

# The Jewel in the Crown: A profile of Atlantic

By David Renwick

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**N**igel Darlow had been in Trinidad and Tobago for less than a year, assigned to BG Trinidad and Tobago as vice president and deputy asset general manager, when the chance of a lifetime came his way – to switch over to Atlantic, one of the leading liquefied natural gas (LNG) companies in the world, as chief executive officer. It goes without saying he grabbed it with both hands.

“This was a great opportunity,” he enthuses. “Atlantic is not only a major player in Trinidad and Tobago but in the global LNG market.”

After only 13 years in the business, Trinidad and Tobago is the sixth largest of the 18 traders of LNG in the world, all of it coming from Atlantic’s four trains down at Point Fortin in south west Trinidad.

Point Fortin was the place where commercial oil production started in Trinidad in 1908; today, it is now almost completely an LNG town, with crude production and refining having almost entirely been eclipsed by the gas liquefaction business.

Mr Darlow, a UK national who succeeded Argentinian Oscar Prieto, now presides over a company that could easily make the FTSE 100 Share Index if it were publicly traded. One of its quartet of plants, train 4, at 5.2 million tonnes a year, was the largest ever built when it opened in late 2005 (though since eclipsed by some mammoth plants in Qatar). Atlantic earns a significant amount of foreign exchange for Trinidad and Tobago and is perhaps the largest single contributor to the country’s gross domestic product (GDP). The maintenance shut-down for 28 days of train 4 in October, 2011 was at the time the largest such event ever in the LNG business and, in 2011, Atlantic set a world record for reliability (99.5 per cent) of its GE frame 5 gas turbines.

It would be very surprising if Darlow were not a little awe-struck by having to take on ultimate responsibility for such an enterprise

but, if he is, he is putting a brave face on it.

“It was not a difficult decision to make,” he insists. “I was supported all the way by Derek Hudson, former president of BG T&T, whose company, of course, is one of Atlantic’s shareholders” (the others are BP, Shell, the China Investment Corporation through its subsidiary Summer Soca LNG and the local, state-owned National Gas Company – NGC).

Summer Soca Ltd, the name the China Investment Corporation has given to the company holding the 10 per cent share in Atlantic it purchased from GDF Suez in 2011, is the first Chinese investment in the Trinidad and Tobago gas sector, as far as this publication knows. At the time of the interview for this story, none of its representatives had yet come to Trinidad to view their new investment but Darlow says “they seem fully supportive of us.”

He prefers not to hazard a guess about why China was keen on the Atlantic shareholding, though its not difficult to surmise that a company as profitable as Atlantic would be attractive to any investor.

LNG is also expected to be the fastest-growing part of the international trade in gas and an obvious industry to be part of. China is also expected to be importing more and more LNG in the future, though Darlow stresses that he doesn’t think “there will be any increased emphasis on China because of this.”

He notes that “all of the offtakers of LNG from Atlantic are looking at China as a market anyway and I don’t see it changing the dynamics to any extent at all. It just shows what the global brand of Atlantic is.”

The 46-year-old Darlow’s arrival heralds what he himself had chosen to characterise as “the third phase of Atlantic’s life.”

The first phase, as he sees it, was “between 1995 and 2005, when we were constructing all the four trains.”

The second phase was about “operational excellence, getting the plants up and running and making them efficient.”

And the third phase? Pressed to put a



**Nigel Darlow**  
CEO, Atlantic

label on it, he responds with “sustaining value.”

And that’s the “benchmark” by which Darlow expects to be judged during the years ahead that he remains at the helm.

How does he intend to ensure that “value” is “sustained”? “By investing for the future, to make sure the complex remains competitive and efficient for at least the next 20 years,” he declares.

Being competitive, of course, entails squeezing more out of the assets you have and the fact that Atlantic’s first three trains have regularly produced above name-plate capacity is a reflection of that.

From a national perspective, maximising the use of gas in the production of LNG denotes that Trinidad and Tobago’s most precious commodity is being wisely used, and Atlantic consumes the majority of the gas produced in the country (about 60 per cent).

Darlow readily concedes that “we have a responsibility to utilise Trinidad and Tobago’s natural gas in the most efficient manner possible.”

In his mind, “maintaining value” is not only operational efficiency and making money for the shareholders (out of which, of course, come taxes for the treasury) but taking all steps to ensure his four-train complex is safely run.

“Safety” has almost become a cliché among chief executives worldwide these days, though Darlow is insistent it is more than just a word but an imperative that applies to all aspects of a major corporation’s activities.

In April, 2013, Atlantic attained 20 million man hours without a lost time incident (LTI) or serious injury, equivalent to over 5½ years of safe operations, making it, as the president says, “not only one of the most reliable producers of LNG in the world but also one of the safest.” He stresses that he is as keen on ‘process safety’ as he is on ‘personal safety’.

“Process safety means safety in how you design, operate and maintain your plant,” he explains. “This deals with such matters as gas releases and other major deviations.” ▶

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*A safe pair of hands: in April 2013, Atlantic attained 20 million man hours without a lost time incident*

Atlantic earns a significant amount of foreign exchange for Trinidad and Tobago and is perhaps the largest single contributor to the country's GDP

► Some of the other constituents of the third phase, as Darlow sees them, are “people development and talent management, cost management and project delivery for plant optimisation programmes.”

The first of these is clearly a subject close to the CEO's heart. “We have many talented people working here,” he notes. “I am keen to develop them further and get them out into other LNG operations elsewhere, export some of the Atlantic knowledge and share that with other LNG players around the world. This has been done to some extent already but I think it can be more structured.”

Atlantic is well accustomed by now to receiving visitors in Trinidad from other LNG plants internationally to learn, among other things, how the company managed to put down four trains at a capital cost per tonne that has never been matched.

Operational triumphs, like having the most reliable gas turbines, for which the suppliers, General Electric, hold Atlantic in high regard, are also a source of wonder to visitors.

All of which adds up to making Atlantic “the global brand that it is,” says Darlow, proudly.

The president firmly dismisses any suggestion that the emergence of new LNG producing locations – such as the Gulf of Mexico area in the US – will provide severe competition for Atlantic.

“There are 13 LNG plants currently in the construction phase,” he said in June this year. “Another 50 are in the planning phase, with start-up dates ranging from 2013 out to 2030.

“Those under construction will add about 85 million tonnes a year of new LNG output by the end of 2016,” Darlow points out, “and those in the planning stage could, in theory, add close to 300 million tonnes of additional LNG by 2030.”

None of this worries Darlow because “many of these plants are costing over five times more per unit tonne of LNG than it cost to build Atlantic.” What's more, Atlantic's LNG exporters have proved adept at breaking into new markets, following the steep fall in gas prices in their former main market, the US. ■

*Looking to the East: China's investment in Atlantic is indicative of the country's growing appetite for LNG*

