

# ‘ONGC open to giving equity in difficult fields to de-risk ops’

In the wake of ONGC recently discovering “notable findings” of oil and gas, **SUSHMA RAWAT**, director (exploration) of the company, spoke with **Subhomoy Bhattacharjee** on the company’s strategy, tie-ups with global majors and other issues. Edited excerpts:

## How did you discover these finds?

ONGC’s relentless pursuit of exploring untapped regions has yielded these finds. By diligently analysing geological data and employing advanced technologies, the company has successfully identified substantial oil and gas reserves, reaffirming the untapped potential within the OALP (open acreage licensing program) blocks. The discovery represents a momentous achievement, underscoring exploration, and will expand domestic production to reduce India’s reliance on imported oil and gas.

## You have signed different types of agreements with international oil majors. How will they play out in the future for ONGC? What will you offer?

ONGC is keen to work with global majors as strategic partners in challenging areas, and bring in expertise in three key areas: deep water exploration, monetising the discovered fields on fast-track, and enhancing production from mature fields through enhanced oil recovery and improved oil recovery techniques. What we are looking forward to in collaborations is substantial value additions by the partners.

ONGC is open to giving equity stake in difficult fields to de-risk deep water/difficult ventures and bring capital in areas which are technology- and capital-intensive. We are willing to collaborate with any entity which has a technology and risk appetite. In some areas, we can have service providers,



and in some other areas, we may have technology partners and include financial partners.

We have signed Heads of Agreement (HoA) with ExxonMobil for collaboration in deep-water exploration in KG-Cauvery and Kutch offshore basins; an MoU with Chevron for potential collaboration in the

Tripura fold belt, Bengal offshore, and KG-Cauvery; a CA signed with TotalEnergies, France, for Andaman & Mahanadi offshore, and an MoU with Equinor, Norway, for various scope of work including upstream, midstream, marketing, renewables

(offshore wind) and CCUS (carbon capture, utilisation and storage). There is also an MoU signed with Shell to co-operate in CCUS studies, focusing on joint CO2 storage study and EOR (enhanced oil recovery) screening assessment for “key basins” in India, including depleted oil and gas fields and saline aquifers.

## What were the critical shortages that made you tap these companies?

As I said, to harness the benefit of

international expertise, risk sharing, technology and skill enhancement as a strategic instrument. Our deep/ultra-deep water exploration is very much in the forefront and is going to intensify in the years to come. However, rig resource availability and prioritising resources will be a big challenge for exploration. As you know, ONGC has adopted Energy Strategy 2040 as its strategic blueprint for the future in 2019. Energy transition & future energy demand scenario were the fundamental drivers of the roadmap.

## Will these tie-ups lead to an increase in ONGC’s investments for exploration since the company has only allocated an average exploration budget of ₹31,000 crore annually for the three-year period ending FY24?

We already have a plan to intensify our exploration efforts and have been aggressively increasing our exploratory acreages through OALP. In the next three years, we plan an increase in capex by 150 per cent for exploration compared to the last three financial years. In this respect, it is pertinent to mention that bringing reputed global E&P (exploration & production) players in the Indian hydrocarbon industry may be a game changer and will help open a new vista. ONGC is venturing into high-risk, high-gain deep/ultra-deep water exploration on the east and west coasts of India. For that, we have already acquired a few deep/ultra-deep water exploration acreages under OALP in the Cauvery basin, Andaman basin, and Mahanadi basin. ONGC has already explored 200,000 square kilometers of Indian sedimentary geology. We plan to add over 100,000 square kilometers every year, to reach an ambitious target of 500,000 square kilometers by 2025. So our deep-water exploration is likely to see large capex. Overall, we shall invest around \$7 billion in 3-4 years to reverse declining trend in oil and gas production.

# Q&A

**SUSHMA RAWAT**  
Director  
(Exploration), ONGC

# After B-80 field, PY-1 will be HOEC's cash cow

**M Ramesh**

Chennai

It took more than the expected two years for Hindustan Oil Exploration Company (HOEC) to eke out oil and gas from the B-80 field in the Arabian sea that the company won in government auction in 2015. B-80 has started to produce and, when stabilised, will put out 4,000 barrels of oil and 15 million cubic feet of natural gas.

There are 40 million barrels of oil and 44 billion cubic feet of gas waiting to be sucked out under B-80. Since the attendant infrastructure — storing and piping the hydrocarbons — and sales agreements with customers (Gujarat State Petroleum Corporation for the gas) have been signed, HOEC's Bombay High venture is a done deal.

And now, the company has decided to set its sights on the other sea of India — the Bay of



**DRILLING ASSETS.** HOEC said it has identified well locations for field development, which would be drilled over time

Bengal — where the company owns the PY-1 field.

## NEW LOCATIONS

For certain technical reasons (mainly the rocky seabed that would need to be drilled through), PY-1 is a tough animal to tame; but once tamed it will be a cash cow. According to the ratings and research agency, India Ratings, which on Wednesday put out its latest rating review of the

company's ₹500-crore bank loan, giving it a 'stable' rating, HOEC "has identified new well locations for field development, which would be drilled over a period of time."

## PY-1 IS ALL HOEC'S

India Ratings said that HOEC would invest \$50m (₹410 crore) in PY-1. Unlike in other oil and gas fields, where the company owns a 'participating interest' (part owner-

ship), PY-1 is all HOEC's.

"Given the 100 per cent participating interest with HOEC and the limited sharing with GoI, given the large capex already incurred, leading to low investment multiple, any output from PY-1 would have a high impact on the profitability of the company," India Ratings says, while cautioning that "the production from the asset could be some distance away."

HOEC's other producing asset is the Dirok field in Assam, which produces natural gas. The company plans to invest there too, to raise production.

Expansion of Dirok and PY-1, are the next frontiers of HOEC. Both have challenges. The ratings agency notes that PY-1 features a "complex basement exploration", Greater Dirok "is still under receipt of various approvals to start the production process."



## **Mahanagar Gas signs MoU with Baidyanath LNG to scale up LNG Network**



Mahanagar Gas Limited (MGL), one of the largest city gas distribution companies in India, and Baidyanath LNG signed a Memorandum of Understanding to enable the development of LNG station network across various strategic locations. This is expected to fast-track the development of the supply side ecosystem, aiding long haul transport segment to switch to cleaner fuel. LNG is a cleaner fuel, is stored at low pressure, has mileage advantage as compared to diesel and can help cover long distances in a single fill.

# ONGC Arm Raises \$500m in Foreign Currency Loan

Funds were used to repay bonds that matured last week

**Sanjeev.Choudhary**  
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**New Delhi:** ONGC Videsh, the overseas arm of the Oil and Natural Gas Corporation, has raised a foreign currency loan of \$500 million from a consortium of banks comprising DBS, Bank of Baroda and State Bank of India, according to people familiar with the matter.

The syndicated loan, denominated in dollars and with a tenure of five years, is backed by ONGC's guarantee and benchmarked to three-month term secured overnight financing rate (SOFR), they said.

"It came at a very competitive rate," said one of the persons, who did not wish to be identified, without providing more details on the borrowing cost.

ONGC Videsh has drawn the facility and used the funds to repay \$500 million in bonds that matured last week. The company had raised \$800 million in bonds to meet its finan-

## \$-linked Loan

The ECB loan is from a consortium of banks comprising DBS, Bank of Baroda and State Bank of India

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DBS has the highest exposure among the three participants



cing needs for the ACG project in Azerbaijan in 2013. Bonds worth \$300 million with a tenure of five years matured in 2018 while the balance of \$500 million with a tenure of 10 years has matured now.

DBS has the highest exposure among the three participants in the syndicated loan to ONGC Videsh. The lenders want more banks to join the consortium and have launched the primary syndication of the faci-

lity, which is expected to close by July, said the people cited above. Roadshows regarding this have been held in Singapore, Tokyo and Taipei.

ONGC Videsh is among the very few Indian companies that have made external commercial borrowings (ECB) lately. Indian borrowers are getting increased attention from lenders in the overseas markets as the Chinese slowdown has left banks with fewer opportunities to lend, a person familiar with the ECB market said.

Interest rates have sharply risen over the past year as central banks across the globe have sought to fight inflation. Recent inflation data and central bankers' statements suggest the world could be close to the peak of the interest rate cycle. Borrowers tend to prefer instruments that can bring down their debt servicing costs when interest rates start going down. Bank loans are mostly linked to benchmarks that fall and rise with the broader interest rate cycle while bonds come with a fixed interest rate.

ONGC Videsh, which has participating interests in 32 oil and gas assets in 15 countries, acquired a 2.72% interest in the ACG project in Caspian offshore in 2013. After the production sharing agreement for the field was extended in 2017, the company's stake in ACG was reduced to 2.31%.



**DAMAN GAS FIELD DEVELOPMENT**

# ONGC cancels bids for project over cost concerns

Once completed, the project would lead to doubling of current gas output of 4-5 mn standard cubic metres/day

**OUR CORRESPONDENT**

**NEW DELHI:** State-owned Oil and Natural Gas Corporation (ONGC) has cancelled the bids received for its Daman upside gas development project off the western coast due to high price quotes, sources said.

The project is crucial to ONGC's strategy of ramping up gas production from its shallow-water fields off India's west coast. Once completed, the project would lead to nearly doubling of current gas production of 4-5 million standard cubic metres per day.

Sources aware of the matter said the bids ONGC received for the project were way higher than the company's internal estimates and so the tender has been cancelled. The tender would now be divided into separate packages and rebid.

Engineering and fabrication contractor Larsen & Toubro (L&T) emerged as the lowest bidder when the bids were opened in December last year. It quoted a cost of \$663.77 million to build the infrastructure needed to ramp up production from the field that lies about 60 kilometers off the



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A consortium of Afcons and Indonesia's Gunanusa Utama Fabricators emerged a distant second in the bidding, quoting close to \$801.90 million. Vietnam's PTSC and Abu Dhabi's National Petroleum Construction Company (NPCC) were also among those initially chasing the contract, but did not participate in the bid process.

Sources said L&T's quote of \$663.37 million was 36.77

per cent higher than ONGC's revised internal estimate of \$485.03 million.

L&T offered a \$1 million discount but this was not acceptable to ONGC, they said, adding that ONGC could have tolerated a maximum variation of 20 per cent over the internal price estimate.

Daman upside gas development project envisaged building four new wellhead platforms, seven infield pipelines, a new

process gas compressor module and the addition of low-pressure compression at the existing process platform. It also includes topsides modifications at existing wellhead platforms.

The project has been in the works for years but has been delayed on several occasions due to unfavourable gas pricing. But a rise in domestic gas prices turned around the project's commercial viability.

ONGC has been producing natural gas from Daman since 2016 and has spent an estimated \$1 billion on offshore infrastructure at the field over the past five to six years.

The project to raise production involved building infrastructure that could also handle gas from neighbouring B-12 and C-24 marginal fields.

India's domestic crude oil and natural gas production has been dwindling in recent years and ONGC is under increasing pressure from the government to boost its output and reverse the declining trend.

Projects like Daman are crucial for meeting those objectives but the scrapping of the tender would add to the delay in boosting output.

# ONGC nixes bids for Daman gas project

PRESS TRUST OF INDIA

New Delhi, 14 May

Oil and Natural Gas Corporation (ONGC) has cancelled the bids received for its Daman upside gas development project off the western coast due to high price quotes, sources said.

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Larsen & Toubro was the lowest bidder, quoting \$663.77 million to build the infrastructure needed to ramp up production from the field that lies about 60 kilometers off the west coast. A consortium of Afcons and Indonesia's Gunanusa Utama Fabricators emerged a distant second in the bidding, quoting close to \$801.90 million. Vietnam's PTSC and Abu Dhabi's National Petroleum Construction Company (NPCC) were also among those initially



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# ONGC scraps bids for flagship Daman field over cost concern

L&T emerged as the lowest bidder with \$663.77 mn when bids were opened in Dec

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NEW DELHI

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## हमारा महानगर

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# अब इंडियन ऑयल घरों में दे रही CNG-PNG कनेक्शन

महानगर नेटवर्क

नई दिल्ली

अभी आप घर में 'इण्डेन' का एलपीजी रसोई गैस सिलेंडर मंगवाते होंगे, लेकिन बहुत जल्द ये बीते दिनों की बात हो जाएगी। 'इण्डेन' नाम से रसोई गैस की सप्लाई करने वाली सरकारी तेल कंपनी इंडियन ऑयल ने लोगों के घरों में सीएनजी यानी कंप्रेसड नेचुरल गैस और पीएनजी यानी पाइपड नेचुरल गैस के कनेक्शन देने शुरू कर दिए हैं।

इंडियन ऑयल देशभर में लोगों के घरों तक सीएनजी और पीएनजी पहुंचाने के लिए काम कर रही है। कंपनी की प्लानिंग लगभग 1.5 करोड़ लोगों को सीएनजी और पीएनजी कनेक्शन देने की है। एलपीजी के मुकाबले सीएनजी और पीएनजी का कनेक्शन आपके के लिए फायदे का सौदा भी हो सकता है।



**लीकेज पर नहीं पहुंचाते नुकसान, 30 प्रतिशत सस्ते भी**

इंडियन ऑयल के डायरेक्टर (पाइपलाइन) एस. नानावड़े का कहना है कि एलपीजी

या मोटर स्प्रीट की तुलना में सीएनजी और पीएनजी घरों में इस्तेमाल करने के लिहाज से ये 'काफी सुरक्षित' हैं। ये हवा से हल्के होते हैं। इसलिए किसी तरह का लीकेज होने की

स्थिति भी ये तुरंत हवा में मिल जाते हैं और इससे किसी कोई नुकसान नहीं होता। इसी के साथ उन्होंने बताया कि ये दोनों ही ईंधन एलपीजी की तुलना में काफी सस्ते पड़ते हैं। ये बाजार में मौजूद अन्य ईंधन विकल्प के मुकाबले 30 प्रतिशत तक सस्ते हैं। इंडियन ऑयल कॉर्पोरेशन ने तमिलनाडु में 'एयरवायो टेक्नोलॉजीस' के साथ मिलकर अपने तरह का एक प्लांट लगाया है, जहां सीएनजी के सिलेंडर की टेस्टिंग यूनिट लगाई गई है।

**नौ लाख कनेक्शन देगी इंडियन ऑयल**

इंडियन ऑयल का कहना है कि वह देशभर में 1.5 करोड़ लोगों तक सीएनजी और पीएनजी की सप्लाई करेगी। कोयंबटूर में ही उसकी योजना करीब 9 लाख कनेक्शन देने की है। हालांकि कंपनी ने इसका कोई फाइनल टारगेट तय नहीं किया है, बल्कि

इसमें कमी या बढ़ोतरी भी हो सकती है। कंपनी का प्लान जम्मू-कश्मीर और पूर्वोत्तर को छोड़कर देशभर में सीएनजी और पीएनजी पाइपलाइन बिछाने का है। ये दोनों ही इलाके पहाड़ी एरिया आने की वजह से यहां पाइपलाइन बिछाना मुश्किल है। फिर भी सरकार की योजना यहां भी किसी तरह पाइपलाइन बिछाने की है। इसके लिए सरकार ने एक्सप्रेसशन ऑफ इंटरेस्ट भी मंगवाए हैं।

**सरकार चाहती है गैस का उपयोग बढ़ाना**

केंद्र सरकार देश में गैस की बिक्री को बढ़ाना चाहती है। अभी देश के फ्यूल बास्केट में इसकी हिस्सेदारी 6.5 प्रतिशत है, जो 2030 तक बढ़ाकर 15 प्रतिशत की जानी है। सरकार ने लक्ष्य रखा है कि देश की 98 प्रतिशत आबादी सीएनजी और पीएनजी का उपयोग करे।



## ओएनजीसी ने दमन गैस क्षेत्र के विकास के लिए बोलियां रद्द की

एजेंसी ■ नई दिल्ली

सार्वजनिक क्षेत्र की कंपनी ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) ने पश्चिमी तट पर अपनी दमन गैस विकास परियोजना के लिए मिली बोलियों को रद्द कर दिया है। सूत्रों ने यह जानकारी देते हुए कहा कि लागत संबंधी चिंताओं के कारण ऐसा किया गया है। ओएनजीसी की यह परियोजना भारत के पश्चिमी तट के उथले-पानी वाले क्षेत्रों से गैस उत्पादन में तेजी लाने के लिए महत्वपूर्ण है। इसके चालू होने पर परियोजना से प्रतिदिन 40-50 लाख मानक घन मीटर के वर्तमान गैस उत्पादन को लगभग दोगुना किया जा सकेगा। मामले की जानकारी रखने वाले सूत्रों ने कहा कि परियोजना के लिए ओएनजीसी को मिली बोलियों में बताई गई लागत कंपनी के आंतरिक अनुमानों से कहीं अधिक थी। इसलिए निविदा रद्द कर दी गई है। उन्होंने कहा कि निविदा को अब अलग-अलग हिस्सों में विभाजित किया जाएगा और फिर से बोली मंगाई जाएगी। पिछले साल दिसंबर में जब बोलियां खोली गईं, तो लार्सन एंड टुब्रो (एलएंडटी)



सबसे कम बोली लगाने वाले के रूप में उभरी थी। इसने पश्चिमी तट से लगभग 60 किलोमीटर दूर स्थित क्षेत्र से उत्पादन बढ़ाने के लिए जरूरी बुनियादी ढांचा तैयार करने के लिए 66.37 करोड़ डॉलर की बोली लगाई थी। सूत्रों ने कहा कि एलएंडटी का 66.37 करोड़ डॉलर का भाव ओएनजीसी के 48.50 करोड़ डॉलर के संशोधित आंतरिक अनुमान से काफी अधिक है। उन्होंने कहा कि एलएंडटी ने 10 लाख डॉलर छोड़ने की पेशकश की थी, लेकिन ओएनजीसी ने इसे स्वीकार नहीं किया।



### ओएनजीसी ने बोलियां रद्द कीं

नई दिल्ली। सार्वजनिक क्षेत्र की कंपनी आयल एंड नैचुरल गैस कारपोरेशन (ओएनजीसी) ने पश्चिमी तट पर अपनी दमन गैस विकास परियोजना के लिए मिली बोलियों को रद्द कर दिया है। सूत्रों ने यह जानकारी देते हुए कहा कि लागत संबंधी चिंताओं के कारण ऐसा किया गया है। ओएनजीसी की यह परियोजना भारत के पश्चिमी तट के उथले-पानी वाले क्षेत्रों से गैस उत्पादन में तेजी लाने के लिए महत्वपूर्ण है। इसके चालू होने पर परियोजना से प्रतिदिन 40-50 लाख मानक घन मीटर के वर्तमान गैस उत्पादन को लगभग दोगुना किया जा सकेगा।



घर तक सीधे CNG और PNG कनेक्शन देगा IOC

## गैस सिलेंडर मंगवाने से मिलेगी आजादी

1.50 करोड़ कनेक्शन देने का लक्ष्य

■ दिल्ली, न्यूज एजेंसियां. सरकारी स्वामित्व वाली इंडियन ऑयल से एक बड़ी खबर सामने आ रही है. इंडियन ऑयल ने कहा कि उसने आवासीय इकाइयों को सीएनजी और पीएनजी (पाइप नेचुरल गैस) कनेक्शन देना शुरू कर दिया है और कंपनी ने देश भर में 1.50 करोड़ कनेक्शन देने का लक्ष्य रखा है. इंडियन ऑयल ने जानकारी देते हुए बताया कि एयरविओ टेक्नोलॉजीस द्वारा तमिलनाडु में एक कमप्रेसड नेचुरल गैस सिलेंडर परीक्षण इकाई जो अपने आप में अपनी तरह की पहली इकाई है इसका उद्घाटन इंडियन ऑयल कॉर्पोरेशन लिमिटेड के निदेशक एस नानावरे ने किया. इस मौके पर नानावरे ने कहा कि सीएनजी और पीएनजी वैकल्पिक ईंधन की तुलना में करीब 30 फीसदी सस्ते हैं और इन्हें 'बेहद सुरक्षित' माना जाता है. **घरों के लिए दोनों ईंधन सुरक्षित :** नानावरे ने बातचीत करते हुए कहा कि घरों के लिए सीएनजी और पीएनजी दोनों सुरक्षित हैं क्योंकि यह हवा से हल्का है और (भले ही) कोई रिसाव हो, यह बिना किसी



को नुकसान पहुंचाए हवा में चला जाएगा और यह सस्ता भी है. इंडियन ऑयल कॉर्पोरेशन के लिए कोयम्बटूर में करीब 9 लाख कनेक्शन के साथ देश में 1.50 करोड़ कनेक्शन देने का लक्ष्य है. नानावरे ने कहा "यह (लक्ष्य) अंतिम नहीं है. यह कम हो सकता है या बढ़ भी सकता है क्योंकि यह सब व्यक्तियों पर निर्भर करता है. उन्होंने कहा कि कंपनी का टारगेट नॉर्थ ईस्ट और जम्मू-कश्मीर को छोड़कर पूरे देश में पाइपलाइन को फैलाने का है. केंद्र 2030 तक 'ईंधन टोकरी' में गैस की बिक्री वर्तमान 6.5 प्रतिशत से बढ़ाकर 15 प्रतिशत करने की कोशिश कर रहा है. देश की लगभग 98 प्रतिशत आबादी को सीएनजी और पीएनजी कनेक्शन के लिए लक्षित किया जा रहा है.