

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

STARRED QUESTION NO:574
ANSWERED ON:05.05.2005
STRATEGIC RESERVE FACILITY FOR CRUDE OIL
Madhwaraj Smt. Manorama;Murmu Shri Rupchand

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

- (a) whether the Government has any plan to set up strategic reserve facility for crude oil in the country;
- (b) if so, the details thereof and the locations identified for the purpose;
- (c) the funds allocated for the purpose; and
- (d) the time by which it is likely to be set up?

Answer

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

(a) to (d): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NUMBER 574 TO BE ANSWERED ON 5.5.2005 REGARDING STRATEGIC RESERVE FACILITY FOR CRUDE OIL

- (a) & (b) Yes, Sir. Government have approved the building of Strategic Crude Oil Reserves of 5 Million Metric Tonnes (MMT) at Mangalore (1.5 MMT), Vizag (1.0 MMT) and Mangalore or nearby location (2.5 MMT). It is estimated that the capital investment for building strategic storage reserves at Mangalore (1.5 MMTPA) and Vizag (1 MMTPA) will be approximately Rs. 1360 crores at June, 2004 prices. Additionally, the cost of filling the strategic crude oil storage would be based on prevailing international prices of crude.
- (c) A Special Purpose Vehicle (SPV) by the name of Indian Strategic Petroleum Reserves Limited (ISPRL) has been incorporated on 16 June 2004 as a wholly owned subsidiary of IOCL with an initial investment of Rs. one crore.
- (d) The construction time is expected to be around 48 months from the date of award of the work.