



NATIONAL NEWS

## Spacenet Enterprises India Ltd And Modern Fuel Technologies To Enter Joint Venture For Nationwide LNG Project Execution

By India Education Diary... On Aug 1, 2024



**Hyderabad** : Spacenet Enterprises India Ltd, a Hyderabad based listed company on NSE (Symbol-SPCNET) and Modern Fuel Technologies, a leading Russian company, are pleased to announce a joint venture aimed at executing Liquefied Natural Gas (LNG) projects across India.

As India emerges as one of the fastest-growing economy in the world and is poised to be one of the top three economic powers in the next 10-15 years, the demand for energy is set to rise exponentially. This growth is coupled with a significant shift towards clean energy, driven by high-polluting sectors moving towards natural gas. This joint venture as proposed is positioned to capitalize on this trend by developing LNG infrastructure across the country.

### Project Phases:

- **Phase 1 (FY 2025-27):** Establishment of 20 LNG gas stations and fuel retail outlets.
- **Phase 2:** Expansion to 180 LNG gas stations and fuel retail outlets nationwide.

**Prakash Dasigi, Executive Director of Spacenet Enterprises,** and **Aleksander Sorokin, General Director of Modern Gas Technologies,** expressed the optimism about this venture. "This partnership will be a significant step towards enhancing India's LNG infrastructure and promoting cleaner energy solutions," said Dasigi. Sorokin added, "Our combined expertise will drive the development of modern LNG solutions across various sectors in India."

The shift towards natural gas as an alternative fuel for automobiles is accelerating due to its higher efficiency and cleaner emissions compared to traditional fossil fuels. Natural gas is 30-40% more efficient and produces 40% less carbon dioxide (CO2) than coal and 30% less than oil. In the race to net zero, LNG serves as a crucial 'feedstock' for low-carbon hydrogen, supporting the emerging hydrogen economy.

The project will also promote "RETROFITTING" heavy commercial vehicles (HCVs) to use LNG, contributing to energy efficiency and reduced carbon emissions. According to the Shell LNG Outlook 2024, global demand for LNG is expected to rise by over 50% by 2040, driven by industrial coal-to-gas switching in China and increased usage in South and Southeast Asia.

In 2022, the total LNG traded worldwide was 402.8 million metric tonnes per annum (MMTPA). India imported 20.79 MMTPA, accounting for 5% of the global LNG trade.

This joint venture underscores the mutual interest of both companies in developing energy, transport, and other economic sectors using modern LNG technologies and solutions and this LNG project is financed by Russian major bank. The collaboration will drive the growth of clean energy infrastructure and support India's transition to a more sustainable energy future. **In this JV Spacenet will be holding a 15-25% stake which adds value to the company.**

This press release marks a significant milestone in the partnership between Spacenet Enterprises India Ltd and Modern Fuel Technologies, reflecting their commitment to sustainable energy solutions and economic development.