

PRESENT AVAILABILITY OF NATURAL GAS STANDS AT 167.80 MMSCMD

New Delhi, August 26, 2010

The Minister of Petroleum & Natural Gas Shri Murli Deora informed the Lok Sabha today in a written reply that at present, total availability of natural gas in India, including imported Liquid Natural Gas (LNG), is around 167.80 million standard cubic meters per day (mmscmd), which is projected to be around 202.97 mmscmd, 256.6 mmscmd and 271.92 mmscmd during 2011-12, 2012-13 and 2013-14 respectively. Shri Deora also said that the present demand of various priority sectors in the country is largely being met. Further, spare regasification capacity is available in the country for import of LNG.

He also informed that the present total requirement of natural gas in power & fertilizers sector is around 77.44 mmscmd & 39.61 mmscmd respectively. The projected additional demand of natural gas in power & fertilizers sector in each of the next three years is as follows:

Sector	2011-2012	2012-13	2013-2014
Power	15.59	60*	60*
Fertilizers	3.43	13.44	46.78

*As communicated by Ministry of Power, the total requirement of proposed power plants, whose expected date of commissioning has yet to be certified by Central Electricity Authority (CEA), is around 600 mmscmd. However, only 60 mmscmd has been included in each of the years 2012-13 & 2013-14,

The Minister further stated that cost of production of natural gas varies from field to field, depending on inter alia geological conditions, age of field, location of field, cost of equipments & services, etc. Gas available under Administered Price Mechanism (APM) and New Exploration Licensing Policy (NELP) is sold at US \$ 4.2/million british thermal unit (mmbtu) inclusive of royalty. As regards customers in the North-East, subsidy of 40% is given by the Government. Gas available under pre-NELP contracts is sold at an average price of US \$ 5.24/mmbtu. Further, LNG imported under long-term agreement is sold at US \$ 6.53/mmbtu, while the price of spot cargo presently varies in the range US \$ 5.40-9.4/mmbtu.

The Petroleum Minister added that Government has adopted a multi-pronged strategy to enhance availability of natural gas in the country, consisting inter alia of the following:-

- i) Intensification of domestic Exploration & Production (E&P) activities through NELP rounds,
- ii) Coal Bed Methane(CBM),

- iii) Underground Coal Gasification,
- iv) Gas Hydrates,
- v) Import of LNG from various countries, and
- vi) Transnational pipelines, viz., Iran-Pakistan-India (IPI) Pipeline and Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline.