

Indian refiners top up crude from Africa, UAE, US, as Russia, Saudi Arabia cut output

Rishi Ranjan Kala
New Delhi

Indian refiners sourced more crude oil from Iraq, Africa, the US and the UAE in July 2023 as Russia and Saudi Arabia continued with their voluntary crude oil production cuts.

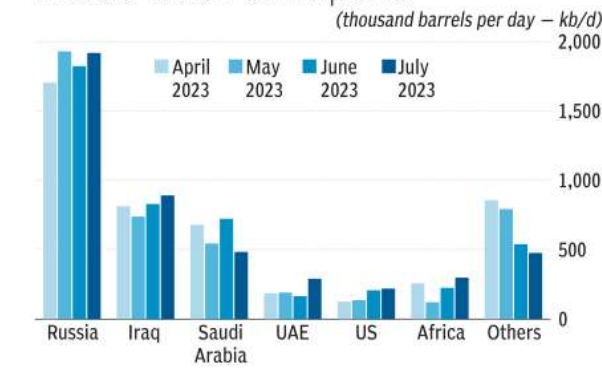
Besides, another reason for India sourcing more oil from Iraq and the UAE, is as an alternative to Saudi Arabian supplies as the world's largest exporter raised the official selling price (OSP) of most of its crude to Asia for the third month running in September.

Energy intelligence firm Vortexa's Head of APAC Analysis, Serena Huang told *businessline*: "Indian refiners are increasingly sourcing for alternative crude supplies as Russia and Saudi Arabia cut back on their crude exports."

"Saudi Arabia's additional production cuts and raising of its OSPs have driven refiners to look towards other Middle Eastern crude suppliers to supplement their crude demand."

The narrowing of Brent-Dubai differentials as a result of tighter Saudi crude sup-

India's crude oil imports



Source: Vortexa

plies has also made Atlantic Basin grades more economically attractive, compared to the past few months and, hence, the uptick in imports by refiners, she explained.

RISE IN IMPORTS

According to Vortexa, crude oil imports from Africa to India rose 32 per cent month-on-month to 298,000 barrels per day (b/d) in July 2023, while those from the US went up by about six per cent to 219,000 b/d.

Similarly, inbound shipments of the key commodity from Iraq were higher by 7.5 per cent m-o-m to 891,000 b/d, while those from the

UAE surged by 76 per cent to hit 290,000 b/d on a lower base in June 2023. On the other hand, imports from Saudi Arabia fell by 33 per cent on a monthly basis to 484,000 b/d.

In the case of Russia, India's largest crude oil supplier, Indian refiners, particularly state-run OMCs, stocked up on Urals fearing supply disruptions during August and September, as Russia limits exports to shore up prices and meet domestic diesel demand.

Refiners imported around 1.60 million barrels per day (mb/d) of the medium sour grade last month, higher by

18 per cent compared to June and 14 per cent higher than the record in May 2023.

India's preference for Russia's largest export grade can be gauged from the fact that its imports are close to the combined shipments by the other three top suppliers — Iraq, Saudi Arabia and the UAE — at 1.67 mb/d.

PRODUCTION CUTS

Saudi Arabia and Russia will continue with the voluntary production cuts in August and September. While Saudi Arabia extended its production cut of one mb/d to the end of September, Russia announced a cut of 300,000 bpd. Saudi Arabia has also indicated that the production cuts could be extended, if needed.

Production cuts by the world's top two crude oil exporters have strengthened prices with Brent hovering at \$86.81 a barrel and WTI at \$83.19 on Sunday afternoon.

Going ahead, trade sources said, prices will depend on the intensity of production cuts by Saudi Arabia and Russia, as well as the economic sentiments in China and the European Union.

MODERN ENERGY TO AID CLEAN COOKING ENERGY SOLUTIONS

FC CORRESPONDENT
NEW DELHI, AUG. 13

UK aid-funded Modern Energy Cooking Services (MECS) programme has launched an investor pitching and connect initiative, according to the company statement.

The programme aims to address the problem of lack of access to clean cooking solutions, faced by about 2.4 billion people worldwide.

"One of the reasons behind the problem is financial constraint as the businesses in the segment need about \$10 billion annually. The problem is particularly persistent in India, with many households still using traditional biomass-based solutions and relying on firewood, cow dung cakes, and agricultural residue," the statement said.

The MECS is a UK aid-funded global research programme led by Loughborough University and World Bank's Energy Sector Management Assistance Programme.

"We recognise the transformative power of clean cooking solutions and services, not just for the environment but also for improving health of women and children who are disproportionately affected by household air pollution. This will drive to a greener and healthier future," a spokesperson explained.



OVL seeks 3-yr extension for Vietnamese oil block

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Videsh Ltd has sought another three-year
extension to explore for oil and gas in a
Vietnamese block in the contested
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OVL seeks another extension of 3-yrs for Vietnamese oil block

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OUR CORRESPONDENT

NEW DELHI: India's flagship overseas firm ONGC Videsh Ltd has sought another three-year extension to explore oil and gas in a Vietnamese block in the contested waters of the South China Sea, officials said.

If granted, this will be the eighth extension for OVL, the overseas arm of state-owned Oil and Natural Gas Corporation (ONGC).

Officials said the seventh extension to explore for oil and gas was till June 15, 2023 and the company is in talks with Vietnamese authorities for another three-year extension.

OVL, they said, has submitted a proposal for a three-year extension of the exploration phase-1 to the regulator PVN and the approval is awaited.

The company has so far not found any commercially recoverable oil and gas reserves in the block in the 17 years it has been exploring there but has continued presence there because of India's strategic interest in the South China Sea.

Vietnam too wants the Indian firm to counter China's interventions in the contested waters.



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OVL had signed a production sharing contract (PSC) with Vietnam's national oil firm PetroVietnam for deepwater exploratory Block-128 having an area of 7,058 square kilometres in Offshore PhuKhanh Basin, Vietnam in May 2006.

An investment licence was

issued to it on June 16, 2006, thereby giving effect to the PSC.

The firm has completed the licence requirement of shooting 3D seismic data and reprocessing of 2D seismic data as well as drilling of the committed one well.

Officials said OVL acquired

3D seismic data and reprocessed 2D seismic data to fulfil a part of the minimum work programme of the phase-1 of exploration period. Also, petroleum system modelling studies have been carried out based on data provided by PetroVietnam.

OVL first took a two-year extension of the exploration period till June 2014 and then another for one year. A third extension was granted on May 28, 2015, and a fourth in 2016.

It got the fifth extension for two years in 2017 and a sixth from June 16, 2019 to June 15, 2021. The seventh extension for two-years was till June 15, 2023.

Another official said the company had a couple of years ago drilled a well on the block but it could not reach the target depth and so it now has to drill the well all over again.

The company has not found any hydrocarbon in the block but is continuing to stay invested to maintain India's strategic interest.

The block lies in the part of the South China Sea over which China claims sovereignty. In 2011, Beijing had warned OVL that its exploration activities off the Vietnam

coast were illegal and violated China's sovereignty, but the company continued exploring for oil and gas.

OVL made a foray into Vietnam as early as 1988 when it bagged the exploration licence for Block 06.1. OVL owns a 45 per cent stake in Block 06.1 and its share of condensate and oil equivalent gas production from the block was 0.693 million tonnes during the 2022-23 fiscal.

The production sharing contract (PSC) for Block 06.1 was till May 18, 2023 but the Vietnam government has extended it for another 16 years.

The 955 sq km Block 06.1 located in Nam Con Son basin has two producing fields -- Lan Tay and Lan Rosneft -- and has a 35 per cent stake while the remaining 20 per cent is with PetroVietnam.

The firm in 2006 got two exploration blocks -- Block 127 and Block 128. While Block 127 was relinquished due to poor prospects, the other block was retained.

The first extension for Block 128 followed China putting the area under the block for global bidding.

OVL seeks extension for block in South China Sea

INDIA'S FLAGSHIP OVERSEAS firm ONGC Videsh has sought another three-year extension to explore for oil and gas in a Vietnamese block in the contested waters of the South China Sea, officials said. If granted, this will be the eighth extension for OVL.

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The company has so far not found any commercially recoverable oil and gas reserves in the block in the 17 years it has been exploring there, but has continued presence there because of India's strategic interest in the South China Sea. — PTI



OVL seeks extension for Vietnam oil block

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PTI

POLICY SWITCH: GOVT'S NEWFOUND FAITH IN PSUs

In a very unusual piece of investment advice in Parliament, the PM exhorted people to bet on PSU stocks. Taking a potshot at the opposition for their doomsday predictions on the Indian economy and public sector companies, the prime minister made an impassioned appeal to investors to show faith in Indian PSU stocks. His praise for PSUs is a departure from his government's past stance on government-owned companies, which are largely seen as a legacy of Nehruvian socialism. That the top leadership of a government, which has time and again attacked its predecessors for failing to dispose of inefficient PSUs, is advising people to repose faith in these units, is a big statement that somehow went unnoticed in the ruckus in Parliament.

The Narendra Modi government has made a lot of song and dance about its disinvestment efforts since it came to power in 2014, but the fact remains that only two PSUs—Air India and Neelanchal Ispat Nigam Ltd—have been sold to a private player (Tata) so far. In other strategic disinvestments, the government would simply sell its entire stake in one PSU to another. And while the government can take credit for privatisation of two PSUs, it is equally true that the privatisation agenda of the government has been locked away in cold storage for now. Power corridors are abuzz with talks that PSU disinvestment is not a priority for the government for now. Even the ones in the pipeline—IDBI Bank, BEML, Concor—look like a distant possibility.

There has been a realisation of sorts by the government that PSUs may not, after all, be that bad. Ministers in the government have been singing paeans of the PSU oil marketing companies due to their help in tiding over the serious fuel crisis in the wake of the Ukraine war last year. At the peak of the coal crisis last year, Coal India was tasked with importing coal to replenish power plant stocks. When Yes Bank was in trouble, the government asked SBI to rescue the private lender. The government sees the benefit of having PSUs in certain sectors, and its disinvestment policy will be guided by this newfound fondness for PSUs. The prime minister's copious praise for PSUs, therefore, should not be seen as an isolated event.

ओवीएल ने वियतनाम तेल ब्लॉक के लिए विस्तार मांगा

नई दिल्ली, (भाषा)। ओएनजीसी विदेश लिमिटेड (ओवीएल) ने दक्षिण चीन सागर में स्थित वियतनाम ब्लॉक में तेल और गैस की खोज के लिए तीन साल का विस्तार मांगा है। अधिकारियों ने यह जानकारी देते हुए बताया कि यदि अनुमति दी जाती है, तो यह तेल और प्राकृतिक गैस निगम (ओएनजीसी) की विदेशी शाखा ओवीएल के लिए आठवां विस्तार होगा। उन्होंने कहा कि तेल और गैस की खोज के लिए सातवां विस्तार 15 जून, 2023 तक था और कंपनी तीन साल के विस्तार के लिए वियतनामी अधिकारियों के साथ बातचीत कर रही है।

हाइवे पर पलटा गैस से भरा टैंकर

■ निसं, वसई: मुंबई-अहमदाबाद
हाइवे के वसई फाटा के पास गैस



भरा टैंकर पलट
गया। इससे हाइवे पर
लंबा जाम लग गया।
मौके पर पहुंची हाइवे

पुलिस ने फायरब्रिगेड की मदद से
टैंकर को हटाया। हालांकि, टैंकर
से गैस लीकेज नहीं हुई, अन्यथा
बड़ी घटना हो सकती थी। टैंकर
में प्रोपेन गैस भरी हुई थी। पुलिस
ने बताया कि हादसे के बाद टैंकर
चालक भाग गया।