

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

UNSTARRED QUESTION NO:1773
ANSWERED ON:16.07.2009
PRODUCTION OF OIL FROM COAL AND ETHANOL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is considering to restart work on the projects to produce oil from coal and ethanol in view of the increase in crude oil prices at international market;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): Government of India vide Notification dated 12th July, 2007 has notified coal liquefaction as one of the end uses under the captive mining policy. This has enabled the Government to allot captive blocks to potential entrepreneurs entering into the business coal liquefaction. Subsequently, Government has allotted two blocks each with 1500 millions tonnes of coal reserves to M/s. Strategic Energy Technologies Systems Ltd. and M/s. Jindal Steel & Power Ltd. (JSPL) for their proposed Coal To Liquids (CTL) projects on 27th February, 2009.

The proposal of M/s. Strategic Energy Technologies envisages producing 3.6 million tonnes per annum of diesel fuel including NAPHTHA, Liquefied Petroleum Gas, and Gasification by-products like ammonia, phenol etc. and includes a captive power generation plant of 600 MW capacity.

The proposal of M/s. JSPL envisages producing 4-4.5 million tonnes per annum of diesel and oil products and establishment of 1350 MW middling based thermal power plant and 160 MW generation capacity from the process for export.

The Govt. of India vide its notification dated 20th September, 2006 has directed the Oil Marketing Companies (OMCs) to sell 5% Ethanol Blended Petrol (EBP) subject to commercial viability as per Bureau of Indian Standards specifications in entire country except North- Eastern States, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshdweep with effect from 1st November, 2006. The programme is being implemented in 16 States & 3 UTs out of 20 States & 4 UTs identified for implementing programme.