

Natural Gas Supply/Demand Notice of Inquiry

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Subject: The missing link in the energy chain from stranded gas to U.S. Power Plants

Evidenced by the superiority of fuel methanol, among the potential carriers of low cost energy (natural gas, stranded offshore) to U.S. Power Plants, Starchem set out to deliver the “missing link” – a large scale (11,000 MT/day of fuel methanol) floating facility for in situ conversion of natural gas to fuel methanol:

The result, “The Starchem-Lurgi Methanol PlantShip” was jointly developed with Lurgi AG, Waller Marine and Hyundai Heavy Industries, promising delivery of fuel to G.E. or other turbines at a fraction of todays price for pipeline gas.

Drawing on Lurgi AG's experience as designers of 60 percent of methanol plant capacity installed worldwide during the past decade and Hyundai's experience as the worlds leading shipbuilder, the four companies in their two-volume “Information Package” present design and economics of the facility.

Combining the technologies of Lurgi and Starchem, an adaptation of Lurgis proven technology to maritime conditions has been achieved. Adopting Starchems oxygen-enriched air system, the hazards of handling liquid oxygen onboard a ship, have been eliminated, rendering the overall system from gas well to burnertip the safest conceivable, and - without a doubt - the one the least vulnerable to malicious intent.

Volume I of the Information Package is available from Starchem at no cost, and its issue entails no non-disclosure obligation on the part of the recipient.

While promising in the short term to the power industry a relief from its burden of inflated fuel prices, and in the longer term the answer to the inevitable transition from an oil dependent to a gas-dependent economy, the concept suggested by our group has only been met with scant interest by the oil-majors.

To the oil-majors, supporting the introduction of a competing commodity – fuel methanol – to its traditional profitable slate of products, does not seem to be an urgent matter.

A dialogue with the U.S. Power industry, sponsored by the DoE is respectfully suggested.

The END