

Message from the President

Having just returned from the USA, it is pleasing to be able to repeat what I said last year, namely that our American net-working event in New Orleans, Louisiana is attracting a steady audience, not only from the US, but also from the rest of the world. We know that some of the reasons for this is the availability of shale gas in Louisiana and Texas and the many projects for new methanol producing units in these two states. Several of the papers presented at the recently held **6th IMPCA MississippPi Conference America** were underlining that fact. Within the years to come, North America could again play a major role in supplying methanol in the home market, but also to export markets like China. We are pleased that the IMPCA MississippPi Conference America has proven to be an important vehicle for exchange of relevant information and for essential net-working opportunities.



Our members and the participants at this year's conference, which is presented more in detail below, will be able to download the presentations when logging in at our web-site www.impca.eu.

I hope to see you at one or more of our other events later this year, the first one being the **30th IMPCA Mini-Conference** at the Hilton Hotel in **COMO, Italy** on the **14th and 15th June 2018**.

René Butzelaar, President

The 6th IMPCA MississippPi Conference America

took place at the Hotel Monteleone, New Orleans, Louisiana on 08-09 February 2018.

Prior to the conference, on Thursday morning, a Golf Outing was organised.

Thursday evening the delegates could enjoy a net-working get together at the Napoleon Wine Room overlooking the Mardi Gras activities in Bourbon street, close to the Hotel Monteleone.

At **Friday morning's business sessions** the audience had the opportunity to listen to 6 speakers on various issues of importance to the industry.

The presentation of **Dave McCaskill** of **Argus Media** focused on the **Methanol Market**, and his final slide showed:

Wrap-up

- The methanol industry remains on a roller coaster ride
 - Supply issues continue to underpin volatility
- Improved crude oil/energy prices "raises" forecast floor
- Balance/imbalance of new supply versus increase demand key
 - Start-up of new capacity injects negative sentiment
 - April likely first window
 - Iran will surprise the industry
- New capacity intentions continue to keep industry outlook off-balance
 - US, Russia, Southeast Asia, Mexico
 - US boutique units at a slowed pace, but still expected

Eric Bober of Nexant had the focus on **Methanol as Marine Fuel**, and this is his **Comparison of LNG and Methanol**:

LNG and methanol are the most promising non-conventional fuels; they also have their pros and cons

■ LNG

- + Groundswell
- + Proven experience
- + Rules for ship design and safety published
- Safety requirements - flashpoint, high pressure, cryogenic temperatures and boil-off gases
- Fuel storage space more than for conventional fuels
- Lack of infrastructure
- Expensive to retrofit/build
- Methane slip

■ Methanol

- + Infrastructure available globally
- + Fueling installation costs relatively low
- + Cheaper to retrofit vessels
- Safety Requirements- flashpoint, toxicity, vapor denser than air
- Low energy density, more volume required
- Requires SCR or EGR to meet Tier III NOx (in some cases!)

Methanol is cheaper than LNG to retrofit and has existing infrastructure in place

IMPCA America 2018 Bober

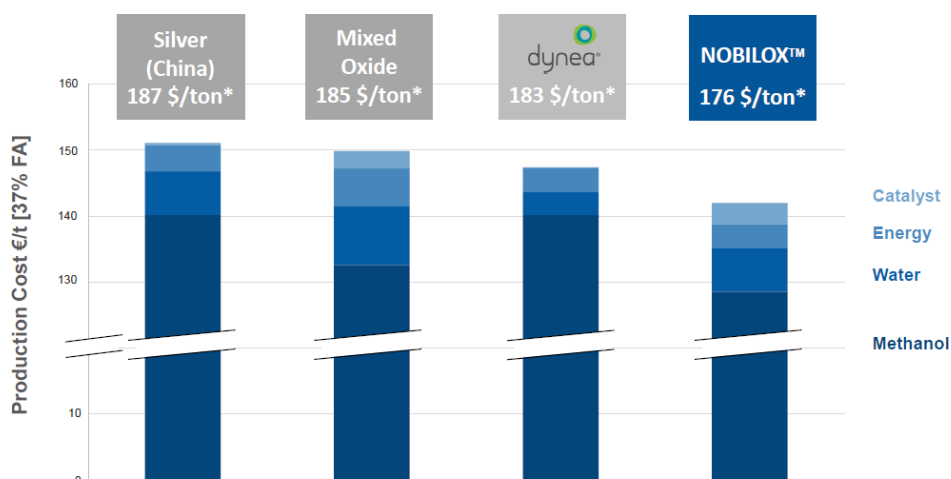
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“ROI boost for Formaldehyde Production” was the title of the presentation given by **Dr. Sebastian Eckstein** of **Alantum Europe GmbH**.

His overview of how different catalysts are influencing production cost was as follows:

Effect on Formaldehyde Production Cost



*Product: 37% formaldehyde solution

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Mark Berggren, from MMSA was speaking about “Issues & Opportunities for US to China meOH Trade”.

Today's Takeaway points



- Methanol demand growing, to grow more than other base petchems
- China continues to drive global methanol demand growth
- Americas supply to Asia still in early stages, small percentage of total
- Near term supply “glut” threatens another Atlantic Basin overload, yet timing uncertainty continues
- All future US based projects must find consumers outside of US; those without funding need to convince investors that their China partners are fundable
- Methanol price ceilings to mirror olefin affordability

Professor Edgar Harzfeld, University of Stralsund gave a paper with the title: “Solar Power to Methanol”:

6th IMPCA
Mississippi Conference
America



Conclusions

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1. **One step technologies** like **wind and pv power** are simple, reliable, inexpensive and help to reduce CO₂
2. **Two step technologies** with high flexibility in production and products like **power to methanol** can store wind and pv power and help to reduce CO₂
3. **Strategic energy resources planning** with „Graphical Interface II“ and **optimization** of HVDC connected storage and supply systems are significant solutions of the energy transition process
4. There is the opportunity of a win-win situation by generating **profit from nature to nature**

The final paper was given by **Honn Tudor** of **PTAI** and had the title **“Methanol Benchmarking”**. He started as follows:

What You Can Expect



From this Manufacturing Performance benchmarking study you will be able to:

1. identify areas to reduce costs effectively
2. Identify which of your plants you can reduce costs the most
3. Quantify strengths and opportunities relative to peers
4. Set goals and make changes in costs and operating practices that impact efficiencies
5. Identify emerging trends and changes
6. Use the results of the benchmarking program to drive operational excellence
7. Identify best practices and improve overall performance

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PTAI Confidential

IMPCA thanks the speakers for their valuable contribution in making the conference a success.

Likewise, IMPCA thanks the following companies for their support for this year's conference:



30th IMPCA European Mini-Conference 2018 COMO, Italy

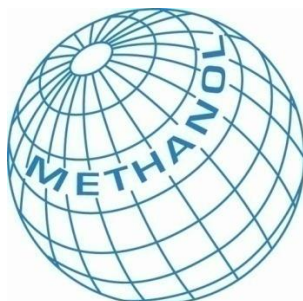
The Mini-Conference in 2018 will be held in Como, Italy. Crucial for the choice of venue is of course that a ship suitable for our Thursday evening networking buffet dinner is available. No doubt, the participants will this year be able to enjoy delicious food and wine whilst cruising on the Lake Como.

See you all
at the
30th IMPCA
Mini-Conference
14-15 June 2018

Sponsorship
opportunities
are
available

COMO
Italy

Sponsorship opportunities are available for this year's Mini-Conference.



Your company's logo could be here!

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21st IMPCA Asian Methanol Conference 2018

Methanol Marketing Services Asia will be organising the 21th IMPCA Asian Methanol conference in **Singapore** from **November 6th to November 8th 2018**.



As this conference has become the most important Asian event when it comes to methanol conferences, you should definitely mark this event in your calendar.



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