

Government signs Nelp-VII Production sharing contracts with awardee companies

NELP-VIII AND CBM-IV OFFERS LIKELY IN FIRST QUARTER OF 2009

Shri Murli Deora, Minister of Petroleum & Natural Gas has assured all investors that Government will pro-actively support and facilitate investments in E&P sector. He was speaking at the Production Sharing Contract (PSC) signing for exploration blocks awarded under seventh round of New Exploration Licensing Policy (NELP-VII) here today. He further stated that the Government has started interacting with all the stakeholders for simplifying Bid evaluation criteria and PSC for the forthcoming rounds of NELP and Coal Bed Methane Policy. "It would be our endeavor to launch NELP-VIII and CBM-IV rounds in the first quarter of 2009", he informed.

Petroleum Minister Shri Murli Deora informed that efforts under NELP have resulted in 68 discoveries of oil and gas in 19 blocks, establishing "**In Place Reserves**" of 500 Million Metric Tonnes Oil and Oil Equivalent of Gas. The discoveries have been in Cambay onland, Northern part of East Coast and Krishna-Godavari deepwater areas, in respect of which development plans by the operators, viz., Reliance Industries Limited (RIL) and Niko are in progress. He added that under NELP, the committed investment on exploration is envisaged as US\$8.3 billion, out of which about US\$4.5 billion has already been incurred on exploration and about US\$1.5 billion on development of discoveries. The total committed investment for phase-I of Exploration under NELP-VII is about US\$ 1.5 billion.

Shri Deora also pointed out that there was an overwhelming response to the NELP-VII round of bidding. Government received highest ever 181 bids for the blocks on offer by the bid closing date on 30th June, 2008. A total of 95 companies including 21 foreign companies from 10 countries, viz. Australia, Barbados, Canada, Cayman Island, Malaysia, Mauritius, Panama, UAE, UK & USA and 74 Indian companies have bid either on their own or as consortia.

Outlining salient features of NELP-VII, he said one of the major achievements of NELP-VII has been that the response to small sized Type-S blocks was high with some blocks getting as many as 17 bids each. The Consortium criteria introduced for the first time for Deepwater blocks also evoked a very favourable response from the Operators enabling India to have one of the most extensive deepwater exploration programmes. The entire bidding process, Shri Murli Deora said, including bid evaluation, finalization of awards and signing of contracts for NELP-VII has taken a little over five & half months from the date of receipt of bids. "The Government has once again demonstrated its ability to take time-bound decisions in finalizing of awards and signing of contracts" the Minister emphasized.

Government of India offers exploration blocks under New Exploration Licensing Policy (NELP) through a competitive and transparent bidding system. National Oil Companies (NOCs), Indian and Foreign companies are required to compete with each other on an equal footing to secure Petroleum Exploration Licenses (PELs). Government of India has already signed 162 Production Sharing Contracts in Six rounds of NELP and had invited bids for exploration blocks under NELP-VII by the bid closing date was 30.06.2008. Under NELP-VII, Government awarded 44 Exploration Blocks, viz. 11 in deepwater, 7 in shallow water and 26 onland blocks covering an area of 0.122 million Sq. Km. The PSC signing ceremony was graced by Minister (P&NG) and Shri R.S.Pandey, Secretary (Petroleum).

With regard to locations of the blocks, 26 onland blocks are from the states of Assam (1), Bihar(1), Chattisgarh (1), Gujarat(11), Madhya Pradesh(2), Rajasthan (3), Tamil Nadu (2) and West Bengal (5). In the 7th round of NELP, 9 frontier onland blocks were also awarded. 11 deep water blocks comprise of 6 deepwater blocks in Mumbai Basin, 2 deepwater blocks in western offshore area in Kerala Konkan Basin, 2 from eastern offshore area in Krishna Godavari basin and 1 in Andaman Offshore area. Of the 7 shallow water blocks, 5 blocks are from western offshore in Mumbai basin and 2 are from eastern offshore in Krishna Godavari basin.

The Highlights of the seventh round are as under:

- i. Highest number of bids i.e. 181 were received under NELP-VII as against 165 bids received under NELP-VI.
- ii. PSCs in respect of 41 exploration blocks have been signed by companies.
- iii. 11 new operators have been awarded 20 exploration blocks. With this, the total number of E&P Operators has increased to 29 from the level of 18 operators as at the award of sixth round of NELP.
- iv. For the first time 9 small sized exploration blocks in Gujarat were awarded which includes 8 blocks won by new entrants to the field.
- v. In the State of Chattisgarh, one block has been awarded under NELP for the first time.
- vi. The highest number of 11 blocks have been awarded in the State of Gujarat.

- vii. 9 frontier onland blocks have been awarded in the States of West Bengal (5), Bihar (1), Madhya Pradesh (2) and Chattisgarh (1).

Under NELP, 68 oil and gas discoveries have been made in 19 blocks. Presently, crude oil and natural gas production is from 3 NELP blocks, viz., 2 blocks in the State of Gujarat and another block in Krishna-Godavari basin. The year 2008 has been a landmark in the history of Indian exploration as the first deepwater crude oil production from the block KG-DWN-98/3 in Krishna-Godavari basin operated by Reliance Industries Limited (RIL) has commenced at the rate of 10,000 barrels per day from 17th September 2008. The natural gas production from KG basin is likely to commence in early 2009.

List of Operators & Consortium Partners of Blocks awarded under NELP-VII

Sl. No.	Block Name	Operator & Consortium Partner
1	MB-DWN-2005/2	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
2	MB-DWN-2005/3	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
3	MB-DWN-2005/4	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
4	MB-DWN-2005/5	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
5	MB-DWN-2005/7	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
6	MB-DWN-2005/9	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
7	KK-DWN-2005/1	BHP Billiton Petroleum International Pty. Ltd. – GVK Oil & Gas Ltd.
8	KK-DWN-2005/2	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
9	KG-DWN-2005/1	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation – Indian Oil Corporation.
10	KG-DWN-2005/2	BP Exploration (Alpha) Ltd – Reliance Industries Ltd.
11	AN-DWN-2005/1	Oil & Natural Gas Corporation Ltd. – Oil India Ltd.
12	MB-OSN-2005/1	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
13	MB-OSN-2005/2	Adani Welspun Exploration Ltd.

14	MB-OSN-2005/3	Essar Exploration & Production Ltd. – Nobel Energy International Ltd.
15	MB-OSN-2005/5	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
16	MB-OSN-2005/6	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
17	KG-OSN-2005/1	ONGC, GSPC & HPCL- Mittal Energy Ltd.
18	KG-OSN-2005/2	Oil & Natural Gas Corporation Ltd. – HPCL Mittal Energy Ltd.
19	AA-ONN-2005/1	Oil & Natural Gas Corporation Ltd. – Oil India Ltd.- Assam Co. Ltd.
20	PA-ONN-2005/1	Oil & Natural Gas Corporation Ltd.
21	PA-ONN-2005/2	Oil & Natural Gas Corporation Ltd.
22	WB-ONN-2005/2	Oil & Natural Gas Corporation Ltd.
23	WB-ONN-2005/3	Oil & Natural Gas Corporation Ltd.
24	WB-ONN-2005/4	Oil & Natural Gas Corporation Ltd. – Oil India Ltd.
25	GV-ONN-2005/3	Oil & Natural Gas Corporation Ltd. – Tata Petodyne Ltd.
26	SR-ONN-2005/1	Deep Energy Lic, Deep Industries Ltd., Kanvel Finance Pvt. Ltd. & Savla Electronics Pvt. Ltd.
27	VN-ONN-2005/1	GeoGlobal Resources (Barbados) Inc.,
28	VN-ONN-2005/2	GeoGlobal Resources (Barbados) Inc.,
29	RJ-ONN-2005/1	HOEC, BPRL, JSPL Oil & Natural Gas Ltd & IMC
30	RJ-ONN-2005/2	OIL, HOEC, HPCL & Mittal Energy Ltd.,
31	RJ-ONN-2005/3	GSPC & ONGC
32	CB-ONN-2005/1	Interlink Petroleum Ltd., Moonstone Energy Pte. Ltd. & EnSearch

33	CB-ONN-2005/2	Indian Oil Corporation Ltd.
34	CB-ONN-2005/3	Mercator Petroleum Pvt. Ltd.
35	CB-ONN-2005/4	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
36	CB-ONN-2005/5	Omkar Natural Resources Pvt. Ltd.
37	CB-ONN-2005/6	Omkar Natural Resources Pvt. Ltd.
38	CB-ONN-2005/7	Indian Oil Corporation Ltd.
39	CB-ONN-2005/8	Vasundhara Resources Ltd.
40	CB-ONN-2005/9	Mercator Petroleum Pvt. Ltd.
41	CB-ONN-2005/10	Oil & Natural Gas Corporation Ltd. – Gujarat State Petroleum Corporation
42	CB-ONN-2005/11	Quest Petroleum Pvt. Ltd., Quippo Oil & Gas Infrastructure Ltd., SREI Infrastructure Finance Ltd., Valdel Investment Pvt. Ltd. & Primera Energy Resources Ltd.
43	PR-ONN-2005/1	Oil & Natural Gas Corporation Ltd. – Tata Petrodyne Ltd.
44	CY-ONN-2005/1	GAIL (India) Ltd., GSPC & Bengal Energy Inc.

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