

ZAGREB (Croatia) - Croatian state-owned company LNG Hrvatska said it has launched the binding bid phase to book capacity at the planned liquefied natural gas (LNG) terminal on the Adriatic island of Krk.

The deadline for filing bids is September 30.

The first step of the open season procedure was a bidding round in which potential customers were able to submit non-binding offers to book capacity at the LNG terminal. Based on the received offers and total available capacity LNG Hrvatska was to give a proposal on capacity allocation.

If satisfied with the capacity allocated, potential customers can proceed to the second step of the open season procedure and submit binding offers. After the binding offer is accepted, customers will be able to sign a long term contract with LNG Hrvatska in order to finally book the previously allocated capacity.

LNG Hrvatska also said in a statement on Friday, the Croatian gas transmission system operator, Plinacro, has announced a market test regarding the possibility of natural gas transmission via the Croatian gas transmission system.

The open season procedure got underway on December 8. The deadline in the first, non-binding phase, expired in May, attracting a total of 12 bids.

In December, LNG Hrvatska - established for the purpose of building and operating the infrastructure necessary for receiving, storing and regasifying LNG, told SeeNews that the capacity of the terminal will be 4-6 billion cu m annually and that it was expecting the biggest interest to come from regional companies engaged in the production of LNG and in gas trade.

In May, local media quoted LNG Hrvatska director Mladen Antunovic as saying the construction of the LNG terminal will start in the middle of 2016.

LNG Hrvatska has said that it expects the project would benefit from the latest developments regarding the South Stream gas pipeline as they shift focus in the region on gas supplies via Krk.

The final investment decision on the project is expected in the middle of 2016 with the commissioning of the LNG terminal seen in the middle of 2019.

The LNG terminal, which will be able to receive the largest LNG carriers of up to 265,000 cu m, is planned to comprise two storage tanks with a capacity of 180,000 cu m each.

The planned LNG terminal on Krk - alongside the award of off- and on-shore oil and gas permits and participation in the Ionian Adriatic Pipeline project, is part of efforts to develop Croatia into a regional energy hub.

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