

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

UNSTARRED QUESTION NO:3449
ANSWERED ON:15.12.2005
ACQUISITION OF OIL BLOCKS IN FOREIGN COUNTRIES
Ahir Shri Hansraj Gangaram

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

- (a) whether the Public Sector oil companies have procured oil blocks in other countries;
- (b) if so, the details of the oil blocks procured by each oil companies during the last three years;
- (c) the volume of petroleum products proposed to be sent by these companies keeping in view the requirements of petroleum products in the country;
- (d) whether it is going to effect the import of petroleum products of the country; and
- (e) if so, the other steps taken/being taken by the Government to make the country self-sufficient in the production of petroleum products?

Answer

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

(a) & (b) : During the last three years the public sector oil companies viz., ONGC Videsh Limited (OVL), Oil India Limited (OIL), Indian Oil Corporation Limited (IOC) and GAIL (India) Limited acquired Participating Interest in various Exploration & Production (E&P) properties in Sudan, Australia, Ivory Coast, Qatar, Egypt, Libya, Syria, Cuba, Nigeria, Vietnam and Myanmar. The details are given in the Annexe.

(c) : By acquiring equity ownership of overseas E&P projects, these companies would be in a position to bring crude oil to India depending on commercial viability. While in normal circumstances the crude oil could be sold on commercial considerations, in times of national requirement the same can be brought to India. Availability of overseas equity oil, therefore, effectively provides the country with the necessary supply assurance.

Except for the Greater Nile Oil Project (GNOP) in Sudan, Sakhalin-I Project in Russia and the Vietnam Project, in which OVL have participating interest, the other overseas assets are at various stage of exploration. Hence, the quantum of oil and gas available from these projects would depend on the outcome of the exploratory efforts.

Currently, OVL is producing crude oil from the GNOP in Sudan. During 2003-04, 2004-05 and 2005-06 (till December '05) OVL has brought 0.81, 0.33 and 0.08 million metric tonnes (MMT) of crude oil respectively, to India out of its share of production.

The gas produced from the Vietnam project of OVL is being sold to the domestic power plants in that country. The gas being produced on a limited scale from the Sakhalin-I project is also being sold domestically. Production from other properties which are at various stages of exploration has not been started.

(d) & (e) : About three-fourths of the national demand for crude oil in terms of refinery through-put is met through import. In so far as domestic production of petroleum products is concerned, the country has become a net exporter in recent times. However, with the growth of Indian economy the demand for petroleum & petroleum products is increasing. Various measures are being taken to substantially accelerate exploratory activities for enhancing domestic oil and gas production. These measures include the following:-

(i) increasing exploration efforts through the New Exploration Licensing Policy (NELP): Under NELP, 108 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding. This includes 18 Exploration Blocks recently awarded in the fifth round of NELP;

(ii) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes. In particular, Oil and Natural Gas Corporation Ltd.(ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(iii) exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields;

(iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over and stimulation operations, drilling of wells etc. in producing areas; and

(v) acquiring equity oil and gas from abroad.

The refining capacity of the country which was 127 MMT as on 1.04.2005 is expected to increase to 138 MMT by next year as a result of expansion in the capacity of existing refineries and setting up of a few new refineries.

ANNEXE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 3449 BY SHRI HANSRAJ G. AHIR TO BE ANSWERED ON THE 15TH DECEMBER 2005 REGARDING ACQUISITION OF OIL BLOCKS IN FOREIGN COUNTRIES

Participating Interest acquired by the National Oil Companies during the last three years, in overseas E&P properties.

Name of the Project and country Participating Interest with details of partners

Greater Nile Oil Project OVL - 25%
Sudan CNPC - 40%
Petronas - 30%
Sudapet - 5%
(Joint- Operatorship)

Block NC -188 & NC - 189 OVL - 49%
Libya TPOC - 51%
(Operator)

Block # 24 OVL - 60%
Syria IPR International - 40%
(Operator)

Block 5A OVL - 24.125%
Sudan Petronas- 68.875%
(Operator)
Sudapet - 7%

Block 5B OVL - 23.5%
Sudan Petronas- 41%
(Operator)
Sudapet - 11%
Lundin - 24.5%

Block CI-112, Ivory Coast OVL - 23.5%
Oil India Ltd. -11.5%
Vanco - 30% with Operatorship,
Sinopec - 30%
Petroci - 5%

Najwat Najem Oil Structure, OVL - 100%
Offshore, Qatar (Operator)

Block-6- North Ramadan, OVL- 70%
Egypt IPR -30%
(OVL and IPR will jointly develop the block with IPR taking the lead during exploration phase.)

Blocks 25, 26, 27, 28, 29, OVL - 30%
and 36 (including part of Repsol -YPF - 40% (Operator)

Block 35), Cuba Norsk - Hydro - 30%

Block 34 & 35, Cuba OVL-100%

Block 81-1, Libya OVL-100%

Block-2, Nigeria OVL - 9%
Sao Tome Principe EEL- 6%
JDA Pioneer Energy - 33% (Operator)
EHRC Energy Inc. - 32%
A & Hatman - 10%
Foby Engineering - 5%
Momo Petroleum Ltd. - 5%

Block 127, Vietnam OVL-100%

Block 128, Vietnam OVL-100%

Block A-3, Myanmar OVL - 20%
Daewoo-60% (Operator)
KOGAS - 10%
GAIL - 10%

Block-86, Libya OIL -50% (Operator)
IOC - 50%

Block-102 (4) OIL - 50% (Operator)
Libya IOC- 50%