Shell to Build Natural Gas Plants in U.S., Canada

BATON ROUGE, La. (AP) — Royal Dutch Shell said Tuesday it plans to build a small-scale, natural gas-liquefaction plant in Geismar and one in Canada that will provide fuel for commercial customers.

The Advocate reports (http://bit.ly/XooQtg [1]) the company will install the Louisiana unit at its Geismar Chemicals facility, south of Baton Rouge. The company also plans to build a facility in Sarnia, Ontario, on the southern shore of Lake Huron just east of Michigan.

Each plant will be able to produce 250,000 tons per year of LNG by chilling natural gas so it can be compressed into a liquid and stored in high-pressure insulated tanks.

Shell did not release the projects' costs.

The Louisiana unit will supply LNG along the Mississippi River and the Gulf Intracoastal Waterway, to onshore exploration areas in Texas and Louisiana and offshore in the Gulf of Mexico.

Shell said it has an agreement with Edison Chouest Offshore companies to supply LNG fuel to vessels operating in the Gulf. Under the agreement, Edison Chouest will also provide what is expected to be the first LNG barging and refueling operation in North America at the firm's Port Fourchon facilities. LNG transport barges will move the fuel from Geismar to Port Fourchon, where the barges will refuel customer vessels.

Shell said that in order to serve oil and gas and other industrial customers in Texas and Louisiana, the company will get LNG terminalling, storage, transportation and distribution from Martin Energy Services, a wholly-owned subsidiary of Martin Resource Management Corp.

"Natural gas is an abundant and cleaner-burning energy source in North America, and Shell is leveraging its LNG expertise and integrated strength to make LNG a viable fuel option for the commercial market," Shell Oil Co. president Marvin Odum said in a news release. "We are investing now in the infrastructure that will allow us to bring this innovative and cost-competitive fuel to our customers."

The new facilities are expected to take about three years to complete.

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Information from: The Advocate, http://theadvocate.com *[2]*

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