

AG&P Breaks Ground on LNG Import Facility at Karaikal Port, Puducherry, Expanding Access to Natural Gas for Downstream Customers in South India

Chennai, India: 20 February 2020: AG&P, the global downstream gas and LNG logistics company, has broken ground on its LNG Import Facility at Karaikal Port, Puducherry, paving the way to broader access to natural gas as a primary fuel in South India. The Karaikal LNG Import Facility (“Karaikal LNG”) is expected to commence commercial operations by Q4 2021.

Owned and operated by AG&P, the Karaikal LNG Import Facility is being built on a 12-hectare site within the Karaikal Port, which enjoys the only deep-water access on the East Coast of India south of Chennai, with all-weather capabilities and 24/7 operations. Karaikal LNG, which will have an initial capacity of one million tonnes per annum (MTPA), will include a Floating Storage Unit (FSU) leased through a long-term charter agreement with ADNOC Logistics and Services (ADNOC L&S) from 2021, providing an efficient solution that will enable the supply of this clean fuel to be affordable.

Strategically located 280km south of Chennai and in close proximity to Tamil Nadu’s thriving manufacturing clusters, the new terminal will provide natural gas to power plants, industrial and commercial customers within a 300 km radius. In addition, Karaikal LNG will serve the important city gas networks of AG&P and other city gas companies that bring CNG and LNG to vehicles and piped natural gas to households and other establishments. Truck loading bays will enable delivery of LNG to remote customers by AG&P’s own fleet of trucks.

JM Sigelman, CEO of AG&P said, “AG&P is deeply honored to have the opportunity to bring Karaikal LNG to fast-growing and dynamic Southeast India. It will become a landmark infrastructure development for the region and is ideally suited for the Karaikal Port, a critical center of trade. AG&P takes on the value chain from import of LNG through to delivery of gas to end-customers – vehicles, kitchens, large and small factories, power, restaurants and malls. Karaikal LNG is a cornerstone project for Pondicherry, Tamil Nadu and Karnataka that will provide clean, affordable fuel.”

Karthik Sathyamoorthy, President of AG&P Terminals and Logistics, said, “With the addition of AG&P’s LNG import terminal, the Karaikal Port will become a gateway for the delivery of cleaner and lower-cost fuel to downstream demand centers that are unable to access natural gas today. Our goal is to bring down the unit cost of regasification terminals for smaller volumes to make LNG commercially viable for scattered and smaller customers. We will achieve this at Karaikal through the unique solution we are implementing with our partners such as ADNOC L&S.”

Abhilesh Gupta, AG&P’s CFO and Chief Commercial Officer, commented, “Karaikal LNG will play a crucial role in the GDP of Southeast India. Karaikal LNG is a vital infrastructure project that will provide a substantial boost to the region’s economy. It will help improve the socio-economic conditions of communities within a few hundred-kilometer radius through local employment and the development of industries via reliable and affordable access to natural gas and LNG.”

AG&P develops and builds LNG import terminals in nascent and growing markets around the world. These facilities encourage the development of a downstream gas value chain and unlock latent demand. At Karaikal LNG, AG&P has developed a flexible configuration combining floating storage and onshore facilities, such as truck-loading. This design increases operational efficiencies that result in a flexible and commercially-compelling solution for our customers.

Beyond Karaikal, AG&P is one of the largest international players in India's gas sector, having been awarded exclusive rights from the Petroleum and Natural Gas Regulatory Board (PNGRB) to build city gas distribution (CGD) networks in 12 Geographic Areas across Tamil Nadu, Andhra Pradesh, Kerala, Karnataka and Rajasthan. At the end of 8 years, the AG&P networks will offer more than 1,500 CNG stations and natural gas connections to millions of households.

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About AG&P:

AG&P is a global leader in developing and running LNG and gas logistics and distribution solutions. AG&P provides the infrastructure to access natural gas safely and easily in new and growing markets. We act as an owner and as a service provider covering the engineering, procurement, project management and construction for onshore and offshore gas infrastructure, linking suppliers to downstream customers.

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