

Andhra Pradesh inks two MoUs for Kakinada LNG terminal

Sets 18-month deadline for project completion; first on the east coast

OUR BUREAU

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The Andhra Pradesh Government on Friday inked two MoUs for setting up an ₹1,800-crore floating LNG Terminal at Kakinada Deep Water Port and set a stiff 18-month deadline to execute the project.

This would be the first LNG terminal on the East Coast of India when ready.

The first MoU is the terminal company agreement (TCA) between APGDC, GDF SUEZ and Shell for development/execution of the terminal.

AP Gas Development Corporation, a joint venture company between Andhra Pradesh govt and GAIL, GDF SUEZ and Shell will have 48 per cent, 26 per cent and

26 per cent equity, respectively, in the project. The second one relates to the TCA between GAIL, GDF SUEZ and Shell which covers both the sourcing of LNG and the marketing of the re-gasified LNG from the terminal. GAIL, GDF SUEZ and Shell will have 48 per cent, 26 per cent and 26 per cent equity, respectively, in the project.

CM's presence

The MoUs were inked in the presence of Chief Minister N Chandrababu Naidu and CMD of GAIL BC Tripathi, CEO of GDF Suez Philip Olivier, Anindya Chowdhury of Shell India and other executives from the companies.

The Kakinada LNG terminal will use the Floating Storage and Regasification Unit (FSRU) with a peak capacity of 5 million tonnes a year (mtpa) and a provision to double the capacity.

The Kakinada port was found suitable for a project of this nature, owing to its availability of a



(From left) Anindya Chowdhury, Shell India General Manager; Philip Olivier, Engie Global LNG CEO; S Narayanan, AP Gas Distribution Corporation MD, signing an agreement for the LNG terminal VIJAYA BHASKAR

natural break-water in the Hope Island, a barrier that protects against the impact of high seas, a statement from the Chief Minister's office said.

'Great opportunity'

Naidu described the LNG terminal as a great opportunity in the development of a project that

shall ensure continuous availability of natural gas and support the government's gas grid which is one of the five grids. "FSRU-based LNG project is the fastest and most cost-effective way to secure energy supply while bolstering sustainable development and simultaneously cutting down on pollution," he said.