

LICENSING CAMPAIGN



NEW CRYOGENIC PROCESS FOR THE LIQUEFACTION OF NATURAL GAS (LNG)

Liquefying natural gas requires huge amounts of costly energy. This is even more expensive where access to the local electricity grid is challenging due to location or terrain. Our client had re-configured an existing process, utilising commercially available components, so as to reduce energy costs by between 2% and 10%. They had also created sophisticated software to calculate and manage real-time energy balances within the system. Their solution was modular, meaning that several of their designed units, arrayed in series, could match the performance of a single gas liquefaction installation. This avoided the need to shut down massive cryogenic systems if there were a leak somewhere in the pipework. With smaller units, a failure in one could be quickly identified, the unit removed, and a new one installed - all reducing the downtime for the LNG process. The new system was dubbed *CryoMan-SMR™*.

We studied the LNG industry to determine the best market positioning and licensing strategy for the technology. *CryoMan-SMR™* is applicable to a broad range of liquefied natural gas (LNG) operations from micro-level to mid-scale production. The LNG sector is highly conservative. New technologies rarely come on-stream so there were no reference business models for the introduction of this new technology. We devised a licensing model aimed at achieving the maximum extraction of value from the assets whilst encouraging adoption of the technology. The commercial strategy had to be underpinned by a revised patenting strategy to ensure adequate coverage for the invention globally. The business development campaign was triggered by the launch of a bespoke website (www.cryoman-smr.com). We targeted and met about 75 companies worldwide. Within a year of starting the project we were in commercial negotiations with a Chinese LNG company. Our client assumed responsibility for commercialisation after that.



CASE STUDY NOTES

In high risk industries adoption of new technology is hard to encourage. The key to this campaign was aligning a very simple licence structure with the way in which the new technology would be tested prior to full-blown commercial adoption.

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