Diversity of LNG Liquefaction Capacity

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Mid-scale-based development gaining traction

- Mid-scale projects ~50% of the proposed projects over the next 5 years
- LNG train capacity increased steadily to 5 Mtpa in 2010; since then, wide diversification
- “Old guard” owners sticking larger train-based projects, new developers split about 50/50
- All proposed mid-scale development is in North America
Development Cos. lead the charge into mid-scale projects

**Development Co. Business Model**
- Untethered from gas supply
- Accessible project financing
  - Low gas supply risk
  - Capacity-based revenue
  - Creditworthy off-takers
- Low technology risk
  - Mature technologies
  - Brownfield development
- Market
  - Henry Hub linkage
  - FOB sales

**Large baseload trains initially (low risk)**

**Mid-scale, multi-train developments**
- Cost-based competition
  - Simpler trains
  - Lower cost modular fabrication
  - Potential schedule improvement
  - Reliable power supplies
- Market
  - Smaller supply increments
  - Differentiation
- Potential trade-offs:
  - Loss of economies of scale
  - Loss of efficiency
Mid-scale economics look good, but need to be proven

- Announced mid-scale projects citing $500-700 $/tpa EPC costs
- vs. 750-850 $/tpa for typical large-scale grassroots project