

PRESS REGISTER

Company renews try for LNG project south of Dauphin Island, Ala.

Proposal could assuage concerns for environment

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TORP Terminal LP said Friday that it would reapply to build a liquefied natural gas terminal 63 miles south of Dauphin Island.

The company plans to use air, not seawater, to warm the super-cooled gas, which could avoid the environmental objections that led the company to withdraw its first application in October after Gov. Bob Riley made it clear he would veto it.

TORP moves forward with a new partner, German industrial conglomerate Siemens AG

A financial arm of Siemens will buy 30 percent of TORP Terminal from its Norwegian parent company and has agreed to finance part of the estimated \$500 million terminal construction cost.

Siemens Financial Services Inc. paid an undisclosed sum of cash for its 30 percent interest, said Lars Odeskaug, chief executive of TORP Technology AS, the parent company of TORP Terminal.

Opposition to TORP's original proposal centered on its use of seawater to reheat natural gas, which is super-cooled into a liquid before being loaded onto ships.

Federal studies warned that the process could kill billions of eggs and larvae of Gulf fish and shellfish.

The National Marine Fisheries Service, Mobile Baykeeper and the Coastal Conservation Association fought the original project.

TORP offered the state up to \$30 million a year to offset harm done by the water-cooled, or open-loop, system.

Odeskaug said the new closed-loop system would use ambient air vaporizers to regasify the fuel, meaning it would neither burn gas nor use seawater.

"This is actually the preferred environmental solution," Odeskaug said.

TORP Terminal plans to refile applications to build what it calls the Bienville Offshore Energy Terminal before March, Odeskaug said, and hopes to have

approval in hand by October or November. He said construction could begin in late 2010, and the terminal could open by 2013.

Officials with Mobile Baykeeper and the Coastal Conservation Association said they still need to see the details of TORP's plan, but they were encouraged that the company has adopted a closed-loop system.

"At face value, that is an amazing change," said Mobile Baykeeper Executive Director Casi Callaway. "We have fought for five years to get the right kind of project here. It was so distressing to see folks cave to a project that wasn't right when the right project was out there."

Riley's office did not respond Friday to calls seeking comment.

The sale to Siemens leaves Norwegian company TORP Technology AS with a 70 percent share in the venture.

Two Norwegian companies — HiLoad Holding AS with 49 percent and Styrbjorn AS with 18 percent — are the top shareholders in TORP Technology. Both companies are ultimately controlled by Norwegian entrepreneur Jon Gjedebo.

Another top shareholder is Golar LNG Ltd., a liquefied natural gas shipping company controlled by Norwegian-born billionaire John Fredriksen.

Efforts to import LNG have been controversial in Alabama.

ConocoPhillips Co. in 2006 withdrew a proposal for a terminal 11 miles south of Dauphin Island after federal scientists determined that its potential impact wouldn't be apparent until Alabama's red fish harvest fell by more than 36 percent a year.

ExxonMobile gave up a plan to build an LNG terminal on Hollinger's Island, south of the Theodore Ship Canal, after the Press-Register reported that an LNG explosion could burn people up to a mile away.

Cheniere Energy also gave up a plan to build a terminal on Pinto Island, on the east bank of the Mobile River near downtown.

El Paso Corp. broke ground in October on the \$1.1 billion Gulf LNG terminal in Pascagoula on Bayou Casotte. Sonangol, the state oil company of the African nation of Angola, owns 20 percent of the venture.

Chevron Corp. has obtained permits for another LNG terminal in Pascagoula, but has yet to begin construction.

Both the Gulf LNG and Chevron facilities would use closed-loop processes.