

Great Eastern makes progress on Indian coal bed methane project

Aim-listed Great Eastern Energy will unveil solid progress today in its attempts to supply locally extracted coal bed methane to Indian commercial customers, writes Michael Kavanagh.

The company has completed the first 20 of

100 planned wells covering coal beds in west Bengal. These will supply customers around the industrial city of Asansol and tap into growing demand for methane-fuelled vehicles in the subcontinent.

The company, which is controlled by Indian

conglomerate YKM Holdings and floated 30 per cent of its equity two years ago, has completed a gathering station and is close to finishing a supply line needed to ship gas to industrial customers next to its fields. Great Eastern aims to fund capital expenditure

out of existing credit facilities and cash flow as production comes on stream. Limited infrastructure for gas distribution in India means the company is likely to benefit from high local prices for gas. The shares closed unchanged at 237½p.