Novatek, GAIL poised to seal gas sales deal

Reuters
New Delhi

Russia's largest liquefied natural gas (LNG) producer, Novatek, is close to a deal to supply gas to GAIL (India) Ltd as it seeks alternative markets to Europe, three industry sources said.

The companies are negotiating the terms of a contract and could seal an agreement within a week, the sources said, adding volumes would depend on logistics, such as shipping and insurance.

Russia is looking for outlets for its energy resources after Western countries cut back their purchases following its invasion of Ukraine nearly a year ago.

ISMA welcomes move to promote clean energy

Our Bureau
Chennai

The Indian Sugar Mills Association (ISMA) has welcomed two key proposals in the Budget 2023-24 proposal to promote clean and green energy, particularly when the world is moving towards its transition.

Stating the Budget clearly lays out the mandate straight, ISMA, a body of private sugar mills said, said that the proposal of introducing a 5 per cent compressed bio-gas (CBG) mandate in due course for all organisations marketing natural and bio-gas will give a big boost to its production.

Pointing to Finance Minister Nirmala Sitharaman's statement that for the collection of bio-mass and distribution of bio-manure, appropriate fiscal support will be provided, the association said making it compulsory for oil marketing companies (OMCs) and GAIL, which markets natural and bio-gas, was a testament to the Centre's focus towards green energy transition.

BOOST TO BLENDING

The exemption of basic customs duty on denatured ethyl alcohol will boost the ethanol blending programme. This will make the import of denatured ethyl alcohol cheaper. Industries, which use denatured ethyl alcohol as their raw material like pharmaceuticals, chemicals and paints, can rely on domestic availability to fulfil their raw material requirement, ISMA said.

"The entire cane molasses could be used for ethanol production for the ethanol blending programme. This will address the shortfall in ethanol supplies by sugar mills, and they will be able to fulfil their ethanol supply commitments to OMCs," the association said.

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Russia's largest LNG firm and GAIL poised to seal gas sales deal

REUTERS
NEW DELHI, FEBRUARY 3

RUSSIA'S LARGEST liquefied natural gas (LNG) producer, Novatek, is close to a deal to supply gas to GAIL (India) Ltd as it seeks alternative markets to Europe, three industry sources said.

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GAIL and Novatek did not respond to requests for comment.

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For its part, GAIL needs to recover after its profit sank 93% in the three months to December from a year earlier as a result of disrupted supply from a former unit of Russian giant Gazprom.

A preliminary deal could be signed during Novatek Chairman Leonid Mikhelson's visit to India next week for an energy conference, they said.

GAIL, India's largest gas distributor, has rationed gas supplies and cut runs at its petrochemical plants after supplies under a 20-year deal with Gazprom Marketing and Trading Singapore (GMTS) were halted.

Novatek is offering a few LNG cargoes every month under a long-term deal to GAIL on a free-on-board basis, meaning the buyer arranges for ships and insurance, the sources said.

GAIL is asking Novatek to deliver gas to Indian ports as shipping and insurance companies are wary of providing services for Russian oil and gas following the West's imposition of sanctions on Moscow.