

Petronet to start gas supply for Sri Lankan power plants in '25

Rituraj Baruah

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Speaking to reporters on Thursday on the sidelines of the India Energy Week (IEW), Singh said the company would also set up an LNG terminal at Colombo port with an investment of about ₹2,500 crore.

"They (Sri Lanka) have already installed a 300 MW gas-based power plant. They have approached us to set up an LNG terminal which is going to take more time—3 to 4 years time to set up an FSRU (floating storage regasification unit)-based terminal. As a stop-gap arrangement we are working out to supply through ISO containers," he said.

He said daily supplies would be about 50 containers with each having 17 tonnes of LNG, which would amount to 850 tonnes per day.

Sri Lanka has been looking to source LNG to run its gas-



Petronet LNG managing director and chief executive officer A.K. Singh.

based power plants along with other industries. The proposed FRSU has been under discussion for a few years now.

The Petronet chief executive officer (CEO) said that from the date of commencement of the project, the FSRU or the LNG terminal would take about three-and-a-half years to be completed.

He also said that the company will prepare a detailed feasibility report (DFR) once the Sri Lankan government gives formal approval to the

project.

The supplies would from the Kochi LNG terminal and the CEO said that the proposed supplies would be a "good utilisation" of the terminal which is currently under-utilised.

Petronet LNG has long-term LNG purchase agreements from Qatar and Australia, and operates two land-based regasification terminals at Dahej in Gujarat with a capacity of 17.5 million tonnes per annum (mtpa) and a 5-million tonnes per annum unit at Kochi in Kerala.

The development comes on the heels of Petronet signing a long-term LNG sale and purchase agreement on Tuesday for around 7.5 million tonnes per annum of LNG with Qatar-Energy.

This 20-year deal is an extension of an existing contract for LNG supply of signed in 1999 for supplies till 2028. Under the new agreement, LNG supplies will run from 2028 till 2048.

The company is also expanding capacity of the Dahej terminal by 5 million tonne per annum to 22.5 million tonnes and is also looking to build a new terminal in Odisha.

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India likely to begin LNG supplies to Sri Lanka by end of next year

SUKALP SHARMA

BETUL (GOA), FEBRUARY 8

INDIA IS likely to start supplying liquefied natural gas (LNG) to Sri Lanka by the end of next year and will eventually establish an off-shore regasification terminal at the Colombo port. The supply — which will be done using tankers that will be shipped to Colombo — as well as the terminal construction and operation will be done by India's largest LNG terminal operator Petronet LNG.

Petronet LNG will supply around 850 tonnes a day of LNG, or super-chilled gas, to Sri Lanka for five years, during which it plans to build and commission a floating storage regasification unit (FSRU), which is essentially a regasification unit housed on a vessel, Petronet LNG's Chief Executive Officer Akshay Kumar Singh told reporters at India Energy Week in Goa. The firm is looking to supply around 350,000 tonnes of LNG to the island nation every year.

"The requirement is almost 50 containers per day and we will have to take it through barges there...then again regasify there (using a vapouriser). So, 50 tankers (one tanker is around 17 metric tonnes)...need to be transported per day to Sri Lanka," Singh said, adding that the average frequency

of supply will be once in two days using ships that can accommodate 100 such tankers.

Sri Lanka has been scouting for LNG for running gas-based power plants and use it in other industries, and has now agreed to take supplies from Petronet LNG. As for the planned FSRU, it has been under discussion for years, and is finally likely to see the light of day some time in 2028.

"We have not finalised the investment plan but it (FSRU) may roughly cost around Rs 2,500 crore," Singh said. Petronet LNG will prepare a detailed feasibility report (DFR) once the Sri Lankan government gives a formal approval to the FSRU project.

Petronet LNG has long-term LNG purchase agreements from Qatar and Australia, and operates two land-based regasification terminals at Dahej in Gujarat with a capacity of 17.5 million tonnes per annum (mtpa) and a 5-mtpa unit at Kochi in Kerala. The LNG supply to Sri Lanka will be done from the Kochi terminal, helping the unit increase its capacity utilisation levels. While the Dahej terminal usually clocks high capacity utilisation levels, the Kochi unit has been struggling due to lack of requisite pipeline network to supply regasified LNG to industries.

Singh said that the company and its promoters—Indian Oil

Corporation, GAIL, Bharat Petroleum Corporation, and Oil and Natural Gas Corporation—are looking at sourcing more gas through long-term contracts, given Petronet LNG's additional regasification capacity that is expected to come on stream in a few years. On Tuesday, Petronet LNG extended its 7.5-mtpa long-term LNG contract with QatarEnergy for another 20 years beyond 2028.

Petronet LNG is expanding the Dahej terminal's capacity by 5 mtpa to 22.5 mtpa. Around 4 mtpa capacity at Kochi, which is not being utilised, will also see high capacity utilisation by next year. Additionally, Petronet LNG will be building a 4-mtpa FSRU at Gopalpur in Odisha.

"So naturally, there will be a requirement for more gas," Singh said, but did not give details of how much additional volumes Petronet LNG plans to purchase through long-term contracts. He, however, indicated that Petronet LNG and its promoter companies could be in the market for over 10 mtpa of additional LNG through long-term contracts. Around 80 per cent of India's LNG imports are through long-term deals, while the remaining is through spot contracts.

Long-term LNG contracts are more stable in terms of pricing, while spot contracts are more prone to price volatility.



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India to begin LNG supplies to SL in '25

SRI LANKA WAS IN DISCUSSIONS WITH PETRONET FOR YEARS AND IT IS ONLY NOW THAT THE ISLAND NATION HAS FINALLY AGREED TO BUY THE FUEL FROM THE INDIAN FIRM

PRESS TRUST OF INDIA

Betul (Goa), Feb 8: Petronet LNG Ltd, India's biggest liquefied natural gas company, will in 2025 start supplying LNG to Sri Lanka, initially in containers loaded on ships and later going on to build an import terminal, its chief executive said Thursday.

Sri Lanka is seeking supply of gas in liquid form to meet requirements for generating electricity and other industries.

Petronet CEO Akshay Kumar Singh said the company will ship 850 tonne of gas daily to the island nation in containers of 17 tonne each. The supplies would be for five years during which the company will build a floating LNG receipt facility at Colombo port.

"The supplies will start in 18 months or so," he said.

The Indian firm imports LNG from Qatar, Australia and other countries at two terminals - Dahej terminal in Gujarat and a facility at Kochi in Kerala.

It plans to load LNG or super-chilled gas in containers from Kochi in containers. A ship will



make a ferry every two days, carrying 100 such containers.

At Colombo, a small regasification unit will turn the LNG into gaseous state again for use in gas-fired power plants.

Speaking to reporters on the sidelines of India Energy Week, Singh said Petronet also plans to commission a floating storage regasification unit (FSRU) in Colombo, for which it hopes to get Sri Lankan government approval by 2025. The facility will be built by 2028.

"We have not finalised the investment plan but it may roughly cost ₹2,500 crore," he said adding the company will do a detailed feasibility report once the Sri Lankan government approves

Petronet is looking to build a new terminal in Odisha

FRSU proposal.

Singh said Petronet, which earlier this week extended a 7.5 million tonne a year LNG import deal with Qatar for another 20 years beyond 2028, is looking at sourcing more gas, including on long term contracts.

It is expanding the Dahej facility from 17.5 million tonne per annum to 22.5 million tonne and is looking to build a new terminal in Odisha. Also, its 5 million tonne a year Kochi facility will by next year start operat-

ing at full capacity after a pipeline taking the gas to consumers in Bangalore gets commissioned.

Kochi is currently operating at a fifth of its capacity, he said.

"So naturally, there will be a requirement for more gas," he said but refused to say how many long-term contracts the company is looking to tie up. "We need more long-term deals. It is a country requirement."

Besides 7.5 million tonne from Qatar, LNG is also imported from the Gorgon project in Australia. Currently, 1.44 million tonne a year of LNG is imported, which will rise by 1.2 million tonne between 2025-26 to 2028, he said.

The Indian economy is expanding at a world-beating pace and it needs energy supplies to meet its needs. Natural gas is considered a transition fuel to net zero carbon emissions. The government is targeting raising the share of natural gas in the primary energy basket to 15 per cent by 2030 from the current 6.2 per cent. With domestic production hardly meeting half of the demand, the fuel is imported in the form of LNG.