Energy Security Partners Secures Funding for GTLA's Front End Engineering & Design

LITTLE ROCK, Ark. (August 22, 2018) – Energy Security Partners (ESP), an independent developer of major gas-to-liquids (GTL) projects, has secured funding to complete Front End Engineering & Design (FEED) and related development activities for the GTL Americas (GTLA) Project near Pine Bluff, Arkansas. The GTL facility is expected to produce 33,000 barrels per day of ultra-clean transportation fuels from natural gas, with an anticipated capital cost of approximately $3.5 billion. Major GTL facilities are in operation or construction in the Middle East, Asia and Africa but the GTLA Project will be the first of its scale in the U.S.

“Obtaining FEED financing is a significant milestone in our drive to secure full funding for the construction of the Phase 1 GTL facility in Jefferson County,” said Roger Williams, chief executive officer of ESP. “The GTL process converts natural gas into ultra-clean diesel fuel and naphtha, and it produces electricity from thermal energy released during the process. GTL products can also be processed and upgraded into ultra-clean jet fuel and gasoline, which ESP hopes to do in future expansion phases.”

ESP searched along the Gulf Coast and the greater Mississippi River system of waterways for the location of the GTLA Project and creation of a “GTL Center of Excellence.” Over the next 24 months, ESP will complete the detailed engineering, site preparation, natural gas purchase and supply, product sales, and raising the equity and construction financing necessary for development of the project in Jefferson County. Construction and completion of the plant is estimated to take 39 months; the plant start-up is anticipated to commence in late 2023. The project is expected to create up to 2,400 jobs during construction and 225 full-time jobs at the plant itself.

“We are extremely pleased to have a strong consortium of strategic and financial investment partners, as well as leading technology and construction partners, to move the GTLA Project forward,” said Leon Codron, ESP chief development officer and president of GTL Americas. “Arkansas is geographically centrally located at the crossroads of major natural gas transmission lines, is abundant in natural resources and has diverse talent. We know that our goals can be actualized here.”

Along with ESP, the financing consortium includes a major petrochemical and refining company as lead investor, and the Arkansas Teacher Retirement System, among others. In addition to providing funding for FEED activities, GTLA Project investors negotiated a right of first refusal to purchase equity securities for funding the construction, completion and operation of the Jefferson County facility. The project’s lead investor may partially transfer its right of first refusal to Morgan Stanley Infrastructure, Inc. to provide a substantial portion of the equity needed for development of the project.

The project requires cooperation and licensing with a number of global partners. Axens North America, Inc., a subsidiary of Axens, an international provider of advanced technologies, catalysts and services, notably for the conversion of oil, natural gas and biomass to cleaner fuels, has agreed to license its Gasel® Fischer-Tropsch synthesis and product-upgrading technologies to GTLA. Haldor Topsoe, a world leader in high-performance catalysts and proprietary technologies for the chemical and refining industries, has agreed to license its SynCOR™ synthesis gas technology to GTLA. Additionally, the GTLA Project has selected Technip France, subsidiary of TechnipFMC, as the FEED contractor. TechnipFMC is a global technology and construction company that specializes in large-scale GTL projects and serves as the Project Management Contractor for the Oltin Yo’l GTL Project, currently under construction in Uzbekistan. Previously, the corporation led the engineering, procurement and construction of the Oryx GTL Project in Qatar. The leading international law firm Vinson & Elkins is project counsel to the project, including for the FEED financing.

About Energy Security Partners: Energy Security Partners is an independent developer of commercial-scale, natural gas-to-liquids (GTL) projects in North America. With the abundance of clean, sustainable and affordable natural gas resources in the United States and Canada, North America has tremendous potential to realize significant economic and energy security benefits from converting domestic natural gas resources into liquid transportation fuels while reducing dependence on offshore foreign petroleum imports. For more information, visit www.espgtl.com.
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