The conventional natural gas is available in high concentration within 1000 meters of depth below the ground level. It is because of the high quantum of methane. Hence area within 1000 meters of distance of a gas well is highly extractable.

Typically, at a depth of 3000 meters, the methane concentration is better and the presence of source rocks for shale gas is there. However, in India the extraction of shale gas is negligible, hence it is considered to be an inactive extraction area.

Source: UK Groundwater Forum, Techno plan’s Study on Natural Gas Drilling, enincon research
Why enincon’s report upon “LNG Business and Market Outlook in India – 2018”

THE JUMP IN INDIA’S LNG IMPORTS WAS CLOSE TO 30% IN FY 2016-17

India has been on a constant economic growth path from past two decades and this rise is coupled with increased energy consumption to thrust the fast growing economy. Basis India’s anticipated growth aspirations, it is evident that access to abundant and economically viable energy will be crucial to sustaining the trajectory of this growth. India has limitations in terms of indigenous energy resources apart from coal and will necessarily have to diversify its fuel mix and look to global energy markets for its energy needs. The demand growth for LNG new markets were driven by two Asian counterparts in India & China. Noticeably, the jump in India’s LNG imports was close to 30% due to part to low spot prices and to a price sensitive LNG demand, confirming the country’s rank of 4th largest LNG buyer worldwide.

India has limited natural gas reserves. Development of unconventional natural gas resources is also on cards in India with ample weightage on CBM and Shale gas development but the lack of data and technology is hitting the same. Hence, domestic production of natural gas in India is highly unlikely to keep up with the demand and the country has to rely on imports to meet its demand. Moreover, the domestic production in India has been concentrated over western and southern region of the country and in absence of adequate natural gas pipeline infrastructure the northern and eastern region of the country are gas starved. However, to satiate the increasing demand and strengthen the domestic gas distribution within the country, the government is planning to increase the share of natural gas in India’s energy mix to 15% which shall at large necessitate investments of at least USD 10.8 Billion for augmenting gas import and pipelines infrastructure.
VARYING EXPECTATIONS FROM UPSTREAM, MID-STREAM & DOWNSTREAM PLAYERS GLOBALLY & IN INDIA TOO

The past year has seen an industry coming to grips with the reality that natural gas prices have yet to rebound. Steady price conditions have pushed industry players – and the markets they interact with – to find ways to adapt. Finding efficiencies to streamline production, investing in new technologies and capitalizing on downstream opportunities are just some of the approaches employed by industry leaders. Increased coordination between oil producers, natural gas producers, pipeline operators, local distributors and other oil and gas industry providers has become integral. Consolidations have also transformed the market, making this interconnectivity more complex. With another year of low natural gas prices on the books, the market anticipates a rebound with emerging economies leading the path to growing market demand.

Liquefied Natural Gas Business & Market Outlook in India 2018 – Report reflect a convincingly positive outlook for natural gas utilization in the country for future growth as gas economy between now and 2020. Interestingly, local distribution companies (LDCs) and interstate and intrastate pipelines appear to be more confident in future growth, but oil and gas producers are surprisingly not far behind. But what’s feeding the optimism in the industry participants was required to be determined which the dossier encompasses beautifully to join all the dots for the stake holders in gas business of the country. India, in particular, is poised to capitalize on low oil prices to embark on new projects. Petrochemical sector developers are assessing the feasibility of new fertilizer and sulphur recovery plants. These downstream projects could result in high returns when the market rebounds, making them easily bankable to investors. The report is packed with in depth analysis over the utilization of natural gas in India till 2020 and the balance with LNG in terms of industrial demand is also carved out in particular to the consuming sectors. The dossier also encapsulates the CGD network outlook in the country with a focus on pipeline infrastructure to meet the demands of all the sectors like domestic, commercial, industrial and transport sector in the country.
Global Nominal Liquefaction Capacity, as on January 2017, with 18 countries exporting LNG in FY 2016-17.

- European LNG Imports: 38.1MT
  - Spain: 9.9MTPA (+3.8%)
- 2 New Countries began importing LNG in 2016: Colombia & Jamaica
- Middle East: 35.3% of global exports
- Qatar alone exported 77.2 MT
- Asia-Pacific: 38.6% of global exports
  - Japanese Imports: 83.3 MTPA (32.3% of Global total)
- Asia as the global leader in LNG imports at 48.6 MT;
  - China: +6.9 MT
  - India: +4.5 MT

Natural Gas meets a quarter of global energy demand, 9.8% supplied as LNG, marking +6.6% p.a. growth

Source: enincon research, IGU Presentation Energy Egypt 2016-17
BUSINESS CASE FOR LNG IN INDIA

- India may see a 6 times growth in the Indian gas market by 2030 from the current levels, with LNG to be the largest contributor
- As per MoPNG, LNG import terminal capacity to double to 47.5 MTs by 2022
- The Government plans to launch the auction of 60 oil and gas fields being offered in the second round of bidding for Discovered Small Field (DSF) on August 9, 2018.
- Use of LNG as a transport fuel is on the priority list of the government, and is working in line for setting required infrastructure.
- Petronet is setting up 20 LNG stations at petrol pumps on highways along the west coast that connects Delhi with Thiruvananthapuram covering a total distance of 4500 kms via Mumbai and Bengaluru
- Automotive sector in India foresees a demand of 8-9 MTs of LNG annually by 2022
- India opens biggest city gas licensing round likely to attract investment of INR 70,000 Crore
- Government targeting to raise share of natural gas in the primary energy basket to 15 per cent from current 6 per cent, in next few years

REPORT INSIGHTS

- Analysing LNG demand in India by current infra range and identifying the demand drivers
- Analysing LNG demand in India by planned future capacity range and identifying the demand drivers
- Identifying seasonal demand variance and the factors driving the same
- Impact analysis of LNG on city gas distribution
- Demand identification of LNG from automobile sector and electric vehicle segment

KEY HIGHLIGHTS

- Examining favourable cost dynamics in small scale LNG projects in India
- Analysing equity acquisition opportunity
- Identifying opportunity in recent contracts for value chain players
- Examining regasification tariffs and outlook
- Tracking opportunity for shipping and pipeline infra developers
- Evaluating region wise business case in expansion of LNG terminal infra
“Government is targeting to raise share of natural gas in the primary energy basket to 15 per cent from current 6 per cent, in next few years”

“The government plans to launch the auction of 60 oil and gas fields being offered in the second round of bidding for Discovered Small Field (DSF) on August 9, 2018”

KEY QUERIES ADDRESSED

• What would be the sector wise (broadly covering power sector, fertilizer sector, city gas distribution and other industrial sector) demand of LNG in India?
• What would be the regional opportunity analysis in the expansion of LNG terminal infra?
• What would be the opportunity for value chain players in upcoming contracts?
• What would be the opportunity for players in LNG trading in India?
• What would be LNG demand – supply dynamics by end user as per the existing LNG terminals?
• What would be LNG demand – supply dynamics and outlook with need for capacity expansion and plans by end use for existing terminals?
• What would be the LNG demand – supply outlook by end user as per upcoming and under construction LNG terminals?
• What would be the LNG demand – supply outlook with need for capacity expansion and plans by end use for upcoming and under construction LNG terminals?
MUST BUY FOR

- National Oil and Gas Companies
- LNG Players
- LNG Traders
- Players into LNG Terminal Infra
- Energy Trading Players
- Pharmaceutical Players
- O&G Downstream Players
- Fuel Retailers
- Automobile Players
- Project Consultants
- Research Firms
- Technical Consulting Groups
Happiness does not come from doing easy work but from the afterglow of satisfaction that comes after the achievement of a difficult task that demanded our best.

- Theodore Isaac Rubin