

Shell, GDF Suez to pick 26% each in Kakinada LNG project

GAIL, Shell & GDF sign pact for sourcing and marketing regassified LNG

OUR BUREAU

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Dutch energy giant Shell and France's GDF Suez will pick a 26 per cent stake each in a floating LNG terminal project, which GAIL (India) has proposed to build in Kakinada port in Andhra Pradesh.

Andhra Pradesh Gas Distribution Corporation, a joint venture between the State Government and GAIL, will hold the remaining 48 per cent in the project. The companies have entered into a memorandum of understanding in this regard.

GAIL, GDF Suez and Shell have signed another MoU that covers both sourcing and marketing of regassified LNG. GAIL will have a 48 per cent stake in the project, while the other two will hold 26 per cent each.

The Kakinada terminal will have a floating storage and regassification unit with a peak capacity of 5 million tonnes a year that can be doubled later.

Kakinada port was found suitable for the project owing to a natural break-water in the Hope Island (situated off the coast of Kakinada), a barrier

that protects against the impact of high seas.

Andhra Chief Minister Chandrababu Naidu, who was present at the signing ceremony, said: "These domestic and international partners, who have come together under this MoU, will bring expertise and technology to complete the project within 18 months."

According to BC Tripathi, CMD of GAIL, this is the first-of-its-kind terminal in India and would prove to be an important facility for import of LNG through the eastern coast.

Naidu added the Kakinada terminal would be crucial in ensuring continuous availability of natural gas.