

# MARGINAL FIELD POLCY: MAJOR POLICY INITIATIVE TO INCENTIVISE THE DOMESTIC E&P SECTOR

**NEW DELHI, 3 September 2015: Mr. R.S. Sharma, Chair, FICCI Hydrocarbon Committee** welcomed the new policy for Marginal fields announced by the Government of India on September 02, 2015. This includes the auctioning of 69 oil & gas fields that hold reserves of 89 mn tonnes with the potential revenue of INR 70,000 CR, as claimed by the government. The approval manifests increasing thrust by the government to incentivize E&P in domestic oil and gas basins and reduce import dependency by 10% by the year 2022, as envisaged by the Hon'ble Prime Minister.

“An integrated marginal field policy under the revenue-sharing regime, along with uniform licensing for all hydrocarbons, would be pivotal to develop reserves which have not been monetised for many years due to their isolated locations, small size, high development costs and technological constraints,” **Mr. Sharma said.**

FICCI, has been for long arguing in favour of building opportunities that would kick-start the languishing sector and revive investors' sentiment in the indigenous oil & gas basins. Competitive bidding mechanism would encourage the private players to mull over newer strategies to make a strong foothold in the area that was dominated, primarily by the PSUs.

**Mr. Sharma** also suggested that before the launch of the competitive bidding, the industry looks forward to consultative meetings with the Ministry of Petroleum and Natural gas, on the terms and incentives to explore these fields. FICCI would like to reiterate its recommendation for early launch of the next round of bidding as well as formal launch of the Shale gas exploration policy.

---

**FICCI MEDIA DIVISION**