

ISLAMABAD: Advisor to Prime Minister for Petroleum & Natural Resources Dr. Asim Hussain has directed E&P companies to negotiate Gas Sale Agreement (GSA) with the fertilizer companies for direct sales to them from new and unutilized gas finds on fast track basis. Following this strategy about two months ago OGDCL started first ever negotiations with the fertilizer sector in order to reach an agreement for direct gas sales to them. Earlier, the gas sale agreement of fertilizer companies were with the distribution companies SSGCL & SNGPL. Now this practice is being changed in order to fast track gas sales to the fertilizer industry. This new strategy has been defined by the Ministry of Pet. & Natural Resources during the last two months in order to extend hydrocarbon benefits to the industrial and power sectors directly resulting in value addition of gas, reduction of circular debt and making available cheap fertilizer for the Agriculture sector. Two months ago OGDCL initiated negotiation under the above strategy and concluded signing of a Gas Sale Agreement (GSA) with M/s Dawood Hercules, Lahore, M/s Agri Tech Ltd, Lahore, M/s Pak Arab Fertilizer, Lahore and M/s Engro Fertilizer Co. Ltd, Karachi for provision of 130 MMCFD gas from Kunnar Pashaki Development project District Hyderabad, at the at Ministry of Petroleum & Natural Resources. This will enable OGDCL to supply gas to the hard hit fertilizer sector in order to meet their requirement on urgent basis. It is worth mentioning that this step will enable commercialization of Low BTU gas reservoirs across the country as well. Some of these reservoirs had been lying dormant for the last many years due to lack of infrastructure, poor pricing and various restrictions on the E&P companies.

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Courtesy: Online News