

# LNG SECTOR

## FREQUENTLY ASKED QUESTIONS (FAQS)

## **Frequently Asked Questions (FAQs)**

### **1. What is LNG?**

LNG is Liquefied Natural gas or natural gas in its liquid form at approx. -160 °C. The transformation of gaseous natural gas into a liquid form, achieved through a process of extreme cooling, has revolutionized the energy industry. By reducing the volume of natural gas by more than 600 times, LNG becomes a practical medium for long-distance transportation and storage, facilitating the access to this abundant and cleaner-burning fossil fuel resource.

### **2. What is RLNG?**

RLNG means natural gas obtained after gasification of liquefied natural gas.

### **3. What is Virtual Pipeline?**

LNG virtual pipelines are substitute for physical pipeline whereby gas that would typically be transported through a conventional gas pipeline is instead transported as LNG (Liquefied Natural Gas) to the point of use by sea, road, rail or via a combination of one or more of these transport modes.

### **4. What is the role of OGRA regarding Licensing of LNG?**

Licensing within the LNG sector is overseen by the Oil and Gas Regulatory Authority (OGRA) in accordance with the OGRA Ordinance of 2002, aligning its functions with the LNG Policy of 2011 and the OGRA (LNG) Rules of 2007.

### **5. Are LNG Rules, 2007 placed on OGRA's website?**

Yes LNG Rules, 2007 are placed on OGRA's website.

### **6. Who can apply for LNG License?**

Any company incorporated inside or outside Pakistan having sufficient funds and technical professionals to undertake the project may submit an application to the Authority for obtaining or renewing a licence to undertake a regulated activity, by filing it with the Registrar along with the requisite fee as per LNG Rules, 2007.

### **7. What is the duration of Provisional License for LNG Facility?**

Provisional License is granted for a period of 12 (twelve) months and within this period the licensee shall have to submit application for grant of construction / installation license fulfilling all formalities under Rule 4(3) of LNG Rules, 2007.

**8. What is the duration of Construction License for LNG Facility?**

Construction License is granted for two years.

**9. What is the duration of Operation License for LNG Facility?**

Operation License is granted for a period of maximum twenty years.

**10. Details of LNG Licenses issued by OGRA.**

Details of LNG Licenses issued by OGRA are available on OGRA's website.