Press release – Global LNG Services AS

GLOBAL LNG SERVICES (GLS) AND ITS INDUSTRIAL PARTNERS SIEMENS AND SEMBCORP MARINE ARE ENTERING THE PERMITTING PHASE FOR THE MAIN PASS ENERGY HUB™ PROJECT

April 6, 2017

Global LNG Services (GLS) has reached a cost breakthrough for its floating liquefaction platform, the LIQUI-MAX™ Vessel, and will be able to offer floating tolling fees at a floor level as low as $1.75 per MMBtu.

Established in 2013, GLS’s ambition is to develop and operate safe, cost effective floating liquefaction solutions for the global “plug and play” market. The standardized LIQUI-MAX™ Vessels require minimum customization and enable developers of LNG export projects in remote locations without infrastructure to achieve low costs and high cost control.

Coal has been the primary source of low cost, plentiful energy. However, the cumulative emissions of the expanded use of coal have made the world reach an inflection point in its ability to absorb the impacts. Severe local air pollution issues and global climate influence have created urgency to find alternative energy sources. For large-scale, uninterrupted energy supply, LNG is the preferred alternative.

GLS’s protected technology enables large-scale, commercially attractive production of LNG worldwide. The LIQUI-MAX™ Vessel at 380 meters total length will produce 12 MTPA. The budgetary quotes for the 12 MTPA Vessel are less than $3.5 billion, or less than $300 per tonne of LNG per Annum (TPA). The LIQUI-MAX™ Vessel uses air cooling and nitrogen coolant to ensure full compliance with the strictest environmental and safety standards. Pre-cooling enables efficiency at the same level as any mixed-refrigerant liquefaction process.

The LIQUI-MAX™ is a fully standardized vessel using only field-proven components, with pre-processing of the gas being done off the vessel. Construction costs for the LIQUI-MAX™ will benefit from series production, enabling further cost reduction. The global market for LIQUI-MAX™ Vessels is estimated at 20-40 vessels producing 6-12 MTPA based on projects currently considered for development.

The GLS technology and cost advantage is protected through a carefully designed patenting program. GLS contracting and project execution strategy includes long-term Frame Agreements with key partners.

Siemens and GLS are in discussions regarding a Memorandum of Understanding which is expected to be signed over the next few weeks. GLS is also in discussions with Sembcorp Marine regarding a Memorandum of Understanding, expected to be signed over the next few weeks.

Sembcorp Marine provides innovative engineering solutions to the global offshore and marine industry, drawing upon more than 50 years of track record. As a leading provider of large turnkey floating production solutions to the oil & gas industry, the company has extensive experience in taking on full EPC responsibility for delivering FPSOs, FPUs, FSOs, MOPU drilling rigs and other complex offshore vessel types, supported by its flagship Sembcorp Marine Tuas Boulevard Yard, as well as significantly expanded engineering resources. Recognizing the company’s credentials and capabilities in this field, GLS has selected Sembcorp Marine to participate with Siemens to build and deliver the first LIQUI-MAX™ Vessels, destined for GLS’s Main Pass Energy Hub gas export terminal.

“Sembcorp Marine is very pleased to collaborate with GLS on the development of the LIQUI-MAX™ vessel,” said Sembcorp Marine Head of Rigs & Floaters, William Gu. “We believe this floating liquefaction solution can contribute to making LNG more globally accessible as a greener fuel alternative. With our engineering expertise and integrated production capabilities at the Sembcorp Marine Tuas Boulevard Yard, we look forward to supporting the construction of the LIQUI-MAX™ vessels.”
Siemens is a global player in the oil & gas industry with more than 40 years of experience, technology leadership, and innovation in liquefied natural gas (LNG) applications and project management. With the acquisitions of Dresser-Rand and the Rolls-Royce Energy aero-derivative gas turbine business, Siemens considerably expanded and strengthened its product and services portfolio. Siemens’ design for LNG projects secures the best total-cost-of-ownership and maximizes uptime to keep production flowing. LNG customers can select the most suitable solution for their projects – whether it’s for an industrial or aero-derivative gas turbine-driven compression application, or an all-electric LNG and Gas-to-Power application in a remote area. And Siemens’ strong portfolio of digital solutions gives customers better decision-making capabilities by turning data into real-time useful information.

For GLS, Siemens is offering topside modules for a LNG liquefaction vessel in the Gulf of Mexico. “Siemens’ vast portfolio enables us to flexibly and reliably supply any solution for the LNG market,” said Dan Kinsey, Vice President Global LNG for Siemens. “We are proud to be the partner of choice for topside modules for the Main Pass Energy Hub project and potentially for future projects.”

GLS, with Siemens and Sembcorp Marine are entering the permitting phase of the GLS-owned Main Pass Energy Hub™ in the US Gulf of Mexico. The Final Investment Decision will be taken early 2019, with production startup in 2023. The Main Pass Energy Hub™ will be licensed as an LNG export terminal and the location off the coast of Louisiana is ideal both for supply of gas and LNG carrier sailing patterns. Main Pass Energy Hub™ will utilize two 12 MTPA LIQUI-MAX™ Vessels. Overall development cost (including pre-processing) is estimated to be less than $9 billion, or less than $380 per TPA – compared to $600 per TPA or more for competing projects.

The GLS industry partner model ensures alignment of incentives, low risk and on budget / on time project execution with performance guarantees for production and energy consumption levels.

GLS is being advised by market leading professionals in offshore floating process system contracting strategy, procurement and financing and has engaged the services of Clarksons Platou Offshore in this capacity. Erik Arthur, Managing Director, Clarksons Platou Offshore said “...with its LIQUI-MAX™ Vessel technology, GLS’s Main Pass Energy Hub project appears to be a very significant development in the large scale FLNG export terminal market. We are proud to have been invited by GLS to assist them and Sembcorp Marine in connection with the realization and construction of the first LIQUI-MAX™ Vessels.”

“I am very pleased to share the progress we are making with the Main Pass Energy Hub™ Project and our Global LIQUI-MAX™ Program” said Dr. Paul L. Eckbo, CEO and founder of GLS. “Teaming up with Siemens and Sembcorp Marine provides the experience, competence and capacity we need to ensure efficient, low risk project execution. The global GLS approach will contribute to LNG becoming the stable, low cost energy source to replace coal and provide back-up for renewables. The GLS innovations will enable the ‘global virtual LNG pipeline’ to expand faster.”

For questions, please contact:

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Siemens (during Gastech):
Siemens booth: Hall 2 Booth # 17-130

Sembcorp Marine (during Gastech):
Sembcorp Marine booth: Hall 2 Booth # 16-070