

Natural gas project in AJK to be launched soon

MIRPUR (June 03 2010): An integrated plan was being evolved soon to make the country self sufficient in natural gas production, official sources said. The sources told APP here on Wednesday that the government had chalked out a comprehensive policy to provide natural gas to maximum population across the country including Azad Jammu and Kashmir (AJK).

The government had already launched several projects to extend gas facility to the masses through pipelines and in the form of LPG, the sources added. "Pakistan is blessed with world's biggest stocks of coal in Sindh and these coal resources are proposed to be utilised for the production of gas under a gigantic plan," the sources said, adding, according to the plan, small stations of gas production, using coal, would be installed at different places to supply gas primarily to remote and far flung areas of the country through compressor units. A similar project is also proposed to be launched in AJK soon, the sources said.

Statoil company Norway team visits OGDCL

ISLAMABAD (June 03 2010): Statoil Company Norway delegation comprised three senior executives visited Oil & Gas Development Company Limited (OGDCL) on the special invitation of OGDCL Shah Mehboob Alam MD/CEO to explore further possibilities to discover hydrocarbon resources jointly in Pakistan from May 31 to June 2, 2010.

Statoil Company Norway is among the ten top E&P companies in the world and working at present in 40 countries world-wide showed interest to invest in E&P sector of Pakistan. The delegation was given detailed briefing about various sectors including Geophysics and Geological studies/structure presence of hydrocarbon resources and energy requirements of the country.

MD/CEO OGDCL assured the delegation to extend all possible co-operation and co-ordination for joint venture activities to enhance hydrocarbon resources base in the country. The delegation met Kamran Lashari Secretary Petroleum and Natural Resources along with MD OGDCL. Lashari also gave assurance that the Ministry would welcome the interest of Statoil Company for investment and exploration activities in Pakistan. Thereafter the delegation had a meeting with Naeem Malik Director General Petroleum Concession (DGPC) for detailed discussion and future prospects of E&P activities in this part of the world.

The delegation also visited the officials of Chamber of Commerce of Islamabad and Overseas Investment Ministry, where they had detailed discussion of mutual interest with Saleem H. Mandviwalla, PM's Advisor for investment. The delegation will leave Pakistan for Norway on June 3.-PR

Work on to initiate synthetic natural gas project

ISLAMABAD (June 10 2010): The government is working on a proposal to initiate project '100 MMCFD synthetic natural gas (SNG)'-a product of LPG air mix-with the objective of supplying it to Pakistan Electric Power Company (Pepco) and Karachi Electric Supply Company (KESC) at Bin Qasim to overcome peak load shedding, especially during winter, *Business Recorder* has learnt.

Under the project, proposed by Pepco, 100 MMCFD SNG will be inducted into a system of Sui Southern Gas Company Limited (SSGC) for supplying it to power plants. The work on this proposal is underway keeping in view the gas shortage for power plants and high price of HSFO. "The SNG price is higher than HSFO but less than the price of LSFO and diesel," sources said.

Earlier, SSGC, with the support of Petroleum Ministry, had initiated work on '100 mmmcf synthetic natural gas (SNG) project', which was shelved after Pakistan Research and Development Foundation (PRDF) termed co-mingling of SNG with natural gas (NG) unfeasible. "But now the government wants to try experience of LPG air mix to produce SNG for power plants, sources added.

Pepco said that an exercise is being carried out to use liquefied natural gas (LNG) in Karachi at Bin Qasim Power Plant and allow Swap of an equivalent quantity of MMBTU for use in Pepco power plants in the north. "Use of SNG at Bin Qasim Power Plants (BQPS) shall ensure, as per Pepco's calculation, that the per unit generation cost on Swap gas at Muzaffargarh Thermal Power Station is slightly higher than the per unit generation cost on SNG at KESC Bin Qasim," Pepco said.

Pepco is of the view that natural gas is the fuel of choice for Pepco power plants due to its cleanliness and low cost. The existing gas supplies are not enough and high priced HSFO, LSFO, and diesel fuels have to be used. "This shortfall can, however, be met with supply of an adequate quantity of SNG through imported LPG," Pepco in its proposal said, adding that SNG can be made available in 6 to 7 months. After the bidding process is completed, SNG can be assured for 5 to 7 years till alternative sources like LNG/import of natural gas from Iran, etc may become a reality.

New refinery, oil storage facility planned in 2010-11

ISLAMABAD (June 13 2010): The Trans-Asia Refinery has planned to set up an oil refinery at Port Qasim, Karachi, at an estimated cost of \$450 million, to meet the domestic requirements of petroleum products. The Hascombe Pvt Limited has also expressed intention to establish an oil storage facility, of 6500 tons, at Shikarpur at an estimated cost of Rs 350 million.

According to Annual Plan 2010-11, Coastal Refinery Ltd (CRL) and Boscior Oil Pakistan Limited (BOPL) intend to set up Single Buoy Mooring System Offshore Oil loading/unloading facility near Hub Coastal line, at an estimated cost of \$30 million.

An allocation of Rs 2.6 billion has been indicated during 2010-11 for the fuel sector, excluding the non-budgetary corporations, in the 10th five-year plan 2010-15. During 2010-11, the crude oil production is planned to be 88726 barrels per day against estimated production of 65,500 barrel per day in on-going financial year.

Gas production is planned at 4065 MMCFD against the estimated production of 4000 MMCFD in 2009-10. Coal production target is 4.5 million tons, against the estimated production of 3.5 million tons in 2009-10. Development activities on the blocks already explored at Thar and being allocated to different companies by the government of Sindh will continue during 2010-11. The work on underground coal gasification project at block No 5 will also continue.

An allocation (revised) of Rs 859 million was made for fuel sector during 2009-10 excluding non-budgetary corporations programme. During 2009-10, crude oil production is estimated to be 65500 barrels per day (BPD) against the target of 70,000 BPD showing an achievement of 94 percent, while gas production is expected to be 4000 MMCFD against the target of 4100 MMCFD showing an achievement of 98 percent. Indigenous coal production is expected to be 3.5 million tons against the target of 4.5 million showing 68 percent achievement. A total of 75 wells are expected to be drilled against target of 100 wells.

The Petroleum Policy 2009 has been approved to accelerate the exploration and production activities by encouraging the foreign investment. In the new policy, the factor of the biddable gas price gradient having a weightage of 20 percent has been eliminated. Now the bids will be evaluated on the basis of work programme with related financial commitment on work units. The work on National Coal Policy is also underway.

The technical standards regarding oil transportation (pipelines) petroleum industry (retail outlets, depots for storage of petroleum products, road transport vehicles, containers and equipment used for the transportation of petroleum products) and oil refineries have been notified by Ogra. Ogra has issued four new tube oil blending/reclamation plant licenses.

Mashal LNG project: MoP for giving project to 4Gas in integrated structure

ISLAMABAD (June 14 2010): Ministry of Petroleum and Natural Resources has proposed to Finance Minister Dr Abdul Hafeez Sheikh to award the multibillion dollar Mashal LNG project to Dutch company '4Gas' in integrated structure following the directives of Supreme Court of Pakistan, *Business Recorder* has learnt.

As per the Supreme Court order dated 28 April 2010, the project structure will be integrated and 4Gas will be the Integrated Developer of Mashal LNG project.

Earlier, Economic Co-ordination Committee (ECC) of the cabinet allowed Petroleum Ministry to ink a \$25 billion LNG deal with French firm GDF which was annulled by the Supreme Court after observing some procedural violations.

"After consultation with Finance Minister, Petroleum Ministry has decided to move ECC for award of contract to '4Gas' in integrated structure," sources said adding that it would be recommended to the ECC to approve 4Gas as an integrated developer for Pakistan Mashal LNG Project, which would be responsible for procurement and transportation of LNG, setting up and operation of an FSRU based terminal, unloading, storage, regasification and supplying regasified LNG (RLNG) to SSGC / SNGPL as per the agreed terms and conditions.

4Gas has offered maximum indicative terminal tariff of US \$0.5 per mmbtu to be firmed up after EPC award, on finalisation of FSRU time charter agreement and placing order for major equipment. According to terms and conditions: (i) terminal capacity will be 3.5 mtpa (minimum); (ii) terminal location at Khiprianwala-Port Qasim Karachi; (iii) first gas by Q1 of 2012; (iv) As per ECC approved Letter Of Support (LoS), government of Pakistan (GOP) shall enter into an Implementation Agreement with 4Gas and GOP Guarantee for SSGC's payment obligation will be available; (v) 4Gas to finalise the project timeline within two weeks of the award to meet the project completion date mentioned above; (vi) 4Gas to submit performance bond as per RFP requirements; (vii) after the award of PMLP to 4Gas as an Integrated Developer, 4Gas will enter into formal/final negotiations with the LNG suppliers and submit documentations for review by SSGC/Consultant and the approval of GOP; and (viii) 4Gas to fulfil the requirements of PQA and execute an implementation agreement with the Port Authority.

In September 2009, a Price Negotiation Committee (PNC) was appointed by Ministry of Petroleum comprising of Special Secretary-MPNR (Head), Member Energy-Planning Commission (Member) and Additional Secretary-MoF (Member) to negotiate LNG supplies with Shell.

As some of the suppliers were reluctant to supply to 4Gas and preferred supplying directly to GOP/SSGC, therefore, the PNC negotiations was based on an unbundled approach rather than Integrated as approved earlier by ECC of the Cabinet in February 2007.

Long/medium term volumes offered ranges from 0.5 to 3.5 mtpa DES and were based on the Pricing Mechanism generally followed in the Asia Pacific region. 4Gas offer was for a Conventional Land based terminal of 3.5 mtpa capacity with an early supply option utilising the FSRU till completion of onshore storage and regasification facility. Keeping in view the requirement of gas by end 2011 and to lower the terminal tariff, it was decided to continue with the FSRU based solution for a period of 5 years or more.

Requirement and design capacity of a conventional land based terminal shall be established after two to three years of operation of floating type. The maximum indicative tariff offered by 4Gas is US \$0.5/mmbtu. Channel widening and dredging activities required to be carried out by PQA on fast track to meet the PMLP timeline.

Pakistani delegation leaves for Yemen

KARACHI (June 15 2010): A six-member Pakistani delegation has left for Sana'a to explore and discuss possibilities for the import LPG and LNG for Pakistan from Yemen. According to an announcement here on Monday, Federal Advisor on Textile and Honorary Consul General of Republic of Yemen in Sindh Dr Mirza Ikhtiar Baig was leading the delegation which also included Chairman of Associated Group and Jamshoro Joint Ventures Limited (JJVL), Iqbal Z. Ahmed.

The delegation will meet Yemeni Minister of Oil Amir Al-Aidarous and high officials of the Ministry of Oil to discuss proposed investment in the extraction of LPG project in Yemen for Pakistan.

Oil products imports up 34 percent

KARACHI (June 22 2010): Pakistan's oil products imports have significantly increased by 34 percent to the highest-ever monthly import level of 1.4 million tons in the May 2010 as compared to average monthly imports of 1 million tons so far in the current fiscal year. "The major reason behind this increase is declining production of local oil refineries amid growing circular debt situation," Farhan Mahmood, an analyst at Topline Securities said.

And as a result of this the import of crude oil in May declined to 0.5 million tons compared to average monthly import of 0.6 million tons during the current fiscal year, he added. He said an alarming development for Pakistan's overall balance of payments is the growing reliance on imported oil products.

At a time when current account deficit has reduced close to 2 percent of GDP in FY10, this rising trend of oil import can be a challenge for the government next year when the uncertainty of new IMF loan is still there, he mentioned. In May 2010, oil marketing companies imported 1.4 million tons of oil products which were the highest monthly imports ever witnessed by the country, he said. Due to circular debt crisis, the local refineries are producing less than their capacity.

The total oil products imports stood at 11.2 million tons during 11 months of FY10, as compared to 8.9 million tons during same period last year, up 26 percent. This increase is primarily driven by furnace oil imports, which stood higher by 30 percent on year-on-year basis to 6 million tons. On the other hand, import of crude oil declined by 15 percent in the same period causing total imports to increase by 8 percent to reach 17.3 million tons in the 11 months of FY10.

Import of FO, major fuel for electricity generation in Pakistan, stood at record 0.75 million tons in May 2010. Due to rising FO demand in the country by thermal power plants and restrictive local refinery capacity, imports of FO is consistently increasing. During 11 months of FY10, total imports of FO stood at 6 million tons against 4.6 million tons last year. During this period, FO demand in the country stood at 8.4 million tons.

The figures show that 71 percent of the FO demand is met through imports as compared to 63 percent last year. Similarly, import of petrol in May stood at record 0.1 million tons compared to average monthly imports of 0.05 million tons during current fiscal year. This is mainly due to higher petrol demand amid CNG shortage.

He said circular debt is the major reason behind declining refinery production. Due to liquidity shortage, refineries' demand for crude oil is reduced. The figures show that refineries imported only 6 million tons during 11 months of FY10 as compared to 7.1 million tons, 15 percent lower intake than last year.

In May 2010, crude oil imports stood at 0.5 million tons, the lowest monthly imports in last 18 months, he said, adding that Pakistan refineries meet 73 percent of the crude requirement through imports due to lower indigenous oil production.

He said the two big oil refinery plants are expected to be commissioned in 6-18 months with combined processing capacity of 220,000 barrels per day, more than 80 percent of the country's existing refinery capacity. These are BYCO's 120,000 barrels per day and TransAsia's 100,000 barrels per day processing plants. "We believe that for refinery operations to be viable, the issue of circular debt needs to be resolved," he said.

"Moreover, refinery margins should remain protected via deemed duty, otherwise we might see lower refinery utilisation by upcoming refineries thus putting pressure on Pakistan fragile external account," he added.

Refining plant: Rekodeq to generate Rs 45 billion annually: minister

QUETTA (June 23 2010): Provincial Finance Minister Asim Kurd Gailo on Tuesday said that after installation of refining plant at Rekodeq, the project would generate over Rs 45 billion income for Balochistan. Addressing the post-budget briefing at Civil Secretariat here, he said that Rs 1 billion has been allocated in annual Balochistan Budget for Fiscal Year 2010-11 for installation of a refinery at Rekodeq to refine gold, silver and copper, being explored at Rekodeq and Saindak.

He said that presently gold, silver and copper of Rekodeq and Saindak was shifted to China for refining and later the Chinese government gave some part of it to Pakistan, after taking its share. He said that total Rs 4 billion would be incurred on installation of refinery at Rekodeq, for which Rs 2 billion would be earmarked in Balochistan Budget 2011-12 and Rs 1 billion in the third year.

He recalled that noted atomic scientist Dr Samarmand Mubarak during two meetings with the Balochistan government's stakeholders had assured that installation of refinery at Rekodeq would help in generating Rs 45 billion for Balochistan annually.

He said that installation of refinery at Rekodeq would also create 15,000 jobs, helping in resolving unemployment issue. He said that Rs 12 billion was allocated for establishment of Balochistan Board of Investment which, after consultation and recommendations of experts, would invest in certain sectors.

He said the Balochistan government had disliked the idea of handing over control of Gwadar Port to Singapore government and had conveyed its feelings to the federal government. The provincial government will like to run the port. He hoped that a functional Gwadar Port would provide big revenue to the provincial government.

He highlighted that it was the first time in the history that Balochistan got its due share in the National Finance Commission Award and natural resources. He noted that achievement of such share helped the provincial government to raise salaries of police, Balochistan Constabulary and Levies Force by 100 percent and of other employees by 50 percent besides enhancement in medical allowance by 15 percent. He claimed that earlier, in the past no Balochistan government could raise salaries of the employees by 15 percent. He said that Rs 12 billion was allocated in new budget for law and order against allocation of Rs 6 billion in last year. He added that Rs 200 million was earmarked for the payment to the Frontier Corps Balochistan for helping in maintaining law and order in the province.

He said that huge funds had been allocated in new budget for creation of over 5800 posts, adding that already 5000 posts were being filled under Aghaz-e-Haqooq-e-Balochistan Package. He said that over 6600 other posts were lying vacant at the provincial departments while the federal government had promised to take 5000 youths in federal posts from Balochistan, adding that such process would help provision of jobs to over 20,000 youths.

He said that due to raise in salaries, the Balochistan government would bear Rs 17 billion additional expenditures. He added that non-development expenditures had surged to Rs 83 billion from Rs 53 billion. He said that in new budget, Rs 30 million was allocated for development schemes to be identified by every MPA. He recalled that last year such amount was Rs 50 million for every MPA. He said the efforts were being made to curb corruption. He recalled that in the past, percentage (lion's share) in government contracts was by 24 percent which had been reduced to 12 percent.

He denied giving comments on secret fund of the Chief Minister. He also avoided commenting on purchase of costly vehicles for ministers and officials and additional expenditures of CM Secretariat and Ministers' offices. He said that Rs 7.1 billion deficit of the new budget would be bridged through revenue collection and savings in expenditures on development schemes.

Responding to a question, he said the Balochistan government would not follow Sasti Roti Scheme as launched by the Punjab government. He said that Balochistan culture did not allow launching such schemes, adding that in his view such schemes would amount to turn people into beggars. He said that last year Rs 100 million was paid as compensation to families whose beloved ones were killed in target killing.

£665 million assistance promised: UK has no objection to IP deal, says Hague

ISLAMABAD (June 24 2010): The British Foreign Secretary, William Hague, has said that Britain's new government would provide 665 million pounds sterling to Pakistan in assistance for the next four years. He stated this at a joint press conference with Pakistani counterpart Shah Mehmood Qureshi here during his three-day official visit to Pakistan after assuming charge as Foreign Secretary.

Earlier, the two had held a meeting reviewing the bilateral relations and exchanging views on regional and international issues of mutual interest. Out of this assistance, he said, 200 million pounds would be provided for education sector and 50 million pounds to terrorism-hit areas, and the remaining would be spent in other areas. He said that Pakistan is a sovereign country and UK has no objection on the recent Iran-Pakistan gas pipeline agreement. The British Foreign Secretary said that the new government wanted to strengthen bilateral relations with Pakistan in all fields.

He added that the UK desires to build a long-term strategic partnership with Pakistan and wants to strengthen the existing bilateral ties further. William underlined that there is vast potential of improvement and broadening of bilateral relations between the two countries.

Foreign Minister Shah Mehmood Qureshi said that the two sides decided to carry forward the relations and expand them in diverse fields. He said that both sides also discussed bilateral issues, especially the difficulties being faced by Pakistani citizens in issuance of visas. On Pakistan's role in the war on terror, the British Secretary praised the sacrifices and the resilience shown by the Pakistani people in fighting extremism and terrorism.

"I respect and salute the commitment of Pakistan in fighting extremism and terrorism and the significant sacrifices rendered by Pakistan," he added. The UK Foreign Secretary said that the new government is working on building strong relations with many countries, and India is one of them, and the UK wishes to strengthen its economic and cultural ties with India as well. However, he said, such relations would not affect the ties between Pakistan and the UK.

About the recent UN sanctions imposed on Iran, Hague said that UK supports the UN General Assembly resolution and other additional measures aimed at pressurising Iran to shun its nuclear program. About US proposed strategy pertaining to withdrawal of the ISAF forces from Afghanistan in 2011, he said that his government would favour staying of the international forces in Afghanistan until its own forces are capable in handling the situation.

Qureshi said that Pakistan needed energy for power generation and was working on multi-pronged strategy to address the shortfall, with the assistance of Friends of Democratic Pakistan, the EU and China. However, he said, Pakistan is a responsible country, and would respect the international obligations while dealing with the energy related issues. Regarding the recent dossier handed over to Pakistan by India, Qureshi

said that Pakistan has raised some questions pertaining to the Mumbai attack, and India has given some information in this regard.

Pakistan and Iran reiterate commitment to execute IP, power projects

ISLAMABAD (June 24 2010): Pakistan and Iran on Wednesday reiterated their commitment to execute the Iran-Pakistan (IP) gas pipeline and power trade projects with the remarks that both projects are in the best interests of both brotherly countries. Pakistan is repeating its stance that it will not back out from the gas pipeline project despite pressure from Washington, which is engaged in strategic dialogue with Islamabad.

Official sources confirmed that Iranian Ambassador to Pakistan, Mashallah Shakeri, and Minister for Water and Power, Pervaiz Ashraf, discussed progress on the two projects at a meeting in the Parliament House. The issues pertaining to import of 1000 MW power from Iran to Pakistan and enhancement in power from 35 MW to 100 MW for Gwadar came under discussion during the meeting. According to sources, some issues are unresolved so far with regard to import of 1000 MW electricity.

The Minister for Water and Power, along with a team, will visit Tehran in August to resolve the issues with the Iranian leadership. After the visit of Pervaiz Ashraf, an official delegation, comprising technical experts, will reach Tehran to discuss the technical aspects of the project, including tariff and cost. This would be reciprocated by the Iranian side. National Engineering Pakistan (Nespak) has already finalised feasibility study report of the project, whereas Iran is yet to complete its work.

The Iranian Ambassador briefed the Minister on the recent developments on import of power project and informed him about the current status of transmission line from Iran to Gwadar. Both the Minister and the Ambassador agreed to further expedite the project.

They also agreed that delegation of technical experts from both sides would visit each other's country. The Ambassador stated that Iran is also keen to establish Iran-Pakistan-Turkey rail link. The proposed rail project will further boost bilateral relations with Iran. The Minister replied that Pakistan would fully support the project, as it would enhance regional co-operation.

PEW report: IP gas project will boost Pakistan economy

ISLAMABAD (June 28 2010): Iran-Pakistan (IP) Gas Pipeline Project has the potential to transform Pakistan into an Asian Tiger. It can also help resolve the water dispute with India, said Pakistan Economy Watch (PEW) on Sunday.

IP gas project will not boost Iran's economy and influence to a level that is unaccepted by United States (US). Tehran will never emerge as a monopolistic supplier; it is not a wildcard in the hands of Ahmadinejad.

Americans are opposing the project as they have perceived the project as a threat to their monopoly in the region but have failed to offer any alternative, said Dr Murtaza Mughal, President PEW in a press statement here. Washington needs to understand that benefits of a co-operative strategy are always better than the dividends of a non-co-operative one. Persistent opposition can supplement anti-American feelings among Pakistanis, he warned.

For Pakistan, IP can boost its relations with China and would help resolve the water issue with India, as New Delhi might not be able to ignore this source of energy for long. A gas-for-water deal can emerge as a believable confidence-building measure, he noted. "We need this gas, as our economy is under stress and it cannot absorb the shocks of wide swings in energy prices, having serious repercussions". Mughal said Pakistan has limited ability to develop indigenous resources in the short run without compromising other critically important sectors.

Our policymakers have not developed resources that can keep pace with economic expansion, resulting in great energy demand-supply gap which Iran gas can help subsidize. It is an economic issue for us but the US views it as a political issue that has delayed the project since 1990 when the world's second largest producer proposed sale of part of 974 trillion cubic feet gas, he said. US should stop efforts to deprive Pakistanis of their legitimate right.

Pakistan tops countries running CNG vehicles

Monday, June 07, 2010

ISLAMABAD: Pakistan leaves behind Argentina to top the countries running the highest number of vehicles on compressed natural gas (CNG) and also having the highest number of CNG refuelling stations.

Already, the government, in its Economic Survey 2009-10, has noted that Pakistan has topped the list of countries where the highest number of vehicles are being run on CNG. However, experts believe the trend may receive a setback after a massive hike in the CNG charges, announced by the government in the budget for 2010-11, presented on Saturday.

The International Association of Natural Gas Vehicles (IANGV), in its study, has noted that Pakistan has the world's highest number of CNG-run vehicles, leaving behind Argentina and Brazil, which led this phenomenon for many years.

A senior official at the Ministry of Environment welcomed the healthy trend in the wake of alarming pollution levels in many major cities in recent years, using POL products other than CNG.

"The increase in CNG rate is not my subject but, of course, this may discourage its use to a great extent," he said in response to a question about unexpected hike in its price. The

survey said by end of 2009, the number of CNG-run vehicles had gone up to over 2.4 million, whereas the number of CNG stations stood at 3,105.

The total number of vehicles, excluding hundreds of thousands of rickshaws and motorbikes, across Pakistan is now 5.67 million. Despite the fact that almost half of the vehicles are being run on CNG, air pollution continues to be a major concern. Lahore leads as the most polluted city, followed by Islamabad, the only properly planned city. Peshawar stands at No 3 regarding air pollution while Karachi comes at No 04, the survey pointed out.

Soaring prices of both petrol and diesel, which are amongst the highest in the region, left many people with no other option but to opt for CNG and in less than two years, the number of CNG-fitted vehicles jumped to over 2.47 million, which according to IANGV was 2 million in December 2008.

New petroleum concession blocks deals signed

Islamabad—Ministry of Petroleum and Natural Resources Friday signed exploration licenses and petroleum concession agreements for five blocks with minimum financial work commitment of US \$ 18.65 million, spread over 12343.35 sq.kms. The agreements were signed with Dewan Petroleum Limited by Kamran Lashari, Secretary Petroleum and Natural Resources, Mohammad Naeem Malik, Director General Petroleum Concessions, Dewan Zia Ur Rehman Farooqui, Chairman, Dewan Petroleum Limited.

Minister for Petroleum and Natural Resources Syed Naveed Qamar was also present.

The five blocks for which the exploration licenses petroleum concession agreements were executed include Blocks No. 2869-14 (Kalchas South), 2872-1 (Noor South), 2871-3 (Rukanpur), 2771-2 (Khangarh) and 2871-2 (Yazman) with Dewan Petroleum (Pvt.) Limited (DPL). Talking to media persons, the minister said it was priority of the government to promote self-dependency culture and efforts were underway to exploit local resources to meet energy needs.

He said that local companies would have to take lead to carry out exploration work in view of security situations in certain areas. He said that the government was also signing agreements with other countries to meet energy needs and the IP project finalized recently with Iran was part of such efforts.

He said that majority production of oil and gas was from Sindh but now major discoveries had also been made in the Khyber Pakhtunkhwa. Replying to a question about circular debit, the minister said it had affected not only this sector rather the country's economy, therefore a meeting was held with the prime minister recently in this regard. He said that Rs 41 billion was being released by end of the current month to clear the Pakistan State Oil's (PSO) liabilities.

Replying to another question, he said the Liquified Petroleum Gas (LPG) was a deregulated fuel but the Oil and Gas Regulatory Authority(OGRA) could intervene when its prices hit a specific level. Earlier, the secretary said it was day of happiness seeing such projects were coming up for exploration of indigenous resources to meet energy requirements. He added that a total of 28 companies including 17 foreign were working in the country, adding that progress had been expedited and the ministry signed 31 exploration licenses during six months while in last ten years its average was ranging from 8 to 9 licenses.

Rukanpur, Khangarh and Yazman blocks are mainly located in District Bahawalpur. Noor South block is mainly located in District Bhawalnagar. These four blocks are in Punjab Province. Kalchas South block is mainly located in District Dera Bugti, Balochistan. The DPL is a local petroleum exploration and production company. DPL is the operator of one exploration block namely Safed Koh in District Dera Ghazi Khan and one D&P Lease namely Radho (Salsabil) which is producing 22.37 MMCF gas and 146.96 Barrels of oil per day.