

AP inks MoUs with oil firms for Kakinada LNG terminal

Hyderabad: The Andhra Pradesh government on Friday announced that it has signed two memoranda of understanding (MoUs) with oil firms for setting up of a floating LNG terminal at the Kakinada Deep Water Port during chief minister N Chandrababu Naidu's two-day visit to New Delhi.

According to the release issued by the AP government, the first MOU was inked between Andhra Pradesh Gas Distribution Corporation (APGDC), French multinational electric utility company GDF

Suez and Anglo-Dutch oil and gas major Shell to develop the terminal at Kakinada. APGDC (a JV company between the AP government and GAIL), GDF Suez and Shell will have 48%, 26% and 26% equity in the project, respectively, it added.

The proposed terminal will use high-end technology and will be the first of its kind in India. The Kakinada port was found suitable for the project due to the availability of a natural break-water at Hope Island – a barrier that protects against the impact of high seas, it added. The second MOU was signed between GAIL, GDF Suez and

Shell on the sourcing of LNG and the marketing of the re-gasified LNG from the terminal. GAIL, GDF SUEZ and Shell will have 48%, 26% and 26% equity in the project, respectively. The Kakinada LNG terminal will use a floating storage and regasification Unit (FSRU) with a peak capacity of 5 million tonnes per annum (mtpa) with a

provision to double the capacity.

"This MOU will bring the best expertise and technology from all over the world to complete the project within 18 months. The development of this project will

ensure continuous availability of natural gas to Andhra Pradesh," the chief minister said in a statement, adding that the project would provide additional revenue of around Rs 1,700 crore and employment (direct and indirect) for about 2,000 people.

APGDC, GDF Suez, Shell and GAIL signed the MOUs on Thursday in New Delhi in the presence of the CM, Union civil aviation minister Ashok Gajapathi Raju, Union minister of state (independent charge) for petroleum and natural gas Dharmendra Pradhan and Union minister of state for science & technology Y S Chowdary. TNN

