
JGC Corporation lowest bidder for Gassi Touil gas plant

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It is reported that Japan's JGC Corporation has submitted the lowest bid, about USD 1.5 billion for the contract to build an upstream gas processing plant at the Gassi Touil basin in eastern Algeria.

The UK's Petrofac, JGC's only competitor in the bidding round, submitted a price more than USD 200 million higher than JGC's.

JGC's bid is USD 1 billion lower than the USD 2.5 billion that contractors estimated the project would cost when it was first tendered in 2007.

One source said that JGC's price could change because it made a series of assumptions about gas and utilities prices.

Second source said that "The prices they submitted included calculations for liquefied petroleum gas recovery and utilities costs. I would expect JGC's position to be ratified by Sonatrach in the next two weeks to a month. The outright value may be different when it is announced."

The project's client, Sonatrach, opened bids submitted by JGC and Petrofac on 9 May.

Another source said that "JGC was the low bidder and as there are no issues between JGC and Sonatrach, I would imagine that the contract will be awarded pretty soon."

The two companies' bids were for a plant with a capacity of 12 million tonnes a year. Petrofac and JGC competed directly for the contract after both completed front end engineering and design work.

(Sourced from MEED)

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