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Woodside LNG earnings boosted amid expansion and varied prices

Perth-based company benefits from Pluto plant and stakes in NWS and Wheatstone

LNG Journal editor

Woodside's Pluto plant on the Burrup Peninsula of Australia

Australian LNG producer Woodside Petroleum made progress in the second quarter on a plan to process third-party feed-gas through the North West Shelf LNG plant in Western Australia as the ramp-up of the new Wheatstone facility continued along with other expansion and distribution plans.

Woodside Petroleum's quarterly revenue rose 9.7 percent to US$1.14 billion compared with US$924.3M in the same three months of 2017.

Big earner

The biggest LNG revenue earner for Woodside in the second quarter was the Pluto LNG plant with US$540.4 of quarterly income, up more than 26 percent versus the US$427.8M logged in the 2017 quarter.

Pluto LNG is 90 percent-owned by Woodside and is underpinned by 15-year sales agreements with Kansai Electric and Tokyo Gas, which each hold a 5 percent interest in the project.

During the quarter the average LNG prices realized from the various Woodside assets were Pluto LNG-US$9.4 per MMBtu, Wheatstone-US$8.8 per MMBtu and the NWS plant-US$7.9 per MMBtu.

Woodside said that the second Train at the Chevron-operated Wheatstone plant in the Pilbara region of Western Australia successfully started production in June 2018 and was ramping up output as planned.

Construction of the domestic gas plant at the Wheatstone site near the town of Onslow is 90 percent complete, with production expected to commence in the second half.

Woodside CEO Peter Coleman said the start-up of LNG production from Wheatstone Train 2 was the highlight of the period, which also saw another strong quarter of performance at the Pluto plant in Western Australia.

"Since starting up in June, Wheatstone Train 2 has achieved high production rates, building on the continuing operational success at Train 1," said Coleman.

"Pluto LNG again turned in an outstanding result for the quarter, achieving 100 percent reliability and an annualized production rate of 5.2 million tonnes per annum," he said.

Coleman also explained progress made on the proposed Scarborough gas field development offshore Western Australia that would boost Pluto production.

"Woodside has accelerated the target date ready for start-up to 2023 for the upstream component and 2024 for the downstream to maximize the market opportunity," said Coleman.

He said the design capacity of the proposed Pluto Train 2 would be up to 5 MTPA.

Woodside said that agreement had been reached between the Western Australia North West Shelf LNG plant participants on non-binding key commercial terms and pricing for processing third-party gas through NWS infrastructure.

Tolling accord

"A preliminary tolling agreement is expected between the NWS Project participants and Browse Joint Venture in the third quarter," said Coleman.

Woodside said production was lower during the quarter at the NWS plant due to execution of a planned onshore and offshore turnaround involving LNG Train 1, LNG Train 2 and the Goodwyn-A platform. A maintenance turnaround of LNG Train 3 is scheduled in September 2018.

Among the other Pluto plant highlights, construction of the truck-loading facility commenced in April 2018. The facility will provide LNG for distribution to customers in Western Australia's Pilbara region from 2019. ■

UNLIMITED AGENDA

Oil Search posts revenue drop amid expansion progress for stakeholders in Papua New Guinea

LNG Journal editor

Papua New Guinea LNG stakeholder Oil Search posted lower revenues from liquefied natural gas and other sales because of the effects of recovering from the earthquake that struck PNG in February, though production was now back to normal amid progress on LNG expansion.

Oil Search, based in PNG and listed on the Australian Securities Exchange, said total revenue for the second quarter dropped 11 percent to US$262.8 million versus US$295M in the previous three months.

Natural gas well-pad in Highlands of Papua New Guinea

Lower

However, the drop amounted to 21 percent compared with the US$332.5M of revenue in the second quarter of 2017.

"Product sales were 9 percent lower than in the first quarter, due to the rebuilding of inventory and the timing of LNG shipments, with three LNG cargoes on the water at the end of the quarter," said the company.

Oil Search stated that during the quarter, activities intensified on the proposed LNG expansion at the ExxonMobil-operated LNG plant, located northwest of Port Moresby, where two Trains currently produce around 8.5 million tonnes per annum.

The PNG LNG expansion envisages doubling output with two new liquefaction Trains.

Oil Search said total production in the second quarter was 5.40 million barrels of oil equivalent (mmboe), 12 percent higher than in the first quarter, reflecting the recommencement of production following the earthquake.

Since coming back fully online in late April, the PNG LNG plant has performed strongly.

"Production rates have benefited from planned modifications to the Hides Gas Conditioning Plant and maintenance of the LNG Trains in Port Moresby, undertaken while PNG LNG operations were shut down following the earthquake, as well as high levels of reliability," said Oil Search.

"While the average realised oil and condensate price was 3 percent higher than in the first quarter, the second quarter LNG and gas price was 4 percent lower, due to a higher proportion of LNG cargoes sold on the spot market following the earthquake," it explained.

As regards earthquake insurance, Oil Search said the company's insurance loss adjustor undertook a second visit to its affected locations, accompanied by geotechnical and structural engineers and two lead insurers.

"There has been no change to the estimate of US$150-250 million (gross) insurance recoveries for earthquake-related damage to Oil Search-operated assets," said the company.

"More than US$50M in progress payments have been received from the Oil Search insurance programme's insurers, with further payments to flow as repair costs are incurred," it added.

Oil Search Managing Director Peter Botten said formal negotiations are ongoing on the Papua LNG expansion project and covering the terms for access to the existing PNG LNG plant.

Santos of Australia sees earnings rise even as PNG and Darwin liquefaction plants have outages

Santos, the Australian stakeholder in three Asia-Pacific LNG production plants, reported strong first-half revenue growth even as an earthquake in February shut the ExxonMobil-run Papua New Guinea plant and scheduled maintenance closed the Darwin facility, operated by ConocoPhillips.

Santos said first half sales revenue rose 16 percent to US$1.7 billion due to stronger commodity prices and higher oil sales.

First-half LNG sales revenue rose 6.5 percent to US$599M compared with US$562M in the same period of 2017.

LNG revenues amounted to US$323M in the second quarter of 2018 versus US$290M in the same three months of 2017. The second-biggest Santos quarterly earner was domestic natural gas and ethane at US$254M with oil in third place at US$225M.

Santos earnings were helped by higher LNG prices. The company said its average realized LNG price in the past three months was US$9.74 per million British thermal units compared with US$8.19 in the first quarter of 2018 and US$7.32 per MMBtu in the second quarter of 2017.

The strong increase in revenue was achieved despite the PNG LNG outage and a planned shutdown at Darwin LNG and its Moomba field in southern Australia which reduced first half production by about 2 million barrels of oil equivalent and sales revenue by around US$80M

The Barossa natural gas field offshore northwest Australia is the lead candidate to underpin the long-life extension of Darwin LNG and would more than double Santos's regional production as Bayu-Undan field output is replaced.

The Barossa gas field is located 300 kilometres north of Darwin and is one of the Australian company's core long-life, natural gas assets. A final investment decision is scheduled for the end of 2019 on developing the field.

In PNG, Santos said it was still in discussions regarding a proposal received for Santos to farm-in to the P'nyang gas field that will form part of the Papua LNG expansion project that could amount to two new processing Trains from the current two producing 8.5 million tonnes per annum.

"The PNG Highlands earthquake in February was a major disruptive event for the people of PNG and we were deeply saddened by the loss of life and personal injuries suffered by our local communities," said Santos Chief Executive Kevin Gallagher.

"It is a testament to the great work of the ExxonMobil team that the gas plant maintained integrity throughout the earthquake period and there were no releases of hydrocarbons and no significant injuries to personnel," stated Gallagher.

"Production was safely restarted within two months of the first earthquake and full rates were achieved by the end of April," he added.

Cove Point's owner Dominion has Scana deal approved

Domininion Energy, owner of the Cove Point liquefied natural gas liquefaction facility on Chesapeake Bay in the state of Maryland, has had the transaction for its acquisition of Scana Corp. and its South Carolina natural gas and power assets approved by the Federal Energy Regulatory Commission.

Dominion first put forward its takeover bid in January for troubled US energy company Scana in an all-stock transaction with a total value of about $14.6 billion just as it was set to become the second US LNG exporter with its Cove Point plant, now in commercial operation.

The Dominion bid is seen by analysts as helping Scana absorb some of the costs of a failed South Carolina nuclear project.

The FERC has now found the combination of the two companies was "consistent with the public interest" and authorized the deal.

"We are pleased by the FERC's considered and timely action," said Thomas F. Farrell, Dominion Energy Chairman, President and Chief Executive.

"It brings us closer to providing a brighter energy future for customers, communities and others served by the Scana companies," he added.

"We will continue working toward achieving the other required regulatory approvals and completing our transaction by the end of this year," stated the Dominion CEO.

The merger has previously received the approval of the Georgia Public Service Commission and early termination by the FERC of the 30-day waiting period under the federal Hart-Scott-Rodino Antitrust Improvements Act.

Kinder Morgan's Elba Island LNG project in Georgia delays start-up

LNG Journal editor

Feed-gas tie-in at the Elba Island plant near Savannah

Kinder Morgan, the US pipeline and terminals company, said its LNG export project at Elba Island near Savannah in the state of Georgia is running slightly behind schedule, though a start-up is anticipated for the fourth quarter of 2018.

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

Shell

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.

Kinder's new partner in the LNG project since 2017 is the investment fund EIG Global Energy. EIG purchased a 49 percent joint venture participation in Elba Liquefaction Co. for an upfront cash payment of $385 million and agreed to fund its share of future capital expenditures.

"The project is supported by a 20-year contract with Shell. Initial in-service is expected in the fourth quarter of 2018 (a delay of one quarter) with final units coming online by the third quarter of 2019," said Kinder Morgan in its second-quarter earnings statement.

"Additionally, construction is continuing as planned on the Elba Express Modification Project, which will add upstream compression facilities on the Elba Express pipeline to provide feed gas for liquefaction," stated Kinder.

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

The transformation project to turn the terminal into a liquefaction plant began in November 2016.

Cheniere advances with expansion at Corpus Christi to total 23 MTPA

Cheniere Energy has formally applied to US regulators for permits to expand the liquefaction and export plant in Corpus Christi in Texas with the addition of seven mid-scale Trains with 9.5 million tonnes per annum of production, taking the total output of 23 MTPA.

The three larger Trains currently being developed at the Corpus Christi site located on the La Quinta Channel on the northeast side of Corpus Christi Bay will have total production of 13.5 MTPA.

Cheniere is seeking authorization from the Federal Energy Regulatory Commission to site, construct and operate the expansion project comprising the seven Trains each with around 1.35 MTPA of output. The expansion includes one additional LNG storage tank and an extra interconnected pipeline to the existing project.

That's as the first two Trains of three currently being developed and built at the site at a cost of $13 billion are making progress, with the first gas being introduced to Train one in June.

However, the commercial start-up of the Texan plant with its three storage tanks and jetties to handle two LNG carriers at a time is still several months off. The first LNG cargo from Corpus Christi could be expected as early as November 2018.

The new facilities of seven mid-scale Trains will be built on land behind the three larger Trains that are closer to the export jetties.

Trains one and two are officially scheduled to enter service at the 1,500-acre site in the first and second halves of 2019 respectively, according to Cheniere.

Train three received its final investment decision in May 2018. The three-Train project will also have three storage tanks and two marine berths for the largest carriers.

Around 8.4 MTPA of Corpus Christi production has been contracted to third parties on a long-term, free-on-board basis whereby they provide their own shipping.

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Enagas reports net profit

Enagas, the Spanish natural gas network and LNG terminal operator, posted a net profit for the first-half of 219.8 million euros ($258M), a slight rise of 1 percent on the same period of 2017. The company reported that demand for natural gas in Spain grew by 5.9 percent in the first six months of 2018. "This growth is mainly due to the positive evolution of conventional demand, which rose by 7.8 percent as the consequence of lower-than-normal temperatures at the start of the year," said Enagas.

LNG player wins case

Kosmos Energy, the Dallas-based partner of BP of the UK in the development of floating LNG projects offshore Senegal and Mauritania in West Africa, has been successful in an arbitration case brought by its subsidiary in another West African country, Ghana, against Tullow of the UK. The dispute was over responsibility for expenditure stemming from termination of the West Leo drilling rig contract in Ghana. The tribunal's final award in the arbitration was delivered to the parties by the International Chamber of Commerce.

Greeks order four ships

South Korean shipbuilder Hyundai Heavy Industries said it received an order amounting to US$745 million to build four liquefied natural gas carriers for a Greek shipping group, according to a filing with the Korean Stock Exchange. The world's biggest shipbuilder by sales said it obtained the order to build four LNG carriers for the Greek-owned Marinakis Capital Gas Carrier Corp. ■

US gas industry equipment-maker Chart sees full-year sales at $1.2Bln

LNG Journal editor

Chart Industries, the US manufacturer of engineered equipment for the industrial LNG, natural gas and energy industries reported a 34 percent rise in second-quarter sales and the orders included air-cooled heat-exchangers for a large LNG project.

Orders in the second quarter amounted to $360.3 million, a 12 percent rise on the previous quarter as the Georgia-based company posted its sixth consecutive quarter of sequential growth.

LNG order

The company also booked a $28 million LNG order through its new subsidiary Hudson Products that is part of Chart's Energy & Chemicals division.

The earnings are the first under new Chief Executive Jillian C. Evanko who took over from William C. Johnson who departed in June.

Evanko had served as Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer of Chart since March 2017.

Chart said net income was $12.3M for the quarter, or $0.38 per diluted share.

The earnings would have been $0.55 per diluted share excluding $1.4M of transaction-related and restructuring costs, $3.75M of costs associated with a cryobiological aluminum tank recall and $1.4M of net severance costs associated with the departure of Johnson as CEO.

"Strength in Asian orders was driven by packaged gas applications as well as respiratory and cryobiological product lines," said Chart.

"LNG vehicle fueling demand continued to increase, and industrial CO2 activity is driving increased volumes of Bulk and MicroBulk products in the United States for our D&S segment, while natural gas processing in our E&C segment continued to be strong, up 9.8 percent over the first quarter of 2018 and up 47.2 percent from the second quarter of 2017," added Chart.

The company said that sales of $319.9M for the quarter were an increase of 14 percent over the first quarter.

Gross profit for the second quarter was $84.5M, or 26.4 percent of sales, compared with the first-quarter gross profit at 27.6 percent of sales.

"Our second-quarter results reflect the past three quarters' order strength," said CEO Evanko, who is also President of the company. ■

Japanese LNG imports drop with only Mideast and Russia holding up

Japanese liquefied natural gas imports plunged last month along with imports of thermal coal for power generation with only LNG shipments from the Middle East remaining stable as all other regions except Russia showed a decline in cargoes.

LNG shipments dropped by 10.3 percent to 5.54 million tonnes in June from 6.18MT in the same month of last year, according to the preliminary trade figures from the Japanese Finance Ministry.

The LNG imports had amounted to 6.40MT in May compared with 6.23MT in May 2017,

Imports of the LNG competitor fuel for power generation, thermal coal, fall by an even bigger margin of 18.3 percent to 8.25MT as electricty demand fell and power-saving measures bore fruit to alleviate the high costs of imported energy.

The June imports cost 309.73 billion yen ($2.74Bln) compared with 296.16Bln yen ($2.62Bln) in June 2017. Japan's nuclear power plants, numbering more than 50, were largely still offline in June with only four currently operating.

Russian Sakhalin plant supplied more LNG to Japan in June

The Ministry data for June showed that Asian shipments from nations such as Malaysia and Indonesia, Papua New Guinea and Brunei dropped 10.1 percent from June 2017 to 1.46MT.

Imports from the Middle East region edged down by just 0.7 percent with shipments from countries like Qatar, the United Arab Emirates and Oman totalling 1.42MT in June. Russian monthly shipments from the Sakhalin Island plant in the Far East rose 11.1 percent to 523,000 tonnes.

Imports from the US amounted to 180,000 tonnes with no corresponding shipments in June 2017.

However, Japan will be importing US cargoes at more economic prices in the months ahead from both the Cheniere Energy-owned Sabine Pass plant in Louisiana and the Cove Point plant in Maryland operated by Dominion Energy. ■

Peru export plant sends out four cargoes ahead of its planned July 27 maintenance shutdown

LNG Journal editor

Peru LNG has shipped four cargoes so far in July to three separate pricing areas of the Atlantic and Pacific Basins from its liquefaction facility at Pampa Melchorita, the only LNG export plant in South America.

National energy company PeruPetro said one cargo was delivered to the Manzanillo import terminal on the Pacific coast of Mexico on the 134,425 cubic metres capacity carrier “Galea” with a value based on the US Henry Hub market price of around $2.85 per million British thermal units.

Spain

The second cargo of the month was shipped to Spain on the 170,000 cubic metres capacity vessel “Methane Becki Anne” with the value based on the UK National Balancing Point price of $7.60 per MMBtu.

A third shipment was delivered into the Japan-Korea marker price zone with a prevailing value of $10.24 per MMBtu in North

Peru LNG’s Pampa Melchorita liquefaction and export plant

Asia and was to be unloaded in Japan from the 173,400 cubic metres capacity carrier “Sevilla Knutsen”.

The four shipment left the Pacific Ocean terminal on July 15 bound for South Korea on the 145,000 cubic metres capacity carrier “Methane Alison Victoria”.

PeruPetro said its reference values for each of the four cargoes was $7.71 per MMBtu.

The four July shipments come ahead of a suspension of operations on July 27 for three weeks because of a scheduled round of routine maintenance.

The Pampa Melchorita facility had sent out five cargoes in June, four to Spain and one to South Korea.

Shipments from Pampa Melchorita were temporarily suspended in February 2018 because of a fracture on the feed-gas pipeline, whose biggest shareholder is Spanish transmission operator Enagas.

The single-Train facility, which came on stream in 2010 and is located about 170 kilometres south of the capital Lima, is operated by Hunt Oil of the US.

It produces about 4.5 million tonnes per annum of LNG from gas provided from the Camisea gas fields.

The plant receives its gas via a 408-kilometre pipeline owned by Transportadora de Gas de Peru SA. and built across the inland Cusco region to the Pacific Coast facility.

The other shareholders in addition to Hunt Oil are Japanese trading house Marubeni Corp., SK Group of South Korea and Royal Dutch Shell, which purchased the stake previously held by Spain's Repsol in 2013.

Hunt Oil, a privately held company based in Texas, is also a shareholder in the Yemen LNG plant at Balhaf on the Gulf of Aden that has been closed because of the Yemeni conflict.

Pipeline company Transportadora de Gas de Peru counts Spain's Enagas as its biggest shareholders with a 28.9 percent stake.

Chevron wins key court case for industry on GHG emissions

Chevron Corp., the US major and leading LNG plant operator, was granted a motion to dismiss a global-warming lawsuit filed against it by the City of New York because it is the responsibility of Congress and the executive branch of government to oversee greenhouse-gas emissions rather than individual companies.

This New York decision followed the June 25 order by the US District Court for the Northern District of California, which dismissed substantively identical complaints that the same plaintiffs' lawyers had filed against Chevron on behalf of the cities of San Francisco and Oakland.

The lawsuits have come as major oil and gas companies worldwide have been addressing issues of pollution at facilities for many years.

Judge John Keenan's decision said the claims in the lawsuits, filed under New York state law, were governed by federal common law.

"The City's claims are ultimately based on the transboundary emission of greenhouse gases, indicating that these claims arise under federal common law and require a uniform standard of decision," said the judge.

The court also ruled federal common law provided no remedy for climate change-related injuries because, under binding US Supreme Court precedent, "the Clean Air Act displaces such federal common law claims."

This is because "Congress has expressly delegated to the Environmental Protection Agency the determination as to what constitutes a reasonable amount of greenhouse-gas emission under the Clean Air Act," said the court.

Gasum of Finland registers profit growth in Nordic LNG and biofuel

LNG Journal editor

Storage tank at the Skangas terminal in the Port of Tornio

Gasum, the state-owned natural gas company in Finland whose subsidiaries include Norwegian liquefied natural gas market participant Skangas, reported increased first-half revenues and profits amid further development of the market in the Nordic countries.

Gasum revenues in the period rose 18 percent to 597.5 million euros ($700M) compared with 506M euros in the first half of 2017.

Gas role

The company's half-year sales in the LNG business were 116.8 million euros versus 98.5M euros in the same half-year of 2017.

"As a low-emission fuel, the role of gas will increase, particularly in maritime transport and heavy-duty road transport," said Gasum in its earnings outlook.

"Gas also offers industrial operators an excellent alternative in their efforts to achieve their emission targets," it added.

Gasum said its investments in the Nordic gas system will facilitate the company's growth and its newest businesses of LNG and biogas have already gained a good position in the market and were expected to grow significantly in the future.

Overall natural gas sales in the first six months of the year were 455.7M euros compared with 382.5M euros in the 2017 half-year.

Operating profit from January to June increased 15.8 percent to 76.3M euros compared with 65.9M euros in the year-ago period.

Among LNG highlights, Gasum subsidiary Skangas and Finnish energy company Porin Prosessivoima Oy signed an agreement for the delivery of LNG for steam and heat production in the Kaanaa industrial zone in Finland's port of Pori.

LNG is delivered to the company in regasified form by connecting a pipeline from the Skangas import terminal in Pori.

Gasum reported that progress was also made in the joint venture constructing Finland's second LNG terminal at Roytta Harbor in the Port of Tornio in northern Finland.

The facility is almost mechanically complete and will start commercial operations by the end of the year. The Skangas partners in the LNG project are regional companies Outokumpu, SSAB Europe and EPV Energia.

Korean LNG imports jump with volumes from US and Malaysia

South Korean liquefied natural gas imports rose by 8.8 percent in June compared with a year ago as shipments arrived from main supplier Qatar and other nations, including Australia, the US, Oman, Indonesia and Malaysia, which delivered a cargo from its floating plant offshore Sarawak.

The six Korean import facilities received 3.76 million tonnes of LNG last month compared with 3.45MT in June 2017.

South Korea paid an average of $9.80 per million British thermal units for its shipments versus $7.85 per MMBtu in the same month last year.

Qatar, the world's largest LNG exporter, remained the main source of Korean shipments with 1.15MT unloaded at the terminal network of the third-largest importer after Japan and China.

Australia was the second-biggest LNG supplier to Korea in June with 625,033 tonnes. The remaining volumes came from Malaysia, Russia, Peru, Brunei, Nigeria and Papua New Guinea.

In the January-June period, South Korea imported 22.7MT of LNG compared 19.6MT in the same period last year.

Four of Korea's import terminals at Incheon, Pyeong-Taek, Samcheok and Tong-Yeong are operated by state-controlled Korea Gas Corp.

Two other terminals are owned by a utility and an industrial company. The Boryyeong terminal is operated by GS Energy and the Kwangyang facility by the steelmaker POSCO.

Among the early June shipments to Korea, the 150,000 cubic metres capacity carrier "Seri Cenderawasih" unloaded a cargo on June 1 at the Kogas Incheon terminal from Malaysia's "PFLNG Satu" FLNG plant offshore Sarawak.

The 216,000 cubic metres capacity Q-Flex carrier "Al Thumama" unloaded a shipment from Qatargas on June 3 at the Pyeongtaek terminal, also operated by Kogas.

The 145,700 cubic metres capacity vessel "Tangguh Jaya" delivered an Indonesian cargo on June 5 to the Pyeongtaek terminal.

US government reassures LNG project owners and potential importers on export permits

LNG Journal editor

US LNG export project investors and potential foreign importers of the fuel have been informed by the US government that non-Free Trade Agreement permits are valid for their whole 20-year terms and they would never be revoked as long as America believes in capitalism.

The Department of Energy has issued a policy statement that responds to concerns that have been expressed about the DOE and its Office of Fossil Energy rescinding non-FTA export authorizations in the future.

Energy Secretary Perry and FERC respect investors

Response

Analysts said this is a response to suggestions that trade could be affected between the US and other countries by diplomatic jousting on the international stage or by exceptional policies enacted at home that could override the rule of law and constitutional rights that have been tested in Federal courts.

The DOE-FE said it had been asked by some parties what potential "developments" in the US LNG market could rise to the level of "such significant consequence as to put the public interest at risk" such that the DOE would unilaterally rescind one or more non-FTA export authorizations or take other action to protect the public interest.

"In this policy statement, DOE-FE affirms its commitment to all export authorizations issued under the Natural Gas Act, including long-term authorizations approving the export of LNG to non-FTA countries," it stated.

"In granting each application, DOE-FE concluded that exports of US LNG will generate net economic benefits to the broader US economy and will provide energy security and environmental benefits to the global community," it added.

"The DOE-FE stands firmly behind these factual findings and legal conclusions, many of which have been challenged and upheld in federal court," said the statement in the government's Federal Register.

"Authorization holders, as well as any interested stakeholders, thus should have the utmost confidence in the validity of the DOE-FE's LNG export authorizations for the full term of each non-FTA order," it added.

"Indeed, as noted above, DOE has never rescinded a non-FTA export authorization for any reason," it said, except when one US company concerned ended its own business activities.

As a matter of law, the DOE added that it preserved its authority to take action as necessary or appropriate to carry out its duties under the NGA.

"However, DOE does not foresee a scenario where it would rescind one or more non-FTA authorizations," it stated.

"The United States government takes very seriously the investment-backed expectations of private parties subject to its regulatory jurisdiction. "In particular, DOE understands the far-ranging economic investments and natural gas supply commitments associated with these authorizations over their full term, affecting both US and global interests.

"DOE emphasizes that it remains committed to the durability and stability of the export authorizations it has granted under the NGA, as well as to supporting the approved export of US natural gas around the world," it said.

To date, the DOE has issued 29 final long-term authorizations to export LNG and compressed natural gas to non-FTA countries in a cumulative volume totaling 21.35 billion cubic feet per day of natural gas, around 7.79 trillion cubic feet per year.

Each of these authorizations has a term of 20 years, with additional time provided for LNG export operations to commence.

"The DOE/FE has never rescinded a long- term non-FTA export authorization for any reason," it stated.

"Further, DOE has no record of ever having vacated or rescinded an authorization to import or export natural gas over the objections of the authorization holder," it explained. ■

US LNG equipment-maker Air Products to build its new HQ in Lehigh Valley in Pennsylvania

US LNG equipment-maker and industrial gas operator Air Products has confirmed that its new global headquarters would be built in Lehigh Valley in Pennsylvania near where it is currently based.

Air Products Chairman, President and Chief Executive Seifi Ghasemi told a staff meeting that the main global corporate building would be constructed not far from the company's existing headquarters around Allenstown in Pennsylvania.

The sprawling HQ, reminiscent of a university campus was built in the mid-1950s, about 15 years after the company was founded in Detroit, Michigan, by Leonard Parker Pool.

Air Products said a ground-breaking at the 50-acre site was expected in March 2019 with occupancy scheduled for around mid-2021.

The new location will be the base for around 2,000 Air Products employees with capacity for growth. "From the beginning of this process to develop a new headquarters facility, we have never wavered in our commitment to remain in the Lehigh Valley," said CEO Ghasemi.

"Now, we have made the location decision and we begin our preparations to build facilities that represent our world-class company," he added.

"This is a very exciting time for Air Products as we evolve our headquarters environment to be more beneficial to our employees and take advantage of sustainable technologies to lessen our footprint and reduce operating costs," he stated.

Air Products has made the decision to build its new headquarters facility a little over one mile from its existing location.

The new headquarters site will include new administration offices, a research and development facility and enclosed parking for employees. ■