

# Mosharraf's murky deal for Niko

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even tried to impose a price of \$2.15 per unit, sources said.

Petrobangla is yet to sign any agreement as this will lead to perpetual loss. Petrobangla's bulk sale price of gas is \$1.2 per unit.

While Petrobangla kept on resisting Niko's price offer, late last year Mosharraf Hossain ordered it to take Feni's gas to tackle a gas supply crisis. Petrobangla started purchasing Feni's gas from November, initially at a rate of 20 million cubic feet per day (mmcf). By January, Niko's supply increased to 40 mmcf.

Till April 30 from November last year, Petrobangla purchased 4.6 billion cubic feet (bcf) gas from Niko-Bapex. According to Petrobangla calculations, if it is forced to accept Niko's price, it will incur more than \$4 million loss by paying for the 4.6 bcf gas.

If the gas price is fixed at \$1.4 per unit, Petrobangla will have to pay \$6.44 million; if the price is \$1.75, the bill comes at \$8.05 million; against \$2.15, the bill stands at \$9.89 million; and if the price is set at \$2.35, the bill will amount to \$10.81 million.

After Niko's incompetence and negligence led to the Tengratila gas field blowout in early January this year--the Canadian company started putting pressure on the payment for its gas. In March, when the country was undergoing tremendous gas crisis, Niko threatened to snap gas supplies unless it is paid \$5 million. Petrobangla paid it \$2 million under pressure from the minister.

Within one month, Petrobangla once again faced pressure to pay Niko another \$2 million.

Niko, which got access to the Feni marginal gas field through a contro-

versial joint venture with Bangladesh Petroleum Exploration company (Bapex), keeps on relentlessly hammering on making Petrobangla sign an unusual Gas Purchase Supply Agreement (GPSA).

When it was developing the Feni field last year, it had initially asked for \$2.75 per unit--a price close to that of the off-shore Sangu field, which is the costliest in Bangladesh.

However, Sangu's gas is produced under a Production Sharing Contract (PSC) with Cairn in which Petrobangla gets more than 55 percent gas for free plus it has paid back the major chunk of Cairn's investment. As a result, the practical price for per unit Sangu gas is \$1.45.

The per unit practical price of the Jalalabad gas, which is also under a PSC with Unocal, is even cheaper now--only 98 cents. Petrobangla has completely paid back Unocal's investment and now has more than 70 percent share of this field.

But Feni gas field gives Petrobangla no free gas as this is not under a PSC.

Under the Joint Venture Agreement, Bapex gets 40 percent share of Feni's gas. But, the agreement is designed in such a way that for the first 10 years, Bapex gets no cash benefit. Bapex's 40 percent share of gas will be used for Niko's cost recovery.

Again, as per the agreement, Bapex is supposed to buy Niko's gas and sell it to Petrobangla although the arrangement did not take place.

In early 2004, Niko and Bapex struck gas in the Feni gas field, once used and abandoned by Petrobangla. It is a small reserve with less than a hundred billion cubic feet

reserve.

Petrobangla buys gas from its affiliates like Bapex or Bakhrabad gas field at "well-head" price, which is typically much lower than its variable sale price of \$1.1 to \$1.4 per unit.

Petrobangla presently spends around \$14 million to purchase 340 mmcf gas from Sangu, Jalalabad and Moulvibazar fields under different PSCs. The Jalalabad field has a proven reserve of 1.6 trillion cubic feet (tcf) while Sangu has about 800 bcf and Moulvibazar field has 440 bcf.

Mosharraf previously master-minded the Kafco agreement with Japanese Marubeni-led consortium under which Bangladesh heavily subsidised gas supplies to Kafco incurring hundreds of crores of taka loss.

Niko disqualified in the Second Round Block Bidding for oil and gas exploration under the PSCs in 1997. But it kept on trying to enter the Bangladesh gas sector through the backdoor and finally got access to the sector through a hush-hush joint venture deal with Bapex and also through purchasing shares of an American oil company in Block 9.

The last year's deal with Bapex gives Niko access to three marginal and one unexplored gas fields. The deal violates the government policy that an unexplored gas field will be given to foreign oil companies through competitive bidding if it is not reserved for the future.

The joint venture deal also helped Niko avoid a competitive bidding. But Niko wants incentives and benefits received by competitive bidders who signed PSCs.

# Hartal ends peacefully

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passage of the budget for FY 05-06 without taking into account its 13-point revision proposal. The budget was passed in parliament yesterday. Of the other opposition parties, Jatiya Samajtantrik Dal (Inu) extended its support to yesterday's hartal.

Activists of ruling BNP attacked a pro-hartal procession of women near Mouchak Market in the city at about 11:30am while police charged batons on it. The procession came under simultaneous attacks from the ruling party men and police when it was approaching the market from Malibag Intersection, chanting anti-government slogans. The BNP member also yelled a torrent of abuses at the women pickets.

The dispersed activists of Jubo Mahila League later regrouped. But as they tried to damage vehicles on the streets, the police resorted to batons again against them and picked up two -- Nila and Mitu-- from the scene.

When the photojournalists went to take snaps of the melee, some BNP men, mostly activists of its youth and student wings, barred them and tried to snatch their cameras. But the journalists caught Saiful, one of the youths threatening to shoot the lensmen, and handed him over to police.

The workers of Jubo Mahila League brought out another procession from Dhanmondi area. When it reached near Dhaka City College, police stood in its way and scuffled with the pickets.

At around 10:30am, the policemen chased a procession of pro-hartal activists at Shahbagh and charged batons on a Sramik League procession at 11:00am in city's Motijheel area.

Like the other hartal days, police cordoned off the AL central office on city's Bangabandhu Avenue with barbed wire fences from early in the morning. City unit leaders and workers brought out a procession in

front of the party office in the morning.

The AL lawmakers, under AL Parliamentary Party banner, took out a procession from Jatiya Sangsad at 10:30am. On parading the Mirpur Road, they held a rally at Russell Square. AL leaders Abdur Razzak, Mohammed Nasim, Shahjahan Khan, and Dr Abdur Razzak spoke at the rally.

The overall presence of hartal pickets in the capital yesterday was thin compared to other hartal days. Still, attendance in the government and private offices was small while activities in the country's main seaport in Chittagong and transactions at the stock exchanges were hampered.

Our Chittagong correspondent adds: The city life was quite normal throughout the day in the port city. Most of the shopping malls, shops, and kitchen markets bustled with people as usual. Except long-distance buses and trucks, all other vehicles came out on the city streets.

The AL rank and file stayed off the road most of the time. Only a mini-rally attended by no more than 20 leaders and activists was held in the morning at New Market Intersection.

Everyday operations at the Chittagong Port however were disrupted as no delivery could take place during the hartal hours. Train and flight schedules were normal.

Our correspondent from Rangamati reports: At least five Jubo League men received minor injuries when police and the ruling BNP activists swooped on the pro-hartal activists at Bat Tala in the hill town yesterday morning.

Our correspondents from different parts of the country including Rajshahi, Khulna, Gopalganj, and Lalmonirhat reported that the dawn to dusk hartal did not cause any disquiet.

# 2 to die for killing

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court during hartal hours and both were acquitted.

The convicts are Amir Hossain Babu and Shahed Ali alias Zia, while the three other acquitted are Robin alias Narottam Saha, Sagar and Kamal Bepari.

Babu had given a confessional statement to a magistrate revealing involvement of the other accused in the murder. But they were discharged of the murder.

The punishment of the convicts will be effective from the day of their arrest or surrender, the court said.

Earlier on July 19, 2003, gunmen opened fire on guests at the wedding party, killing Nazma Akhter and hurting 10 others in Kazipara in Kafur.

It was the wedding of Golam Mostafa Labu, assistant organising secretary of Dhaka city Jubo League (North). Nazma, sister of bride Afroza Akhter Dolly, was carrying.

The assailants left the scene shooting Shabbir Alam Litu, general secretary of the Tejgaon thana unit Jubo League, four times point-blank.

But a number of guests chased then and caught Babu and Shahed from a house in Sheorapara.

Babu and Shahed had obtained bail from the High Court and gone

into hiding since then.

Meantime, the court staff did not cooperate with journalists on the verdict information and played hide-and-seek with them.

The journalists wanted to meet the judge for correct information at about 2:30pm but the Pesker said he had left his chamber.

However, the judge left the chamber at 6:00pm, Special Public Prosecutor Aminul Islam said.

# Outlaw killed

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the law enforcers, sources said.

The police said they returned fire and Sahin was bullet-hit and killed on the spot when he made an attempt to escape. They seized a shutter gun and nine bullets from the scene.

Sahin, son of Haq Ali, was accused in nine cases including three for murders, the police added.

In Daulatpur, unidentified assailants killed aged businessman Arzan Ali for not giving them toll.

Family sources said criminals had demanded Tk 50,000 from Arzan, a tea shop owner, threatening him with death on failure.

Police said the assailants stormed the businessman's house, took him to a nearby road and shot him to death at about 4:00am.

official."

Asked why the Rab was not arresting Mustaque, the official said, "Just send someone who can complain against him."

# Dhaka urges

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investigation. It said the FBI agents are being accorded full access to witnesses and evidence.

Bangladesh has also urged all not to act in any manner that can pre-judge the outcome of the ongoing investigation.

It has requested all to wait for the results of the protracted investigation process to ensure that all perpetrators of this heinous crime can be brought to justice.

"The government is aware of the strong emotional aspect of the case that not only touches the members of the family of Kibria but also appeals to the minds of all peace-loving people of Bangladesh and beyond," it said.

The statement reminded that determination and sincerity of Bangladesh government in unearthing the case have been duly appreciated by the US administration and a number of Senators and Congressmen.

A letter addressed jointly to the secretary of state by four US Senators and eight Congressmen most of whom represent Massachusetts, the home state of Kibria's daughter Nazli Kibria, also appreciated the actions taken by the government to investigate and prosecute the killing of Kibria.

"We recognise and appreciate that the government of Bangladesh has arrested eight individuals and is seeking justice in the Kibria assassination case," the embassy quoted the letter as saying.

The letter also mentioned that 22 people were sentenced to death by the court in Ahsanullah Master MP murder case and added that his family members have also expressed full satisfaction with the verdict.

# IMF releases

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be boosted if the government eases restrictions on foreign direct investment in the readymade garment sector, reduces the number of trade-related quantitative restrictions on imports and takes further measures to address the infrastructural bottlenecks.

About the NCB reforms, Rato referred to the issuance of an information memorandum regarding the divestment of Rupali Bank in May and said the bank is expected to be divested by the year-end.

The PRGF loan of about \$ 507.7 million scheduled to be disbursed in three years' time was approved by the IMF on June 23, 2003. It was set to be disbursed in seven instalments. A newly created loan facility called TIM worth about \$78 million was approved by the Executive Board on July 28, 2004. It was planned to be disbursed in three instalments.

# China wants

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During the meeting, the prime minister mentioned the investment-friendly policy of her government and assured that more facilities would be provided for foreign investors, if necessary.

She hoped that China would import more Bangladeshi commodities and also allow duty-free access of more commodities to its market.

The visiting Chinese minister appreciated the development efforts of the present government and said the relationship between the two countries would be consolidated further.

Other bilateral and international issues of common concern also came up for discussion.

Referring to the 2008 Olympic Games to be hosted by China, We Dawei expected all cooperation from Bangladesh in making the event successful.

Chinese Ambassador in Bangladesh Chai Xi and Prime Minister's Principal Secretary Kamal Siddiqui were present.

# Cops get court

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estranged wife Bidisha, filed the GD with Uttara Police Station on Tuesday. She accused the JP chief of threatening her and her family members with death.

The petition quoting the GD said Ershad had threatened Trisha and her family with death if Bidisha stayed at her house.

Meanwhile, Judge Kamrul Islam Mollah (in-charge) of the Court of District and Sessions Judge, Dhaka yesterday extended the ad-interim bail of Bidisha in the cheating case.

The court extended it until July 17 following a petition filed by the defence lawyers.

# Dollar crisis

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of a foreign bank. "The private banks get a fraction of their need only for priority sector LC settle-

# JS passes budget

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to implement.

The present government will present another budget next year before its expiry in October but it will be executed by three governments including the present one.

The budget for FY06 has been described by many as an election budget as the ministry-wise allocation shows the highest Tk 6,013 crore allocation goes to the LGRD ministry.

The finance minister however said on Wednesday that they had scripted the budget that would build a bright future for the country, alleviating poverty and creating new jobs.

The education ministry has received Tk 5,659 crore allocation, defence Tk 5,075 crore, communications Tk 4,900 crore, food Tk 4,508 crore and health ministry Tk 4,240 crore.

The budget has kept Tk 22,545 crore under the finance division to be spent for investment and capital expenditure purposes.

In absence of the main opposition members, the lawmakers of the Jatiya Party and Krishak Sramik Janata League participated in the process of passing the budget.

They criticised the government for wastage of money, corruption in

the public administration, extra-judicial killings, and lengthy process of disposing of pending cases.

Ministers present in the House, however, said sufficient measures have been taken to address the problems and people are getting benefits from the government's initiatives.

Finance Minister M Saifur Rahman, Law, Justice and Parliamentary Affairs Minister Moudud Ahmed and State Minister for Home Lutfuzzaman Babar spoke in the House.

Discussion on the proposed budget began on June 15. A total of 88 lawmakers took part in the discussion in 12 working days.

The AL lawmakers on Wednesday staged protest inside the parliament building waving black flags in protest against the budget what they termed a budget of black money.

The main opposition also enforced a countrywide dawn-to-dusk hartal yesterday, as the government did not meet their 13-point proposal for amendment to the budget.

The budget session was adjourned yesterday until July 4.

# 3 arrested over food poisoning

**COURT CORRESPONDENT**

The police have arrested three persons of a fast food shop on charge of supplying adulterated food items to a meeting that caused food poisoning to 28 people including two ministers.

The police said organisers on Saturday bought fast food items from Food Plus and served those to participants of the 28th annual general meeting of Bangladesh Samabaya Bank Limited at Mahanagar Natya Mancha in the capital.

LG RD and Cooperatives Minister Abdul Mannan Bhuiyan, Deputy Minister for Land Ruhul Kuddus Talukder Dulu and Hedaitul Islam Chowdhury, secretary of the Rural Development and Cooperatives Division, fell sick after having the food.

The deputy minister, the secretary and the 25 others were admitted to different clinics and hospitals in the capital.

Motijheel police arrested Wallullah Majumder, manager of Food Plus in Motijheel, and cooks -- Mojibur Rahman and Ainul Haq -- on Wednesday after BK Patwari, deputy manager of the Samabaya Bank, filed a case.

The police yesterday took them to the Court of Chief Metropolitan Magistrate, Dhaka seeking a 10-day remand.

The court however rejected the remand prayer and ordered to send the arrestees to jail.

The investigation officer (IO) in the case mentioned in his forwarding report owner of Food Plus MA Matin in connivance with the arrestees prepared the food items with rotten eggs and other stale ingredients.

# Niko indifferent

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steps to mitigate the miseries of the locals many of whom had to leave their houses on safety grounds following the blowout and fire.

Shop owners at Tengratila bazar adjacent to the gas field said Niko have declared one square kilometre area as 'danger zone' and we cannot keep our shops open to earn a living. "We do not know when the situation will be normal, and even the company people cannot say anything about it," one of them said in utter frustration.

Meanwhile, reports that the Canadian company is going to drill a fresh relief oil to seal the main well damaged in the January 8 blowout and fire have intensified panic among the people of Tengratila area.

Public protest against allowing the company to operate further at this gas field mounted amid fears of further disaster if Niko's operation continued.

Rallies and demonstrations were held yesterday and the day before in different areas including Sylhet city demanding an end to 'irresponsible activities' of the Canadian company that led to repeated blowouts at the same gas field.

Different organisations demonstrated at Tengratila on Wednesday to press the demand for immediate steps against Niko for the damage of gas resources and environment.

In Sylhet city, Greater Sylhet Gonodabi Parishad held a rally on the day to denounce Niko's 'destructive activities'.

At Tengratila, the blaze continued yesterday with flames leaping 220 to 250 feet amid moderate rainfall almost for the whole day. The area experienced jolts as on the previous four days.

# Rajshahi jail

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They gave statistics of their salaries since the pre-liberation times that show they had never got lower wages than privates and police constables.

Before independence, the jail guards' pay scale was between Tk 75 and Tk 105, while army and police of equal rank got Tk 73 to Tk 100.

After the Liberation War, the new pay scales for the three categories were equalised and they got a uniform scale of Tk 1,625-Tk 2,905 through the last pay commission.

In the new pay scale, jail guards are entitled to get Tk 2,600 and police and army members Tk 3,150.

The jail guards' other demands include a two-day holiday in a week, framing of the jail police act and allowances for marriage, 100 percent home rationing and a jail academy.

# Robber cop

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several times in the past.

Assistant Commissioner of Detective Branch (DB) of Police Md Moniruzzaman who quizzed the Sergeant, who is now on a four-day remand, said, "During interrogation sergeant Julfikar Ali admitted that he had snatched money from people several times before."

Julfikar, who lives in a 1400 sq ft flat at Green Road that he bought at Tk 25 lakh, leads a lavish life. Police, however, said that he had worked in the UN missions thrice.

Over 32 hours into the robbing incident the police are yet to recover the looted money despite their intense search at different places.

Though Sergeant Julfikar said the money is with one of his sources who has been missing since Julfikar's capture, the police suspect that he (Julfikar) has the money in his possession.

Investigation Officer (IO) of the case Shamsul Islam, an Inspector of Detective Branch (DB) of Police, placed the police sergeant before the Court of Chief Metropolitan Magistrate, Dhaka with a petition of remand for seven days.

Detective police said they would launch an aggressive drive during the remand period to recover the looted money.

Meanwhile, police quizzed Patrol Inspector (PI) Arshaduzzaman yesterday, but found no evidence of his involvement in the looting.

# Shahriar shines

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run stand for the sixth wicket with Mashud after Bangladesh were reduced to 75-5. The previous best of the 19-year-old, who was playing only his fourth game, was 47 also against Australia at Old Trafford, Manchester.

Mashud, whose previous best was exactly 50, hammered an unbeaten 71 off 105 balls. The experienced Rajshahi wicketkeeper hit four boundaries in his partnership with Khaled Mahmud, which was worth 57 in 47 balls.

Mahmud, who came in place of left-arm spinner Manjarul Islam, scored a brisk 22.

Earlier, Bangladesh captain Habibul Bashar during his 24-ball 30 smashed four boundaries in one Brett Lee over. But his innings was cut short by a snorter from Shane Watson.

Bashar would have loved to have won the toss and fielded first in overcast conditions. But it was not be after incorrectly calling the coin for the seventh time (including the two Tests) in eight games.

There was also no surprise from his Australian counterpart Ricky Ponting, who will never forget the refusal decision he made in the first meeting of the two sides at Cardiff.

About a thousand Bangladeshi supporters with a few wearing the one-day jersey of the Tigers and painting their faces with red and green colours were however least concerned with the toss factor.

They were confident of a good start especially after the last two games, where Bangladesh provided some solidity at the top.

But they were unstuck by the

Ashraful hit a magnificent six over square leg off the third ball he faced off Lee, and the crowd roared in anticipation of yet another thunderstorm from the little genius after his 100 and 58 against the same side.

But the audience was stunned into silence when Ashraful tried to drove an off-stump yorker and was clean bowled.

# UK gives 50m

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161 million pounds and Bangladesh government will contribute the remaining 122 million pounds through the Annual Development Programme (ADP).

The DFID will provide 38 million pounds for investment components to the Rural Electrification Board (Reb) through the finance ministry, while 10 million pounds to increase access to electricity of poor people through micro-finance and 2 million pounds through USAID to provide technical advice for cooperative members' education, impact studies and supervision.

At present only 25 percent of the rural population in Bangladesh has access to electricity.

The Rural Electrification Board will start implementing the programme from July 2005, and once the electricity lines are installed, they will be run by rural electricity cooperatives to operate on a break-even basis.

The DFID programme will strengthen the work of the local electricity cooperatives, which manage the service at the local level and will also help improve their performance by funding training for managers and members.

# Wife sues CNG

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Aklima Akhtar Babita accused CNG owner Anwar Mollah alias Mohammad Anu Miah of killing her husband in a preplanned way as he had enmity with Amir.

Anu compelled Amir to run the vehicle on a day of hartal enforced by the Awami League, because in any case Amir had to pay the daily fare of Tk 520 for the autorickshaw, said the complainant. Anu also threatened Amir that he will not rent out the vehicle to Amir any more if he had not run it on that day, said Aklima.

When Anu went out with the vehicle, Amir also went with him and travelled about the locality for a couple of minutes to show Amir that there were no pickets.

But some 100 yards off, three unknown men stopped the CNG pretending as passengers, the complainant said. Then they poured petrol on Amir and set fire.

Amir ran for the garage where Anu told him that his men set him on fire. Anu then fled the scene, threatening Amir not to disclose the matter to journalists.

# Niko to drill 2nd relief

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24 and the blaze still rages.

The January 8 blowout took place when Niko drilled around 800 metres with only 300 metres of concrete casing in the well. In case of the Magurchhara blowout, US company Occidental had resorted to a similar faulty operation with smaller concrete casing.

Niko was then lucky that the subsequent blaze was automatically tamed within a week but the area was left with numerous cracks. In the absence of government pressure on the company, it took a long time to begin drilling a relief well to repair the damaged main well.

The delayed drilling of a relief well allowed enough gas in the damaged gas field to seep out to different points and accumulate, creating heavy upward pressure resulting in the second blowout, experts say.

Niko will now have to drill a relief well to reach the first blowout point at a depth of nearly 800 metres.

The two blowouts led to a huge gas loss for Bangladesh while Niko had all its losses covered by insurance.

During the first drilling, the company had a \$20 million insurance coverage against its estimated expenditure of \$15 million. When it started relief well operation, it arranged a fresh \$20 million coverage, sources pointed out.

"The issue with Niko is its inability to carry out such an operation properly and sincerely. But the company have to do so this time, no matter how much it costs them," said an official who was present at yesterday's meeting.

Another official said, "Even if they (Niko) start their remedial operation this month, the actual spudding of the relief well will take place much later. The rig now deployed at Moulvibazar gas field will be available when Unocal completes using it. Then they will dismantle it and finally mobilise it. It will need at least two months to get this rig at Tengratila."

Niko started drilling at this abandoned field in December last with a target of reaching 1,700 metres.

In the wake of the first disaster, the government had formed to probe committees. The committees came up with the view that the first blowout caused a loss of more than 10 billion cubic feet of gas worth \$2.5 million dollars and caused widespread environmental damage.

This time also the government formed two committees which are investigating the disaster.

Tengratila field is located in an unexplored gas field area that was given to Niko violating a number of rules and harming the interest of the nation. It is estimated that the affected area in this field has over 150 billion cubic feet of gas while it has a much bigger reserve further down.