

# Mozambique gas field restart is win for India

Shashank Mattoo &  
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**T**he Cabo Delgado gasfield in Mozambique, in which Indian energy majors hold a 30% stake, is expected to resume production this month after terror attacks threatened to derail it, according to persons aware of the matter.

The \$20 billion 'Offshore Area I' project has been under force majeure since April 2021 following attacks by Islamic State terrorists in the coastal town of Palma in Cabo Delgado province. The fragile security situation led the TotalEnergies-operated Mozambique LNG to announce the withdrawal of all project personnel from the site.

However, an improvement in the security situation in the province of Cabo Delgado led the government of Mozambique to green light the resumption of operations in April this year. India had invested in the project in order to improve gas supplies. ONGC

Videsh holds 16%, while BPRL Ventures Mozambique BV, a subsidiary of BPCL, and Oil India Ltd hold 10% and 4% respectively. India has maintained an active interest in the resumption of operations at the plant. *Mint* reported in March that India was planning to send an expert team to Mozambique to examine whether the project could resume operations.

According to the persons cited above, visits from Indian foreign

ministry and petroleum officials have taken place in recent months.

"It is one of the most prolific gas assets. It's just a three-day journey from there to India. So, once the supplies start, it

would significantly and immediately add to the LNG availability in the country," said a person familiar with the project.

Queries to the ministries of external affairs and petroleum and natural gas remained unanswered at press time. Queries to BPCL, OIL and ONGC Videsh also went unanswered. [shashank.mattoo@livemint.com](mailto:shashank.mattoo@livemint.com)

**ONGC Videsh holds 16%, while BPRL Ventures Mozambique BV, and Oil India Ltd hold 10% and 4% respectively**

# Oil marketers' shares hit 52-week highs on margin hopes

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NEW DELHI

Stock prices of oil marketing companies Bharat Petroleum Corp. Ltd (BPCL), Indian Oil Corp. Ltd (IOCL) and Hindustan Petroleum Corp. Ltd (HPCL) scaled 52-week highs on Thursday on expectations of healthy June quarter performance.

The companies are expected to report a strong performance during Q1 helped by good marketing margins. Although benchmark refining margins declined during Q1, discounted crude sourced

from Russia is likely to support refining margins for oil marketing companies, analysts said.

While oil prices have inched up recently from lows, led by deepening production cuts announced by the various oil producing nations, analysts do not see much upside for oil prices amidst weak China demand, global slowdown concern and adequate global reserves and supplies.

Analysts at Jefferies India Pvt Ltd said OMC profitability during Q1 should spike on marketing strength, despite refining weakness. The OMCs, after suffering significant



The companies are expected to report a strong performance during Q1 helped by good marketing margins.

REUTERS

losses on marketing auto fuels during 2022 amidst high crude price environment, saw strong rebound in marketing performance during the Q4

FY23 amidst declining oil prices. The momentum is likely to continue in Q1 FY24.

Analysts at ICICI Securities said marketing margins, after

showing steep losses over the first half of FY23, have steadily recovered over the last four months and they estimate petrol and diesel margins at a stellar ₹8-9 a litre in Q1. Moderation in both crude costs and softer product prices are likely to benefit OMCs' marketing earnings in Q1, they said.

The OMCs are being allowed to recover their losses on marketing during a high crude price environment. The blended auto fuel margins stood at ₹3 a litre during Q4 which are likely to improve to ₹9 a litre during Q1, said Avishek Datta, senior analyst at Prabhudas Lilladher.

With no retail price cut, despite lower international product prices, OMCs' auto fuel over-recoveries further increased to nearly ₹24,000-25,000 crore in Q1 FY23, on an estimate, said analysts at Kotak Institutional Equities. Auto fuel over-recoveries will more than offset the impact of 50% sequential decline in benchmark gross refining margins (GRM), they added.

The benchmark Singapore GRMs averaged lower at \$4.1 a barrel versus \$8.2 a barrel in Q4 FY23, due to drop in diesel and ATF spreads by \$12 a barrel as per analysts' data.



## QUICKLY.

### **PFC gives ₹9,187 crore for HPCL Barmer refinery**

**New Delhi:** In a first, state-run Power Finance Corporation (PFC) has extended ₹ 9,187 crore to HPCL Rajasthan Refinery Ltd (HRRL), for its refinery-cum-petrochemical complex in Barmer. HRRL will set up a 9 million tonnes per annum (MTPA) complex at a cost of ₹72,937 crore. OUR BUREAU



## OPEC upbeat over 2024 oil demand outlook

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**Vienna:** OPEC will likely maintain an upbeat view on oil demand growth for next year when it publishes its first outlook later this month, predicting a slowdown from this year but still an above-average increase, sources close to OPEC said. OPEC's forecast for 2024 will likely be lower than the growth it expects for this year of 2.35 million barrels per day, or 2.4 per cent, an abnormally high rate as the world moves out of the pandemic. REUTERS

## Indian Oil, Praj to form JV for biofuel production

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### Our Bureau

New Delhi

State-run Indian Oil Corporation (IOC) and Praj Industries on Thursday signed a term sheet to advance plans to strengthen biofuels production capacities in India. Various biofuels covered under this MoU include Sustainable Aviation Fuel, Ethanol, Compressed Bio-Gas, Biodiesel and Bio-bitumen among others, Praj Industries said.

Earlier in October 2021, both the companies had entered into an agreement to form a 50:50 Joint Venture (JV) to this end, it added.

“The collaboration with an Indian biofuel major, Praj, will strengthen our resolve to achieve our goal of net-zero operational emissions by 2046 and maintain our leadership in the green energy domain,” IOC Chairman Shrikant Madhav Vaidya said.

## HPCL aims to run Vizag refinery at full capacity



**New Delhi:** Hindustan Petroleum Corp Ltd (HPCL) aims to operate its 15 million metric tonnes per year Vizag refinery at full capacity early next year after commissioning some new secondary units geared to upgrade fuels. Operations at full scale will increase HPCL's crude imports and enable it to process fuel oil to produce expensive refined products. REUTERS

# 'Irresponsible' to cut oil production now: Shell CEO

MSTYSLAV CHERNOV  
London, July 6

**THE HEAD OF** global energy giant Shell says it would be "irresponsible" to cut oil and gas production at a time when the world economy is still dependent on fossil fuels.

In an interview with the BBC released on Thursday, Shell CEO Wael Sawan also refused to rule out moving the company's headquarters and stock market listing from Britain to the United States.

"The reality is, the energy system of today continues to desperately need oil and gas," Sawan said.

"And before we are able to let go of that, we need to make sure that we have developed the energy systems of the future — and we are not yet, collectively, moving at the pace (required for) that to happen."

The comments conflict with the recommendations of climate scientists and UN secretary-general Antonio Guterres, who has called on the fossil fuel industry to "drive, not obstruct" the transition



Shell CEO Wael Sawan

to renewable energy.

Burning fossil fuels is the biggest source of the carbon emissions blamed for global warming. Even Sultan al-Jaber — who is head of Abu Dhabi National Oil Co, one of the world's largest oil producers, as well as president of this year's UN climate talks — urged the oil and gas industry to reach net zero greenhouse gas emissions by or before 2050.

—AP





# RIL, Adani Total Gas Planning Plants for Compressed Biogas



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**Mumbai:** Mukesh Ambani's Reliance Industries (RIL) and Gautam Adani-led Adani Total Gas (ATGL) are planning to set up 10 compressed biogas (CBG) plants each, across the country, senior executives aware of the development said.

These plants will be of upto 30 tonnes per annum capacity. Five plants will be set in the next five years. The rest would come up later. The companies would invest up to ₹2500 crore each in setting up these plants.

Compressed Bio Gas or CBG is a greener fuel produced from waste/ biomass sources. It has properties similar to Compressed Natural Gas (CNG) and can be used for automotive, industrial and commercial uses.

"RIL and Adani Group have identified a few sites where they would be setting these plants up. Currently they have decided to set up five plants. The rest five would be set up after that as feedstock availability is an issue," said the first senior executive mentioned above.

RIL did not respond to an email query sent.

Adani Total Gas spokesperson in an emailed response said that the company plans to set up five CBG plants in the next five years at strategic locations. Currently, a plant with capacity of 600 tonnes per day is under construction in Uttar Pradesh and is expected to begin CBG production by this financial year-end.

"CBG plants are a natural strategic investment towards supplementing ATGL city gas distribution and providing clean energy. This aligns with India's commitment to the environment and also the country's COP26 commitments," ATGL spokesperson said.

Each plant would have feedstock processing capacity of 250-500 tonnes per day, with CBG production in the range of 10 tonnes per day (TPD) to 20 TPD. The estimated investment in the Uttar Pradesh unit is around ₹750 crore.

The company, ATGL, said, is working on a pan-India basis, covering segments for agricultural residue as well as municipal solid waste.

"We expect CBG to be an important source of alternative energy, which is one of the focus areas of the central government," ATGL spokesperson said.

Jio-bp, a fuel retail joint venture between Reliance Industries and British oil major BP, has begun retailing compressed biogas (CBG) and bio-CNG (B-CNG), both of which can be used in place of compressed natural gas in CNG-powered vehicles. Five of RIL's CBG plants will be in Gujarat and five would be across the country, the second official quoted above, added.

India currently has nearly 30 CBG plants under operation. Industry players expect the sector to attract over \$2 billion investments in the next five to seven years. Under its Satat scheme, the government announced an ambitious plan of touching 15 million metric tonnes per annum, which is roughly 40,000 tonnes per day.





## **IOCL commits to investing ₹54K cr in projects**

PTI / Chennai

The Indian Oil Corporation Limited (IOCL), Chennai, has committed to invest Rs 54,000 crore in various projects in Tamil Nadu in the next few years, including a 9 MMTPA (million metric tonnes per annum) grass-root refinery at an estimated cost of Rs 35,580 crore, its executive director and state head (TN & Puducherry) V C Asokan said here on Thursday.

This new refinery, which will come up on about 1,300 acres of land in Nagapattinam, will produce petrol and diesel for BS-VI specifications and also polypropylene.

"For Indian Oil, Tamil Nadu is an important market and we are constantly investing in the state to improve the infrastructure and product offerings as well as our services," Asokan told reporters.

# IOC looks to set up green hydrogen unit in TN; seeks land, power from State

**G Balachandar**  
Chennai

Indian Oil Corporation is looking to set up green hydrogen generation units in Tamil Nadu and Kerala and the PSU refiner is in talks with the State governments, a senior company official said outlining IOC's proposed ₹54,000-crore investments, including the ₹35,580-crore greenfield refinery project in Tamil Nadu.

The company is interested in setting up green hydrogen units on a pilot basis in the two States and will be seeking support by way of land and electricity.

## FUEL TESTED

"We have discussed this with the Tamil Nadu government. We are meeting the State government officials next week. The fuel has already been tested and if the State government provides land and power, we will be able to take it forward," said VC Asokan, Executive Director and State Head, IOC.



VC Asokan, Executive Director and State Head, Indian Oil Corporation, addressing the press in Chennai BIJOY GHOSH

He said IOC has been doing extensive research in the area of green hydrogen. Its R&D centre already has a hydrogen dispensing station up and running and the company has taken 15 fuel cell electric buses for pilots.

Explaining the cost of the proposed unit in Tamil Nadu, Asokan said the investment would depend on the requirement of users. For example, "if we spend about ₹50 crore in a unit, we will be able to meet the requirements of only 10-12 fuel cell buses," he added.

Simultaneously, IOC is establishing a 7 KTPA green hydrogen capacity at its Panipat refinery in Haryana. A demonstration facility for hydrogen dispensing at its Vadodara refinery in Gujarat has also been installed using the hydrogen from the refinery unit.

The company's R&D centre at Faridabad is one of the 8 research organisations in India that are engaged in R&D and demonstration (RD&D) projects on hydrogen production.

## CHARGING STATIONS

IOC will add 300 EV charging stations in Tamil Nadu this fiscal, taking the total to 700.

Earlier, Asokan highlighted the projects that would be executed at a total investment of ₹54,000 crore in the State. A major portion of the planned investment (₹35,580 crore) will be made in the proposed 9 mmtpa grassroots refinery at Nagapattinam over 1,300 acres. "A JV has been formed and land acquisition is getting completed," he said.



## पीएफसी ने एचपीसीएल की राजस्थान रिफाइनरी को वित्त उपलब्ध कराया

नई दिल्ली (भाषा)।

पावर फाइनेंस कारपोरेशन (पीएफसी) ने एचपीसीएल राजस्थान रिफाइनरी को 9187 करोड़ का वित्त प्रदान किया है। पीएफसी ने बृहस्पतिवार को बयान में यह जानकारी दी।

यह पहली परियोजना है जबकि पीएफसी ने रिफाइनरी और पेट्रोसायन क्षेत्र को वित्तीय सहायता उपलब्ध कराई है। पीएफसी न सिर्फ बिजली बल्कि बुनियादी ढांचा क्षेत्र के जरिए भी राष्ट्र निर्माण में सहयोग दे रही है। महारत्न कंपनी और बिजली क्षेत्र में देश की प्रमुख एनवीएफसी पीएफसी ने एचपीसीएल राजस्थान रिफाइनरी को बाइमेर स्थित 90 लाख टन सालाना क्षमता के रिफाइनरी एवं पेट्रोसायन परिसर के लिए 9,187 करोड़ रुपए उपलब्ध कराए हैं।



## आईओसी पूंजी जुटाने लाएगा राइट्स इश्यू

नई दिल्ली। देश की सबसे बड़ी पेट्रोलियम कंपनी इंडियन ऑयल कॉर्पोरेशन राइट्स इश्यू जारी कर पूंजी जुटाने की योजना बना रही है। आईओसी ने शेयर बाजारों को दी सूचना में कहा कि उसके निदेशक मंडल की सात जुलाई को होने वाली बैठक में राइट्स इश्यू के जरिये पूंजी जुटाने के प्रस्ताव पर विचार किया जाएगा। इस पूंजी का इस्तेमाल विभिन्न परियोजनाओं में करने की तैयारी है। कंपनी में सबसे बड़ी हिस्सेदार सरकार इस राइट्स इश्यू को खरीदकर नई पूंजी डाल सकती है।

# पीएफसी ने एचपीसीएल राजस्थान रिफाइनरी को 9,187 करोड़ रुपए का वित्त उपलब्ध कराया

वैभव न्यूज ■ नई दिल्ली

सार्वजनिक क्षेत्र की पावर फाइनेंस कॉर्पोरेशन (पीएफसी) ने एचपीसीएल राजस्थान रिफाइनरी लिमिटेड को 9,187 करोड़ रुपए का वित्त प्रदान किया है। पीएफसी ने बृहस्पतिवार को बयान में यह जानकारी दी। यह पहली परियोजना है जबकि पीएफसी ने रिफाइनरी और पेट्रोस्सायन क्षेत्र को वित्तीय सहायता उपलब्ध कराई है। बयान में कहा गया है कि पीएफसी न केवल बिजली क्षेत्र, बल्कि बुनियादी ढांचा क्षेत्र के जहाँ भी राष्ट्र निर्माण में सहयोग दे रही है। महारत्न कंपनी और बिजली क्षेत्र में देश की प्रमुख गैर-बैंकिंग



वित्तीय कंपनी पीएफसी ने एचपीसीएल राजस्थान रिफाइनरी लि. को राजस्थान के बाड़मेर में स्थित 90 लाख टन सालाना क्षमता के रिफाइनरी एवं पेट्रोस्सायन परिसर के लिए 9,187 करोड़ रुपए उपलब्ध कराए

हैं। एचपीसीएल राजस्थान रिफाइनरी लि.(एचआरआरएल) बाड़मेर में 72,937 करोड़ रुपए की परियोजना लागत के साथ एक नया रिफाइनरी एवं पेट्रोस्सायन परिसर स्थापित कर रही है।