

## India's Swan Energy gives details of LNG FSRU lease-out deal to Turkish energy company BOTAS

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Swan Energy Ltd, part of the Indian conglomerate the Swan Group with interests in oil and gas, textiles and infrastructure has given details of its lease-out deal to Turkey's state-owned Petroleum Pipeline Corp. (BOTAS) of a floating storage and regasification unit.

The charter for the "Vasant 1" floating storage and regasification unit (FSRU), which is controlled by Japan's Mitsui OSK Lines, is held by Swan Energy subsidiary Triumph Offshore Private Limited (TOPL) and has now moved to Saros Bay offshore northern Turkey.

The FSRU "Vasant 1" has capacity of 180,000 cubic metres and was completed by Hyundai Heavy Industries of South Korea at the end of 2020 for Swan's planned LNG import terminal at Jafrabad in India's Gujarat state.

Swan was the lead promoter of the delayed Jafrabad LNG import terminal with a 63 percent equity stake.

The other shareholders are the Government of Gujarat with a 26 percent interest and the remaining 11 percent is owned by FSRU Venture India One Ltd, the Indian subsidiary of Japanese shipping line Mitsui OSK Lines.

MOL acted as technical partner for the Jafrabad project by supervising the construction of the FSRU.

### Charter rates

"The lease arrangement is generating daily rental of \$250,000, or about 2 crore Indian rupees (as per the present exchange rate), for Swan Energy," said the Indian firm of the BOTAS deal.

"The duration of the lease agreement is for 12 months and is extendable on this basis of mutual agreement," Swan added.

Based on the bare boat charter, TOPL has leased out only the bare FSRU vessel to BOTAS and BOTAS will manage the operational expenses including fuel, crew, insurance, maintenance, and repair.

"As a result, TOPL does not incur any operational expenses during the lease tenure," Swan said.

BOTAS also runs the Marmara Eregesli LNG import terminal and cargoes have been received there since 1994, first from Algeria and later from countries like Qatar and Nigeria and then over the last five years from the US as well.

Commenting on the lease arrangement with BOTAS, Rishi Chopra, an executive of Swan, said the lease agreement based on bare-boat charter would enhance the rental earning capabilities of the FSRU.

"The net revenue from the annual rental will strengthen the profitability position of the company," explained Chopra.

"By renting out the FSRU to BOTAS, we aim to play an enabling role to boost the LNG initiatives of the Turkish government to build clean energy preparedness amid a growing demand for FSRUs in that market," he added.