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Date: November 8, 2017

Media: Upstream






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AG&P in novel India import project

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8 Nov 2017 20:33 GMT Updated 9 Nov 2017 11:05 GMT

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Philippines-based contractor AG&P has signed an exclusivity agreement to develop an LNG import terminal at Karaikal Port on India's east coast, with operational start-up of the \$200 million phase one project targeted for 2019, writes Amanda Battersby.

After aggregating demand, AG&P intends to initially begin with volumes of around 1 million tonnes per annum, with the aim of doubling that over the three years following start-up.

Ultimate capacity of the Karaikal LNG project is being targeted at 3 million tpa.

"We plan to take the final investment decision on the LNG import project in four to six months," Karthik Sathyamoorthy, AG&P's president of LNG marketing told Upstream.

"We are very well advanced in terms of our technical FEED work... we are already in negotiations with terms of final documentation in respect to signing offtake agreements and LNG supply agreements," he said.

AG&P plans to develop the Karaikal LNG import facility using in-house developed modularised 125 million cubic feet per day regasification trains that it will build at its yard in Manila. The aim is to add a new regas module every six months as regional gas demand increases.

Karaikal Port offers all-weather operations with a breakwater ensuring 99% availability and is near to state-owned Gail's existing Cauvery basin gas pipeline network. The port has allocated an area within its existing breakwater for the LNG import project.

Sathyamoorthy would not be drawn on commercial and contractual terms of AG&P's exclusivity agreement with the port other than to say it provides "a clear timeline" for the proposed import terminal.

AG&P said its facility would give industries and communities in Puducherry and the state of Tamil Nadu access to cleaner and cheaper fuel.

The company has also signed an exclusivity agreement with PPN Power to supply LNG.

The facility is intended to complement Indian Oil's under-construction Ennore LNG import project some 300 kilometres to the north.

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