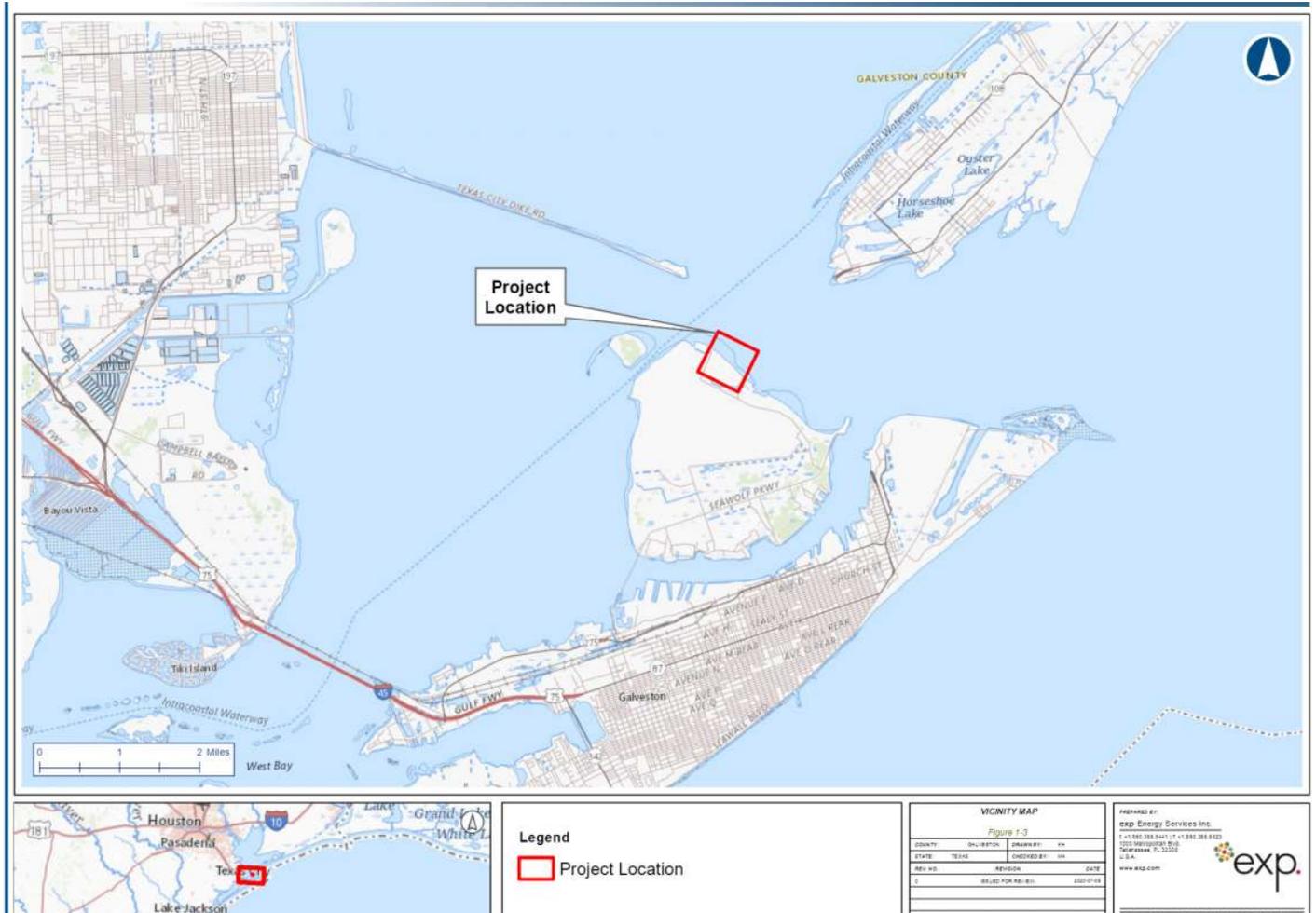


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# market

**Sergio Chapa**

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Houston liquefied natural gas company Pilot LNG is seeking permission to build a fuel depot for ships along the Houston Ship Channel on Pelican Island.

Photo: Pilot LNG

A pair of liquefied natural gas companies from Houston are seeking to enter the growing market to use LNG as a fuel source for seafaring tankers.

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Stabilis Energy has entered into an LNG supply deal with a West Coast shipping company, Stabilis CEO Jim Reddinger told the Houston Chronicle.

Financial terms and the name of the customer were not disclosed but Reddinger said Stabilis will obtain LNG from refineries and other sources along the West Coast and then use tanker trucks to deliver it the customer's docks where an LNG depot known in the industry as a "bunker" will fuel ships with the supercooled gas.

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The company will begin with fueling two ships and then expand to others. The company's tankers range in size but Reddinger said their fuel tanks can hold between 300,000 to 500,000 gallons of LNG, which would allow the ships to make it as far away as Asia on a single tank.

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Pilot LNG is seeking to develop a project closer to home. The company is seeking a permit from the U.S. Army Corps of Engineers to build the Galveston LNG Bunker Port on Pelican Island.

Located off Galveston Bay, the proposed facility would fuel ships entering or leaving the busy Houston Ship Channel.

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The two companies are seeking to build LNG fuel depots for ships at a time when tankers are seeking to move away from more polluting fuel sources.

Known as IMO 2020, a rule from the International Maritime Organization went into effect in January requiring seafaring vessels to use cleaner fuels with a sulfur content of 0.5 percent or less.

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