Atlantic Gulf & Pacific Co to Set Up LNG Terminal at Karaikal

Terminal will have a capacity of 1MT a year in first phase, which will be doubled in two years.

About $300 million will be invested in the project in the first phase, said Karthik Sathyamoorthy, president, LNG marketing at AG&P. “We expect to achieve financial closure for the project in the next six months. The first gas supply will be in 2019,” he told ET.

AG&P plans to aggregate the demand from Indian companies and procure and supply LNG to them. The focus would be on industrial, power and fertiliser units, Sathyamoorthy said. The company has signed an exclusive LNG supply pact with PPN Power. “We want to develop LNG solutions globally. Karaikal will be the first project. We have a target of total 18 million tonnes of LNG supply in the next five years globally,” Sathyamoorthy said.

India is the fourth largest importer of LNG in the world and has traditionally secured LNG through long-term contracts, often paying a premium price. The government aims to increase the share of natural gas in India's energy mix to 15% by 2030. To achieve that, Indian companies have signed agreements with companies like AG&P to set up LNG terminals in strategic locations.