Early Warning System

ADB-49222-001

Tangguh Liquefied Natural Gas Expansion Project

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Quick Facts

Countries	Indonesia
Specific Location	West Papua
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	A
Voting Date	2016-12-01
Borrower	HSBC Bank USA
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 400.00 million
Project Cost (USD)	$ 400.00 million

Project Description

The Tangguh natural gas liquefaction facility (Tangguh) has been operating in West Papua, Indonesia's least developed region, since 2009. It currently consists of two trains (Train 1 and 2) that were financed with ADB, JBIC and international commercial bank support in 2007. Each train is designed to produce 3.8 million metric tons per annum (mtpa) of liquefied natural gas (LNG) each. The LNG is currently sold to buyers in Indonesia, the PRC, Japan, Korea, and USA. The Tangguh Expansion consists of a third 3.8 mtpa LNG train (Train 3) and associated offshore and onshore production facilities and supporting infrastructure. Train 3 is expected to commence production in 2020, and has committed 40% of production to PLN (the Indonesian national electric utility) under a long term sales and purchase agreement (SPA). State-owned Perusahaan Listrik Negara (PLN, the national power utility) has committed to buy 75% of train 3’s production to generate electricity for the domestic market. The remaining 25% of the new unit’s LNG output has been committed to Kansai Electric of Japan.

The financing of Tangguh Expansion will be through a New York-based commercial bank that will act as trustee borrower. The sponsors of Tangguh, through production-sharing arrangements with the Government of Indonesia (GOI) are: BP (37.2%); CNOOC (13.9%); Mitsubishi Corp. and INPEX Corp. (together 16.3%); Nippon Oil Corp. and Japan Oil Gas and Metals National Corp. (JOGMEC) (together 12.2%); Mitsui (10% in JV with Mitsubishi Corp., INPEX, Nippon Oil, JOGMEC); Sumitomo and Sojiz (together 7.3%); and Talisman Energy Inc (3.1%). A subsidiary of BP, BP Berau Limited, operates the Tangguh project on behalf of the sponsors.

Investment Description

- Asian Development Bank (ADB)

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Project Disclosure PDF
- Reports and Recommendations of the President
- Tangguh Liquefied Natural Gas Expansion Project: Draft Environment and Social Compliance Audit Repor [Original Source]
- Tangguh Liquefied Natural Gas Expansion Project: Environmental and Social Impact Assessment
- Tangguh Liquefied Natural Gas Expansion Project: Resettlement and Indigenous Peoples Plan [Original Source]
- Tangguh Liquefied Natural Gas Expansion Project: Tangguh Sustainable Development Plan 2015-2019 [Original Source]