

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

UNSTARRED QUESTION NO:3523
ANSWERED ON:10.12.2009
SALE PRICE OF NATURAL GAS EXTRACTED FROM KG BASIN
Ray Shri Rudramadhab

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

:

- (a) whether the Government has the right to fix selling price for the gas extracted from the KG Basin;
- (b) if so, the facts thereof;
- (c) whether the only price discovery on the selling price of natural gas from D6 Block of KG Basin was NTPC's international order;
- (d) if so, the facts thereof;
- (e) the reasons for not implementing the gas agreement between NTPC and RIL;
- (f) whether the Government had issued any notification for increasing the gas price from 2.34 to 4.20;
- (g) if so, when and
- (h) if not, at whose behest the Government is trying to push the price of gas?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

- (a) and (b) Under the Production Sharing Contract (PSC), the formula or basis on which the prices are to be determined is required to be approved by the Government prior to the sale of natural gas to the consumers / buyers.
- (c) to (e) The Contractor of the KG DWN-98/3 Block submitted the price formula for approval of the Government prior to sale of natural gas. After examining the formula submitted by the Contractor, Government approved the formula on the basis of which prices of gas can vary from 2.5 to 4.2 \$ / mmbtu depending on the price of crude in the international market from US \$ 25 / barrel to US \$ 60 per barrel and above.
- (f) No, Madam.
- (g) to (h) Does not arise.