

Fishing net affects ONGC's KG field commissioning operations

Armada Sterling V FPSO vessel, which ONGC will use to produce oil from its KG-DWN-98/2 or KG-D5 block, got entangled with long nets

OUR CORRESPONDENT

NEW DELHI: State-owned Oil and Natural Gas Corporation's (ONGC) first deepsea project in the KG basin was hit when a floating oil storage vessel got entangled with fishing nets, prompting the state-owned firm to seek help for the Indian Navy.

Armada Sterling V floating production, storage and offloading (FPSO) vessel, which ONGC will use to produce oil from its KG-DWN-98/2 or KG-D5 block, got entangled with long nets, according to the company's social media posts.

The company sought help from the Indian Navy whose divers helped remove the nets after a month-long operation. Commissioning operations resumed after that.

"The operations halted as the FPSO Armada Sterling V was stranded due to large fishing nets getting entangled in its fuel-extracting mechanism. Timely action by @IndiannavyMedia / @indiannavy has completely restored operations enabling considerable savings to the exchequer," ONGC said in a Tweet.

ONGC via LinkedIn expressed its "immense gratitude" to the Indian Navy "for extending timely support in restoring operations at the KG-DWN-98/2 project off



Fishing nets entangled in the FPSO at 440 meters of water depth. "Indian Navy ship 'Gharial' and 16 divers from the Command Clearance Diving Team were deployed to remove entangled nets from ONGC's vessel"

Kakinada".

"Timely action by (the) Indian Navy has completely restored operations enabling considerable savings to the exchequer."

Divers from the Indian Navy cleared the nets despite extremely challenging underwater conditions - on account of which the salvage efforts took nearly a month. The Ministry of Petroleum and Natural Gas in a tweet posted a video explaining the operation.

Fishing nets entangled in

the FPSO at 440 meters of water depth. "Indian Navy ship 'Gharial' and 16 divers from the Command Clearance Diving Team were deployed to remove entangled nets from ONGC's vessel," it said.

"Complex underwater fittings and strong currents made the operation a daunting challenge."

"After a month of challenging dives in tough underwater conditions, the Indian Navy's skilled team of divers successfully restored the ONGC fuel

extraction mechanism on April 8, 2023," it said.

"Undeterred in the depths of sea, the India Navy's exceptional skill & determination untangled @ONGC's complex fuel extraction equipment, enabling seamless installation of additional underwater fuel lines."

The FPSO is owned by Shapoorji Pallonji Oil & Gas' 70:30 joint venture with Malaysia's Bumi Armada.

Armada Sterling V, which has a processing capacity of about 60,000 barrels per day of liquid and 3 million cubic meters per day of gas, in late December was hooked up to ONGC's Cluster 2 asset, with commissioning work continuing. The first oil is expected in May.

Last month, ONGC Director (Production) Pankaj Kumar told PTI that ONGC's delayed Krishna Godavari basin KG-D5 project is likely to start crude oil production in May this year and gas output a year later.

ONGC was originally to start gas production from Cluster-II fields in block KG-DWN-98/2 (KG-D5) in June 2019 and the first oil was to flow in March 2020.

The company blamed contracting and supply chain issues due to the pandemic for shifting the start of oil production first to November 2021, then to the

third quarter of 2022 and now to May 2023. The gas output start target was first revised to May 2021, then to May 2023 and now to May 2024. The block is currently producing 1.7 million standard cubic meters per day of natural gas.

"We will start with 10,000 to 12,000 barrels per day and reach the peak of 45,000 bpd in 2-3 months," he had said, adding some 2 mmscmd of gas would also flow with oil but the actual gas output will start in May 2024 when 7-8 mmscmd production is expected. The production estimates are much lower than what was originally projected.

At the time of its launch in April 2018, ONGC had said the estimated capital expenditure would be \$5.07 billion and operational expenditure would be \$5.12 billion over a field life of 16 years.

ONGC's KG-D5 block, which sits next to Reliance Industries' KG-D6 block in the KG basin, has several discoveries that have been clubbed into clusters. It is situated offshore the Godavari River Delta in the Bay of Bengal. It is located 35 km off the coast of Andhra Pradesh in water depths ranging from 300-3,200 metres.

The discoveries in the block are divided into three clusters — Cluster-1, 2 and 3. Cluster 2 is being put into production first.

‘Ban diesel 4-wheelers in cities with million-plus population’

TOP PRIORITY. Give more subsidy per EV rather than lesser for more vehicles: Energy panel

Rishi Ranjan Kala

New Delhi

The Energy Transition Advisory Committee (ETAC) tasked by the Centre to create a clean energy transition roadmap, has suggested banning diesel-operated four-wheelers in cities with a million-plus population by 2027.

The panel, chaired by former Oil Secretary and Advisor to Prime Minister Tarun Kapoor, also suggested diesel-buses should not be added to public transport fleet from 2024 in urban areas to enable transition over the next decade. CNG may continue till 2035. Long-distance buses will have to be a mixture of electric with battery swapping and CNG or LNG,” it has suggested.

There are over 60 cities with a million-plus population. Among them, the most polluted ones include Delhi and the NCR region, Mumbai, Kolkata, Patna, Kanpur,



VISION 2024. The Energy Transition Advisory Committee said replacing intra-city transport that is dominated by diesel vehicles with EVs will also reduce dependence on fossil fuels

and Hyderabad. The government has made the transition of public transport to e-mobility its top priority. It has created a \$1.3-billion corpus under the Faster Adoption and Manufacturing of Electric Vehicles (FAME)-II scheme, with 35 per cent for e-buses and 25 per cent for electric 3-wheelers in public transport.

In March, a Parliamentary panel on EVs urged the government to frame a comprehensive national policy on

electric vehicles incorporating the State-level and international best practices.

RECOMMENDATIONS

The panel said, “Long-term focus on transitioning to EVs with CNG as a transition fuel (up to 10–15 years). Vehicles with flex-fuel capabilities and hybrids may be promoted in the short and medium terms. This can be done through the application of fiscal tools like taxation.”

The panel stressed extend-

ing the FAME-II scheme beyond March 2024.

Considering public transport offered by state transport undertakings (STUs) faces challenges of limited charging infrastructure and upfront financing, the scheme may include suitable and graded provisioning for expanding charging infrastructure for city buses.

“Increase the quantum of FAME subsidy per EV, rather than targeting more EVs with a lesser subsidy, with a focus on the most sustainable vehicle segments, to offer viability gap support and link the cost parity with ICE counterparts for accelerated adoption of EVs other than low-speed two- and three-wheelers,” it added.

Recently, Moody’s Investors Service said that the government incentives, including those to consumers, local battery manufacturing, state-level subsidies, and a cut in GST rates, would help drive EV penetration in India.

‘Oil output cut, Ukraine war biggest risks to India’s economy’

Bloomberg

The biggest threats to India’s economic growth would likely come from forces outside the country, Finance Minister Nirmala Sitharaman said, citing the risk of higher oil prices and the impacts from Russia’s war in Ukraine.

The effect on fuel prices from the recent surprise OPEC+ oil-output cut and “the spillover of all the decisions which are related to the Russia-Ukraine war” are “the two main things which I think I’d be more worried about than anything internal,” she said in an interview in Washington on Saturday.

She also said possible recessions in the US or other developed countries could be a drag on India by hurting exports.

SIGNS OF FATIGUE

India’s economy is showing signs of fatigue as domestic and foreign demand gets clipped by high interest rates. Growth in the October-December eased to 4.4 per cent from 6.3 per cent in the



Finance Minister
Nirmala Sitharaman PTI

previous quarter, due to waning consumption and investments.

The IMF had trimmed its growth outlook for India to 5.9 per cent for the current fiscal, from 6.1 per cent forecast in January.

“The buoyancy of the economy will continue,” she said.

Sitharaman said some countries can begin to “somewhat decouple” from the Federal Reserve, which has led the global drive to hike interest rates to curb inflation.

A pause in tightening “can help growth momentum” in certain countries, which can respond to their economic challenges “with a bit more sense of what is most suitable for them.”

Sitharaman was in the US to attend the International Monetary Fund’s Spring Meetings and to co-chair the G20 finance chiefs’ gathering.

Could buy Russian oil past \$60 price cap: FM

The government will explore buying Russian crude oil near or past the price cap imposed by the G7 as it navigates external risks it sees as the biggest economic threat, according to FM Nirmala Sitharaman.

“Yes, because otherwise I’ll end up paying far more than what I can afford,” the FM said on Saturday in Washington, when asked if India would continue importing Russian oil beyond the \$60-a-barrel cap. “We have a large population and therefore have to look at prices which are going to be affordable for us.”

The stance underscores the pressing need in the country to curb inflation and spur growth amid a surprise output cut by Opec+ and western sanctions to rein in Rus-

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sia's oil revenue. India, along with China, has emerged as one of the key buyers of Russian crude. BLOOMBERG

FM: India may pay more for Russia oil

To breach G-7 price cap if oil gets costly

New Delhi, April 16: India will explore buying Russian crude oil near or past the price cap imposed by the G-7 as it navigates external risks it sees as the biggest economic threat.

"Yes, because otherwise I'll end up paying far more than what I can afford," finance minister Nirmala Sitharaman said in an interview on Saturday in Washington, when asked if India would continue importing Russian oil beyond the \$60-a-barrel price cap. "We have a large population and we also therefore have to look at prices which are going to be affordable for us."

The stance underscores the pressing need in the country of 1.4 billion people to curb inflation and spur growth amid a surprise output cut by Opec+ and western sanctions to rein in Russia's oil revenue following the invasion of Ukraine. India, along with China, has emerged as one of the key buyers of Russian crude. It is now India's top supplier, above Iraq and Saudi Arabia.

The South Asian nation needs to constantly look for the "best deal" since it imports almost 80 per cent of its crude oil requirements, Sitharaman said. "For us, it is a very critical input for the economy."

The impact on fuel prices of Opec+'s output cut and "the spillover of all the decisions" related to Russia's war in Ukraine are "the two main things which I think I'd be more



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— NIRMALA SITHARAMAN, Finance minister

worried about than anything internal," she said.

While Indian officials in the past said that the country was unlikely to breach sanctions on Russia, including the price cap, the stance seems to have changed after Opec+'s recent decision.

"I think we should look at it more with humanity in mind," Sitharaman said when asked about these sanctions. "I hope the intent is not to hurt economies which have nothing to do with the war." She added that "unintended consequences" of these measures should not be borne by the global south.

Sitharaman was in the US to attend the International Monetary Fund's Spring Meetings and to co-chair the Group of 20 finance chiefs' gathering, along with Reserve Bank of India Governor Shaktikanta Das.

She also said possible recessions in the US or other developed countries could be a drag on India by hurting exports, particularly manufacturing.

India's \$3.2 trillion economy is showing signs of fatigue as domestic and foreign demand gets clipped by high interest rates. Growth in the October-December period eased to 4.4 per cent, from 6.3 per cent in the previous quarter, due to waning consumption and investments.

The IMF last week trimmed its growth outlook for India to 5.9 per cent for the current fiscal year from April 1, from 6.1 per cent forecast in January.

"The buoyancy of the economy will continue," she said, crediting part of that to policy reforms in recent years and digitisation.

Concerns over weakening growth and the turmoil in the global banking sector prompted the RBI earlier this month to pause its most aggressive tightening cycle in a decade. The central bank said it will assess the cumulative impact of 250 basis points in rate increases so far and will act if needed.

— Bloomberg

EXPORTS TO EUROPE MORE THAN DOUBLE COMPARED WITH FEBRUARY

Fuelled up: Diesel, ATF exports to Europe touch multi-yr high in March

SUKALP SHARMA
NEW DELHI, APRIL 16

AFTER FALLING to a nine-month low in February, India's petroleum fuel exports—mainly diesel and aviation turbine fuel—to Europe surged to a multi-year high in March as the continent's demand rose due to refinery disruptions in France and anticipation of lower production during the springtime refinery maintenance season.

India's refined fuel exports to Europe shot up to an average of 385,547 barrels per day (bpd) in March from 169,196 bpd in February, and 276,068 bpd in January, as per data shared by energy cargo tracker Vortexa.

In the run-up to the European Union's ban on Russian refined fuels from February 5, Indian refiners, particularly private sector players, rushed to cater to the region. The same was true for other fuel exporters like China and Saudi Arabia, as Russia was the EU's largest fuel source, and a ban on fuel imports meant that the lion's share of the supplies to the region would not be available anymore.

In February, however, fuel exports to the EU from India and other suppliers declined due to lower heating demand and high fuel inventory build-up in the region in the months leading up



In February, fuel exports to the EU from India declined. *File*

INDIA'S REFINED FUEL EXPORTS TO EUROPE

MONTH	VOLUME*	SHR OF PVT REFINERS	SHR OF PSU REFINERS
December	2,39,598	93.23%	6.77%
January	2,76,068	100%	0%
February	1,69,196	100%	0%
March	3,85,547	85.57%	14.43%

*(barrels per day)

Source: Vortexa

to the ban on Russian fuels. But in March, with most of the French refinery capacity going offline due to worker strikes over the controversial pension reform bill and the continent gearing up for the spring maintenance season, which will see

various refineries in the region undergoing maintenance shutdowns, traders began ramping up fuel imports again.

Analysts believe that given the prevailing situation, the trend could continue going forward.

"The uptick in volume (of fuel exports from India) also aligns with stronger loadings from Saudi Arabia and the US to Europe. With the ongoing French refinery strike and upcoming refinery maintenance in the region, higher clean product (refined petroleum product) imports by the region is expected," said Serena Huang, Vortexa's head of APAC Analysis.

As per Vortexa data, public-sector refiners exported refined fuels to Europe in March after nil exports in January and February. Public sector refiners exported 55,636 bpd of refined fuels to Europe in March, accounting for 14.4 per cent of India's total fuel exports.

Private sector refiners—Reliance Industries Ltd and Nayara Energy Ltd—exported 329,911 bpd of fuels to Europe in March. Private-sector refiners are marginal players in India's fuel retail market, which public-sector refiners predominantly control.

On the flipside, private refiners are major fuel exporters, while their public sector counterparts export only a fraction of their fuel output. Over the past months, robust fuel export volumes to Europe coincide with a ramp-up in the import of discounted Russian crude by Indian refiners.

From being a marginal supplier of crude oil to India before

the war in Ukraine, Russia dethroned heavyweights like Iraq and Saudi Arabia to emerge as Delhi's biggest source of crude.

The trend is significant on various counts. From the global oil markets perspective, suppliers like India are helping maintain a demand-supply balance while preventing extreme price shocks.

The EU wants to refrain from buying crude and refined fuels and products from Russia.

Countries like India, a major oil refiner, are playing their part in bridging the gap by buying Russian oil on the one hand and increasing the supply of refined products to the EU on the other. That is the primary reason why much of the West, which seemed annoyed at India's rising purchases of Russian oil, appears to be largely comfortable with India's increasing supply of fuels to Europe.

Under prevailing circumstances, India is increasingly prominent in the global crude oil and refined products supply map.

India is a major refiner with an annual refining capacity of about 250 million tonnes, or about 5 million bpd. While it is also one of the top consumer and importers of crude oil, India's refining capacity is higher than its domestic demand, making it a net exporter of petroleum products.



India may buy Russia oil above G7 price cap

Bloomberg

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India will explore buying Russian crude oil near or past the price cap imposed by the G7 as it navigates external risks it sees as the biggest economic threat.

"Yes, because otherwise I'll end up paying far more than what I can afford," Union finance minister Nirmala Sitharaman said on Saturday, when asked if India would continue importing Russian oil beyond the \$60-a-barrel price cap.

"We have a large population and we also therefore have to look at prices which are going to be affordable for us."

The stance underscores the pressing need in the country of 1.4 billion people to curb inflation and spur growth amid a surprise output cut by OPEC+ and western sanctions to rein in Russia's oil revenue following the invasion of Ukraine.

India, along with China, has

emerged as one of the key buyers of Russian crude. It is now India's top supplier, above Iraq and Saudi Arabia.

India needs to constantly look for the "best deal" since it imports almost 80% of its crude oil requirements, Sitharaman said. "For us, it is a very critical input for the economy."

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OPEC+, Transparently Flexing



Sanjeev Choudhary

A volley of criticism greets Opec+, a group of about two dozen oil-producing countries led by Saudi Arabia and Russia, every time it decides to cut production. The producer club is accused of being greedy and output-cut decisions are portrayed as a selfish pursuit of high prices that would end up destroying demand and harming the global economy already faced with many dangers.

Since oil is central to the economy and hard to replace in the short term, politicians in oil-importing countries protest any output cut. They often feel powerless before a producer cartel that controls 40% of the global supplies. As the world emerged from the pandemic, the power in the oil market has truly got concentrated in the hands of Opec+. But all the blame the group receives for the world's woes may not necessarily belong at its door.

Two recent Opec+ output cuts haven't been as catastrophic as predicted. In early October, when the oil price was around \$90 per barrel, the cartel announced a production cut. This triggered the usual warnings of a price storm and the conse-

quent damage to the fragile global economy. The prices did rise marginally, but soon stabilised and remained below \$90 for more than four months.

Again, on April 2, when prices were around \$80, Opec+ announced a fresh output cut, prompting another howl of protest. Oil jumped about 5% the next day. The supply curb's impact would be clearer over the next few months.

But two things are evident:

► Opec+ has a fair assessment of the market, and many analysts might be just exaggerating the impact of production cuts.

► Opec+'s price expectations have risen, and the group would act to pull prices above \$80 whenever they slide. So, until there is a global recession, don't expect prices to drop to \$57, the average rate between 2015-19.

The grouping's higher price expectations stem from two factors:

► Producing countries need more funds to steer their economies away from heavy reliance on fossil fuels. Saudi Arabia plans to invest \$3.2 trillion to diversify its economy by 2030.

► After a long time, the producer group thinks it's in control of the oil market given the weakened US shale challenge, the global energy crisis of the past two years, and the changing geopolitical equation that has glued Russia to Opec tighter than ever.

The shale frenzy appears to have tapered off, with US producers preferring to return cash to shareholders than reinvest significantly in new capacity the way they did in the previous decade. The energy crisis has reinforced the need for reliable suppliers and weakened the bargaining power of consuming countries vis-a-vis producers. The Ukraine war and the West's efforts at isolating Russia and placing cap on its oil have meant Moscow needs Opec allies more than ever to realise enough revenues to balance its budget.

No doubt energy prices have been a key contributor to global inflation. But compared to natural gas, which has no producers' cartel, oil has been far less volatile and pricey. And the big oil spikes witnessed last year were more a reaction to the geopolitical events than Opec+'s supply management. Oil neared \$140 per barrel in the early days of the war last year aided by widespread fears that unprecedented Western sanc-

tions on Russia could deeply dislocate the market.

The real cause of the four-decade-high inflation in the developed world could be traced back to the unparalleled financial stimulus offered by their governments and central banks to combat the impact of the pandemic, which also broke global supply chains, inducing supply-driven inflation.

What also deserves attention is the high taxation by consuming countries that keeps pump prices high and increases the cost of living.

When crude prices fall, the benefits do not always flow to the end consumer as governments in the consuming countries raise taxes to fill their chests. This ends up transferring wealth from the producing country to the consuming country.

The role of geopolitics hasn't been small. US sanctions on oil exports by Iran and Venezuela, two key producers, have limited global supplies for years. At the same time, piling pressure to prevent an output cut by Opec+ ahead of US elections shines a light on how Washington mixes domestic politics with international energy dynamics.

As China seeks to challenge the US-led global order, Saudi and other large oil producers also see in it an opportunity to reposition themselves. So, expect Opec+ to retain its power and use it to its advantage going forward.

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Piping hot

NEWS FROM DEAL STREET

Singapore's AG&P in Talks to Acquire 70% in H-Energy

Set to buy into Hiranandani subsidiary too in deal worth fraction of initial investment planned for integrated project

Kalpana.Pathak@timesgroup.com

Mumbai: Hiranandani Energy, which once had ambitions to build multi-billion dollar integrated energy infrastructure projects such as two LNG terminals and a pipeline for end-to-end natural gas solutions, is in talks with Singapore-based Atlantic, Gulf and Pacific Company (AG&P) to sell a majority stake in the company and its units for a few hundred crores of rupees, two industry sources aware of the development told ET.

AG&P is close to picking up a 70% stake in H-Energy and one of its subsidiaries, while Darshan Hiranandani will hold on to the remaining 30%. "AG&P plans to buy 70% in H-Energy and one of its subsidiaries as it is looking to expand its LNG and CNG operations in India," said the first source cited.

AG&P and H-Energy did not respond to an email sent on April 11. Darshan Hiranandani did not respond to calls and a WhatsApp text message sent last week.

Sources added that the transaction value is

Deal in Pipeline

Darshan Hiranandani will hold on to **30% in H-Energy**



Co planned to build LNG terminals in Maharashtra, West Bengal

Last June, PNGRB encashed **25%** of HEPL's BG for pipeline delay

AG&P looking for LNG terminals on the east & west coast of India

Last May, FSRU Höegh Giant's 10-yr contract was terminated



worth only a fraction of the initial investment envisaged, as H-Energy could develop only two assets — the 56-km R-LNG pipeline from Jaigarh port to Dabhol, linked to the national gas grid, and a jetty at Jaigarh Port in Ratnagiri district of Maharashtra, to berth a floating storage and regasification unit (FRSU) for R-LNG unloading.

Energy Infrastructure Projects ►► 10

Energy Infra Projects

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H-Energy had plans to build two LNG terminals at the cost of \$3 billion — one in Jaigarh, Ratnagiri, Maharashtra and the second, a floating LNG import terminal off Haldia, West Bengal. But plans did not take off as envisaged due to financial and on-ground challenges.

"There is only a jetty and a pipeline, which would have cost the company a few hundred crores. So the transaction value would be commensurate with that," said the second person aware of developments. According to the Registrar of Companies' filings, as of March 31, 2022, H-Energy had a net worth of Rs 295 crore and free reserves of Rs 56 crore.

H-Energy Pvt Ltd (HEPL) was formerly known as Salus Developers Pvt Ltd. It primarily engaged in the business of investing in shares, debentures and other securities of the companies. In December 2010, the company changed its name to H-Energy.

Last May, HEPL's Jaigarh plans were further delayed when Oslo-based Höegh LNG announced that it was terminating FSRU Höegh

Giant's 10-year contract, citing "the charterer's default of the contractual terms." The contract was signed in December 2020.

In March 2016, HEPL was awarded authorisation for laying the Jaigarh-Panjim-Karwar Udupi-Mangalore natural gas pipeline spanning 635 km.

Last June, the oil sector regulator, the Petroleum and Natural Gas Regulatory Board (PNGRB), encashed Rs 5 crore, or 25%, of H-Energy's bank guarantee for delays in laying a pipeline from Jaigarh to Mangalore. The pipeline was to be completed by June 2019. H-Energy's appeal against this PNGRB order is pending.

AG&P'S INDIA PLANS

Sources said AG&P has been scouting for LNG terminals on both the east and west coasts of India to expand operations by 2024-25. Its proposed 1-million tonne per annum terminal at the Karaikal Port in Puducherry is facing challenges and may take longer to complete.

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The slippery slope of oil exploration

Poor policy design and unpredictable fiscal terms have discouraged investment by global majors, keeping India heavily import-dependent

S DINAKAR
16 April

Successive Indian governments have formulated policies that tended to nurse consumers of energy at the expense of producers. The current dispensation is no different. Motorists have taken comfort in frozen pump prices and gas price caps but producers face high taxes, and restrictions on pricing freedom.

The government is focused on revenue generation rather than production maximisation. But protecting the interests of consumers, and imposing high costs on upstream operators, may work in nations with copious oil reserves and relatively negligible domestic demand, such as Saudi Arabia, Qatar or Russia. Not so in case of energy-deprived countries like India — it only makes the nation increasingly dependent on foreign oil and gas, weakening energy security.

Check out these numbers. Domestic production of crude oil has declined 23 per cent to an estimated 29 million tonnes last fiscal from nearly 38 million tonnes or 763,000 barrels a day (b/d) in 2013-14, according to oil ministry data. India's oil product demand rose over 40 per cent during the period, driven by higher GDP, subsidies and lower-than-market prices of transport and cooking fuels.

Crude output in February dipped to a low of 575,000 b/d. To put it in perspective, domestic production met 24 per cent of our oil demand back in 2014. Today that figure has shrunk to 13 per cent. State-run explorers lack the heft, finance and expertise of oil majors to arrest declines from ageing fields, and for deep-water developments.

The impact on energy security is glaring. India's dependency on imported crude as a percentage of consumption was at an all-time high of 89.2 per cent in February against 84 per cent in 2020-21, and 77 per cent in 2014, government data shows. This is despite Prime Minister Narendra Modi's call in early 2016 to reduce crude imports by 10 per cent by 2022.

The decline in India's oil output has turned structural in spite of decades of toil by ONGC and Oil India, and a slew of exploration policies, beginning 1991. The results of two decades of oil sector reforms reveal the following results. Neither producers nor fuel marketers have pricing freedom, key to facilitating investments. No oil major is drilling in India. Reliance Industries, which has the distinction of discovering the world's biggest gas



India's crude and product profile
■ Production ■ Consumption (million tonnes)
● Import dependency in % based on consumption



find in early 2000 in the Krishna Godavari basin, hardly participates in auctions. State-run ONGC, India's biggest oil and gas producer, is staring down the barrel of declining output from its fields, unable to draw majors or make enough money to risk expensive developments.

Submission of bids for the eighth drilling round of the open acreage licensing policy, announced last July, under the latest Hydrocarbon Exploration Licensing Policy, for 26 oil and gas blocks, was postponed for the third time to May 2023 for lack of interest.

Policy and fiscal unpredictability coupled with lack of investor protections and arbitrations have kept the most technologically advanced drillers — ExxonMobil, Chevron, Shell and Total — out of India. They have ignored India despite several policy measures since the 1990s, like a New Exploration Policy, a Hydrocarbon Exploration Policy, an open acreage policy and numerous roadshows.

ONGC is unable to take its memorandums of understanding with ExxonMobil and TotalEnergies forward because of demands by the majors. For instance, Exxon has demanded a "clear and practical framework to administer the laws and the frameworks and the contracts", Melinda Dillingham, commercial manager, ExxonMobil, said at a recent event. Exxon has

also sought guarantees from New Delhi, an industry official said. There will be no windfall taxes or new taxes imposed on crude production; arbitration will be international and not involve local courts; and, finally, no criminal charges will be slapped on Exxon officials in case of any incidents.

The majors are less flexible vis-à-vis Indian investments because unlike, say, Guyana or Mozambique, where they also operate, India's prospectivity needs to be proved. And policy risks are high. Take the case of UK explorer Cairn Energy. India's reputation among petroleum investors was severely dented after New Delhi's attempts to tax Cairn Energy, violating international investor protection agreements, ended in years of arbitration. New Delhi ended up losing the case in December 2020, prompting the Centre to scrap the retrospective tax law, a key to many disputes.

Arbitration with Reliance and BP over cost and other issues at India's biggest gas discovery, and a festering dispute with Vedanta over extending a contract for its Rajasthan area have also made foreign investors pause.

Vedanta, India's second biggest oil producer after ONGC, deducted around \$90 million from the government's profit share in Mangala Area, claiming the 10-month-old windfall tax violates the contract's

fiscal terms. The production-sharing contract for the Barmer basin doesn't have any provision for a windfall tax; in fact, it prohibits any new levies that upset fiscal stability, an industry official said. The extension for Barmer is still mired in dispute with the Supreme Court asking New Delhi last November to reconsider raising its revenue share from the Barmer block by 10 per cent. A previous ruling by the Delhi High Court saying that the government has a right to change contract terms as long as they are in public interest and serve the purpose of maximising revenue generation also caused concern among investors.

India already takes away 70 per cent as its share from older areas, which contribute to most of India's output, an industry official said. Vedanta has said it will invest \$5 billion in Rajasthan to treble output to 500,000 barrels a day — equivalent to 85 per cent of India's 575,000 barrels a day production. But it is demanding a much longer extension than the 10 years offered now because of huge costs involved in polymer flooding techniques for enhanced oil recovery, with expensive chemicals enhancing operational costs, company CEO Nick Walker has told reporters.

ONGC and Oil India have also been affected by the windfall tax, which when first imposed in July was around \$40 a barrel. The wildly fluctuating levy makes it impossible for private explorers to plan multi-year, multi-billion dollar long gestation deep-water projects, and leaves less with ONGC for investing in rejuvenating ageing areas, industry officials said.

A floor of \$4 per metric million British thermal units (mmBtu) on domestic gas extracted from older areas provides earnings stability for ONGC and Oil India, said Prashant Vasisht, vice-president, ICRA, in response to the government coming out with a new gas pricing policy this month. There is no reason provided for a \$4 floor or a \$6.50/mmBtu cap, a fertiliser industry official said. Gas discoveries and revival of ageing fields need humongous investments, and pricing freedom, the official said.

India could take a leaf out of Bangladesh's upstream policies. Bangladesh, a prolific gas producer faced with dwindling output after explorers like South Korea's POSCO and ConocoPhillips backed out of contracts citing unfavourable terms, revamped its policies. Now, ExxonMobil has joined hands with Dhaka to explore untapped deep-water areas in the Bay of Bengal. Dhaka's new terms propose reducing its share of profit gas, trebling the purchase price of the fuel to \$10 per million cubic feet a day from less than \$3/million cubic feet a day, and permitting exports.

The Directorate General of Hydrocarbons is hoping to see reforms on investor protection codified by Parliament soon, said S L Das, a senior DGH official, at a recent event. Higher legislative-level guarantees, which are also at an advanced stage and expected to be passed soon, perhaps by the next parliamentary session, should help.

अरामको की 4% हिस्सेदारी सरकारी संपदा कोष में

■ सरकार की कंपनी में अभी भी 90 प्रतिशत से ज्यादा हिस्सेदारी



एजेसी ►► दुबई

सऊदी अरब की प्रमुख तेल कंपनी सऊदी अरामको की चार प्रतिशत हिस्सेदारी सऊदी सरकार ने सरकारी संपदा कोष की अनुषंगी के सुपुर्द कर दी है। सऊदी अरब के शहजादा मोहम्मद बिन सलमान ने रविवार को यह घोषणा की।

सऊदी शहजादे के इस ऐलान की जानकारी सरकार-संचालित सऊदी प्रेस एजेंसी ने दी। इस फैसले के बाद सनाबिल इन्वेस्टमेंट्स के नाम से जानी जाने वाली 'सऊदी अरेबियन इन्वेस्टमेंट कॉर्पोरेशन' को हिस्सेदारी भेज दी गई। सनाबिल सरकारी संपदा कोष के अंतर्गत आता है, जिसे पब्लिक इनवेस्टमेंट फंड (पीआईएफ) भी कहा जाता है।

सौदे के बारे में जारी एक बयान के मुताबिक, 'हस्तांतरण पीआईएफ की मजबूत वित्तीय स्थिति और क्रेडिट रेटिंग को मजबूत भी करेगा।' इस बयान में सनाबिल या पीआईएफ के लिए कोई संभावित निवेश लक्ष्य नहीं दिया गया। सऊदी अरामको ने सनाबिल को शेयर के हस्तांतरण की पुष्टि की है। उसने कहा कि सऊदी सरकार अभी भी कंपनी की सबसे बड़ी हिस्सेदार बनी हुई है। सरकार की कंपनी में अभी भी 90 प्रतिशत से ज्यादा हिस्सेदारी है। अरामको ने शेयर बाजार को सूचित किया है कि यह सरकार और सनाबिल के बीच एक निजी हस्तांतरण है और इसमें कंपनी कोई पक्ष नहीं है और उसने कोई समझौता या भुगतान नहीं किया है।

दुनिया की तीसरी सबसे बड़ी कंपनी

इससे पहले फरवरी, 2022 में भी अरामको की चार प्रतिशत हिस्सेदारी पीआईएफ को हस्तांतरित की गई थी। दुनिया की तीसरी सबसे बड़ी कंपनी अरामको का बाजार मूल्य 1.94 लाख करोड़ डॉलर है। इससे आगे सिर्फ एप्पल और माइक्रोसॉफ्ट हैं।

ओएनजीसी के केजी बेसिन में फंसे जहाज को जाल से मुक्त कराने में मिली सफलता

नई दिल्ली, (भाषा)। सार्वजनिक क्षेत्र की कंपनी ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) की केजी बेसिन में पहली परियोजना का कार्य मछली पकड़ने वाले जाल में एक तैरता हुआ तेल भंडारण जहाज फंस जाने से प्रभावित हो गया था जिसके बाद कंपनी को भारतीय नौसेना से मदद मांगनी पड़ी।

ओएनजीसी की तरफ से सोशल मीडिया मंचों पर दी गई जानकारी के मुताबिक, केजी-डी5 ब्लॉक से तेल उत्पादन के लिए इस्तेमाल होने वाला एफपीएसओ अरमाडा स्टर्लिंग 5 जहाज मछली पकड़ने के लिए लगाए गए लंबे जाल में उलझ गया। फंसे हुए जहाज को जाल से मुक्त कराने के लिए ओएनजीसी ने भारतीय नौसेना से मदद मांगी। नौसेना के गोताखोरों ने करीब एक महीने तक चले बचाव अभियान के बाद इस जहाज को जालों से मुक्त कराने में सफलता हासिल कर ली है। इसके बाद फिर

से यह जहाज अपने काम में जुट गया है। पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय ने भी एक ट्वीट में इसका ब्योरा देने के साथ एक वीडियो अपलोड किया है जो राहत अभियान से संबंधित है। इसके मुताबिक, नौसेना के जहाज घड़ियाल और 16 गोताखोरों के एक दल ने ओएनजीसी के जहाज से जालों को मुक्त करा दिया है। एफपीएसओ अरमाडा स्टर्लिंग 5 जहाज का स्वामित्व शापूरजी पलोनजी ऑयल एंड गैस और मलेशिया की कंपनी बूमी अरमाडा के पास है। इसकी भंडारण क्षमता 60,000 बैरल प्रतिदिन पेट्रोलियम और 30 लाख घन मीटर प्रतिदिन गैस की है। यह दिसंबर में ओएनजीसी के क्लस्टर-2 से जुड़ा था। ओएनजीसी की इस केजी-डी6 परियोजना से तेल उत्पादन मई में शुरू होने की उम्मीद है जबकि गैस का उत्पादन अगले साल तक शुरू होने की संभावना है।

ओएनजीसी के केजी बेसिन में फंसे जहाज को जाल से मुक्त कराने में मिली सफलता

एजेंसी ■ नई दिल्ली

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में उलझ गया। फंसे हुए जहाज को जाल से मुक्त कराने के लिए ओएनजीसी ने भारतीय नौसेना से मदद मांगी। नौसेना के गोताखोरों ने करीब एक महीने तक चले बचाव अभियान के बाद इस जहाज को जालों से मुक्त कराने में सफलता हासिल कर ली है। इसके बाद फिर से यह जहाज अपने काम में जुट गया है। पेट्रोलियम एवं प्राकृतिक गैस

मंत्रालय ने भी एक ट्वीट में इसका ब्योरा देने के साथ एक वीडियो अपलोड किया है जो राहत अभियान से संबंधित है। इसके मुताबिक, नौसेना के जहाज घड़ियाल और 16 गोताखोरों के एक दल ने ओएनजीसी के जहाज से जालों को मुक्त करा दिया है। एफपीएसओ अरमाडा स्टर्लिंग 5 जहाज का स्वामित्व शापूरजी पलोनजी ऑयल एंड गैस और मलेशिया की कंपनी बूमी अरमाडा के पास है। इसकी भंडारण क्षमता 60,000 बैरल प्रतिदिन पेट्रोलियम और 30 लाख घन मीटर प्रतिदिन गैस की है। यह दिसंबर में ओएनजीसी के क्लस्टर-2 से जुड़ा था।