

GAIL signs pact with Shell on ethane sourcing

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New Delhi, 17 March

GAIL (India) Limited has signed a Memorandum of Understanding (MoU) with Shell Energy India Private Limited to explore prospects of importing and handling of ethane and other hydrocarbons. It is primarily used as petrochemical feedstock and is separated from the other components of natural gas in most well-developed gas fields. In a bid towards diversification of the feedstock for its petrochemical plant, country's largest gas firm is looking to import ethane from ethane-surplus countries with matured export terminal infrastructure, GAIL announced on Friday. It will be transported further through GAIL's 14,830 km of

natural gas pipelines to demand centres.

Reliance Industries has also begun to import ethane from the United States (US) to replace natural gas and naphtha as fuel at its petrochemical plants. Ethane is expected to be produced in large volumes in North America due to the shale gas revolution, which has generated an abundance of liquefied natural gas (LNG) and liquefied petroleum gas (LPG).

Ethane is mainly used to produce ethylene, which is then used by the petrochemical industry to produce a range of intermediate products, most of which, are converted into plastics, packaging films, wire coatings, squeeze bottles and synthetic rubber, among others.

GAIL, Shell ink pact to explore ethane sourcing

NEW DELHI: India's largest gas utility GAIL on Friday said it has signed an agreement with Shell Energy India Pvt Ltd to explore ethane sourcing and other opportunities along the energy value chain.

GAIL is planning to import ethane from the US to replace natural gas and naphtha as feedstock at petrochemical plants.

In a statement, GAIL said it has signed a memorandum of understanding with Shell Energy India to "explore opportunities for infrastructure development for ethane sourcing."

GAIL last month floated a tender to hire a very large ethane carrier (VLEC) for 20 years starting mid-2026 for importing ethane from the US. The ship with capacity of 80,000 to 99,000 cubic metres is targeted to take deliveries from



the US ports of Marcus Hook, Nederland, Morgan's Point or Beaumont and deliver ethane at Dahej or Hazira in Gujarat or Dabhol in Maharashtra.

GAIL has a petrochemical plant at Pata, near Kanpur in Uttar Pradesh, and is also looking to set up another unit at Usar in Maharashtra.

The company had to cut down on run rate at Pata after the government diverted gas supplies from the plant to city gas suppliers. This led to its profitability being impacted and so now the company is

looking to supplement the feedstock with ethane.

"For GAIL, this is a step towards achieving improved sustenance in business operations," the statement said on MoU signing with Shell Energy India.

"In a bid towards diversification of the feedstock for its petrochemical plant, GAIL is looking to import ethane from ethane-surplus countries with matured export terminal infrastructure through water-borne transportation to India and transport it further through GAIL's pipeline systems to demand centres."

The MoU envisages to explore prospects in import and handling of different hydrocarbons which are important chemical and petrochemical precursors, LNG for road transport, regasification of imported LNG and renewables,

the statement added.

GAIL is India's largest natural gas company. It owns and operates a network of around 14,830 kilometres of natural gas pipelines spread across the length and breadth of the country. It commands around 68 per cent market share in gas transmission and sells 53 per cent of all gas sold in the country.

Ethane is expected to be produced in large volumes in North America due to the shale gas revolution, which has generated an abundance of liquefied natural gas (LNG) and liquefied petroleum gas (LPG). It is primarily used as petrochemical feedstock to produce ethylene by steam cracking. Ethylene is the starting material for making a wide range of products — from packaging films, wire coatings, and squeeze bottles as well as plastics and synthetic rubber. **MPPOST**

GAIL signs pact with Shell for ethane sourcing



GAIL ON Friday said it has signed an agreement with Shell Energy India to explore ethane sourcing and other opportunities along the energy value chain.

PTI



GAIL partners with Shell Energy on LNG transport, renewables

Our Bureau

New Delhi

GAIL said it has signed a memorandum of understanding (MoU) with Shell India on liquefied natural gas (LNG) for road transport, regasification of imported LNG and renewables, among others.

The MoU is to explore opportunities in the energy value chain and to look at prospects in import and handling of different hydrocarbons. For GAIL, this is a step towards improved sustenance in business operations, the company said.

“In a bid towards diversification of the feedstock for its petrochemical plant, GAIL is looking to import ethane with matured export terminal infrastructure through water-borne transportation to India and transport it further to demand centres,” it added.

Gail, Shell India Unit Ink Pact for Ethane

Our Bureau

New Delhi: Gail has signed a preliminary agreement with the India unit of Shell to explore sourcing of ethane that could be used in its petrochemicals plant.

"In a bid towards diversification of the feedstock for its petrochemical plant, GAIL is looking to import ethane from ethane-surplus countries with mature export terminal infrastructure through water borne transportation to India,

and transport it further through GAIL's pipeline systems to demand centres," Gail said in a statement. The company has a petrochemicals plant at Pata in Uttar Pradesh, which had to



cut production last year following shortage of gas supply.

The company is now seeking ethane, an alternative feedstock, to ensure smoother petrochem production.

"For GAIL, this is a step towards achieving improved sustenance in business operations," the company said.

**GAIL inks pact with Shell
Energy for ethane sourcing:**

GAIL India has signed an agreement with Shell Energy India Private Limited to explore opportunities for infrastructure development for ethane sourcing. In a bid towards diversification of the feedstock for its petrochemical plant, GAIL is looking to import ethane from ethane-surplus countries with matured export terminal infrastructure through water borne transportation to India and for moving it further through GAIL's pipeline systems to demand centres, a company statement said. The MoU envisages exploring prospects in import and handling of different hydrocarbons which are important chemical and petrochemical precursors, LNG for road transport, regasification of imported LNG, renewables, etc.



GAIL, Shell sign MoU for ethane sourcing infra

NEW DELHI: GAIL (India), India's largest gas producer, on Friday signed a Memorandum of Understanding (MoU) with Shell Energy to explore opportunities in energy value chain. The company said the MoU envisages to explore prospects in import and handling of different hydrocarbons which are important chemical and petrochemical precursors, LNG for road transport, regasification of imported LNG, renewable and others. *ENS*



गेल ने शेल के साथ किया समझौता

शुभायन चक्रवर्ती
नई दिल्ली, 17 मार्च

गेल (इंडिया) ने ईथेन और अन्य हाइड्रोकार्बन के आयात की संभावनाएं तलाशने के लिए शेल एनर्जी इंडिया के साथ समझौता किया है। इसका इस्तेमाल मुख्य तौर पर पेट्रोकेमिकल कच्चे माल के तौर पर किया जाता है और यह कई विकसित गैस क्षेत्रों में प्राकृतिक गैस के अन्य घटकों से अलग होता है।

गेल ने शुक्रवार को घोषणा की कि अपने पेट्रोकेमिकल संयंत्र के लिए कच्चे माल में विविधता लाने के प्रयास में भारत की सबसे बड़ी गैस कंपनी मजबूत निर्यात टर्मिनल ढांचे से संपन्न ईथेन-अधिशेष देशों से ईथेन आयात की संभावना तलाश रही है। इसकी ढूँढ़ गेल की 14,830 किलोमीटर लंबी प्राकृतिक गैस पाइपलाइन के जरिये की जाएगी।

रिलायंस इंडस्ट्रीज ने भी अपने पेट्रो रसायन संयंत्रों में प्राकृतिक गैस और नाफ्था की जगह ईंधन के तौर पर इस्तेमाल के लिए अमेरिका से ईथेन आयात शुरू किया है। शेल गैस की मदद से उत्तर अमेरिका में ईथेन का बड़े पैमाने पर उत्पादन होने का अनुमान है।

Over 50% Drop in Global LNG Prices to Spur Demand

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Mumbai: An over 50% fall in gas prices globally is expected to lead a demand revival in India's factories, refineries, power, and petrochemicals units, industry officials said.

Anticipating an increase in demand, liquefied natural gas (LNG) importers Gail India, Gujarat State Petroleum Corporation Ltd, Petronet LNG and Indian Oil Corporation (IOCL) among others, are contracting for more spot LNG cargoes, according to industry sources.

Currently gas prices are hovering around \$13-14 per million metric British thermal unit (mmbtu) and the industry is confident the current prices would prevail, or come down further, in the coming quarters. A year ago, the prices were around \$30-35 per mmbtu.

GAIL, the largest gas transmission pipeline player in the country, has placed an order for three LNG cargoes in the spot market, said a company official. Gail declined comment.

"A cool off in LNG prices is helping Gail run its petchem plants in Pata (UP) and Vijaipur (MP) at full capacity now. Since last July-August, the plants were operating at 40% capacity," said a senior company official on the condition of anonymity.

Indian Oil Corporation Ltd (IOCL) and Gujarat State Petroleum Corporation (GSPC) have also placed orders for two-three LNG cargoes, according to industry officials. The companies did not respond to an email query till press time.

"We are seeing increased enquiries and interest from the industry on availability of gas. Companies are floating tenders to procure spot LNG as a certain comfort level is coming in at \$13-14/ mmbtu," said another industry official on the condition of anonymity.

For full report, go to
www.economictimes.com



**GAIL India,
GSPC,
Petronet LNG
and IOCL
among others
contracting
for more spot
LNG cargoes**