

“Shell selects Louisiana site for \$12.5 billion, world-scale GTL facility”

By O&GJ editors, *Oil & Gas Journal*, September 24, 2013

Royal Dutch Shell PLC, in a joint press statement with the state of Louisiana, reported the selection of Ascension Parish as a potential location for a \$12.5 billion gas-to-liquids (GTL) facility. If built, the plant, to be located near Sorrento, La., would be one of the first commercial-scale plants of its kind in the US.

The project also would create 740 direct jobs, according to an incentive agreement with the state.

A decision on whether to begin construction of the facility is pending the completion of site evaluation and preliminary engineering studies, which would take several years, Shell said.

“Selecting a site is an important step that allows us to conduct more detailed planning, technical analysis, and begin the permitting process,” said Executive Vice-Pres. Jorge Santos Silva, who directs integrated gas activities for Shell Upstream Americas. “Should we move forward with the project, we expect project costs to be well in excess of the minimum spend that was agreed upon with the state of Louisiana,” he added.

Shell’s presence in the Gulf Coast region includes extensive onshore facilities in Louisiana, including its Norco and Geismar plants, a major training center in Robert, and corporate offices in New Orleans. The company produces 150 million bbl of oil annually from the Gulf of Mexico.

Read more: <http://www.ogj.com/articles/2013/09/shell-selects-louisiana-site-for-12-5-billion-world-scale-gtl-facility.html>

Related article*

*** “Shell and Louisiana Governor announce potential world scale gas-to-liquids facility”**

By PennEnergy Editorial Staff, *PennEnergy*, September 25, 2013

Governor Bobby Jindal and Shell announced the selection of Ascension Parish as the location for a potential natural gas-to-liquids (GTL) facility. According to the terms of an incentive agreement with the state, the company at a minimum would spend \$12.5 billion and create 740 direct jobs, should the project be built. The expected average annual salary of the direct new jobs would be approximately \$100,000, plus benefits. LED commissioned an economic impact analysis from Louisiana State University (LSU) that indicates the 740 new direct jobs would

result in approximately 3,900 new indirect jobs, for a total of more than 4,600 new permanent jobs in Louisiana. LSU further estimates the project would produce a total economic impact of \$77.6 billion over the construction period and the first 15 years of operation.

At peak building activity, Shell estimates the project would create up to 10,000 construction jobs. A final decision to build the proposed project would be made after site evaluation and preliminary engineering studies are completed. Construction would follow that decision.

Read more: <http://www.pennenergy.com/articles/pennenergy/2013/09/shell-and-louisiana-governor-announce-potential-world-scale-gas-to-liquids-facility.html>

For more...

*** “Shell Picks Site for \$12.5bn Gas-to-Liquids Plant”**

Environmental Leader, September 26, 2013

Link: <http://www.environmentalleader.com/2013/09/26/shell-picks-site-for-12-5bn-gas-to-liquids-plant/>

“Texas firm to turn natural gas into liquids in Ashtabula County”

By Bob Downing, *Ohio.com - Akron Beacon Journal Online*, September 24, 2013

From the PR Newswire:

Pinto Energy LLC (Pinto), a developer of smaller scale Gas-to-Liquids (GTL) facilities, is pleased to announce its Ashtabula GTL project.

The 2,800 barrel per day (bpd) plant will be built at Pinto's 80-acre industrial site to the east of Ashtabula, Ohio. It will convert abundant low-cost natural gas from the Utica and Marcellus shale region, into high value specialty products (solvents, lubricants and waxes), as well as ultra clean transportation fuels.

The state of the art GTL facility will create 30 new, direct, well-paying jobs, 400 temporary construction jobs, as well as result in the creation of an estimated 112 indirect jobs, to give a total of 542 local jobs. Pinto recently filed the project's air and water permits, and is in discussions with regional economic authorities for further local support.

Read more: <http://www.ohio.com/blogs/drilling/ohio-utica-shale-1.291290/texas-firm-to-turn-natural-gas-into-liquids-in-ashtabula-county-1.431454>

Related article**

**** “First commercial North American GTL plant planned”**

By OJG editors, *Oil & Gas Journal*, September 27, 2013

What may be the first commercial small-scale gas-to-liquids (GTL) plant in North America has been announced by Pinto Energy LLC, Houston, to be built near Ashtabula, Ohio, on Lake Erie, northeast of Cleveland.

The Ashtabula GTL project will install a 2,800-b/d plant on 80 acres to convert natural gas from the Utica and Marcellus shales into solvents, lubricants, and waxes, as well as transportation fuels.

Pinto selected Velocys PLC’s Fischer Tropsch technology. It said it has agreed to commercial license terms with Velocys and made a down payment towards the FT reactors.

Pinto has also selected Ventech Engineers International LLC as engineering, procurement, and construction contractor. Ventech specializes in design and construction of modular refineries and will build these GTL plants at its Pasadena, Tex., fabrication complex. The modules will be then transported to Ashtabula for installation.

Ventech began designing the Ashtabula plant in April, Pinto reported, and expects to complete the design by yearend. Construction should start in first-half 2014. Pinto expects mechanical completion in late-2015, with start-up in early 2016.

Read more: <http://www.ogj.com/articles/2013/09/first-commercial-north-american-gtl-plant-planned.html>

For more...

**** “New gas-to-liquids plant planned in US”**

Biofuels International, October 24, 2013

Read more: http://www.biofuels-news.com/industry_news.php?item_id=6947

“Primus Green Energy Commissions its up to 100,000 Gallon-per-Year Alternative Fuel Plant”

PR Newswire, October 2, 2013

One of the First Demonstration Plants in the Country to Convert Natural Gas Directly Into Drop-In, 93-Octane Gasoline

HILLSBOROUGH, N.J., Oct. 2, 2013 /PRNewswire/ -- Marking a momentous achievement on its path toward commercialization, Primus Green Energy, Inc., an alternative fuel company headquartered in Hillsborough, N.J., today announced the commissioning of its up to 100,000 gallon-per-year natural gas-to-gasoline pre-commercial demonstration plant at its Hillsborough facility.

Primus celebrated the commissioning of its new demonstration plant at a ceremony today attended by distinguished speakers, including N. J. Lieutenant Governor Kim Guadagno, Israel Corp. President and Chief Executive Officer Nir Gilad, Israel Corp. Green Energy (ICG) President and Chief Executive Officer Dr. Yom-Tov Samia, company executives and state officials.

"As one of the first plants in the nation to make gasoline directly from natural gas, the completion of our facility is of monumental significance for Primus, for the nation and for the world," said Robert Johnsen, CEO of Primus Green Energy. "Our syngas-to-gasoline plus (STG+) process is much more cost effective and efficient than competing alternative fuel technologies, enabling us to build commercial plants at a fraction of the cost of traditional gas-to-liquids (GTL) and alternative fuel plants."

"New Jersey ranks seventh in the nation for clean energy jobs, and the Christie Administration is dedicated to developing an infrastructure that employs more efficient, cleaner, sustainable and homegrown energy sources," said New Jersey Lt. Governor Kim Guadagno. "Primus' decision to build their new demonstration plant in New Jersey is an important step for the state, as this Administration continues to work to attract innovative businesses that will create clean energy jobs and build a greener economy."

The demonstration plant utilizes Primus' proprietary STG+ technology, which is a four-reactor catalytic process that converts syngas derived from natural gas or other feedstocks to gasoline, jet fuel, diesel or aromatic chemicals directly, without the need for further treatment. The process produces drop-in fuels that are ready for immediate distribution, sale and consumption using the existing fuel distribution infrastructure.

Read more: <http://www.prnewswire.com/news-releases/primus-green-energy-commissions-its-up-to-100000-gallon-per-year-alternative-fuel-plant-226157401.html>

“California's alternative-energy program under scrutiny”

By Ralph Vartabedian and Evan Halper, *Los Angeles Times*, October 13, 2013

Billions spent on wind, hydrogen, cow manure projects are questioned after some investments go bust, but the program is expected to grow. It could surpass current state support for the UC system.

California is spending nearly \$15 million to build 10 hydrogen fueling stations, even though just 227 hydrogen-powered vehicles exist in the state today.

It's a hefty bet on the future, given that government officials have been trying for nine years, with little success, to get automakers to build more hydrogen cars.

The project is part of a sprawling but little-known state program that packs a powerful financial punch: It spent \$1.6 billion last year on a myriad of energy-efficiency and alternative-energy projects.

Even as California has scaled back education, law enforcement and assistance to the disabled in this era of financial stress, the energy program has continued unrestrained and is expected to grow significantly in coming years.

State agencies have invested in milk trucks that run on cow manure, power plants fueled by ocean tides and artificial photosynthesis for powering vehicles and buildings.

The spending is drawing increasing scrutiny. Some of the energy investments have gone bust, electricity costs have soared, and some economists have disputed the benefits. The legality of some consumer fees that fund the programs also is being challenged in court.

The alternative-energy projects are largely financed by small charges on electricity bills or obscure consumer fees that are seldom noticed. The hydrogen fueling stations, for example, will be financed by a \$3 fee on license plates.

Proponents of this spending say the funds are working the way they were designed. The money is helping position the state as an international leader in energy-conservation technology, said Michael Peevey, president of the California Public Utilities Commission.

"We are on a mission to deal with climate change," said Peevey, who oversees most of the spending. "It is considered a great success story."

Not everybody is convinced that the investments are doing any good for ratepayers.

"Suddenly, you look up and there are literally hundreds of millions of dollars going into investments that produce marginal benefits," said state Sen. Rod Wright (D-Inglewood), a member of the Energy, Utilities and Communications Committee.

Read more: <http://articles.latimes.com/2013/oct/13/local/la-me-energy-subsidies-20131014>

“Sasol to raise hundreds of billions in debt for ambitious infrastructure plan”

By Sikonathi Mantshantsha, *Business Day Live*, October 14, 2013

PETROLEUM and chemicals group Sasol will tap the capital markets to raise about 100 times its current debt to fund its ambitious \$21bn capital expenditure programme as it expands to double the size of its business over the next 10 years. Most of the capital will be raised by 2016.

The company would take its debt levels up to 40% of equity, from its "under-g geared position" of 0.3% or R24.8bn at present, it said on Friday.

The investments will double the size of the business when complete in about 10 years.

"This low level of gearing is expected to be maintained in the short term, but is likely to return to within our targeted range of 20%-40% in the medium term, taking into account our growth

programme, as well as our progressive dividend policy," spokesman Alex Anderson said in an e-mailed response to questions.

Gearing was likely to reach the company's targeted range by the 2016 financial year, former chief financial officer Christine Ramon said in June.

The company enjoys investment-grade credit ratings by both Moody's and Standard & Poor's. Sasol's debt profile attracts a Baa1 rating from Moody's, or "moderate credit risk" while S&P gives it a BBB rate on its foreign currency debt.

At the current exchange rates and the company's market capitalisation of R320bn, the planned investments will add about 65% of the company's value and exceed the past year's revenue. Sasol generated sales revenue of R181bn in the year ended June.

The company is in the process of building a gas-to-liquids (GTL) and chemicals complex in Louisiana in the US.

Consisting of three manufacturing plants at Lake Charles, Sasol will produce at least 96,000 barrels a day of vehicle fuel and 1.5-million tons of ethylene from an ethane cracker facility. Ethylene is used in the production of surfactants, alcohol and polyethylene plastics.

Read more: <http://www.bdlive.co.za/business/energy/2013/10/14/sasol-to-raise-hundreds-of-billions-in-debt-for-ambitious-infrastructure-plan>

“Microchannel GTL commercialisation in Thailand moves closer”

By Rob Cockerill, *Gas World*, October 20, 2013

A commercial agreement has recently been executed between PTT, the National Energy Company of Thailand, and Velocys to proceed with the commercial deployment of microchannel GTL technology in Thailand.

Smaller scale gas-to-liquids (GTL), based on the use of microchannel steam methane reforming (SMR) followed by Fischer-Tropsch (FT) synthesis, offers a promising option for producing valuable liquid fuels from gas resources that would otherwise be wasted.

These include associated gas (gas produced along with oil) and stranded gas located far from existing infrastructure.

The new agreement is to proceed with the commercial deployment of Velocys', formerly Oxford Catalysts, small scale microchannel GTL technology in Thailand and other other regions.

PTT is particularly interested in the company's smaller-scale modular GTL technology as a means to monetise associated gas from on-shore wells that is currently disposed of by flaring. The two companies have been collaborating since late 2009.

Read more: <http://www.gasworld.com/news/microchannel-gtl-commercialisation-in-thailand-moves-closer/2002884.article>

“Recovering flared gas reserves”

Adapted from a press release by Clairia Lloyd, *Energy Global*, October 21, 2013

First Titan Corp. (FTTN) is in the final stages of negotiation with BioFuels Power Corp. to cement its entrance into the US\$ 5.29 billion gas to liquids (GTL) market. It is also becoming exceedingly apparent that there is an immense profit to be made in converting flared gas reserves into liquid hydrocarbon fuel.

An abundance of natural gas

Large volumes of natural gas are burned into the atmosphere every day, with literally millions of dollars in revenue disappearing. A study by Ceres has shown that in North Dakota 30% of produced natural gas is being flared. FTTN, along with its partners, is evaluating an investment in technology that will convert natural gas which is currently being flared into a diesel like fuel that is far more valuable in today's marketplace.

During May of this year, natural gas flaring in North Dakota represented approximately US\$ 3.6 million /d in lost revenue. This works out as over US\$ 1.3 billion /y.

Read more:

http://www.energyglobal.com/news/processing/articles/Recovering_flared_natural_gas765.aspx

“Ethanol Falls as Production Jumps to Highest Level in 16 Months”

By Mario Parker, *Bloomberg*, October 23, 2013

Ethanol fell for a second day after the government said production reached a 16-month high and the corn harvest advanced.

Futures slipped after the U.S. Energy Information Administration said output rose 3.2 percent to 897,000 barrels a day last week, the most since June 15, 2012. An Oct. 21 Agriculture Department report estimated that farmers have harvested 39 percent of their corn, the primary ingredient used to make ethanol in the U.S. The USDA predicts a record harvest for corn.

“This should relieve some supply anxiety,” said Jerrod Kitt, an analyst at Linn Group in Chicago. “The corn harvest is in full bore.”

Denatured ethanol for November delivery sank 1.6 cents, or 0.9 percent, to \$1.801 a gallon on the Chicago Board of Trade. Futures are down 18 percent this year.

Gasoline for November delivery sank 6.44 cents, or 2.5 percent, to \$2.5523 a gallon on the New York Mercantile Exchange. The contract covers reformulated gasoline, made to be blended with ethanol before delivery to filling stations.

Ethanol's discount to the motor fuel narrowed 4.84 cents to 75.13 cents a gallon.

Corn for December delivery advanced 4.5 cents, or 1 percent, to \$4.4275 a bushel in Chicago. Kitt said the higher corn price kept ethanol from falling as much as gasoline.

Read more: <http://www.bloomberg.com/news/2013-10-23/ethanol-falls-as-production-jumps-to-highest-level-in-16-months.html>

“House members from Midwest request probe of ethanol credits”

By Christopher Doering, *Des Moines Register*, October 23, 2013

WASHINGTON — A bipartisan group of House members joined the growing chorus of Washington lawmakers asking the country's futures regulator to review allegations of manipulation in the market for special credits tied to ethanol.

The letter, signed by 13 lawmakers, asked the U.S. Commodity Futures Trading Commission to review the marketplace for potential manipulation in Renewable Identification Numbers, or RINs.

“We are asking that the CFTC use its expertise and authority in overseeing markets for commodities futures to look into what extent fraud and manipulation have played in the volatility of RIN prices,” the lawmakers said in the letter to CFTC Chairman Gary Gensler. “Recently, we have become increasingly concerned about the potential for manipulation of the market for Renewable Identification Numbers.”

The letter was signed by representatives from major ethanol-producing states including South Dakota, Illinois, Wisconsin, Minnesota and Iowa, the country's largest ethanol producer. All four of Iowa's representatives in the House joined the letter.

Congress created RINs, a special serial number given to batches of biofuels before they are sold to refiners and gasoline importers looking to comply with a federal mandate to use a certain amount of ethanol. Instead of blending ethanol, the refiner can choose to purchase RINs. While the credits were intended to be used by refiners and others tied to the industry, lawmakers and others have expressed concern that Wall Street investors are using them as an investment, contributing to their volatility this year.

Read more:

http://www.desmoinesregister.com/article/20131024/BUSINESS01/310240047/?odysey=nav%7Chead&nlick_check=1

“Biofuels Producers Hunting Foreign Fields”

Mackinnon Lawrence, Contributor, *Forbes*, October 23, 2013

With nearly 70% of global biofuels production centered on the United States’ corn and Brazil’s sugarcane harvests, concentrated commodity feedstocks have been the common denominator in biofuels industry growth over the past decade. Advanced biofuels companies seeking to produce next-generation fuels derived from non-food feedstocks are attempting to replicate this model – without the associated social and environmental ramifications of using food-based crops. Access to land for mass feedstock production is a difficult challenge for which many innovative strategies have been proposed.

Companies like SG Biofuels, Ceres, and others are squarely focused on biotechnology innovation, involving complex biological modifications at the crop’s cellular and genetic level. The central focus of these efforts is the optimization of dedicated energy crops for growth in a variety of locations where food crops are not currently grown, including poor soils and areas lacking irrigation. Among these, jatropha, camelina, energy grasses like miscanthus, and dedicated trees like eucalyptus have received the most attention.

But optimizing crop strains to thrive in a variety of climates and soils is only half the battle. Recent experience has shown that the success of even miracle next-generation feedstocks like jatropha, which can produce oil-rich seeds in poor soils and without irrigation, is exaggerated. As with food crops, bountiful energy crop harvests (i.e., lots of biomass material for biofuels production) require irrigation, nutrients – and plenty of land.

Read more: <http://www.forbes.com/sites/pikersearch/2013/10/23/biofuels-producers-hunting-foreign-fields/>