
Pipe network may curb India LNG imports - Petronet

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Reuters cited Mr Prosad Dasgupta head of Petronet LNG as saying that the lack of a proper pipeline network and rising local gas supplies could curb India's liquefied natural gas imports.

Many big cities and industrial towns are still not linked to the pipeline network in India, as shortages of gas have discouraged the expansion of pipelines.

Mr Dasgupta said "If pipeline capacity does not create problem for us, we don't see a problem to order more. Demand is there but all existing pipelines are chock a block."

However, increased supplies including from Reliance Industries east coast block are expected to help develop India's pipeline network but they could also dent demand for LNG.

In February Petronet bought 10 spot LNG cargoes from various places for deliveries during April to October at a price below USD 5 per million British thermal units.

He said "5 have already been sold and 5 are yet to come."

Currently, Petronet buys 5 million tonne a year of LNG from Qatar's Rasgas under a long term contract and another 1.5 million tonne from BP and others for its 10 million tonne a year Dahej terminal.

He further added that imports from Rasgas are due to rise to 7.5 million tonne from the last quarter of this year and Petronet would then be importing 120 LNG cargoes in a year through its long term contract to meet 75% capacity of its terminal.

(Sourced from Reuters)

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