

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2715

ANSWERED ON:29.03.2012

PRICES OF LNG

Patasani Dr. (Prof.) Prasanna Kumar;Rathwa Shri Ramsinbhai Patalbhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the action plan of the Government to deal with the wide variation between the prevailing prices of the imported Liquefied Natural Gas (LNG) cost and the gas produced domestically under NELP;

(b) whether the Government plans to frame a transparent mechanism for pricing of natural gas in the same manner as has been done for domestic crude; and

(c) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a): Liquefied Natural Gas (LNG) is imported directly by various entities under Open General License (OGL). While the price of LNG under long-term contract is generally linked to international price of crude oil/other indices, the price of spot purchase is based on demand-supply position in the international market. The price of gas produced domestically under NELP is fixed based on the terms of Production Sharing Contract.

(b): There is no such proposal.

(c): Does not arise in view of (b) above.