thailand's first FSRU and help meet the country's power needs," said Choudhary.

EGAT is the country's largest power producer. In order to meet the country's increasing electricity demand, Thailand is planning to import an additional 5 million tonnes of LNG for new power plants.

Existing Thai onshore import terminal at Map Ta Phut

Thailand's current single operational onshore LNG terminal is at Map Ta Phut in Rayong Province and has been operated by state energy company PTT since 2011.

"The new facility will be located 20 kilometres off the coast of Thailand and the FSRU will enable LNG to be received from cargo ships and transferred as natural gas to pipelines and power plants," said Fluor.

"Fluor's scope includes the FSRU (provision), marine berth and jetty and onshore and offshore pipeline connections," said the US company.

"The front-end engineering and design is expected to be completed by the middle of 2018," it added.

EGAT is in the process of preparing the environmental impact assessment report and acquiring the permits from relevant government agencies for the project.

The US company's 50 years of gas processing experience includes both floating and land-based LNG regasification terminal projects around the world.

"Fluor previously provided project management services on the Klaipedos FRSU project in Lithuania and is collaborating with Sevan Marine on floating regasification dock projects," said Fluor. ■

Japanese LNG imports for January edge lower as cost of cargoes jumps

Japanese liquefied natural gas imports edged lower in January to 8.26 million tonnes while the cost of the shipments was 11.5 percent higher than in the first month of 2017.

Lower import volumes from Asia in January were offset by higher volumes of shipments from the Middle East and Australia.

The cargo deliveries last month were 0.5 percent lower than the 8.30MT of LNG imported in January 2017, according to the preliminary trade figures from the Japanese Finance Ministry.

The cost of the shipments rose in January to 416.2 billion yen ($3.81Bln) in January 2018 compared with 373.2Bln yen in January 2017.

Japan ended the year with an LNG import tally in 2017 of 83.63MT, just 0.4 percent higher than the 2016 total but with high costs.

The Ministry data for January 2018 showed that Asian shipments from nations such as Malaysia and Indonesia, Papua New Guinea and Brunei dropped by 2.5 percent from January 2017 to 2.58MT.

Imports from the Middle East region rose 1.4 percent with shipments from countries like Qatar, the United Arab Emirates and Oman totalling 1.93MT in January.

Russian monthly shipments from the Sakhalin Island plant in the Far East were down 0.30 percent at 668,000 tonnes.

Imports from the US during the year from the Cheniere Energy-owned Sabine Pass plant in Louisiana amounted to 196,000 tonnes in January, down 7.3 percent from the same month of 2017.

The balance of annual imports from other nations in the preliminary figures amounted to 2.88MT, most coming from Australia, though with other volumes from nations in Africa and the spot market. ■

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NEWS NUDGES

Barge bound for Singapore

Exmar, the Belgian LNG fleet owner and project developer, said its floating storage and regasification unit (FSRU) barge delivered from the Wison shipyard in China at the end of 2017 has left the facility in Nantong and was now bound for Singapore. "There the unit will undergo site specific modifications before departing to its project destination to commence its long-term employment mid-2018 in line with its time charter commitments," said Antwerp-based Exmar. The vessel is the world's first newbuild regasification barge and was ordered on a speculative basis.

Beach's earnings slip

Beach Energy, the emerging Australian natural gas player and buyer of Origin Energy's Lattice oil and gas spin-off, posted a 7 percent decline in first-half net profits for fiscal 2018 to A$95.7 million (US$74.7M) versus A$103.4 in the previous first half. One of Beach's main assets is its joint venture equity stake in the onshore Waitsia natural gas project in Western Australia with AWE Ltd, a company expected to be taken over by Japan's Mitsui & Co.

Enagas profit increases

Enagas, the Spanish natural gas transmission company that controls most of the nation's LNG import terminals and has other assets in South America and elsewhere, posted net profits of 490.8 million euros ($606.4M) in 2017. The profits were 17.6 percent higher than in the previous year because of the full integration of its increased stake in the Chilean LNG import terminal company, GNL Quintero.

Petronas of Malaysia signs its first Indian LNG supply agreement

LNG Journal editor

H-Energy CEO Hiranandani signed Petronas accord in Dubai

Malaysian state energy company Petronas has signed a supply agreement with Indian businessman Darshan Hiranandani and his H-Energy company whose LNG plans include a floating storage and regasification unit (FSRU) project on the East Coast of India.

It was the first ever sales and purchase agreement with an Indian company signed by Petronas, whose main LNG volumes are produced at its seven-Train Bintulu plant in Sarawak.

Production assets

Petronas also owns the world's first floating LNG plant started up in Malaysian waters off the coast of Sarawak and is additionally a stakeholder in the Gladstone LNG export facility in Queensland, Australia.

The Hiranandani Group is one of the largest Indian companies with its main offices in Mumbai and in Dubai in the United Arab Emirates. It started as a property company and has now broadened its interests into energy and petrochemicals.

The Petronas sales agreement was signed in Dubai by Petronas LNG Managing Director Ezhar Yazid Jaafar and H-Energy Chief Executive Darshan Hiranandani.

"It is in line with Petronas's growth strategy to expand its LNG supply and help meet rising demand for clean and reliable energy in the fourth fastest-growing economy in the world," said Petronas LNG.

Hiranandani has LNG plans on the West Coast of India, though his priority is now the FSRU facility proposed for the East Coast in a joint venture with Japanese shipping company Kawasaki Kisen Kaisha, known as K-Line.

The Indian company said it envisaged an FSRU being deployed by 2020 in the offshore Digha region of West Bengal to provide regasified LNG to customers in the Indian state and neighbouring Bangladesh.

The West Bengal facility would be among the first on the East Coast as all four of India's operating terminals are on the West Coast.

Three of them are near Mumbai at Hazira, Dahej and Dabhol for use by importers Shell, Petronet LNG and Gas Authority of India respectively.

Indian LNG imports jump with more cargoes from Africa and Australia

Indian liquefied natural gas imports soared by almost 47 percent in January as more cargoes were received from West Africa and Australia in addition to regular shipments from one of the nation's main supplying countries Qatar.

Shipments to India's three main import terminals, Dahej, Hazira and Dhabol near the West Coast port of Mumbai amounted to 1.78 million tonnes of LNG compared with 1.21MT in the same month of last year.

The total of imports for the 10 months of the fiscal year from April to January amounted to 16.13 MT of LNG, an increase of 6.9 percent versus the 15.08MT imported in the same period of the previous fiscal year, according to the figures from the Indian Ministry of Petroleum and Natural Gas.

LNG imports for the 10 months from April to January cost around US$6.1 billion compared with US$4.8Bln in the previous fiscal year.

Indian terminals had received 6.8 percent more shipments for the month of December 2017 with 1.50MT of LNG regasified compared with 1.40MT in the same month of 2016.

The rise in LNG imports was offset by lower natural gas production from India's own gas fields.

The Ministry said gross production of natural gas for the month of January amounted to 2.69 billion cubic metres compared with 2.73 Bcm, down 1.6 percent compared with January 2017.

However, the cumulative 10-month production of natural gas was 2.8 percent higher at 27.38 Bcm versus 26.62 Bcm in the same period of fiscal 2017.

Indian LNG imports could have been higher if East Coast destinations were available. A better pipeline network nationwide is being developed as a government priority.

Papua New Guinea LNG expansion proposals are finalized for up to three new processing Trains

LNG Journal editor

Oil Search, the Australian stakeholder in the Papua New Guinea liquefied natural gas plant operated by ExxonMobil, said significant progress had been made on finalizing LNG expansion proposals with three new processing Trains now planned.

"At recent high-level meetings, Oil Search, ExxonMobil and Total reached broad alignment on the preferred downstream configuration for LNG expansion and the next steps are to reach agreement on the key principles governing integration and cost-sharing arrangements," said Oil Search in its full-year earnings statement.

Profitable

Oil Search explained the PNG expansion decisions as it posted full-year net profits of over US$302 million compared with US$89M in the previous year.

The rising profits were the result of stronger global oil and gas prices, with the average realised oil and condensate price up 24 percent and LNG and gas prices 21 percent higher.

"This drove a 17 percent increase in total revenue to US$1.44 billion for Oil Search," said the company. The ExxonMobil-operated PNG LNG, located northwest of the capital Port Moresby, recently logged an annualized production rate of 8.6 million tonnes per annum.

One of the carriers that serves the current PNG LNG plant

PNG LNG, with two storage tanks each with 160,000 cubic metres of capacity, was built with nameplate production of 6.9MT and has benefited from various upgrades and de-bottlenecking since the start-up in 2014.

The facility receives feed-gas from the Hides Gas Conditioning Plant in the PNG Highlands through a 700-kilometre pipeline.

Plans have now been finalized for the expansion of the existing two-Train plant with the building of three additional Trains and other infrastructure.

"The partners have reached broad agreement on the preferred development concept, which will be presented to the PNG Government and other PNG LNG and PRL 3 joint venture partners for endorsement," said Oil Search.

"The development concept that will be proposed is likely to comprise the construction of three LNG Trains, with total capacity of approximately 8 MTPA," the company stated.

"Two of these trains are likely to be dedicated to Papua LNG, supplied with gas from the Elk-Antelope fields, with an additional expansion Train underpinned by gas from the existing PNG LNG fields and the P'nyang field," said Oil Search.

"We expect negotiations on cost sharing arrangements and the principles governing integration to commence shortly, which will enable the completion of downstream and upstream technical studies," it added.

Oil Search expects that discussions with the PNG government on project gas agreements will start soon with a decision on the front-end engineering and design phase envisaged for the second half of 2018, subject to partner approvals and progress on Government negotiations.

"It is expected that LNG from the Papua LNG Project will be equity marketed," said Oil Search.

"In preparation, we have recently established an office in Japan, staffed by a highly experienced team, with collectively more than 70 years in LNG marketing.

"We are increasingly confident about the demand outlook for LNG from PNG, with a material shortfall in supply developing in the early 2020s," it said.

The list of shareholders along with ExxonMobil in PNG LNG and the expansion project include Australia-listed Santos and Oil Search as well as French energy company Total, Japan's JX Nippon Oil & Gas Exploration and PNG government holdings. ■

Noble of US in East Med gas sales deals with Egyptians

Noble Energy, the US exploration and production company with stakes in two natural gas fields offshore Israel with Israeli partners, has signed agreements to sell significant quantities of East Mediterranean natural gas to Egypt for up to $14 billion over 10 years.

Noble, whose partners include units of Israel's Delek Group, will sell the natural gas from the Leviathan and Tamar fields to an Egyptian consortium of non-government industrial and commercial customers headed by businessman Alla Arfe and a company called Dolphinus Holdings.

The Israeli Leviathan and Tamar gas fields hold a combined 40 trillion cubic feet of reserves and already supply pipeline supplies to Jordan and one of its other customers will soon be the Palestinian power company.

"These Egyptian agreements, one for natural gas from Leviathan and one for Tamar, each provide for total contract quantities of 1.15 trillion cubic feet of natural gas," said Noble.

"The natural gas is anticipated to supply industrial and petrochemical customers as well as future power generation in Egypt," added the US company.

Noble said the gas price formula is the same under both agreements with linkage to North Sea Brent oil prices and similar to its other regional agreements.

The US company added that the Leviathan contract represented expected total revenue approaching $7 billion at recent Brent prices, with the Tamar sales potential up to a similar amount, dependent on actual volumes sold.

Wood wins biggest LNG contract since its takeover of Amec-FW

LNG Journal editor

Wood Group of the UK was awarded a five-year brownfield engineering services contract for the offshore and onshore facilities of the Ichthys LNG export project in Australia's North Territory.

Japanese energy company Inpex and France's Total are the main stakeholders in Ichthys LNG, scheduled to come on stream by the end of 2018.

CEO Watson: 'We are proud to be offering our diverse capabilities from subsea and topsides to brownfield'

Scope

Wood's work scope covers the offshore facilities, located 220 kilometres off the coast of Western Australia, and onshore liquefaction plant at Bladin point near Darwin.

This is the UK company's biggest LNG contract since it completed the US$2.8-billion acquisition in October 2017 of energy services and LNG player, London-listed Amec Foster Wheeler.

"Effective immediately, the contract is for five years with a two-year extension option and will be executed from Wood's offices in Perth, Australia," said the UK-based company. "It includes the delivery of engineering services to support the execution of brownfield works as well as technical support services," it explained.

Wood had previously been awarded a five-year contract in September 2016, to provide subsea engineering services to support the Ichthys venture.

"We are proud to be offering our diverse capabilities from subsea and topsides to brownfield engineering on this complex project, which has an operational life of at least 40 years," said Wood Chief Executive Robin Watson.

"Our commitment is to leverage our global brownfield engineering expertise to ensure we deliver innovatively, efficiently and safely," added Watson, whose company is headquartered in the Scottish port of Aberdeen.

The late arrival of the offshore platforms was one of several factors that have led to the delayed commercial start-up of Ichthys LNG.

Santos benefits from LNG plants that shipped 250 cargoes and plans closer ties with ENN

Australian energy company Santos, with stakes in three Asia-Pacific LNG plants that shipped 250 cargoes in 2017, said it had narrowed its annual losses, boosted LNG income and was building its strategic relationship with ENN Group of China to focus on increasing Chinese LNG demand.

ENN is commissioning its Zhoushan import terminal in the second half of 2018 and the facility can receive 3 million tonnes per annum of LNG.

"Santos is targeting a definitive joint venture agreement with ENN for the second half of 2018," said the Australian company in its 2017 earnings statement.

ENN is one of the largest natural gas distributors in China and operates gas pipeline infrastructure, vehicle and ship refuelling stations and LNG operations.

Santos reported that its annual losses amounted to US$360 million compared with US$1.04Bln in the previous year as fewer one-off charges were taken to get the business back on track by reducing debt.

The Santos operating cash flow during last year jumped 49 percent to US$1.24 billion from US$840M in 2016.

Santos said its sales revenues from LNG and oil increased by 20 percent to $3.1Bln and its average realised LNG price was up 21 percent to $7.31 per million British thermal units.

Santos Chief Executive Officer Kevin Gallagher said the company's full-year results demonstrated a significant turnaround in business performance ahead of its plans.

Santos said it aimed to ramp up its own Gladstone LNG sales to 6 million tonnes per annum by the end of 2019.

The Australian company operates the GLNG plant in Queensland and is a stakeholder in the ConocoPhillips-run Darwin LNG facility in the Northern Territory as well as in the ExxonMobil-operated Papua New Guinea LNG project.

TechnipFMC progresses on Yamal and Prelude LNG as it posts $113M net from $15Bln revenue

LNG Journal editor

TechnipFMC, the energy and LNG project engineering company whose main current projects included building the Yamal liquefaction and export plant in Arctic Russia, posted lower annual net profits and revenues and a fourth-quarter loss.

The company said 2017 revenues were $15.05 billion, down 21 percent from the $19.06Bln posted in 2016 on a pro forma basis.

Annual net income on this huge revenue amounted to just $113.3 million, down from the $378.2 posted in 2016.

Operations

Revenue in the fourth quarter was down by 15.9 percent to $3.68Bln from the $4.37Bln logged on a pro forma basis by Technip of France and FMC of the US before their merger was fully completed in 2017.

TechnipFMC, listed on the New York and Euronext stock exchanges, reported a fourth-quarter net loss of $153.9M, 53 percent higher than the loss of $100.6M registered in the final three months of 2016.

TechnipFMC CEO Pferdehirt has work to do on profitability

The company said Train 1 at Yamal LNG started successfully with the first cargo loaded in December 2017.

“Construction and commissioning of Trains 2 and 3 is progressing with the Train 2 start-up planned for the second half of 2018,” said TechnipFMC.

The Franco-US company also said offshore commissioning was progressing with its other current LNG project, its joint venture with Samsung Heavy Industries of South Korea for Royal Dutch Shell’s Prelude FLNG unit deployed offshore northwest Australia. TechnipFMC’s Onshore-Offshore division reported fourth-quarter revenue of $2.01Bln, down 2 percent from the prior-year quarter.

“Revenue was modestly lower as we neared completion of the first phase of Yamal LNG, largely offset by increased project activity in the Europe, Middle East, and Asia Pacific regions,” said TechnipFMC.

“Operating profit and margin improved year-over-year due to solid execution and the achievement of key milestones on several major projects, including Yamal LNG,” it added.

The company’s subsea reported fourth-quarter revenue of $1.29Bln, down 36.2 percent from the prior year, primarily due to a reduction in project activity within the Europe and Africa as well as Asia Pacific regions.

“Revenue continues to be negatively impacted by prior period declines in inbound orders related to the market downturn,” said Technip.

TechnipFMC Chief Executive Doug Pferdehirt, commenting on the results, said the full-year operational performance was a result of “our relentless focus on project execution” and the company's commitment to delivering client success.

“This focus was evident once again in the strong operational results demonstrated across all segments in the fourth quarter.

“We are extremely pleased with these results along with the many operational, commercial, and strategic accomplishments of our first year as TechnipFMC,” added CEO Pferdehirt.

Anadarko-led Mozambique LNG venture signs supply agreement with French utility EDF

Anadarko Petroleum Corp., the US energy company and main stakeholder in the planned onshore Mozambique LNG export plant in southeast Africa, said a long-term sales and purchase agreement was signed with French utility and Electricite de France (EDF) for a period of 15 years.

The US company said the accord was signed on behalf of the Area 1 licence shareholders in the Rovuma Basin block offshore to supply EDF with 1.2 million tonnes per annum of LNG.

“EDF is one of the world's largest electric utilities, and reaching this SPA continues to validate Mozambique LNG's position as a competitive long-term LNG supplier and as one of the world's leading greenfield projects,” said Mitch Ingram, Anadarko Executive Vice President for International Operations.

“Mozambique LNG is unique in its ability to supply LNG to a variety of geographic locations to serve its customers, and this SPA gives us flexible access to Europe, which is one of our key strategic markets,” added Ingram.

“The EDF sale is included in the portfolio of sales of more than 5 MTPA for which we have agreed key terms, and we continue to advance additional off-take arrangements.

“We anticipate the future development of Mozambique LNG will open new opportunities for the country and serve as a growth platform for its ongoing development,” he stated.

The Anadarko-operated Mozambique LNG project will be the African nation’s first onshore development, initially consisting of two Trains with total nameplate capacity of 12.88 MTPA to support the development of the Golfinho-Atum fields located entirely within the Area 1 licence.

Anadarko has a 26.5 percent stake in Mozambique Area 1 and Japanese trading house Mitsui holds 20 percent.

Indian companies, including Bharat Petro Resources, ONGC Videsh and Oil India Ltd., hold a further 30 percent.

The Mozambican state energy company ENH has 15 percent of the licence and Thailand’s PTT Exploration & Production has an 8.5 percent shareholding.

Anadarko said on February 7 the project joint venture had made “meaningful progress” in an agreed citizen resettlement process to prepare an onshore location for the construction of the liquefaction and export plant.

The plant will be constructed near the port of Pemba in the northeast Cabo Delgado Province and will involve the resettlement of more than 1,500 households.

“During the fourth quarter, the company made meaningful progress with its Mozambique LNG project by beginning the resettlement process to prepare the onshore location for the future LNG park,” said Anadarko in its fourth-quarter earnings statement.