

[Trans Ocean Gas](#)

Shipowners rush to first CNG tender

The Trade Winds

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A raft of top-line shipping names are bidding to operate potentially the industry's first ever compressed natural gas (CNG) carrier.

Knutsen OAS, Mitsui OSK, K Line, Wilhelmsen Marine and Exmar are among the thirteen-plus named firms that have submitted preliminary expressions of interest to ship CNG out of Myanmar for Indian gas company Gail.

The as-yet unproven transport method has long been discussed but until now has not produced any formal contracts.

New Delhi-based Gail confirmed today its tender for a firm/consortium to provide a CNG ship/barge to transport gas from Myanmar to India had pulled in eight bids.

They include four international consortiums: US-based EnerSea Transport will team up with Japan's Mitsui Group and K Line; Malaysia's Forbes Bumi Armada will work with Trans Ocean Gas, Norway's Wilhelmsen Marine Consultants and BMT Fleet Technology of Canada; and Japan's Marubeni Corp has teamed with Sea NG management of Canada.

TransCanada will also lead a consortium though the company did not name its partners.

Finally three shipowners submitted expressions of interest acting alone: Belgium's Exmar Marine, Knutsen OAS Shipping of Norway and Malaysian group MISC.

Gail will now move on to Requests for Qualification from the parties.

Compressed Natural Gas, or CNG, uses the original floating-pipeline concept with shipping as the key element in the process. Natural gas is compressed and loaded into pipework held in a series of containers onboard a ship. The vessels hold less gas than an LNG carrier but because the gas is compressed and not liquefied there is no need for costly land-based liquefaction and regasification plants as in the case of LNG. It is not suitable for longhaul shipments.

Gail claimed today CNG had an inherent advantage over LNG transport for 'medium volume' shipments for distances under 1,500 kilometres.

However critics have questioned the economic viability of the projects due to the large

amounts of steel needed to build the ships.

Though shipping the gas by land pipeline remains an option, Gail said transport by ship would provide more flexibility given the size of the Myanmar gas field and the huge distances involved in getting gas to consumers in India.

Gail owns a 20% stake in the gas-producing area called A-1 in Myanmar. Fellow Indian oil company ONGC Videsh also owns a 20% stake, while Daewoo International Corp holds the 60% balance.