

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

UNSTARRED QUESTION NO:312
ANSWERED ON:01.03.2007
ROYALTY ON PRODUCTION OF OIL AND GAS
Rao Shri Kavuru Samba Siva

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

- (a) the revenue collected as royalty on production of Oil and Gas from exploration and production companies during each of the last three years;
- (b) the projected production, supply and demand of natural gas during 2007-2015;
- (c) whether the Government proposes to formulate a new policy to protect its revenue collection, allow exploration and production companies to sell natural gas at any price to the consumers and avoid any loss of revenue in terms of royalty and profit to the government; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

- (a) The Royalty paid to the Central and State Governments on production of oil & gas during the last three years is as under:

Year Amount (In Crore)

2003-04 3854.69
2004-05 4904.08
2005-06 6113.38

- (b) As per report of the working group on Petroleum & Natural Gas for the XI plan (2007-2012), the supply and demand projections are as under:-

S.No. Year Supply Demand

1 2007-08 110.99 179.17
2 2008-09 153.58 196.64
3 2009-10 242.47 225.52
4 2010-11 267.09 262.07
5 2011-12 285.42 279.43

(Figures in MMSCMD)

- (c) & (d) The Government does not propose to formulate a new policy at the moment. As per the existing provisions of the Production Sharing Contracts, the Operators are free to sell the gas at market driven prices.