

COMPANIES

# Swan Energy to sell LNG terminal to Turkey's Botas for \$399 million

The company plans to sell assets of subsidiary Triumph Offshore Pvt Ltd to Botas Trading IC.

By PTI

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Representative image | Photo Credit: Dado Ruvic

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**Nikhil Merchant-led Swan Energy Ltd** has said it plans to sell its stake in a floating LNG receipt terminal to Turkey's state-run Botas for \$399 million.

The company plans to sell assets of subsidiary Triumph Offshore Pvt Ltd to Botas Trading IC, according to a regulatory filing.

"The definitive documents shall be signed in due course," it said, adding the deal is likely to be completed in six months.

The sale consideration is to be received in multiple tranches over an unspecified period.

Triumph Offshore Private Limited (TOPL) owns a 5 million tonne-a-year floating storage and regasification unit (FSRU) called Vasant-1. Swan Energy holds 51 per cent in TOPL while fertiliser maker IFFCO the remaining 49 per cent.

The filing did not say if IFFCO is also offloading its stake.

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## **LNG import facility**

Swan is building a liquefied natural gas (LNG) import facility at Jafrabad in Gujarat. In the initial phase, gas, which is used to make fertilisers, generate electricity and turned into CNG and cooking gas, was to be imported in its liquid form after being super-cooled (called LNG) at the floating terminal. The liquid gas was to be reconverted into its gaseous stage at the FSRU before being transported through a under-sea pipeline to onland for further sale to users.

However, the terminal commissioning was delayed due to pandemic and cyclone in 2022, and so Swan leased out the FSRU to Botas for an initial period of 304 days.

TOPL took delivery of FSRU 'Vasant-1' on September 29, 2020 from Hyundai Heavy Industries Shipyard.

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"Post-delivery of FSRU, it was put on charter hire with charterer for its interim utilisation as LNG carrier till Jafrabad LNG port is ready, which has yielded decent revenue generation and saving of parking charges," according to the company's annual report.

TOPL entered into a heads of agreement term sheet on December 31, 2022 with Botas Trading IC for chartering of the FSRU on Bareboat basis, for a period of at least 304 days, starting from January 2, 2023.

The Jafrabad port and terminal is owned by another Swan subsidiary Swan LNG Pvt Ltd. Swan Energy is the lead promoter with 63 per cent equity stake. The government of Gujarat has 26 per cent stake (15 per cent by GMB and 11 per cent by GSPL), and 11 per cent stake is held by the Indian subsidiary of Mitsui OSK Lines (MOL), Japan, which is also the technical partner of the project.

The 10 million tonne a year facility terminal has signed a capacity booking agreement with state-owned oil firms.

According to Swan, the port is to be operated on a tolling model.

Gujarat State Petroleum Corp (GSPC) has booked 1.5 million tonne a year of the terminal capacity while [Bharat Petroleum Corporation Ltd \(BPCL\)](#), [Indian Oil Corporation \(IOC\)](#) and [Oil and Natural Gas Corporation \(ONGC\)](#) one million tonne each for 20 years.

 COMMENTS

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