

## **World GTL Getting Close to Start-up of Trinidad GTL Diesel Plant**

Jack Peckham

1019 words

11 July 2007

[Gasification News](#)

Volume X, Number 11

English

(c) 2007 Hart Energy Publishing, LP. All Rights Reserved.

New York-based World GTL just told Gasification News that its 2,000 barrels/day gas-to-liquids (GTL) plant in Trinidad is moving closer to start-up.

It would be the first commercial GTL plant built in the Western Hemisphere at commissioning in early 2008, and at vastly lower cost-per-barrel than typical GTL plants.

Key to the scheme is recycling of old methanol plant equipment rather than building the high-cost reactors used by Shell, Sasol, PetroSA or others at current or in-construction GTL plants.

"We're making good progress," Loring told us in an exclusive interview July 11. "We're on-schedule to start-up, with the government of Trinidad as our partner"

The state oil company, Petrotrin, will offtake the entire output of the GTL plant, being built inside the perimeter of Petrotrin's oil refinery at Pointe-a-Pierre.

Petrotrin will use the ultra-clean, high-cetane GTL diesel to upgrade its existing crude-based diesel output. The blended fuel would help reduce diesel pollution emissions in Trinidad & Tobago.

About 80% of the GTL product will be Fischer-Tropsch diesel with the remaining 20% naphtha, which Petrotrin will also use in its fuels production rather than for petrochemicals.

Gas feedstock for the GTL plant will come from Petrotrin's associated gas from oilfields nearby, Loring explains.

Following commissioning and start-up early next year, the plant is expected to take about 90 days to get to full production, he said.

World GTL has found a niche where many others have tried (and so far, failed) to get relatively small GTL plant projects going. Its patented scheme for converting old

methanol reactor equipment to GTL application is key to its strategy (see Gasification News 11/15/06, p24).

While Loring isn't revealing exact capex or cost-per-barrel-capacity figures, he says it's "substantially below" the cost of conventional GTL projects with giant, made-to-order reactors.

"The reactors we have are already designed and built and bought at scrap value," which he estimated at about 100 times less than the cost of brand-new, made-to-order reactors.

While the Trinidad GTL project will start with 2,000 barrels/day capacity, there's potential to expand since the front-end gasification section is actually larger than what's required, he said.

World GTL already owns three former methanol reactors and just agreed to buy "a couple more," with other pending deals in the works, he said. Acquiring such reactors means competing with steel scrap dealers, who enjoy hefty demand for scrap steel today.

Even despite the relatively high price of scrap steel today, such a reactor can be bought for less than \$2 million, versus a "nice new Lurgi methanol reactor that would cost from \$50-60 million," he said. "And with our patent, no-one else can do what we do" with the recycled methanol reactors.

As for other possible GTL plant projects around the world, the company is still interested in Bolivia projects despite recent negative headlines about problems that the new government has had with major gas producers in recent months.

"I'm personally bullish on Bolivia," Loring said. "Some of those headlines have scared investors, but we're taking the long view."

Other promising prospects include Colombia and Peru, although "we haven't signed anything yet," he cautioned.

Citing logistical problems of moving huge reactors inland over mountains, BP recently decided to drop a planned GTL project at its giant Cusiana gas fields in Colombia. In contrast, the much more compact World GTL technology could open up new possibilities either at Cusiana or other stranded gas sites, Loring said.

These small reactors can fit into standard ocean shipping containers and be bolted together at a gas field site, he said.

As for Peru, possibilities exist to build a GTL plant at the Camisea gas site in the Peruvian Amazon, which would open marketing possibilities to diesel-short communities and industries in the region.

"Diesel is very scarce in the Amazon," Loring said. A government royalty concession on Camisea gas opens possibilities for such GTL plants either at Camisea, near Cusco, or along the coast where larger markets also need clean diesel, he added.

So far, World GTL has had several meetings with PetroPeru to discuss possible projects. "We're quite bullish on Peru," he said. And unlike negative press reports about Bolivia, "you only read good, pro-business headlines on Peru," he added.

Even so, "Bolivia has more gas than Saudi Arabia. Bolivia potentially could become an exporter of 500,000 barrels/day of GTL within a decade," which could tremendously boost income in one of the world's poorest countries, he added.

Elsewhere in South America, World GTL sees potential for a project in the Brazilian Amazon. "We've talked with Petrobras about Amazon gas, and we're continuing discussions," he said.

Meantime, a private group of Paraguay investors has approached World GTL about a project that would tap gas from nearby Bolivian fields, he said.

Outside of the Americas, World GTL is also investigating opportunities in Papua New Guinea and Indonesia, both of which have plenty of stranded gas and attractive diesel markets nearby, including the Philippines, he said.

As for Russia, "I'm bullish on Russia too, despite the headlines. They have half the gas on Earth. We've talked to more than 20 independent gas producers there, and they'd like to monetize their gas and avoid paying high pipeline tariffs to Gazprom."

Some of the sites are close to Rotterdam, where GTL diesel could find a hungry European market. "I have no doubt we can do business successfully there," he said. "You need a good local partner. We like Lukoil a lot. We would love to do a deal with them."

Opportunities for exploiting relatively small stranded gas fields abound, he added. "There are around 6,000 shut-in gas fields and only around 200 of them interest the major oil companies," he said. – Jack Peckham