

Indonesia says Inpex proposes \$19.6 bln LNG plant

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JAKARTA, June 9 (Reuters) - Japan's INPEX Holdings Inc (1605.T: [Quote](#), [Profile](#), [Research](#)) has submitted a proposal to build a \$19.6 billion floating liquefied natural gas (LNG) plant in Indonesia, a senior energy watchdog official said on Monday.

INPEX estimates there are more than 10 trillion cubic feet of natural gas reserves in its Abadi field in the Timor Sea, potentially one of Indonesia's biggest fields.

If confirmed, it would make the project the second-biggest new gas field after the Tangguh project in Papua, which has combined reserves of 14.4 tcf.

"Inpex has submitted the development plan for the Abadi field. A floating LNG plant is proposed. There will be one LNG train to be built with a capacity of 4.5 million tonnes a year," Priyono, BPMIGAS chairman, told reporters.

"The cost for the plant is around \$19.6 billion. However, BPMIGAS now is evaluating the proposal and the government will decide whether to approve it," he said.

Priyono said he expected the plant will be finished in 2016.

Indonesia is pushing oil and gas companies to accelerate exploration and production, given flagging production from its own ageing fields, and in order to avoid expensive imports.

The Japanese firm is currently the sole operator of the Abadi gas field in the Masela block in eastern Indonesia.

INPEX officials in Indonesia could not immediately be contacted.

In January, Indonesia warned INPEX that it had to submit plans for the field in May, or risk losing its contract.

However, based on its exploration rights, the INPEX contract runs until November this year. (Reporting by Muklis Ali; Editing by Sugita Katyal)