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Egat and PTT join forces

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National oil and gas conglomerate PTT Plc has entered into a collaborative agreement with the Electricity Generating Authority of Thailand (Egat) to develop energy and gas businesses.

PTT and Egat yesterday signed a memorandum of understanding (MoU) to tackle the forces disrupting the energy sector, oversee investment projects and seek new business opportunities.

The project comes as the two state enterprises seek to make an entry into the renewable energy and energy storage business.

PTT chief executive Tevin Vongvanich said Egat and PTT will set up a steering committee by February to monitor and speed up the project, adding that more details on the partnership will be revealed soon.

The first group of businesses in the collaboration will be liquefied natural gas (LNG) and logistics systems like LNG receiving terminals and the floating storage re-gasification unit (FSRU).

PTT will contribute its human resources and knowledge of LNG procurement to

Egat, which plans to enter the LNG receiving terminal business by 2025. The FSRU project will operate in the Malaysia-Thailand Joint Development Area, where oil and gas resources are nearly depleted.

MTJDA has produced gas in Thailand and Malaysia for more than two decades, and Thai energy policymakers plan to replace the depleted gas reserves with LNG.

Consumers are moving to new technologies like distributed electricity systems and are starting to act as producers as well. Moreover, the rapidly developing energy storage technology is expected to change the business model of large fossil power plants moving forward.

Kornrasit Pakchotanon, governor of Egat, said the collaboration may involve the implementation of a feasibility study of power plant development in Myanmar, where Egat has conducted field surveys for decades.

Egat and PTT may partner to develop a power plant that sells electricity to Myanmar, as well as to Thailand.

Egat plans to develop a 38-billion-baht FSRU in the Gulf of Thailand after receiving cabinet approval in October of last year.

The authority recently hired consultants to draft the construction contract and study

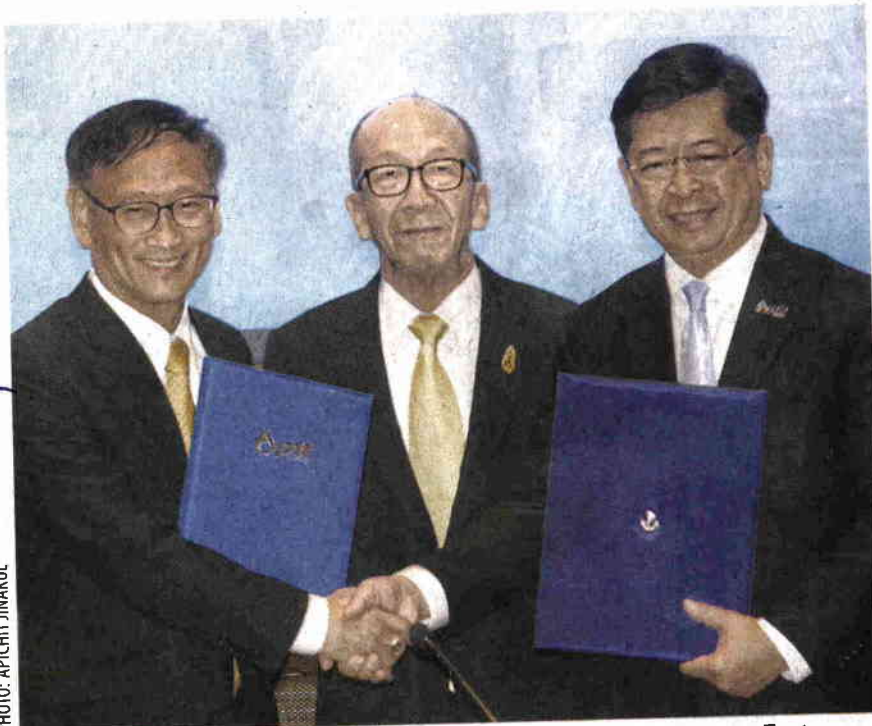


PHOTO: APICHT JINAKUL

Energy Minister Siri Jirapongphan (centre) witnessed the signing between Egat governor Kornrasit Pakchotanon (left) and PTT chief executive Tevin Vongvanich.

the environmental impact assessment report (EIA).

The FSRU, expected to be in operation by 2025, will connect natural gas pipelines and feed gas to Egat's South Bangkok Power

Plant and North Bangkok Power Plant.

Energy Minister Siri Jirapongphan said the collaboration will enhance energy security in Thailand by increasing production efficiency and reducing costs. —