

Domestic Natural Gas Prices may Fall in June on Crude Oil Decline

Set to drop below govt cap, potentially reducing cooking, driving costs

Sanjeev Choudhary

New Delhi: Domestic natural gas could get cheaper next month, potentially bringing down driving and cooking costs for millions of customers.

For the first time in two years, domestic gas is likely to sell at less than the ceiling price set by the government, as crude oil prices have declined. This would boost the margins of city gas distributors. If they pass on part of the benefit to consumers, compressed natural gas (CNG) and piped natural gas (PNG) prices may fall.

The government revises the domestic price of gas—also known as the administered price mechanism (APM) price—every month, based on the average crude price in the trailing month. The gas price is pegged at 10% of the Indian crude basket price. Based on May's average crude price of \$64 per barrel, the gas price for June would be around \$6.4 per mmBtu, lower than the current ceiling price of \$6.75 per mmBtu.

The government introduced this crude-linked pricing formula in April 2023, setting a price band between \$4 and \$6.5 per mmBtu, with the ceiling scheduled to rise by 25 cents from April 2025.

Since the formula's introduction, high crude prices meant the ceiling price effectively served as the market price each month.

June will mark the first time the effective domestic gas price falls

Price Relief

► **Govt revises domestic gas prices monthly**, based on the avg crude price from the last month

► **The APM formula** pegs gas prices at 10% of the Indian crude basket price, within a band of \$4-\$6.5 per mmBtu

► **Another slab**, 'new well' gas, is priced at 12% of crude & not subject to a band

► **City gas** distributors use a mix of APM and 'new well' gas for gas pricing



below the ceiling.

In April 2023, the government also introduced the concept of "new well" domestic gas, which can be sold at 12% of the crude price and is not subject to a ceiling. With crude prices falling, new-well gas prices have also declined.

City gas distributors use both APM gas and new well gas to supply CNG to vehicles and PNG to households. New well gas accounts for about a quarter of the domestic gas supply to Indraprastha Gas Ltd, the country's largest city gas distributor. APM and new well gas allocations vary by company.

Falling input costs can boost the margins of city gas distributors, which have faced shrinking APM gas allocations over the past two years. The lower allocation of domestic gas—which is significantly cheaper than imported liquefied natural gas (LNG)—has eroded margins and triggered multiple retail price hikes.

Natural Gas Prices may Fall as Crude Oil Slips

Likely to sell below govt cap in June, boosting margins of city gas cos; pass-through to benefit PNG, CNG consumers

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Oil India bags potash exploration block in Raj

NEW DELHI: Oil India Limited has bagged a critical and strategic mineral block under the 5th tranche of auction conducted by the Union Ministry of Mines, the state-owned company said on Wednesday.

“Oil India Limited (OIL) has been declared as the Preferred Bidder for grant of composite license for the Jorkian-Satipura-Khunja Amalgamated Potash and Halite Block in Hanumangarh district of Rajasthan,” it said.

This was the first-ever successful auction of potash blocks by the government, marking a major step towards unlocking domestic potash resources.

OIL’s strategic diversification into critical minerals represents a well-timed response to national priorities to support India’s self-reliance goals, the company added.

MPOST

BRENT CRUDE FUTURES UP AT \$65.2 A BARREL

Oil Prices Rise after OPEC+ Keeps Output Policy Unchanged

Reuters

New York: Oil prices gained more than \$1 on Wednesday as OPEC+ agreed to leave their output policy unchanged and as production shut-ins from Canada raised supply concerns, while investors anticipated members of OPEC+ would agree to a production increase later this week.

Brent crude futures rose \$1.15, or 1.79%, to \$65.24 a barrel by 12:07 pm EDT (1607 GMT), while US West Texas Intermediate crude gained \$1.27, or 2.09%, to stand at \$62.16 a barrel.

The Organization of the Petroleum Exporting Countries and allies, together known as OPEC+, agreed on Wednesday to establish a mechanism for setting baselines for its 2027 oil production. The meeting did not make any changes to the group's output policy. Most of the oil pro-

ducing countries at the Wednesday meeting do not have the spare capacity to take barrels on and off the market, said Bob Yawger, director of energy futures at Mizuho. "They were hoping to slow the pace of production increases and stop the slide in price. But that's not the way it panned out," he added.

A separate meeting on Saturday of eight OPEC+ countries is expected to decide on an increase in oil output for July.

Goldman Sachs analysts see the group of eight keeping production steady after the July hike on new projects entering the market later this year, slowing economic growth and a build-up of oil stocks. "However, we see the risks to our OPEC8+ supply path as skewed to the upside, especially if compliance doesn't improve or if hard demand data surprise further to the upside," they added.

OPEC+ adopts plan for 2027 baselines

THE OPEC+ AGREED on Wednesday to establish a mechanism for setting baselines for its 2027 oil production, while sources said separate talks on Saturday could be held on a further accelerated oil output hike for July.

The group has been discussing new baselines — production levels from which each member makes cuts or increases - for the last few years.

Baselines and quotas are controversial because some members such as the UAE and Iraq have increased their production capacity, pressing the case for higher quotas, while others such as African members have seen declines. Angola quit the group in 2024 over a disagreement on its production target. —REUTERS

FINANCIAL EXPRESS

READ TO LEAD





PM Modi to visit Bengal today; launch gas distribution project

KOLKATA: Prime Minister Narendra Modi will visit West Bengal on Thursday, during which he will lay the foundation stone of a gas distribution project and address a public rally in Alipurduar district, a senior BJP leader said.

According to state BJP president Sukanta Majumdar, both events will be held in adjoining areas of the district. "First, he will be at the government programme and then he

will address a party meeting in Alipurduar. The PM will then leave for Patna in the evening. We are all excited to hear from him. It will be his first visit after 'Operation Sindoor,'" Majumdar, also a Union minister, said.

Modi is expected to arrive in West Bengal from Sikkim after 1 pm, another state BJP leader said.

'Operation Sindoor' was launched on May 7 in response to

the April 22 Pahalgam terror attack. India carried out precision strikes on terror infrastructure in Pakistan and Pakistan-occupied Kashmir in the early hours of May 7 under the operation.

A statement issued by the Press Information Bureau (PIB) said the prime minister will lay the foundation stone of the City Gas Distribution (CGD) project in Alipurduar and Cooch Behar districts during

the government function.

The CGD project, worth over Rs 1,010 crore, aims to supply Piped Natural Gas (PNG) to more than 2.5 lakh households and over 100 commercial establishments and industries. It will also provide Compressed Natural Gas to vehicles through around 19 CNG stations to be set up in line with the Minimum Work Program targets stipulated by the government.

AGENCIES

PM to dedicate projects worth ₹70,000 crores to nation

PIONEER NEWS SERVICE ■ New Delhi

Prime Minister Narendra Modi will lay the foundation stone and dedicate to the nation projects worth nearly ₹70,000 crores during his two-day visit starting Thursday to four States including Bihar, Up, Sikkim and West Bengal.

A statement from Prime Minister's Office (PMO) on Wednesday here said he will begin the tour by attending the "Sikkim@50: Where Progress meets purpose and nature nurtures growth" programme on Thursday, and lay the foundation stone and inaugurate multiple development projects in Sikkim before addressing the gathering.

In West Bengal, he will lay the foundation stone of City Gas Distribution project in Alipurduar and Cooch Behar districts before inaugurating the new terminal building of Patna Airport in Bihar in the evening.

On Friday, he will inaugurate and lay the foundation stone of development projects

worth over ₹48,520 crore in Karakat, Bihar and address a public meeting.

In UP, he will lay the foundation stone and inaugurate development projects worth around ₹20,900 crore in Kanpur Nagar district and address a public function, the statement said.

Modi has toured States like Rajasthan and Gujarat and will be visiting more States ahead of his Government's anniversary on June 9, the day he took oath in his third term last year.

In his speeches, he has mixed his development message with a tough message to Pakistan following Operation Sindoor.

Referring to his four-State tour, the statement said the Sikkim Government has planned a year-long series of activities under the theme "Sunaulo, Samriddha and Samarth Sikkim", celebrating the essence of Sikkim's cultural richness, tradition, natural splendour and its history.

Projects to be launched by him include a new 500-bedded district hospital worth over ₹750 crore in Namchi, passenger ropeway at Sangacholing and statue of



Prime Minister Narendra Modi

former prime minister Atal Bihari Vajpayee at Atal Amrit Udyan at Sangkhola in Gangtok.

The City Gas Distribution (CGD) project in Alipurduar and Cooch Behar will be a significant step towards expanding the CGD network in India, the statement said.

The project, worth over ₹1,010 crore, aims to provide piped natural gas to more than 2.5 lakh households, over 100 commercial establishments and industries besides providing Compressed Natural Gas (CNG) to vehicular traffic by establishing around 19 CNG stations in line with the Minimum Work Programme (MWP) targets stipulated by the Government.

It will provide convenient, reliable, environment-friendly and cost-effective fuel supply and create employment opportunities in the region, the statement said.

The new terminal at Patna airport has been built at a cost of around ₹1,200 crore and can handle one crore passengers per year. PM Modi will also lay the foundation stone of the new civil enclave of Bihta airport worth over ₹1,410 crore.

The projects to be launched in Karakat include Nabinagar Super Thermal Power Project, Stage-II in Aurangabad district worth over ₹29,930 crore, which will aim at ensuring energy security for Bihar and eastern India. It will boost industrial growth, create job opportunities, and provide affordable electricity in the region, the statement said.

The prime minister will also be laying the foundation stone for various road projects in the state besides the construction of a new Ganga bridge between Buxar and Bhaurauli.

In Uttar Pradesh, he will inaugurate the Chunniganj Metro Station to Kanpur Central Metro Station section costing worth over ₹2,120 crore. It will include 14 planned stations with five new underground stations integrating key city landmarks and commercial hubs into the metro network.

The statement said he will also inaugurate road projects and lay the foundation stone of power and road projects among others.

PTI

‘Ready for \$65/barrel crude oil in FY26’

Q&A National exploration and production major Oil India Ltd (OIL) wants to quickly monetise offshore assets in the Cambay Basin, and is hopeful of lower statutory requirements helping exploration in the offshore KG Basin, OIL chairman and managing director (CMD) **RANJIT RATH** told **PRACHI PISAL** in an interview in Mumbai. Edited excerpts:

What is your outlook on the global crude oil prices for the rest of 2025?

■ We are aware of the volatility that comes along with the crude oil price, but what we don't know is the extent of volatility. Having taken note of what we have witnessed in the first two-months of FY26, and then the outlook that is in the offing, we are prepared for a \$65 per barrel crude oil price range. It is more about the preparedness for this degree of volatility rather than getting surprised.

Any update on OIL's plans to begin exploration in the nine blocks that you won in the latest round of bidding for oil and gas assets?

■ We have about 40,000 square kilometres of area, out of which we have two blocks in the Cambay Basin, Gujarat and two in Meghalaya. The efforts for drilling in the Cambay Basin have already started. We want to monetise it faster because we have already reprocessed the geophysical data that is available.

We have five blocks in the offshore Mahanadi and Krishna Godavari (KG) basins, which are deep and ultra-deep water. We have already initiated the process for carrying out 2D and 3D seismic surveys for the blocks in the Mahanadi Basin. We are geared up and looking forward to fast-tracking these activities. In the KG Basin, we see a lot of opportunities that are time-saving since the statutory requirements and the interface are much for an offshore block.



You have been bullish on the prospect of foreign partnerships. Which areas are you targeting?

■ We are looking at international oil companies (IOCs) and overseas national oil companies (NOCs). We have signed an MOU with Petrobras, where we are looking at the data together and are requesting them to partner with us in our Open Acreage Licensing Policy (OALP) IX round blocks, and the OALP X bidding round that's set to take place. There are several such assets that we are looking at right now, and we will continue to evaluate the opportunities.

We are also exploring the shallow waters of the Andaman Nicobar Basin, where we have already drilled a well, and a second well

is being drilled. We are seeking partners there as well, not only to de-risk our investment but also to gain access to the technology.

The company had targeted 4 million metric tons (mmt) of crude oil production in FY25, but output stood at almost 3.5 mmt. How do you look at this?

■ 4 mmt is a target that we want to achieve by FY27. We are drilling deeper and doing near-field exploration. We are identifying additional prospects that bear more potential. We have carried out more than 40 geological studies and have identified 90 such drillable prospects. These drillable prospects will convert into shortlisted well locations, which will give us these numbers. Our target remains 4 mmt.

What about your recent foray into Tripura?

■ We have an open-access licensing policy block in Tripura. We have also discovered a small field. There were initial hiccups amid geographical disadvantages like heavy rains. Hence, there was a delay in the mobilisation of the drilling grid. Now, we have started the drilling. We are hopeful of not only quickening the production of natural gas to monetise the Discovered Small Field (DSF) block, but also the evacuation purposes. We have also started building a connecting pipeline for that.

Has the company met its annual well drilling target?

■ This year, our target was to drill over 70 wells, but because of certain constraints and a month of flood, we drilled 59 wells completely, and 10 such wells were at various stages as of FY25. We drilled deeper wells and tested more sand.

ऑयल इंडिया को राजस्थान में मिला पोटाश अन्वेषण ब्लॉक, खनिज विविधीकरण की दिशा में अहम कदम

सवेरा न्यूज/आकाश द्विवेदी

नई दिल्ली, 28 मई : भारत सरकार की महारत्न केंद्रीय सार्वजनिक क्षेत्र उद्यम (सीपीएसई) ऑयल इंडिया लिमिटेड ने ऊर्जा क्षेत्र में विविधता लाते हुए खनिज अन्वेषण की दिशा में एक बड़ा और रणनीतिक कदम उठाया है। खान मंत्रालय, भारत सरकार द्वारा आयोजित 5वें दौर की नीलामी प्रक्रिया में ऑयल इंडिया को राजस्थान के हनुमानगढ़ जिले में स्थित जॉर्किंगन-सतीपुरा-खुंजा एकीकृत पोटाश और हैलाइट ब्लॉक के लिए कंपोजिट लाइसेंस का पसंदीदा बोलीदाता घोषित किया गया है।

यह पहली बार है जब भारत सरकार ने पोटाश ब्लॉकों की सफल नीलामी की है। यह उपलब्ध देश के अपने पोटाश संसाधनों के

उपयोग की दिशा में एक निर्णायक और ऐतिहासिक कदम के रूप में देखी जा रही है। पोटाश एक अत्यंत महत्वपूर्ण खनिज है, जिसका उपयोग विशेष रूप से कृषि क्षेत्र में उर्वरक उत्पादन के लिए होता है। वर्तमान में भारत अपनी पोटाश जरूरतों का अधिकांश हिस्सा आयात के माध्यम से पूरा करता है। ऑयल इंडिया लिमिटेड द्वारा इस क्षेत्र में प्रवेश करना राष्ट्रीय आत्मनिर्भरता (आत्मनिर्भर भारत) के लक्ष्य को मजबूती प्रदान करेगा। इसके साथ ही, कंपनी के बिजनेस पोर्टफोलियो में रणनीतिक विविधता भी आएगी। विशेषज्ञों का मानना है कि यह पहल भारत की खनिज सुरक्षा और ऊर्जा संक्रमण नीति को मजबूती देगी, साथ ही स्थानीय स्तर पर रोजगार सृजन और आर्थिक विकास में भी सहायक होगी।

ऑयल इंडिया को मिला राजस्थान में पोटेश अन्वेषण ब्लॉक

नई दिल्ली, (भाषा)। सार्वजनिक क्षेत्र की ऑयल इंडिया लि. (ओआईएल) ने खान मंत्रालय की नीलामी में रणनीतिक रूप से महत्वपूर्ण खनिज पोटेश का एक ब्लॉक हासिल किया है। ऑयल इंडिया ने बुधवार को बयान में कहा कि कंपनी को खान मंत्रालय की पांचवें दौर की नीलामी में राजस्थान के हनुमानगढ़ जिले के जॉर्कियन-सतीपुरा-खुंजा एकीकृत पोटेश और हैलाइट ब्लॉक के लिए समग्र लाइसेंस देने को लेकर पसंदीदा बोलीदाता घोषित किया गया है। यह पेट्रोलियम मंत्रालय के अंतर्गत आने वाली महारत्न कंपनी ऑयल इंडिया के ऊर्जा बदलाव और व्यापार पोर्टफोलियो में विविधता लाने की प्रतिबद्धता को बताता है। बयान के मुताबिक, सरकार ने पहली बार पोटेश ब्लॉक की सफल नीलामी की है, जो देश में घरेलू पोटेश संसाधनों के उपयोग की दिशा में एक बड़ा कदम है।

पांचवें दौर की नीलामी में मिली ऑयल इंडिया को राजस्थान में पोटाश अन्वेषण ब्लॉक आवंटित

नई दिल्ली @ पत्रिका ब्यूरो
भारत सरकार की महारत्न ऑयल
इंडिया लिमिटेड (ओआईएल) ने
ऊर्जा परिवर्तन और व्यवसाय
पोर्टफोलियो में विविधता लाने की
दिशा में एक बड़ा कदम उठाया है।
इसने खान मंत्रालय, भारत सरकार
के 5वें दौर की नीलामी में
राजस्थान में पोटाश अन्वेषण
ब्लॉक को हासिल किया है।
ओआईएल को राजस्थान के
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सतीपुरा-खुंजा एकीकृत पोटाश
और हैलाइट ब्लॉक के कंपोजिट
लाइसेंस के लिए पसंदीदा
बोलीदाता के रूप में चुना गया है।
यह पहली बार है जब भारत
सरकार ने पोटाश ब्लॉकों का
सफलतापूर्वक नीलामी की है, जो
भारत के अपने पोटाश संसाधनों
का उपयोग करने की दिशा में एक
बड़ा कदम है।

प्रधानमंत्री का देशव्यापी दौरा- बंगाल के अलीपुरद्वार और कूचबिहार को मिलेगी सौगात गैस वितरण परियोजना की आधारशिला रखेंगे

कोलकाता, 28 मई (भाषा)।

प्रधानमंत्री नरेंद्र मोदी गुरुवार को पश्चिम बंगाल का दौरा करेंगे। इस दौरान वह एक गैस वितरण परियोजना की आधारशिला रखेंगे और अलीपुरद्वार जिले में एक जनसभा को संबोधित करेंगे। यह जानकारी भाजपा के एक वरिष्ठ नेता ने दी। प्रदेश भाजपा अध्यक्ष सुकांत मजूमदार ने कहा कि सबसे पहले वह (मोदी) सरकारी कार्यक्रम में शामिल होंगे और फिर अलीपुरद्वार में पार्टी की एक बैठक को संबोधित करेंगे।

इसके बाद शाम को प्रधानमंत्री पटना के लिए रवाना होंगे। हम सभी उन्हें सुनने के लिए उत्साहित हैं। 'आपरेशन सिंदूर' के बाद यह उनका पहला दौरा होगा। प्रदेश भाजपा के एक

यूपी के कानपुर में इक्कीस करोड़ की परियोजनाओं की सौगात देंगे

लखनऊ : प्रधानमंत्री नरेंद्र मोदी अपने देशव्यापी दौरे में शुक्रवार को कानपुर आएंगे, जहां वह करीब 21 करोड़ रुपए लागत वाली परियोजनाओं का लोकार्पण और शिलान्यास करेंगे। आधिकारिक सूत्रों ने बताया कि मोदी इस दौरान पहलगाम आतंकी हमले में मारे गए शुभम द्विवेदी के परिजनों से भी मुलाकात कर सकते हैं। एक आधिकारिक बयान के अनुसार

प्रधानमंत्री 30 मई को कानपुर के एक दिवसीय दौरे में क्षेत्र के बुनियादी ढांचे और कनेक्टिविटी को बढ़ावा देने के उद्देश्य से कई विकास परियोजनाओं का शिलान्यास और उद्घाटन करेंगे। वह 2,120 करोड़ रुपए से अधिक की लागत वाली कानपुर मेट्रो रेल परियोजना के चुन्नीगंज मेट्रो स्टेशन से कानपुर सेंट्रल मेट्रो स्टेशन तक के खंड का उद्घाटन करेंगे।

अन्य नेता ने बताया कि मोदी के सिक्किम से अपराह्न एक बजे के बाद पश्चिम बंगाल पहुंचने की उम्मीद है। पत्र सूचना कार्यालय (पीआइबी) की ओर से जारी एक बयान में

कहा गया कि प्रधानमंत्री सरकारी समारोह के दौरान अलीपुरद्वार और कूचबिहार जिलों में शहर गैस वितरण (सीजीडी) परियोजना की आधारशिला रखेंगे।

