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Singapore Min: LNG Terminal May Cost \$1 Bln-\$1.5 Bln

SINGAPORE (Dow Jones)--Singapore's first liquefied natural gas terminal may cost around \$1 billion to \$1.5 billion, a senior government official said Tuesday.

"It's difficult to give an exact number" as engineering, procurement and construction costs have fallen in the past 12 to 18 months, S. Iswaran, senior minister for trade and industry, told reporters on the sidelines of an industry conference.

The government has decided to take over the project from PowerGas to prevent further delays as the global financial meltdown has tightened liquidity, he added.

The economic downturn has also "created considerable uncertainty in demand going forward," Iswaran said. A new LNG company will be set up to build and own the terminal and it will study financing options, he added.

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