

TO REVIEW LNG IMPORT CONTRACT

# India to negotiate with Qatar for undelivered LNG cargoes

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## OUR CORRESPONDENT

**NEW DELHI:** India will bargain for supply of undelivered gas quantities of past years when it negotiates renewal of its multi-billion dollar LNG import deal with Qatar, an official said.

Petronet LNG Ltd's 7.5 million tonnes a year liquefied natural gas (LNG) import deal with Qatargas is ending in 2028. Renewal, if any, has to be confirmed 5 years ahead of that.

Talks for renewal will start next year and will be conditioned on Qatargas delivering in 2022 the 50 cargoes or shiploads of LNG that weren't taken in 2015, Petronet Director-Finance V K Mishra said.

India in 2015 had not taken delivery of the cargoes as it renegotiated the pricing of the long-term supply contract after prices hit double-digit. Qatar had then agreed to revise the pricing formula subject to India buying an additional 1 million tonnes per annum of LNG.

As regards the cargoes that



Petronet is promoted by four state oil firms - Indian Oil Corp (IOC), Bharat Petroleum Corp Ltd (BPCL), GAIL (India) Ltd and Oil and Natural Gas Corp (ONGC)

were not taken, it was decided that India can see the cargoes anytime during the remainder of the contract that ends in 2028. In case, Qatar is unable to meet the request, the deferred cargoes can be delivered in

2029.

"We have requested Qatar to give us the pending 50 cargoes next year," Mishra said. "They haven't yet given a response to our request."

He said the demand can be

## Highlights

- » Spot LNG prices in Asia rose to a record \$56.33 per million British thermal units on October 6, valuing a standard cargo at about \$190 million
- » Petronet pays about \$11 per mmBtu under its oil-linked contract with Qatar
- » Last year, Petronet had sought 3 cargoes additional to the annual contracted volume, of which Qatar delivered two, an official aware of the matter said

brought up when the renewal talks start.

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Sources said the government is backing Petronet's efforts to get the undelivered LNG at times when energy prices have climbed to record high. The 50 cargoes will come at \$11-12 per mmBtu against more than double the rate that is prevalent in the spot or current market presently.

The Oil Ministry, they said, has assured Petronet to take up on its behalf the demand for supply of undelivered cargoes.