

Canadian-American investors secured their right of first purchase of land for LNG terminal on Krk.

Financial group Pulsat Global Capital, gathering private investors from Canada, EU and USA is interested in development of LNG terminal on Krk, which was supposed to have the capacity of 6 billion m<sup>3</sup> but they have a more ambitious project in mind.

In their announcement last year Pulsat Global Capital stated that the value of the project is more than 4.7 billion euro (!) and that this is the largest private investment in Croatia, including the construction of TPP fueled by natural gas and other infrastructures. Domestic participation in the project according to them would be 1.5 billion euro. The project would create more than 5000 jobs in 5 to 7 years period and 1.500 permanent jobs if we count on the development of Dina on Krk. The group secured the right of first purchase in the bidding for the land purchase which was announced by the former HYP branch HETA, Jutrarnji list reports. According to them it seems certain that the group, if they are not included as investors in the next phase, would try to stop the expropriation that the state mentioned several times. If that happens the Canadians will ask for a better price and the legal procedure and complications regarding the land would slow the project down.

Representatives of the company claim that with the fee for using the terminal of 44 USD for 1000 m<sup>3</sup> of natural gas, the terminal should have the capacity of at least 12 billion m<sup>3</sup> of natural gas so that it could be profitable and bring back the investment and service the loan payments in the next 15 years. The Capacity of the terminal that they suggested is quite large, only six out of 26 active terminals in Europe are this big, and all those terminals are in states that have no gas connections to the rest of the continent (Spain, UK). LNG Croatia is looking for a strong financial and industrial partner and seven offers answered the call for bidding. No names are familiar yet but a large European gas company and one famous foreign infrastructure fund were mentioned. Jutrarnji reports that LNG Croatia collected off the record offers for the rental of 5 billion m<sup>3</sup> of capacity in the period from 2020 to 2025 and two billion more from 2026 to 2040. The projected fee for the use of terminal is not known and there are speculations that it could be between 30 and 35 USD for 1000 m<sup>3</sup>. If off the record offers would be translated into long term contracts on the rental it turns out that it would guarantee 150 billion per year in the first 15 years of the operation of the terminal, transmits Serbia-energy.eu