

***India to soon auction 69 marginal oil and gas fields owned by state explorers***  
**Dharmendra Pradhan assures industry of providing stable & predictable**  
**policy regime for**  
**augmenting investment in hydrocarbon sector *Hydrocarbon Vision Document***  
***to be ready in 3 months***

**NEW DELHI, 21 April, 2015. Mr. Dharmendra Pradhan, Minister of State for Petroleum & Natural Gas**

**(I/C)** today highlighted that business environment prefers certainty, a majority of which emanates from a stable, predictable and transparent policy. He maintained that all ministries were committed towards forging policies which were both industry-friendly and ensured that fruits of the economic growth reached common man.

While delivering his keynote address at a **'Roundtable on Hydrocarbons: Unleashing India's E&P Potential'** organized by FICCI, Mr. Pradhan said that the present political establishment was a participatory government which constantly sought inputs from various stakeholders including the industry, economic experts and industry bodies like FICCI and he also welcomed suggestions from the stakeholders of the hydrocarbon sector.

He touched upon a few important developments in Upstream Oil & Gas, particularly the shaping up of Mozambique's Rovuma basin which could potentially shape up to be a major gas exporting region, of much importance to India and other parts of South Asia. Mr. Pradhan asserted that countries around the world were looking at India not only for economic partnership, but as a torchbearer of innovation focused on providing economic growth and fiscal inclusion to large masses of population.

He emphasized that the Government of India remains committed to incentivizing new and existing business in every possible way and added that indigenization of manufacturing, exploitation of biomass and biofuels and commercialization of R&D were important objectives to be achieved for India if it had to reduce its import dependency to meet its energy needs.

Earlier in the day, **Mr. Saurabh Chandra, Secretary, Ministry of Petroleum & Natural Gas, Government of India**, stated that India will soon auction 69 marginal oil and gas fields owned by state explorers Oil and Natural Gas Corporation and Oil India Ltd and the two state explorers would invest \$6 billion in exploration and production in the year ending March 2016, as they look to arrest declining oil and gas production.

Mr. Chandra informed that a high-powered committee has been constituted for preparing a Hydrocarbon Vision Document which will be completed in three months and outline the initiatives for augmenting investments in oil and gas production.

Responding to industry's concerns on 100% mapping of sedimentary basin, Mr. Chandra said that 52% was already mapped and it was decided that the mapping of the rest 48% would be completed within five years. The process of bidding has started for mapping and the government had decided to bear the expense of mapping those sedimentary basins that are left after the bidding.

Speaking on the bidding framework, he said that there was a need to create a hybrid model with revenue model and it was necessary to make the policy for E&P simple and practical. Mr. Chandra agreed with the industry and said that a stable and attractive policy regime was a must for sector's growth.

**Dr. Jyotsna Suri, President, FICCI**, said that the government needs to put in place an enabling environment which would enthruse the national oil companies and private sector, to explore resources within our borders and getting a fair and transparent price for venturing into this high risk sector.

She stated that at present the sector is beset with infirmities in regulatory and fiscal regime and lack of a single window clearance which was hampering the ease of doing business in this important sector of the economy. The discriminatory tax regime between oil and gas also needed to be addressed to balance the risk-reward framework for the operator.

Dr. Suri highlighted the need for a concentrated strategy to unleash the domestic E&P potential, so that the maximum of energy resources from within the basins could be exploited. This will not only make India self-sufficient in energy and save precious foreign exchange, it would help in arresting the burgeoning current account deficit and create employment opportunities in the economy, she added.

In his presentation **Mr. Vipul Tuli, Director, McKinsey & Company, Inc.**, said that the government and industry needed to work in tandem to revive and restore the E&P sector. He suggested that there was a need to accelerate mapping of 100 per cent India's sedimentary basins and clarify bidding framework for exploration blocks. The government should ensure seamless administrative of exploration & development blocks.

Mr. Tuli stated that creation of a stable and attractive fiscal policy will attract investments to the sector and added that production from new and difficult reserves should be delivered. He added that there was a need to invest in technology and capability. Also industry clusters starting with shipping, oilfield services and key equipment were needed to be set up to enhance the sector's prospects.

**Mr. R. S. Sharma, Chairman, FICCI Hydrocarbons Committee**, said that the industry needed massive investments in E&P sector. Indian leadership had announced reforms to boost E&P but there was a need to fast track the call for 'Make in India' to achieve the desired results. He added the government needs to create a framework to carry forward the reform agenda to win the trust of the global investment community.

**Mr. Narendra Taneja**, Leading Energy Expert and Chairman, FICCI Energy Security Group; **Mr. Y K Modi**, Past President, FICCI and Chairman & CEO, Great Eastern Energy Corporation Ltd;

**Mr. D. K. Sarraf**, Chairman & Managing Director, ONGC; **Mr. S. K. Srivastava**, Chairman & Managing Director, Oil India Ltd; **Mr. N K Verma**, Managing Director, ONGC Videsh Ltd; **Mr. Mayank Ashar**, Managing Director & CEO, Cairn India; **Mr. K. Venkataramanan**, CEO & MD, Larsen & Toubro Ltd.; **Mr. Amit Khera**, Partner, McKinsey & Company, Inc.; **Mr. Sanjay Gupta**, Director (Commercial), Engineers India Ltd.; **Captain B. B. Sinha**, Director (P&A), Shipping Corporation of India and **Mr. Ashish Bhandari**, CEO – Oil & Gas, GE India Industrial Pvt. Ltd.; also shared their perspectives on E&P potential.

