



## First floating LNG plant faces delay

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SINGAPORE, Dec 23 (Reuters) - Norway-listed Flex LNG FLNG.NFF has delayed its final investment decision with Japan's Mitsubishi Corp to build the world's first floating LNG plant, the company said in a statement on Tuesday.

Flex LNG, founded two years ago, had previously expected to sign the deal by the end of the year.

"Owing to the complicated nature of structuring the world's first floating liquefaction project, Flex and Mitsubishi have agreed to review the time line while continuing to work together closely on FLNG projects," Flex said in the statement.

Flex did not give a new timeline for the decision.

It said it had received approval from Nigeria's Department of Petroleum Resources for a floating LNG plant in November.

The project, the Progress joint venture, is expected to produce 1.5 million tonnes per year of LNG for 15 years from the second half of 2011 from offshore Nigeria and could become the first floating liquefaction plant.

The other partner in that JV is Nigeria's Peak Petroleum Industries. Japanese ship builder Kawasaki Kisen is Flex's largest shareholder with a 15-percent stake.

Royal Dutch Shell and Japan's Inpex are also planning to build floating LNG projects.

Floating LNG, or FLNG projects, while yet untried, allow for gas to be explored in areas -- onshore or offshore -- that are too small to be developed by conventional means. (Reporting by Annika Breidhardt; Editing by Sambit Mohanty)