



Traders urge CM to expedite PNG installation

*In Connaught
Place restaurants*

OUR CORRESPONDENT

NEW DELHI: A traders' association of Connaught Place has urged Delhi Chief Minister Rekha Gupta to ensure the long-pending installation of piped natural gas (PNG) lines in restaurants located in the inner circle of the commercial hub.

In a letter dated April 22 to the Indraprastha Gas Limited (IGL), the New Delhi Traders Association (NDTA) referred to an earlier request made in January 2024 and expressed concern over the lack of progress in installing PNG connections in blocks other than A and G, where initial work had begun.

The NDTA urged swift action on long-pending PNG supply to over 200 Connaught Place restaurants, citing delays since 2006. It stressed safety, cleaner energy, and relief from gas cylinders as key concerns.

ONGC-led JV resumes production from offshore block in Cauvery Basin

Our Bureau
New Delhi

A joint venture of the state-run Oil and Natural Gas Corporation (ONGC), Hardy Exploration & Production (India) and Invenire Petrodyne has commenced production from the PY-3 field as of May 23. The block is located offshore in the Cauvery Basin on the East Coast of India. Originally brought on-stream in 1997, the PY-3 Field had been shut since July 2011. Since then, a multi-phase revised field development plan (FDP) was implemented to revive production.

Phase-I of the revised FDP has now been completed. This included integrity assessment, conditioning and activation of the subsea well PD3SA, installation of subsea infrastructure, and hook-up to the floating production, storage and offloading (FPSO) vessel Svetah Venetia. The FPSO is being used to process and separate oil, gas and water. The produced oil is stored on the FPSO and offloaded to shuttle tankers for transport to refineries.

Phase-II of the FDP will involve the drilling of addi-

tional wells and the application of enhanced oil recovery techniques to boost output from this prolific field, which yields light, sweet crude oil.

Hardy Exploration & Production, an Invenire Energy Group firm, is the operator of the block with an effective 22.79 per cent participating interest. ONGC holds a 50.63 per cent effective participating interest, and Invenire Petrodyne holds the remaining 26.58 per cent.

Hardy Exploration & Production first brought the PY-3 Field into production in 1997 using floating production facilities and subsea wellhead completions, an industry-first in India.

Invenire Petrodyne, formerly Tata Petrodyne, is the flagship company of the Invenire Energy Group.

Rising power demand pushes India's LNG terminal utilisation higher in 2024

Rishi Ranjan Kala

New Delhi

A searing summer, coupled with prolonged heat waves, accelerated India's power demand last year with the world's third largest energy consumer enhancing gas-based electricity generation, leading to higher utilisation at LNG terminals compared to 2023 and 2022.

Natural gas is converted into LNG for transportation through gas tankers. Regasification is the process of converting it back into gas. Higher LNG imports lead to higher utilisation levels at LNG terminals.

According to the International Gas Union's (IGU) world LNG report 2025, India's LNG imports rose by more than 19 per cent to 26.15 million tonnes (mt) in 2024 against 21.96 mt in 2023, a 4.19 mt y-o-y increase.

India accounted for 6.36 per cent of the global LNG market last year. China (19.12 per cent share), Japan (16.47 per cent), South Korea (11.43 per cent) and France (4.39 per cent) are the other top four LNG im-



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porting countries. Demand rebounded in Asia with China and India posting strong y-o-y growth in spot LNG imports, driven by heat waves, infrastructure expansion and greater reliance on gas-for-power, the IGU pointed out.

HIGHER UTILISATION

"Average regasification utilisation in India grew noticeably in 2024 from 49 per cent in the prior year (2023) to 59 per cent as the market raised LNG buying to meet gas for power demand due to heat waves," the report pointed out. Regasification utilisation in 2023 was flat at 49 per cent compared to the 2022 CY, IGU data show.

On the back of its regasification capacity additions,

India witnessed rapid growth in LNG imports during 2010-2020, making it one of the top importing markets. It rose to become the world's fourth largest LNG importer in 2023, with 22 mt imports, replacing France.

India has seven LNG terminals with a cumulative capacity of 44.5 mt per annum (mtpa) as of 2024, overtaking the US to become the world's fifth largest market by regasification capacity.

Three new terminals and four expansion projects are under construction in India, of which five are onshore and two are floating based. By 2026, these undertakings are projected to bring 27 mtpa of regasification capacity and 1.12 million cubic meters (mcm) of storage capacity online, it added.

Sustained low prices associated with the arrival of the next wave of LNG capacity could spark a surge in LNG demand.

However, the outlook is clouded by the risk in delays and cost overruns in new supply and expansion projects emanating from factors such as geopolitics, trade policy, inflation and labour shortages, the IGU said.

ONGC needs a faster ramp-up

Ashish Agrawal
MUMBAI

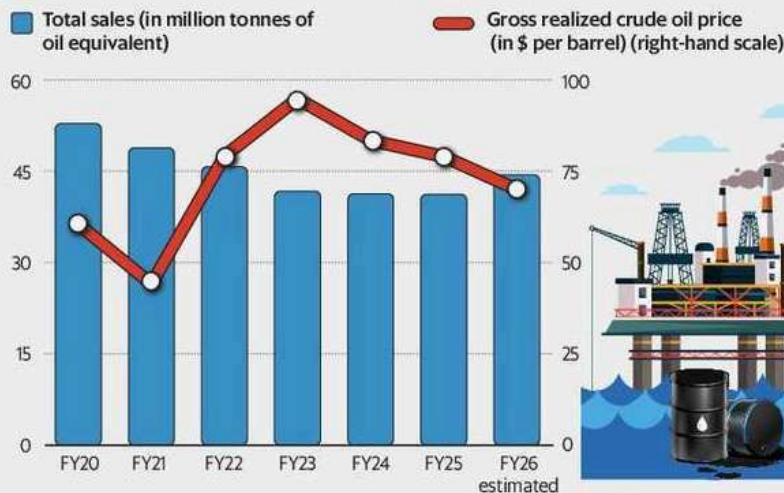
Oil & Natural Gas Corp. (ONGC) reported a standalone Ebitda of ₹19,000 crore for the March quarter (Q4FY25), up 9% year-on-year, despite lower aggregate realization, thanks to higher sales volumes and lower statutory levies. However, an over fourfold increase in dry well write-offs caused ONGC's net profit to drop as much as 35%.

In comparison, Q4 revenue was flattish, up at about 1% year-on-year to ₹35,000 crore, with sales volume rising marginally by about 2%. Gross oil realization fell 9% to \$73.7 per barrel, while average gas realization was up 6%. The higher gas price can be attributed to the rising share of new wells gas (NWG) that fetched \$9.2 per mBtu (million British thermal units) last quarter versus \$6.5 for the rest. NWG forms about 20% of ONGC's gas mix and is expected to grow by 10-15% over the next 5-6 years.

While ONGC's oil and gas production outlook is positive, it should be

Mixed fortune

Expected output growth from key fields in FY26 may bring relief to ONGC amid lower crude price.



Note: Sales include natural gas converted into oil equivalent in energy terms

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Source: Company, Kotak Institutional Equities
GOPAKUMAR WARRIER/MINT

noted that the pace is slower than initial projections. Total oil and gas production for FY25 was 41.1 million tonnes of oil and oil equivalent (mmtoe), marginally lower than FY24 with slower ramp up of output from the KG 98/2 basin. While FY26 production is expected to increase to 42.5 mmtoe, the management has

cut the guidance by about 5%.

Slower ramp-up of KG basin output, coupled with the fall in oil prices, is a worry. Antique Stock Broking has lowered its crude price assumption to \$65 per barrel from earlier \$75 and \$70 for FY26 and FY27; and cut the Ebitda estimates by 20% and 15%, respectively. ONGC's crude realiza-

tion in FY25 stood at \$76.9 a barrel, down from \$80.9 in FY24.

The company expects volume support with higher recovery from Mumbai High fields, after it appointed British Petroleum Plc (BP) as technical services provider in January. Mumbai High forms about 25% of its domestic output.

As per ONGC, BP has indicated the potential to increase production by 60% from the fields over a 10-year period. BP achieved a 40% production increase in the Rumaila field through similar intervention. ONGC also hopes to get more global partners with the amendment in the Oilfield Regulation and Development Act, 1948 (ORD Act) in March.

ONGC's consolidated capital expenditure (capex) for FY25 was ₹62,000 crore, including exploration & production (E&P) at ₹39,000 crore (₹37,500 crore in FY24), ₹18,000 crore in subsidiary ONGC Petro-additions Ltd (OPaL), and

₹4,600 crore towards acquiring renewable energy assets. ONGC has a green portfolio of 2.3GW, including under-construction projects.

OPaL's Ebitda loss is lower in FY25 at ₹320 crore compared to ₹490 crore in FY24. This should drop further with expected increase in reali-

zation by 8-9% after its exit from the Dahej SEZ, lower interest cost and change in feedstock sourcing. ONGC's FY26 capex guidance is ₹32,000-35,000 crore.

Investors will watch the volume pick-up from the KG basin, Mumbai High, and crude prices.

ONGC's shares have been largely flat in 2025, trading at an enterprise value of 5.2x FY26 esti-

ated Ebitda, as per Bloomberg consensus. PL Capital caution that the key risk to its 'accumulate' rating is a sustained Brent price of below \$60 a barrel. "With every \$5 per barrel change in oil price realization, consolidated earnings per share is impacted by 8-9%," it said.

SLOWER PACE

WHILE ONGC's oil and gas production outlook is positive, pace is slower than initial projections

NONETHELESS, gas from new wells is expected to see better growth, this aiding realization