

Karaikal LNG import terminal on track to be operational in Puducherry and Tamil Nadu in 2019

India is the fourth largest importer of LNG in the world. The Indian Government recently announced its plans to build 11 LNG import terminals over the next seven years and double the contribution of natural gas to the country's energy mix to 15% by 2020.

AG&P (Atlantic, Gulf and Pacific Company), at the forefront of providing pragmatic, end-to-end LNG delivery solutions, signed an exclusive agreement with Karaikal Port Pvt. Ltd. (KPPL), to develop an LNG import terminal at the port. Located within Karaikal Port's existing breakwater, the LNG terminal received environmental approval in May 2017 and remains on track to be operational in 2019.

Karaikal LNG import terminal will complement Indian Oil's LNG terminal at Ennore and will provide wider gas accessibility to Puducherry and Tamil Nadu for industrial development. It will serve the heavily industrialized region of central Tamil Nadu which has major manufacturing bases for the fertilizer, cement, steel, textile, leather, sugar and garment industries located within its catchment area. In addition, it will serve the gas-fired power industry as well as multiple demand centers via pipeline and/or city gas distribution network.

Positive progress report

The unique terminal configuration uses AG&P's standardized design, eliminating costly bespoke engineering, which allows for scalable LNG terminal infrastructure that can be modularly built and is significantly faster and cheaper to construct. The regasification terminal therefore has the flexibility to increase capacity on a fast-track basis and grow in line with region's rising demand for gas supply. The terminal design also incorporates offshore and onshore infrastructure, making best use of the deep-water location within the port which provides all-weather operations, 99% availability and night navigation.

AG&P's LNG import terminal will have a start-up capacity of 1 million tons per annum (MTPA) which is expected to double to 2 MTPA almost immediately to meet industrial demand.

The front-end design and engineering for the terminal (FEED) is almost complete. AG&P Engineering's over 40-member strong team in Houston is being supported by the 100+ member team in Manila for detailed engineering. AG&P's business model is unique by bringing under one platform LNG design and engineering, innovative technology, manufacturing, project management, local marketing and operations. This allows for accelerated delivery from FEED to construction and commissioning of the import terminal.

Signing up customers

In addition to supplying PPN's six power stations, AG&P's terminal will be providing gas to customers within a 300km radius. These include the fertilizer, cement, steel, textile, leather, sugar and garment industries, all of whom will benefit with a significant reduction in cost when they switch to gas as a fuel source. These demand centers will also be served via pipeline and city gas distribution networks which are currently being planned.

To service the keen interest from these end-users, an LNG marketing team has been appointed in Chennai to aggregate customer demand. Thivahar Bethune, Assistant Vice President, Gas/LNG Marketing, has been appointed as the Project Manager to lead these efforts.

Speeding towards access

The final investment decision is expected by mid-2018, immediately following the FEED completion. The LNG terminal will be commissioned by mid-2019. The accelerated delivery schedule is made possible due to parallel operations of onsite construction in Karaikal and modular construction of the regasification terminal in AG&P's manufacturing facilities in the Philippines.

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Editor's note

- Customer inquiries regarding access to Karaikal LNG terminal should be directed to Thivahar Bethune on Thivahar.Bethune@agplng.com
- For media interviews with AG&P's Chief Financial Officer & Commercial Head, Abhilesh Gupta please contact Neha.Vij@edelman.com

About AG&P

Atlantic Gulf & Pacific Company of Manila (AG&P) is a global leader in infrastructure modularization, construction and gas logistics including LNG import, break-bulk and LNG distribution. For more than 118 years, AG&P has been delivering its innovative modularized products and support services to the energy, resources and industrial sectors worldwide.

With four lines of business: LNG Terminals, LNG Distribution, Modular Construction and Onsite Construction, the world's leading safety record and a AAAA contractors rating, AG&P continues to change the way the construction world does business.

For more information, visit www.agp.ph
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