
Petrofac and JGC Corp compete for Gassi Touil upstream work

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MEED reported that JGC Corporation and Petrofac are only firms still competing for the USD 2.5 billion deal. The winner of the contract to build the upstream element of Algeria's multi billion dollars Gassi Touil integrated gas project, which was first launched in 2004, will be announced on 9 May.

Japan's JGC Corporation and the UK's Petrofac are the only contractors left in the bidding after the client, state energy giant Sonatrach, cut the number of bidders to two in the last three months of 2008, from more than six.

The firms completed competitive front end engineering and design studies for the project in April this year as part of a two tiered bidding process for the USD 2.5 billion contract.

The contract covers the construction of a plant that will process natural gas and natural gas liquids from the Gassi Touil, Rhoude Nouss and Hamra fields in the Sahara desert, in the east of the country. Under the original plans for the project, Sonatrach would then transport the gas through a pipeline to a new liquefied natural gas terminal at Arzew on the country's northwest coast.

Documents from an earlier design stage in 2006 suggest the upstream facility will have capacity to process 600 million cubic feet a day of natural gas and almost 27,000 barrels of oil equivalent liquid gas.

Sources said that Sonatrach will open the bids publicly, with the low bidder winning the contract. One source said that "They will bid for the project next Saturday 9 May and we will know pretty much then who the winner is."

Sonatrach originally asked the firms to submit bids by 2 May but granted a week's extension when both bidders requested more time.

Other contractors prequalified to bid for the project in February 2008 included Canada's SNC Lavalin, Paris-based Technip, Bechtel and Stone & Webster, both of the US and Italy's Saipem.

The project has been planned since 2004 and experienced a remarkable revival since September 2007, when Sonatrach dismissed its joint venture partners on the project, Spain's Repsol and Gas Natural and started legal proceedings against both companies, which are ongoing. Rather than develop the processing plant and LNG terminal as a single scheme, Sonatrach subsequently decided to develop the 2 projects separately.

A consortium of Italy's Saipem and Japan's Chiyoda Corporation won the estimated USD 4.5 billion main contract on the Arzew LNG plant in July 2008.

Another LNG plant is under construction at Skikda, on Algeria's northeast coast, which will add a further 4.5 million tonnes a year of capacity, taking the country's overall output to 28.5 million tonnes per year and confirming Algeria's status as one of the largest LNG suppliers in the world.

(Sourced from MEED)

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