

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3359
ANSWERED ON:15.12.2005
FORMATION OF JOINT VENTURE BY GAIL AND HPCL
Vallabbhaneni Shri Balashowry

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether GAIL (India) Limited and Hindustan Petroleum Corporation Limited propose to form joint venture to pursue oil and gas exploration;
- (b) if so, the details thereof;
- (c) the total investment earmarked for this purpose;
- (d) whether there is any proposal to go abroad for exploration; and
- (e) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): On 16th November 2005, GAIL (India) Limited (GAIL) and Hindustan Petroleum Corporation Limited (HPCL) have signed a Memorandum of Understanding (MoU) to jointly identify and pursue Oil, Gas, Exploration and Production (E&P) activities in India and abroad. This is expected to meet the strategic needs of both the companies. The scope of the MoU includes the following:

- (i) Prepare a `Blue Print` for E&P business model for India and Overseas.
 - (ii) Identify and evaluate business opportunities in E&P related sectors in India as well as countries in Middle East, South Asia, Africa and other regions of interest.
 - (iii) Joint bidding for Blocks in NELP, CBM Bidding Rounds in India and abroad;
 - (iv) Jointly Explore possibilities for farm-in option in already awarded exploration blocks in India and abroad;
- (c): No investment has been earmarked for such ventures at present. Investment quantum will depend on the type of E&P opportunities available and pursued.
- (d) & (e): Although, no bid has been submitted till date by GAIL & HPCL consortium for any exploration & production blocks, GAIL has recently bid for exploration blocks in Australia along with Prize Petroleum (a JV of HPCL, ICICI), OILEX NL and GSPC.