4th ANNUAL LNG TRANSPORT, HANDLING AND STORAGE

Practical Infrastructure And Transportation Implementation For A Sustainable Natural Gas Market in Indonesia

EVENT REPORT

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4th ANNUAL LNG TRANSPORT, HANDLING AND STORAGE INDONESIA

The 4th LNG Supply, Transport & Storage Indonesia successfully concluded with over 154 delegates from 17 countries attending this business-critical forum. This event is co-organized by Allevents Group and Geo Energi Magazine.

This annual forum offers a one-shot platform for all serious stakeholders to highlight their positions in and distinctive solutions for Indonesia’s LNG industry while establishing relationships with key policy-makers and private sector players integral to gas LNG supply, transportation and distribution. The forum is the annual meeting point for industry stakeholders to connect, network, explore business opportunities - and ultimately - enable the development of a productive and sustainable Indonesia LNG sector.

This event is sponsored by Pertamina Gas, GTT, Energasindo Heksa Karya and PT Bayu Buana Gemilang. There were two exhibitors attending, PT Citra Nusantara Gemilang and PT Matesu Abadi.
The keynote speaker was by Widhyawan Prawira Atmaja, Deputy Chairman for Commercial Management at SKK Migas. SKK Migas is the Upstream Oil and Gas regulator in Indonesia. He delivered an important topic entitled “Indonesian LNG – Challenges Ahead”. He noted that to meet growing Indonesia’s gas demand, increasing LNG use for domestic consumption is unavoidable. Gas infrastructure will be key in facilitating the consumption growth. The next speaker was by the downstream regulator, BPH Migas. Djoko Siswanto, Secretary from BPH Migas focused on the topic “Accelerating Natural Gas Infrastructure Development To Connect Indonesia: Government’s Perspective” Djoko touched on the natural gas utilization and production in Indonesia, together with existing and upcoming pipeline infrastructure that will be built to support increasing domestic demand.

Prior to the break, Hendi Prio Santoso, President Director of PT. PGN took center stage with the topic “Integrating Natural Gas Infrastructures to Markets”. PGN currently owns the biggest downstream natural gas infrastructure in Indonesia and is developing to a company with a complete portfolio of gas management competencies. He touched on pipeline development networks in Indonesia and highlighted Indonesia’s specific challenges to promote gas utilization.

Following the break, Rudiyanto, President Director of PT.Biro Klasifikasi Indonesia (BKI) delivered a presentation entitled “BKI Role as Classification Society in LNG Supply, Transport & Storage”. Rudiyanto touched on BKI’s experience in supporting offshore business and highlighted their experiences with FPSO, FLNG CNG and LNG Carriers.
Total E&P Indonesie’s Head of Domestic Sales, Rakhmad Dewanto ended the morning session with a topic entitled “An upstream Perspective on Domestic Gas Utilization”. He explained that the era of cheap gas has ended and new gas supplies are located in frontier regions with higher cost of exploration and exploitation. There. The prices of natural gas varies because is no integrated market for natural gas in Indonesia. With new gas infrastructure expected to be materialized, he noted that the involvement of upstream producers in the value chain will help to materialization of the project, coupled with providing reliable supply.

Three more presentations took place after lunch, starting with “Updates on Existing LNG Projects Indonesia: A Project Owner’s Perspective. This was presented by Leomirnandi Djohan Karamoy, Corporate Affairs Director at Donggi-Senoro LNG. He highlighted updates on the Donggi Senoro LNG Project; provide insights on keys to successful project execution and Donggi-Senoro LNG’s effort for project integration.

One of the event’s main sponsors Gaztransport & Technigaz (GTT) presented next on the topic “Taking advantages of membrane for small-scale LNG value chain”. This was delivered by GTT’s Business Development Manager, Stéphane Maillard. He highlighted various available technologies on offer with several options to end-users for small and mid-scale LNG chain. The final presentation of the day was delivered by Tony Regan, Principal Consultant at Tri-Zen International. Tony ended the day with a presentation entitled “Recent LNG Developments & Ten Year Outlook: Update on Developments of Small/Medium Scale LNG Applications”. 
The second day began with a presentation by Tammy Meidharma Sumarna, President Director of PT Nusantara Regas. Tammy presented on “Asia’s First FSRU and Its Role in Pushing LNG Developments in Indonesia”. Tammy mentioned that the West Java FSRU Project was categorized as a Fast Track Project based on the Master Plan for the Acceleration and Expansion of Indonesia Economic Development (MP3EI). He also highlighted that successful operations of the First Indonesian FSRU represents a key milestones for gas infrastructure development as well as the LNG developments for transportation.

Another of the main sponsor, PT Pertamina Gas delivered a presentation on “Arun LNG Receiving Terminal & Arun-Belawan Gas Pipeline : Project Update” This was presented by Hendra Jaya, President Director of PT Pertamina Gas. He mentioned that the Arun Regas and Arun – Belawan Gas Pipeline Projects are critical to maximizing and to fulfill gas demand in Aceh and North Sumatera. The projects are expected start operation in October 2014 although Arun Regasification may on stream in early 2015.

The following presenter was Dilo Seno Widagdo, President Director of PT PGAS Solution. Dilo gave an overview and latest happenings with a topic entitled “LNG Integrated System to uphold the Energy Sovereignty in Indonesian Archipelago”. He highlighted the FSRU Lampung project, together with its distribution and infrastructure roadmap. He concluded by mentioning that PGN will continuing to expand the infrastructure and extensively develop gas networks to meet potential gas market throughout Indonesia as well as keep progressing with beyond pipeline program, i.e. developing floating regasification (FSRU) in a relatively short period of time. Upon completion of PGN FSRU Lampung, PGN is ready to deliver 240 MMscfd more as the contribution to meet the national gas demand especially in West Java and South Sumatera, where the demand is concentrated while the supply is discovered far away from the areas.
State-owned electricity company PT PLN – represented by its Senior Manager - Energy Planning / Evaluation, Chairani Rachmatullah – presented after the morning break with an important topic entitled “Integrating LNG Infrastructure for Power Generation Utilization”. Chairani highlighted that the implementation of CNG/LNG technology is significant and feasible solution to replace current Power Plant’s fuel oil consumption. In short term, LNG will still be used as base loader, to replace fuel oil for all dual fired units. As in the long term, LNG will be assigned as peaking/medium units with supply swing rate (peak/off peak) varying from 40% - 100%.

This was follow suit by a case study in the Philippines by Raymundo B. Savella, Vice President for Upstream Operations Division of Philippines National Oil Company Exploration Corporation (PNOC EC). Raymundo gave a comprehensive presentation on “Integrating LNG Infrastructures for Power Generation in the Philippines.” Raymundo highlighted that Philippines will be importing natural gas very soon as there are no indigenous replacement for Malampaya Gas. There is a strong demand from industrial and power sectors for natural gas and fast tracking development of LNG infrastructures is critical for a successful LNG program. The private sector will take the lead while the government does provide incentives and also integrate these projects based on the LNG master plan which is expected to be out by end 2014.

The final morning presentation was by Theo Lekatompessy, President Director of PT Humpuss Intermoda Transportasi. As one of the most experienced LNG shippers in Indonesia, Theo focused on the topic “LNG Value Chain: Opportunities in 2014 - 2015”. He gave an overview of LNG shipping transportation and potential growth areas include Small LNG shipping, Offshore Support Vessels and FSRUs.
A couple of presentations addressing small scale LNG took place after lunch beginning with a presentation entitled “Small Scale LNG For Remote Areas: Challenges And Opportunities”. This was presented by John Sattar, Consultant - LNG & Natural Gas at Poten & Partners. John discussed the overview of Small Scale LNG and highlighted its advantages, solutions and applicability. Given Indonesia’s geography and the challenging access into remote markets, small scale LNG do have many advantages.

A case study from Thailand was presented next, represented by Akkapon Pinkaew, NGV Business & Product Development Division at PTT Public Company Limited. Akkapon delivered an interesting presentation on “LNG Distribution in Thailand via Small Scale Plant: The Value Chain from Plant to Market”. Akkapon talked on the downstream aspects of LNG, notably the Sukhothai Small Scale LNG Plant, with an objective of introducing LNG as an alternative fuel of choice, particularly for the transportation and industry sector. PTT has many pilot projects in transportation and industrial sectors. There are LNG truck tractors, LNG fishery boat, LNG for boat taxis, LNG for rubber factory and LCNG station.

Markku Miinala, Director of Deltamarin concluded the conference with a presentation on “LNG Barge And Tugs Outlook”. Markku discussed LNG bunkering technology and the possible role of bunkering barge in LNG logistics. He also gave his thoughts on the future outlook for LNG and bunkering barges.

Post conference workshops were held on the third day, starting with “LNG 101 – An Introduction to the LNG Business”. The first workshop will look at the LNG business and how it has evolved over the last 50 years and the second one will focus on a new and rapidly emerging LNG sector with the potential to be one of the largest LNG business areas in the next fifty years.

The following workshop entitled “Downstream LNG distribution, LNG as a fuel and the emergence of small/medium scale LNG” provides a comprehensive overview of the LNG business and how it has evolved in the last 50 years. It will show how the technology and infrastructure has evolved by looking at the evolution of LNG liquefaction and receiving terminals. It will provide delegates with a good understanding of the key economic metrics, how LNG is bought and sold and who the key players in the supply chain are. Both workshops are facilitated by Tony Regan, Principal Consultant of Tri-Zen International Pte Ltd.
Overall it was a successful event and another related event, Small LNG Shipping and Distribution Forum will be taking place on 17-19 September 2014 at the Padma Resort, Bali, Indonesia.

LNG supply and infrastructure developments are critical in ensuring the rapid and much needed LNG distribution and integration in Indonesia. The recently operational Lampung FSRU is another serious step taken by stakeholders to ensure LNG infrastructure will continue to be developed. A niche, targeted and sustainable LNG shipping market – notably Small Scale Shipping – has opened up significantly with the availability of LNG Supply and LNG Infrastructures. Small LNG ships will increasingly provide vital functions in terms of regional integration, transportation into remote areas and inter-island crossings. LNG distribution infrastructure via Small Scale LNG vessels are fast becoming a must-have solution for players wanting to effectively deliver natural gas – notably LNG – between Indonesia’s islands.

In addition, land-based import terminals are already being seriously planned by state owned companies and private stakeholders – ensuring the growth of Indonesia’s LNG industry remains on progress, on track, on track. This will inevitably increase the utilization and need for Small LNG vessels to be deployed in various regions across the archipelago. Developing LNG for shipping, LNG as fuel and utilizing Small LNG Shipping as a distribution tool will change the face of Indonesia’s shipping industry.

More Information can be found on www.lng-world.com/lngshipping2014

Looking forward to welcoming you there!

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