

Bulgaria: Acquisition of LNG terminal for Bulgartransgaz

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An agreement on the acquisition of 20 % stake in the project for the construction of liquefied natural gas (LNG) terminal in Alexandroupoli in northern Greece was signed between Bulgarian natural gas transmission system operator Bulgartransgaz and the project's operator Gastrade. The two companies completed the acquisition and the agreement is still pending approval of relevant authorities on both sides.

CEO of Bulgartransgaz Vladimir Malinov said that the investment that made in the LNG project is of strategic importance for the development of the natural gas market in Bulgaria and the region. This will guarantee liquidity of the gas market and competitive prices for the customers. The LNG terminal in Alexandroupoli complements the realization of the concept of the Balkan Gas Hub.

In March, Bulgarian Government announced that Bulgargaz will book a capacity of 500 million cubic meters of natural gas per year for a ten-year period at the future LNG terminal in Alexandroupoli.

The Alexandroupoli LNG project, for which Gas-trade has obtained a license in 2011, envisages the construction of LNG storage facility with the capacity of 170,000 cubic meters, which could supply 17 million cubic meters of gas per day to Greek gas network. With the construction of gas interconnection between Greece and Bulgaria, the investors are considering options to supply natural gas to the entire Balkan region. However, the project has been removed from the list of EU Projects of Common Interest (PCI) for 2017. Last October, Gastrade launched a market test for Alexandroupoli LNG terminal and the tender for the procurement of the Floating Regasification Storage Unit (FSRU) vessel. More than ten domestic and foreign companies have expressed interest in the tender for the procurement of vessel, as well as the terminal's market test. The consortium for the construction of the terminal should comprise of Gastrade (40%), Gaslog (20%), Greek Public Gas Corporation DEPA (20%), now through DEPA Trade, and Bulgarian Energy Holding BEH (20%). Romanian natural gas producer Romgaz is also interested in participating in the joint venture.