

Government of Pakistan
Ministry of Petroleum & Natural Resources
Directorate General Liquefied Gases

Subject: - **ACHIEVEMENTS / UPDATING OF WEBSITE "www.mpnr.gov.pk"**

Reference Ministry of Petroleum & Natural Resources (IT Wing) letter No. MIS 1(5)-2007 dated 30th January, 2016 on the above subject.

2. In this regard the desired information pertaining to this Directorate is attached for necessary action.


(Syed Muhammad Ahsen)
Deputy Director (LPG)

M/o Petroleum & NR, (Mr. Faisal Bashir), Network/System Administrator, Islamabad
Dte. General LG's U.O. No. LG-16(1)/2016-Misc-Vol-II dated: 30-01-2017

LIQUEFIED NATURAL GAS: -

- Pakistan is currently facing a severe shortage of natural gas, both for its electricity generation plants and for general use by all sectors. Domestic gas production of 4,000 MMCFD is unable to meet the country's demand; the current supply-demand gap is approximately 2,000 MMCFD and the unconstrained gap is over 4,000 MMCFD. This shortage of energy is not only causing hardship for the people but is also inhibiting the economic growth of the country; the Government of Pakistan is pursuing, inter-alia, import of LNG to minimize the gas shortfall. It was decided to follow an unbundled approach, with separate contracts for LNG procurement and re-gasification, rather than an integrated approach to import LNG.
- For re-gasification of LNG, pursuant to a transparent and competitive bidding process, and ECC as well as Cabinet approvals dated 28th Feb 2014 and dated 18th April 2014 respectively, Sui Southern Gas Company Limited (SSGC) and Engro Elengy Terminal (Pvt) Limited (EETPL) executed an LNG Services Agreement (LSA) on 30th April 2014 for provision of LNG receiving, storage and re-gasification services under a levelized tolling fee of \$0.66/MMBTU for 15 years. The terminal was commissioned on 27th March 2015 in a record time of less than 11 months and since March 2015, 62 LNG Cargoes have been handled at the LNG Terminal. The Terminal has an additional re-gasification capacity of 200 MMCFD which can be procured after full filling the codal formalities.
- The 15-year SPA with Qatar Gas is initially for 2.25 MTPA with deliveries started in March 2016 has been signed by PSO in February, 2016. The volumes will increase to 3.75 MTPA on 1st February, 2017. There is a price review provision which allows either party to seek a price review after 10 years.
- In order to independently deal with LNG Terminal and LNG Supplies two independent companies has been established i.e. Pakistan LNG Terminal Limited (PLTL) and Pakistan LNG Limited (PLL).
- PLL has floated two tenders of 0.75 MTPA respectively for a period of five and fifteen Years.
- PLTL has signed operation and services agreement with PGPCL on 01-07-2016 to establish 2nd LNG re-gasification Terminal on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. PLTL is customer while PGPCL is operator of LNG Terminal. Under the contract, PGPCL will finance, design, develop, construct, procure, install, operate and maintain the RLNG services facility for fifteen years (15 years).

PRESENT LNG IMPORT STATUS AND FUTURE FORECAST: -

- At present one LNG Terminal is in operation and is handling 3 MTPA of LNG which equals 400 MMCFD of RLNG, however, the quantities will increase up to 600 MMCFD (4.5 MTPA) from February, 2017 onwards. With the establishment of 2nd LNG terminal, which is expected to be completed by August, 2017, LNG import volumes may reach 9 MTPA i.e. 1200 MMCFD of RLNG. In addition, upon completion of 3rd LNG terminal at Gwadar, currently under consideration, total LNG import volumes are expected to be 1800 MMCFD (13.5 MTPA) by the year 2018-19. The said information is based on the LNG Terminals completed and under construction/ consideration.
