

2. Installation of Wellhead Compressors at Location-E & G of Titas Gas Field

1. Objectives : The main objective of the project is to increase wellhead gas pressure in maintaining the gas transmission pipeline pressure.

(Taka in lakh)

2. Project Cost (Estimated)

	Total	LC	FC
DPP :	49550.00	10280.00	39270.00

3. Location of the Project

: Titas gas field, Brahmanbaria Sadar Upazilla, Brahmanbaria.

4. Approval date

:

DPP Approved by MPEMR on 23.03.2021

5. Financing of the Project

: Company Own Finance.

6. Implementation Period

: March, 2021 to June, 2025.

7. Major Components & Status

i) Engagement of Consultancy Services :

- For engagement of Consultants, a contract was signed with the consulting firm, Pegasus International (UK) Ltd. on 23.05.2021. According to the Contract, local and foreign consultants started work on 13.06.2021.

Under the project, a contract was signed with EPC contractor Consortium of Zicom Equipment Pte. Ltd. Singapore & AG Equipment Company, USA on 12.10.2022 at a total cost of Tk 409,80,98,808.00 including foreign currency USD 4,38,33,778.00 & local currency Tk 32,83,93,900.00. Under the contract, EPC contractor was not able to establish a confirmed Letter of Credit (LC) in favor of Beneficiary Zicom Equipment Pte. Ltd. Singapore. Consequently BGFCL contacted with other foreign banks in Bangladesh such as Standard Chartered Bank (SCB), Citibank N A, Bank Alfalah Limited, State Bank of India (SBI) and The Hongkong and Shanghai Banking Corporation Limited (HSBC) as per decision of PSC meeting held on 18.05.2023. Among the aforesaid banks, Standard Chartered Bank (SCB) and State Bank of India (SBI) sent proposals mentioning the cash margin amount, cost and conditions for establishment of LC. A decision was taken to establish LC of USD 4,38,33,778.00 in favor of Zicom Equipment Pte. Ltd. Singapore in SCB upon encashment of 105% margin at the 704th BGFCL board meeting held on 10.07.2023. As per decision of the board meeting, BGFCL sent a letter to SCB on 16.07.2023 requesting establishment of letter of credit (LC) with depositing of 105% cash margin. A meeting was held between the representatives of BGFCL and SCB, Dhaka on 16.08.2023 and another meeting was held among the representatives of BGFCL, SCB & Zicom on 30.08.2023. SCB informed the representatives of BGFCL that SCB's ESRM (Environmental & Social Risk Management) Team in Poland provided environmental clearance on 15.08.2023 to open the LC including some recommendations on environmental issues. SCB is in the process of Internal Approval of Credit Limit to issue the LC of USD 4,38,33,778.00. SCB also informed that clearance from Bangladesh Bank will be taken after approval of credit limit and then the establishment of LC will be completed upon depositing BDT 506.00 crore as 105% cash margin at SCB. SCB informed that the LC will be established by 21.09.2023. Moreover, BGFCL requested SCB to expedite the establishment of LC via letters dated 24.08.2023 and 29.08.2023.

- ii) Installation of 6 nos. wellhead compressor of which 3 nos. (2 operational & 1 standby) each having capacity of 40 MMscfd and 3 nos. (2 operational & 1 standby) each having capacity of 25 MMscfd with suction pressure of 350-650 psig & delivery pressure of 1000 psig with associated facilities including installation, testing and commissioning at Location-E & G of Titas gas field.

The work of installing compressors under the project will be under special law.