Petronet Selects Platts West India Marker for November LNG cargo tender

First time an Indian LNG company prices cargo tender off an India LNG spot price

SINGAPORE, Sept. 29, 2020 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that Petronet LNG Limited has adopted the Platts West India Marker (WIM) for a tender to buy an LNG spot cargo in November. The LNG cargo will be delivered to Petronet's Dahej or Kochi terminals. This marks the first time an Indian LNG company has concluded a spot cargo tender priced off the Platts WIM.

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Petronet LNG is one of the fastest growing companies in the Indian energy sector. It established the country's first LNG receiving and regasification terminal at Dahej, Gujarat in 2004 with nominal capacity of 17.5 million metric tonnes per annum (MMTPA) and another terminal at Kochi, Kerala having a nominal capacity of 5 MMTPA.

The decision by Petronet LNG to adopt the Platts West India Marker (WIM) for tenders to buy LNG spot cargos reflects deepening interest from India to adopt market-based LNG pricing as the country's gas demand continues to grow.

V K Mishra, Director (Finance) and officiating MD & CEO, Petronet said:"Petronet, being a pioneer in LNG business in India, has been innovative in LNG procurement and pricing strategy. Platts West India Marker is an LNG marker increasingly used to price gas supplies delivered to India."

The Platts WIM reflects the spot market value for physical cargoes delivered into India and the Middle-east. This development is a strong validation of the growing market adoption of Platts WIM, with an increasing number of WIM-linked bids and offers published in Platts LNG Market-On-Close (MOC) price assessment process. This is in addition to domestic gas supply deals agreed by Oil & Natural Gas Corporation (ONGC) last year using WIM as a pricing basis.

Dave Ernsberger, Global Head of Commodities Pricing and Market Insights, S&P Global Platts said: "The selection of Platts West India Marker by Petronet as the pricing basis for a spot cargo tender marks a further milestone in the rapid commoditization of the LNG market, where contracts are increasingly being linked to international LNG prices. The integrity of the methodology underpinning our assessment processes allows Platts price benchmarks to be relied upon by the world's most important energy markets."

Media Contacts:

Americas Kathleen Tanzy
+1 917 331 4607, kathleen.tanzy@spglobal.com

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For further information: EMEA: Alex Brog, +44 207 176 7645, alex.brog@spglobal.com, Russ Gerry, +44 207 176 3569, russell.gerry@spglobal.com, Asia: Melissa Tan, +65 6597 6241, melissa.tan@spglobal.com

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