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CORRECT: Singapore Govt To Take Over LNG Terminal Proj - Min

("Singapore Govt To Take Over LNG Terminal Proj - Min," published at 0111 GMT, misstated the Minister's comment in the second paragraph. The correct version follows:)

SINGAPORE (Dow Jones)--The Singapore government will take over the development of its first liquefied natural gas terminal project and has pushed back the start of its operations by a year to 2013, a government official said Tuesday.

It has become "more challenging for PowerGas to proceed with this project on a commercial basis," S. Iswaran, Senior Minister for Trade and Industry, said at an industry conference. The proposed terminal was scheduled to start operations in 2012.

Powergas, a wholly owned subsidiary of Singapore Power, was appointed to jointly build and operate the terminal with French-utility Gaz de France (1020848.FR).

Singapore's Energy Market Authority will set up a new company, Singapore LNG Corp., to own the terminal.

It also plans to award the engineering, procurement and construction contract by the end of this year.

"There is now greater uncertainty about the pace at which future demand for LNG will build up, which would in turn affect the utilization of the terminal and its revenue stream," Iswaran said at the Next Generation LNG Asia-Pacific 2009.

However, "the terminal is a critical part of Singapore's energy infrastructure to ensure diversification of our gas supply sources."

The government may divest its stake in the terminal in the future, he added. The terminal, with an initial capacity of 3 million metric tons a year, will be built on a 30-hectare site on Jurong Island.

U.K.-based gas company BG Group PLC (BG.LN) secured the franchise in April 2008 to be the exclusive supplier and distributor of LNG for the terminal.

EMA and BG have reached an agreement on the pricing details and other conditions for LNG supply, Iswaran said.

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