

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

UNSTARRED QUESTION NO:6072

ANSWERED ON:03.05.2013

PRICE OF LNG

Deo Shri Kalikesh Narayan Singh

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

- (a) whether the Petronet LNG Limited (PLL) has revised an earlier agreement relating to price of Liquefied Natural Gas (LNG) to be imported from a foreign supplier company;
- (b) if so, the details thereof and the reasons therefor along with its likely impact on the price to be paid by the consumers in the country;
- (c) whether any irregularity has come to the notice of the Government in this regard;
- (d) if so, the details thereof; and
- (e) the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) & (b): Petronet LNG Limited (PLL) entered into a long term Sales Purchase Agreement with RasGas, Qatar for 7.5 MTPA LNG in 1999 for 25 years. The contract executed in 1999 had a price formula linked to Japanese Customs-cleared Crude (JCC). Due to increase in crude price, PLL alongwith its promoters re-negotiated the price. The price was benchmarked against a JCC price of US \$ 20/bbl for the first five years i.e. from 2004 to 2009. This translated in an FoB price of LNG at US \$ 2.533/mmbtu. Had the contract not been revised the FoB price would have been in the range of US \$ 4-9/mmbtu during 2004-2009.

(c): No, Madam.

(d) & (e): Do not arise in view of (c) above.