ONGC News as on 21 August 2024 (Print & Online)

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ONGC selects Mazagon Dockyard Shipbuilders for natural gas & condensate flow from DSF-II blocks

AMITAV RANJAN

NEW DELHI: After dropping L&T from a tender for setting up wellhead platforms and pipelines at DSF-II and MBOSN-2005/1 fields, Oil & Natural Gas Corporation has engaged Mazagon Dockyard Shipbuilders Ltd (MDL) for a split job of building such facilities only at DSF-II.

The Rs 5212.54 crore ($624.85 million) contract is being awarded to MDL on a nomination basis with open book estimates (OBE) where suitable exit provisions are being kept at various stages of the contract to ensure timely completion of the project.

ONGC expects the negotiated ceiling cost for constructing seven platforms along with associated pipelines and topside modifications to come down as MDL has assured to negotiate with its sub-contractors and passing the benefit to ONGC.

ONGC expects to produce 10.651 billion cubic metres of natural gas and 1.835 million tonnes of condensate over a production life of 10-13 years with 21 wells from the four contract areas — NMT, CA, SB-15 and D33 – awarded under the Discovered Small Fields Second Round (DSF-II).

The composite tender for such facilities at MBOSN-2005/1 and DSF-II blocks was issued in December 2022 where L&T was the lone bidder. It quoted $802.14 million, 46 percent higher than ONGC's revised cost estimate of $547.14 million and 50 percent higher than the sanctioned value of $535.65 million.

Due to the high price, the tender was cancelled in August 2023. Coupled with the cancel-

lation of other recent tenders such as Daman Upside Development Project and Mumbai High Redevelopment Phase-V due to high quotes, ONGC decided to promote domestic vendors for its projects as foreign firms were not participating in its tenders despite relaxation from stringent government guidelines.

It also strategized to award the DSF-II contract on nomination basis with the cost-plus OBE methodology considering the failure of the three tenders in a row due to high monopolistic bid price ranging from 46 to 78.85 percent.

To increase competition, ONGC felt it prudent to develop a government-run contractor who could be an alternative to monopolistic competition, as overall, it would benefit from developing another vendor with experience in successfully executing offshore projects. MDL became ONGC's obvious choice considering their experience in fabrication of jackets and topsides for the oil and gas exploration firm. Besides developing a new competitor, ONGC's reasons for selecting MDL on nomination basis were:

1. Experience of constructing offshore platforms (60 plus), almost 25 percent of ONGC's total offshore assets.

2. Suitable fabrication yard for taking up four jackets at a time.

3. Yard approved for jacket fabrication after evaluating space, soil characteristics, water depth for loading/unloading and other technical infrastructures.

4. Being government company, it is governed by the same process, procedures, guidelines, regulations, checks and balances.

5. Severe crunch of contractor/resources and less probability of easing of Oil/gas offshore construction markets in near future.

Sources said the contract to MDL is like the OBE works awarded by ONGC to Engineers India Ltd under a reimbursable Engineering, Procurement and Commissioning mode for Gas Terminal Restoration, Revamping of Sectionalizing Valve Stations for Gas Terminal & KRIBHCO Terminal at Hazira.

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Date :21 August 2024	Page : 2

India moves to secure energy supplies

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NEW DELHI

Union petroleum and natural gas minister Hardeep Singh Puri is set to visit the US and UAE in the coming months for key energy events in a bid to push India's energy diplomacy, diversify energy sources, and secure long-term oil and gas contracts.

Two people in the know of the developments said Puri in the first instance will attend Gastech 2024 in Houston where he will hold talks with US energy giants.

"Energy diplomacy efforts would gain momentum now with the minister set to visit New York and Houston next month. In Houston he would attend Gastech. He would also then visit the UAE for Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in November," said one of the two people mentioned above.

India is making efforts to expand domestic areas for oil and gas production and increase output in a bid to cut imports. India has invited global E&P majors to take part in its efforts to increase energy production.


Hardeep Singh Puri, Union petroleum and natural gas minister. PTI

Addressing an event here in June, the minister said: "The exploration and production (E&P) sector offers investment opportunities worth $100 billion by 2030." He highlighted the potential of India's 26 sedimentary basins, containing substantial reserves of crude oil and natural gas that are yet to be fully tapped.

US companies ExxonMobil and Chevron already have partnerships with Indian state-run ONGC to explore E&P opportunities. In 2022 ONGC signed a deal with ExxonMobil for deep-sea exploration in India. In the same year, the Maharatna company also tied up with Chevron New Ventures PTE Ltd, a subsidiary of California-based Chevron Corp., to assess the exploration potential in India.

India is working to expand domestic areas for oil and gas production and increase output in a bid to cut imports

The minister is also likely to attend ADIPEC 2024 which is scheduled for 4–7 November.

"The minister has been a regular at events such as Gastech and ADIPEC. This year, too, he is expected to attend ADIPEC. However, the visit is yet to be finalized," said another person

India has been looking at tying up with global oil and gas suppliers for long-term contracts for both oil and gas to ensure energy security.

Energy prices surged to all-time highs in 2022 amid the height of Russia-Ukraine war, and Russia's Gazprom defaulted on its contract for supply of gas to GAIL, prompting India to make efforts to diversify its import sources, sign long-term contracts and look for sweeter deals.

In July, Mint reported that state-run Indian Oil Corp. Ltd (IOCL), Hindustan Petroleum Corp. Ltd (HPCL) and Bharat Petroleum Corp. Ltd (BPCL) are in talks with Brazilian energy major Petroleo Brasileiro SA (Petrobras) to secure guaranteed crude oil supplies over the long term.

India is the third largest importer of oil and gas and imports about 85% of its energy requirement.

Queries sent to the ministry of petroleum remained unanswered till press time.

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Date :21 August 2024	Page : 7

Headline: MEIL’s indigenously built drilling rig installed at ONGC unit

ఓఎన్‌జీసీకి మెఘా అత్యాధునిక ఆయిల్ డ్రిల్లింగ్ రిగ్ సరఫరా

హైదరాబాద్,ఆంధ్రప్రభ: మెఘా ఇంజినీరింగ్ అండ్ ఇన్‌ఫ్రాస్ట్రక్చర్స్ లిమిటెడ్ (ఎంఈఐఎల్) రెండు వేల అశ్వశక్తి సామర్థ్యంతో అత్యాధునిక ఆటోమేటెడ్ హైడ్రాలిక్ ఆయిల్ డ్రిల్లింగ్ రిగ్ (సీ 3బీ ఆర్ 1 ఎన్ జీ 20 005)ను రాజమండ్రిలోని ఓఎన్‌జీసీ చమురు క్షేత్రంలో ఏర్పాటు చేసింది. ఇది రాజమండ్రి అసెట్‌లో ఓఎన్‌జీసీ కోసం ఎంఈఐఎల్ ఏర్పాటు చేసిన మూడవ రిగ్. ఈ అత్యాధునిక రిగ్ ఆరు వేల మీటర్ల లోతువరకు తవ్వగలుగుతుంది. అధిక పీడనాలు, ఉష్ణోగ్రతలు ఉన్న సందర్భాలలో కూడా సమర్థవంతంగా, ప్రమాద రహితంగా పనిచేస్తుంది. ఐదు వేల పీఎస్ఐ వరకు పీడనాన్ని తట్టుకునే ఈ రిగ్ బ్లో ఔట్ ప్రివెంటర్‌తో కూడి ఉండడం దీని ప్రత్యేకత. ఇది సంప్రదాయ రిగ్‌లతో పోలిస్తే ఎక్కువ భద్రత, తక్కువ నిర్వహణ ఖర్చుతో కూడినదని మెఘా సంస్థ తెలిపింది. ఈ రిగ్ పూర్తిగా ఆటోమేటెడ్‌గా, అధునాతన సాంకేతికతతో మానవ జోక్యం లేకుండా అత్యంత భద్రతతో పనిచేసే విధంగా రూపొందించబడింది. రాబోయే రోజుల్లో ఎంఈఐఎల్ డ్రిల్లింగ్ టెక్నాలజీలో విప్లవాత్మక మార్పులను తీసుకురావడంలో కీలక పాత్ర పోషించనుంది. ఈ రిగ్ ప్రారంభోత్సవ కార్యక్రమంలో ఎంఈఐఎల్, డ్రిల్‌మెక్ మరియు ఓఎన్‌జీసీ ప్రతినిధులు పాల్గొన్నారు. ఈ కార్యక్రమంలో ఓఎన్‌జీసీ డైరెక్టర్ ఓం ప్రకాశ్ సింగ్, మను వర్మ (వైస్ ప్రెసిడెంట్-కాంట్రాక్ట్స్, ఎంఈఐఎల్), మార్కో టోజ్జి (డిప్యూటీ సీఈఓ, డ్రిల్‌మెక్), మిచెల్ బ్రు జ్జి (సీఓఓ, డ్రిల్‌మెక్), సబిర్ హుస్సైన్ (వైస్ ప్రెసిడెంట్-ఇన్‌స్టాలేషన్ అండ్ కమిషనింగ్, డ్రిల్‌మెక్) పాల్గొన్నారు.

‘మేక్ ఇన్ ఇండియా’ మరియు ‘ఆత్మనిర్భర్ భారత్’ కార్యక్రమాల కింద ఈ రిగ్‌లు స్వదేశీ సాంకేతికతతో రూపొందించబడ్డాయి. ఎంఈఐఎల్ భారతదేశంలో స్వదేశీ సాంకేతికతతో ఆయిల్ డ్రిల్లింగ్ రిగ్‌లను తయారు చేసే, ఉపయోగించే మొదటి ప్రైవేట్ కంపెనీగా పేరు తెచ్చుకుంది. అమెరికన్ పెట్రోలియం ఇనిస్టిట్యూట్ (ఏపీఐ) ప్రమాణాలకు అనుగుణంగా తయారు చేసిన ఈ రిగ్ ఆటోమేషన్ ద్వారా మానవ జోక్యాన్ని గణనీయంగా తగ్గించింది. ఇతర రిగ్‌లతో పోలిస్తే, కేవలం

ఇద్దరు వ్యక్తులు మాత్రమే మొత్తం రిగ్‌ను నిర్వహించగలరు. జెన్-ఎక్స్ టెక్నాలజీ తో తయారు చేసిన ఈ రిగ్ భద్రతను మెరుగుపరచడం ద్వారా అధిక ఉత్పాదకతను సాధిస్తుంది. ఎంఈఐఎల్ ఈ అత్యాధునిక రిగ్ సరఫరాతో, ఆయిల్ డ్రిల్లింగ్ టెక్నాలజీలో మరో మైలురాయి సృష్టించింది.

Hyderabad, Andhraprabha: Megha Engineering and Infrastructures Limited (MEIL) has installed a state-of-the-art automated hydraulic oil drilling rig (C3BR1NG 20 005) with a capacity of two thousand horse power at the ONGC oil field in Rajahmundry. This is the third rig installed by MEIL for ONGC at the Rajahmundry asset. This state-of-the-art rig can dig to a depth of 6,000 meters. Works efficiently and safely even in high pressures and temperatures. Its specialty is that this rig is equipped with a blow out preventer that can withstand pressure up to five thousand psi. Megha said that it is more secure and less maintenance cost compared to conventional rigs. The rig is fully automated, with advanced technology designed to operate with utmost safety without human intervention.

It will play a vital role in bringing revolutionary changes in technology. Representatives of MEIL, Drillmec and ONGC participated in the groundbreaking ceremony of this rig. ONGC Director Om Prakash Singh, Manuwa Rama (Vice President-Contracts, MEIL), Marco Tozzi (Deputy CEO, DrillMec), Michel Bruzzi (COO, DrillMec), Sabir Hussain (Vice President-Installation and Commissioning, Drillmech) participated.

These rigs are manufactured with indigenous technology under the 'Make in India' and 'Atmanirbhar Bharat' initiatives. MEIL became the first private company in India to manufacture and use oil drilling rigs with indigenous technology. Built to American Petroleum Institute (API) standards, the rig has significantly reduced human intervention through automation.

Only two people can handle the whole rig. Made with Gen-X technology, this rig achieves higher productivity by improving safety. With this state-of-the-art rig Sara Fara, MEIL has created another milestone in oil drilling technology.

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Date :21 August 2024	Page : 17

Headline: MEIL's indigenously built drilling rig installed at ONGC unit

ఓఎన్‌జీసీకి మేఘా నుంచి అత్యాధునిక డ్రిల్లింగ్ రిగ్

ఈనాడు, హైదరాబాద్: మేఘా ఇంజినీరింగ్ అండ్ ఇన్‌ఫ్రాస్ట్రక్చర్ లిమిటెడ్ (ఎంఈఐఎల్), 2000 హార్స్ పవర్ సామర్థ్యం గల అత్యాధునిక ఆటోమేటెడ్ హైడ్రాలిక్ డ్రిల్లింగ్ రిగ్‌ను ఓఎన్‌సీజీకి అందజేసింది. రాజమండ్రిలోని ఓఎన్‌జీసీ చమురు క్షేత్రంలో డ్రిల్లింగ్ కార్యకలాపాల కోసం దీన్ని సిద్ధం చేశారు. ఇది రాజమండ్రిలో ఓఎన్‌జీసీ కోసం ఎంఈఐఎల్ గ్రూపు ఏర్పాటు చేసిన మూడో రిగ్. అన్ని రకాల వాతావరణ పరిస్థితుల్లో దాదాపు 6,000 మీటర్ల లోతు వరకు తవ్వగలిగే సామర్థ్యం దీనికి ఉంది. దీనికి 5,000 పీఎస్ఐ వరకు పీడనాన్ని తట్టుకునే శక్తి ఉంది. సంప్రదాయ రిగ్‌లతో పోల్చితే దీని నిర్వహణ వ్యయాలు తక్కువ. అమెరికన్ పెట్రోలియం ఇన్‌స్టిట్యూట్ ప్రమాణాలకు అనుగుణంగా దీన్ని తయారు చేసినట్లు, ఈ రిగ్‌ను నిర్వహించడానికి ఇద్దరు ఆపరేటర్లు సరిపోతారని ఎంఈఐఎల్ పేర్కొంది. పూర్తిగా స్వదేశీ సాంకేతిక పరిజ్ఞానంతో ఇటువంటి అత్యాధునిక డ్రిల్లింగ్ రిగ్‌ను తయారు చేసిన ఘనత తమదేనని వివరించింది. డాక్టర్ బీఆర్ అంబేడ్కర్ కోనసీమ జిల్లా కొత్తపేట మండలం అవిడిలో జరిగిన ఈ రిగ్ ప్రారంభ కార్యక్రమంలో ఓఎన్‌జీసీ, ఎంఈఐఎల్, డ్రిల్‌మెక్ సంస్థల ప్రతినిధులైన ఓం ప్రకాష్ సింగ్, మను వర్మ, మార్కో టోజ్జి, మిచెల్ బ్రుజ్జి, సబిర్ హుస్సేన్ తదితరులు పాల్గొన్నారు.

Today, Hyderabad: Megha Engineering and Infrastructure Limited (MEIL) has handed over a state-of-the-art automated hydraulic drilling rig with a capacity of 2000 horse power to ONCG. It was prepared for drilling operations at the ONGC oil field in Rajahmundry. This is the third rig set up by MEIL Group for ONGC in Rajahmundry. It is capable of digging to a depth of around 6,000 meters in all weather conditions. It can withstand pressure up to 5,000 psi. Its operating costs are low compared to conventional rigs. MEIL claims that two operators are sufficient to operate this rig as it is manufactured in accordance with American Petroleum Institute standards. It explained that the credit of making such a state-of-the-art drilling rig with completely indigenous technology is theirs. Representatives of ONGC, MEIL, Drilemec, Om Prakash Singh, Manu Verma, Marco Tozzi, Michel Bruzzi, Sabir Hussain and others participated in the inauguration ceremony of this rig held at Avidi, Kothapet Mandal, Konaseema District, by Dr. BR Ambedkar.

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Moody's: Indian firms to spend $45-50 bn annually in next 2 yrs

FE BUREAU
New Delhi, August 20

INDIAN COMPANIES WILL invest $45-50 billion annually over the next couple of years, with the oil and gas sector and Reliance Industries collectively accounting for over 60% of the rated Indian companies' portfolio spending.

"With an annual capex budget of around $15 billion spread across its different business segments, Reliance Industries alone will account for around 30% of the portfolio capex," Moody's Ratings said in a report.

The seven rated oil and gas companies in India will also account for around 30% of rated Indian companies' capex. These companies will spend around $15 billion annually to expand existing capacity and make green energy investments to reduce carbon transition risk, Moody's said. For instance, Oil and Natural Gas Corporation and Indian Oil will spend $6 billion and $4 billion, respectively, in each of the next two years on reserves addition, downstream integration and energy transition.

Government policies in India that emphasise growth of the manufacturing sector will also drive capex, it said. The government's promotion of manufacturing as a basis for economic development and job creation will support capacity expansion and continued capex over the next few years.

"We estimate that rated companies in the automotive, metals and mining and technology, media and telecommunications (TMT) sectors in India will account for around one-third of total capex, spending $15-$16 billion each year," it said.

JSW Steel plans to invest around $5 billion over the next two years to increase steel production capacity, improve raw material security, and expand downstream to produce more value-added products.

Moody's said the combination of high capex and refinancing requirements means non-financial companies in India will continually tap the offshore debt markets, even though the share of such financing in their funding mix will likely decline from historical levels.

CAPEX PUSH

- The oil and gas sector and RIL will collectively account for over 60% of the rated companies' portfolio spending
- Capex by the corporate sectors in India will remain high over the next two to three years

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Indian firms to spend $50 bn on capex: Moody's

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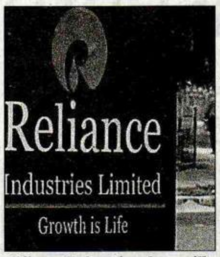
NEW DELHI: Moody's Ratings on Tuesday said rated Indian companies will spend $45-50 billion annually over the next 1-2 years towards capex as companies boost capacity, with the country's most valued firm Reliance Industries alone accounting for 30% of the spendings.

Investments to increase vertical integration and achieve net zero targets will also keep spending high, Moody's Ratings said in a report on corporates in India and Indonesia.

"Rated Indian companies' capex will remain elevated at around $45-50 billion annually over the next one to two years. With an annual capex budget of around $15 billion spread across its different business segments, Reliance Industries alone will account for around 30% of the portfolio capex," Moody's Ratings said. The oil and gas sector and Reliance Industries will collectively account for over 60% of the rated Indian portfolio's spending over the next couple of years.

Moody's said the seven rated oil and gas companies in India will also account for around 30% of rated Indian companies' capex.

These companies will spend around $15 billion annually to expand existing capacity and make green energy investments to reduce carbon transition risk.



Reliance Industries alone will account for around 30% of the portfolio capex. REUTERS

For instance, Oil and Natural Gas Corporation Ltd. (Baa3 stable) and Indian Oil will spend $6 billion and $4 billion, respectively, in each of the next two years on reserves addition, downstream integration and energy transition, Moody's added.

It also said strong earnings will continue to keep the leverage of Indian corporates low, even as companies push ahead with capital spending plans in response to consumption growth and as offshore borrowing rates remain high.

Moody's said credit quality will remain robust for companies in India and Indonesia.

India and Indonesia are the two largest emerging market economies in Asia excluding China. These two G-20 countries have the highest number of rated companies and volume of rated debt among emerging economies in the region outside of China.

India's GDP is projected to grow at over 6% over the next two years, Moody's said, adding domestic demand will be the main driving force behind India's growth.

The large proportion of domestic consumption in India has and will continue to insulate the rated companies from external shocks. In addition, as urbanisation accelerates across the country, sustained government spending on infrastructure will stimulate business activities across key industrial sectors, Moody's said.

India's economy is well diversified across services and manufacturing. India's large domestic market helps to shelter the country from fluctuations in external demand, Moody's said, adding it expects leverage for rated companies in India will remain low.

Moody's Ratings expects earnings for the rated Indian companies will grow 5% over the next couple of years.

Publication : The Hans India	Editions : Hyderabad
Date :21 August 2024	Page : 8

India Inc in major capex drive

Reliance Ind alone accounts for 30% of $50-bn investments lined up for next 2 yrs: Moody's

NEW DELHI

MOODY'S Ratings on Tuesday said rated Indian companies will spend $45-50 billion annually over the next 1-2 years towards capex as companies boost capacity, with the country's most valued firm Reliance Industries (RIL) alone accounting for 30 per cent of the spendings.

Investments to increase vertical integration and achieve net zero targets will also keep spending high, Moody's Ratings said in a report on corporates in India and Indonesia.

"Rated Indian companies' capex will remain elevated at around $45-50 billion annually over the next one to two years. With an annual capex budget of around $15 billion spread across its different business segments, Reliance Industries alone will account for around 30 per cent of the portfolio capex," Moody's Ratings said.

The oil and gas sector and Reliance Industries will collectively account for over 60 per cent of the rated Indian portfolio's spending over the next couple of years. Moody's said the seven rated oil and gas companies in India will also account for around 30 per cent of rated Indian companies' capex. These companies will spend around $15 billion annually to expand existing capacity and make green energy investments to reduce carbon transition risk.

For instance, Oil and Natural Gas Corporation Ltd. (Baa3 stable) and Indian Oil will spend $6 billion and $4 billion, respectively, in each of the next two years on reserves addition, downstream integration and energy transition, Moody's added.

It also said strong earnings will continue to keep the leverage of Indian corporates low, even as companies push ahead with capital spending plans in response to consumption growth and as offshore borrowing rates remain high. Moody's said credit quality will remain robust for companies in India and Indonesia. India and Indonesia are the two largest emerging market economies in Asia excluding China.

These two G-20 countries have the highest number of rated companies and volume of rated debt among emerging economies in the region outside of China. India's GDP is projected to grow at over 6 per cent over the next two years, Moody's said, adding domestic demand will be the main driving force behind India's growth. The large proportion of domestic consumption in India has and will continue to insulate the rated companies from external shocks. In addition, as urbanisation accelerates across the country, sustained government spending on infrastructure will stimulate business activities across key industrial sectors, Moody's said.

India's economy is well diversified across services and manufacturing. India's large domestic market helps to shelter the country from fluctuations in external demand, Moody's said, adding it expects leverage for rated companies in India will remain low. Moody's Ratings expects earnings for the rated Indian companies will grow 5 per cent over the next couple of years.

UPWARD TRAJECTORY

- ONGC, IOC spending $6 bn, $4 bn, respectively
- Both the PSUs take up reserves addition, downstream integration and energy transition
- Domestic demand main driving force behind India's growth
- India's GDP may grow at over 6% for next 2 yrs

Publication : The Hindu Business Line	Editions : New Delhi
Date :21 August 2024	Page : 6

Day trading guide

24707 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
24690	24600	24770	24830	Go long on a break above 24770 with a stop-loss at 24740

₹1637 » HDFC Bank

S1	S2	R1	R2	COMMENT
1625	1600	1640	1670	Go short below 1625. Stop-loss can be placed at 1635

₹1873 » Infosys

S1	S2	R1	R2	COMMENT
1860	1840	1885	1910	Go long only above 1885. Keep the stop-loss at 1875

₹499 » ITC

S1	S2	R1	R2	COMMENT
497	493	501	506	Wait for dips. Go long at 498 with a stop-loss at 496

₹330 » ONGC

S1	S2	R1	R2	COMMENT
327	323	335	340	Go short only below 327. Stop-loss can be kept at 328

₹2993 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2965	2950	3000	3035	Go long only above 3000. Keep the stop-loss at 2990

₹820 » SBI

S1	S2	R1	R2	COMMENT
817	812	823	827	Go short only below 817. Stop-loss can be placed at 818

₹4522 » TCS

S1	S2	R1	R2	COMMENT
4500	4450	4530	4565	Go long on a break above 4530. Keep the stop-loss at 4520

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Publication : The Pioneer	Editions : New Delhi
Date :21 August 2024	Page : 7

Gas pricing: Reforms turn into a control regime

UTTAM **GUPTA**

Government's decision to grant a 20 per cent premium on natural gas from the state owned new wells has added complexity to the gas pricing regime

The decision of the Union Government to grant a 20 per cent premium over the APM price (a jargon for administered or controlled price) for any natural gas (NG) that state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL) will produce from the 'new wells or well interventions' from their nominated fields has made the NG pricing more complicated. It is an outcome of a thought process that focuses on unshackling the oil and gas industry from price controls to start with but ends up exercising more controls.

Every year, India consumes 59.5 billion cubic metres (bcm) of NG. Of this, nearly 54 per cent or 32.13 bcm is produced domestically, and the balance is met from imports of liquefied natural gas (LNG). Of the domestic gas, around two-thirds is from blocks given on nomination to ONGC and OIL and from fields given under the New Exploration and Licensing Policy (NELP) (launched in 1999) as well as those given to private firms before the NELP. NG supplies from the aforementioned fields (known in common parlance as 'legacy fields') are governed by a particular pricing regime. Before April 2023, under the pricing guidelines effective since November 2014, supplies from these fields used to be a weighted average (WA) of prices of NG at four international locations: Henry Hub (the USA), Alberta Gas (Canada), NBP (National Balancing Point) (the UK), and Russian Gas. The prices used for arriving at the WA were over twelve months. It was revised every six months in a financial year (FY).

The four global hubs have fairly mature gas markets and the prices obtained there are pretty reasonable. Moreover, considering that the prices for twelve consecutive months were used for arriving at the WA, it smoothened out the month-to-month variations thereby ensuring that the price to the consumers was 'stable'. From April 1, 2023, the government changed the above system based on the recommendations of the Kirit Parikh committee (2022). Under the new formula, for any given month, the price expressed per million British thermal units (Btu) (energy units used globally for setting NG prices) is arrived at by taking 10 per cent of the monthly average of the basket of Indian crude oil in the preceding month. The price thus calculated is subject to a price band of US$4 - 6.50 per Btu.The shift to link the price of NG with the crude oil price is flawed as natural gas is not a replacement for crude oil. The pricing of NG has to be on its own, especially when nearly half of the gas is used for urea production and power generation. Given the intimate connection of these sectors to food security and the need for affordable electricity (especially, for farmers and poor household consumers) and heavy subsidies are involved, the gas price has to be 'reasonable' and 'stable'. While the earlier formula met both these requirements, the new one effective from April 2023 doesn't as the volatility in crude prices and monthly revisions in NG price linked to crude can create uncertainties for both sectors. To avoid this, the government has put a price band.

> EVERY YEAR, INDIA CONSUMES 59.5 BILLION CUBIC METRES (BCM) OF NG. OF THIS, NEARLY 54 PER CENT OR 32.13 BCM IS PRODUCED DOMESTICALLY, AND THE BALANCE IS MET FROM IMPORTS OF LIQUEFIED NATURAL GAS

What this means is even when the price determined based on crude linkage turns out to be higher (at the current Indian basket price of USD 77 per barrel, the NG price comes to US$ 7.7 per Btu) than the ceiling of US$ 6.50 per Btu, the price will be set at US$ 6.50 per mBtu. Given the movement in crude price since April 2023 and considering that in the near term, it will continue to rule well above US$ 75 per barrel, the formula-based price will always be much more than US$ 6.50 per Btu. So, the ceiling price will be the price to consumers thus rendering the formula redundant. Effectively, thus there is control on the gas price for two-thirds of domestic production and that too at a level, the government wants. One wonders whether a premium of 20 per cent allowed on gas supplied from the so-called 'new wells' or 'well interventions' in the nomination fields of ONGC and OIL will make any difference to the situation on the ground.

Applying a 20 per cent premium to the formula-determined price of US$ 7.7 per mBtu (77x0.1), we get US$ 9.24 per mBtu. But, then there is a cap of US$ 6.50 per mBtu. So, the price remains at US$ 6.50 per Btu. The purpose of giving premiums is defeated.On the other hand, if the government intends to build a 20 per cent premium on the ceiling price and give US$ 7.8 per mBtu then, it makes no sense to put a cap in the first place. The moot point is: if anyway ONGC and OIL are to be given a good price, let this be driven solely by the formula and putting a cap is unwarranted.

At least, there is an element of 'predictability'; firms on their own can calculate as to what price they will be getting. But, here we have an APM price namely US$ 6.50 per mBtu (call it base price) that is arrived solely at the discretion of the bureaucrat. And, yet another price for supplies from the so-called 'new wells' or 'well interventions' which is arrived at by adding 20 per cent to this. This too is at the discretion of the bureaucrat. Moreover, which fields get the benefit of interventions will also be at his discretion.

Even the pricing of the remaining one-third of domestic NG supplied from the so-called deep/ultra-deep and high-pressure/high-temperature fields (KG-D6 operated by Reliance Industries and neighbouring KG-DWN-98/2 operated by ONGC in Krishna-Godavari basin off the Andhra Pradesh coast fall in this category) isn't free from 'discretion' and 'arbitrariness'. Technically though, the firms can go for competitive bidding to determine the price for such supplies (referred to as a 'premium' price), this too is subject to a ceiling linked to the prices of alternate fuels including fuel oil, naphtha, and LNG. On taking charge in 2014, the Modi – government started the process of reforming gas pricing by introducing formula-based pricing for legacy gas and thereafter in 2016 by permitting market-based pricing for supplies from deep/ultra-deep and high-pressure/high-temperature fields. But, it has ended up exercising control of both. Meanwhile, the Kirit Parikh committee had recommended the de-regulation of difficult gas fields' prices by January 1, 2026, and the de-regulation of APM prices for gas supplies from the legacy fields by January 1, 2027. But, the government is silent on these recommendations. In fact, by adding more categories (read: 'new wells' and 'well interventions'), it has given a signal that the administered/controlled pricing regime for NG and attendant bureaucratic red tape is here to stay.

Delivering the 75th Independence Day address on August 15, 2021, Prime Minister Narendra Modi set the country a target to achieve self-reliance in energy production by boosting the gas-based economy (besides giving a push to electric mobility and hydrogen production). He wanted the share of NG in the total energy mix to go up from the current around 6 per cent to 15 per cent. But, in the absence of a 'stable' and 'predictable' policy environment particularly when it comes to themost crucial aspect of pricing of gas, this won't be possible.

(The write is a policy analyst; views are persona)

Publication : The Economic Times	Editions : Chennai
Date :21 August 2024	Page : 7

Reliance to Invest ₹1,000 crore to Stem Falling CBM Output

Company to drill multiple new wells to raise production target to 1 mscmd over next three years

Kalpana Pathak

Mumbai: Reliance Industries (RIL) would be investing over ₹1,000 crore in its coal bed methane (CBM) blocks in Sohagpur, Madhya Pradesh, as the company looks to increase CBM gas production from the fields, according to industry sources aware of the development.

"RIL is seeing a decline in its CBM production and will be drilling multiple new wells to up production target to 1 million standard cubic meters per day over the next three years," said an industry official aware of the development, adding that RIL would be investing over ₹1,000 crore in the process. CBM is natural gas stored in coal seams, extracted by drilling wells into coal seams and used as compressed natural gas for various domestic and industrial purposes.

RIL has two CBM blocks in Madhya Pradesh spread across 995 square km. In its annual report for FY24, RIL said over 300 wells are in production, with an average output of 0.64 million standard cubic meters per day (mscmd) of gas during the year. In FY2023 and FY2022, RIL's average production from the block was 0.73 mscmd of gas. In FY 2021 and FY20, it was at 1 mscmd. In an emailed response, an RIL spokesperson said that to augment the production and reserves of CBM, RIL has embarked on a multi-lateral well (MLW) programme.

"The performance of the first 20 wells has been quite encouraging as we have seen a significant increase in production," the spokesperson said adding that CBM has marketing freedom, and is sold pursuant to auction guidelines issued by the governmet.

The spokesperson added that the company will continue to drill MLW wells to augment production and reserves of CBM from the asset.

Publication : Millennium Post	Editions : New Delhi
Date :21 August 2024	Page : 10

Rupee rises 10 paise to 83.77 against dollar

MUMBAI: The Indian rupee stayed firm for the second straight session and settled 10 paise higher at 83.77 against the US dollar on Tuesday, buoyed by positive domestic equity markets, weak American currency and lower crude oil prices.

At the interbank foreign exchange, the rupee opened at 83.86 against the greenback and traded in the range of 83.76 to 83.88.

The unit finally settled at 83.77 against the dollar, registering a gain of 10 paise from its previous closing level.

On Monday, the rupee settled 8 paise higher at 83.87 against the American currency. PTI

Online

Headline	ONGC selects Mazagon Dockyard Shipbuilders for natural gas & condensate flow from DSF-II blocks		
Publication	Millennium Post	Edition	Online Coverage
Published Date	21 Aug 2024		

ONGC selects Mazagon Dockyard Shipbuilders for natural gas & condensate flow from DSF-II blocks

https://www.millenniumpost.in/business/ongc-selects-mazagon-dockyard-shipbuilders-for-natural-gas-condensate-flow-from-dsf-ii-blocks-576481

New Delhi: After dropping L&T from a tender for setting up wellhead platforms and pipelines at DSF-II and MBOSN-2005/1 fields, Oil & Natural Gas Corporation has engaged Mazagon Dockyard Shipbuilders Ltd (MDL) for a split job of building such facilities only at DSF-II.

The Rs 5212.54 crore ($624.85 million) contract is being awarded to MDL on a nomination basis with open book estimates (OBE) where suitable exit provisions are being kept at various stages of the contract to ensure timely completion of the project.

ONGC expects the negotiated ceiling cost for constructing seven platforms along with associated pipelines and topside modifications to come down as MDL has assured to negotiate with its sub-contractors and passing the benefit to ONGC.

ONGC expects to produce 10.651 billion cubic metres of natural gas and 1.835 million tonnes of condensate over a production life of 10-13 years with 21 wells from the four contract areas NMT, CA, SB-15 and D33 awarded under the Discovered Small Fields Second Round (DSF-II).

The composite tender for such facilities at MBOSN-2005/1 and DSF-II blocks was issued in December 2022 where L&T was the lone bidder. It quoted $802.14 million, 46 percent higher than ONGC's revised cost estimate of $547.14 million and 50 percent higher than the sanctioned value of $535.65 million.

Due to the high price, the tender was cancelled in August 2023. Coupled with the cancellation of other recent tenders such as Daman Upside Development Project and Mumbai High Redevelopment Phase-V due to high quotes, ONGC decided to promote domestic vendors for its projects as foreign firms were not participating in its tenders despite relaxation from stringent government guidelines.

It also strategized to award the DSF-II contract on nomination basis with the cost-plus OBE methodology considering the failure of the three tenders in a row due to high monopolistic bid price ranging from 46 to 78.85 percent.

To increase competition, ONGC felt it prudent to develop a government-run contractor who could be an alternative to monopolistic competition, as overall, it would benefit from developing another vendor with experience in successfully executing offshore projects. MDL became ONGC's obvious choice considering their experience in fabrication of jackets and topsides for the oil and gas exploration firm. Besides developing a new competitor, ONGC's reasons for selecting MDL on nomination basis were:

1. Experience of constructing offshore platforms (60 plus), almost 25 percent of ONGC's total offshore assets.

2. Suitable fabrication yard for taking up four jackets at a time.

3. Yard approved for jacket fabrication after evaluating space, soil characteristics, water depth for loading/unloading and other technical infrastructures.

4 Being government company, it is governed by the same process, procedures, guidelines, regulations, checks and balances.

5. Severe crunch of contractor/resources and less probability of easing of Oil/gas offshore construction markets in near future.

Sources said the contract to MDL is like the OBE works awarded by ONGC to Engineers India Ltd under a reimbursable Engineering, Procurement and Commissioning mode for Gas Terminal Restoration, Revamping of Sectionalizing Valve Stations for Gas Terminal & KRIBHCO Terminal at Hazira.

Headline	MEIL deploys 2,000 HP hi-tech oil drilling rig for ONGC in Rajahmundry		
Publication	Bhaskar Live	Edition	Online Coverage
Published Date	21 Aug 2024		

MEIL deploys 2,000 HP hi-tech oil drilling rig for ONGC in Rajahmundry

https://bhaskarlive.in/meil-deploys-2000-hp-hi-tech-oil-drilling-rig-for-ongc-in-rajahmundry/

New Delhi, Aug 20 (IANS) Hyderabad-based Conglomerate Megha Engineering and Infrastructures Ltd (MEIL) has deployed its advanced, fully automated

and hydraulic 2,000 HP capacity oil drilling rig at ONGC's Rajahmundry asset in Andhra Pradesh, according to a MEIL statement.

Previously, MEIL has deployed two 2,000 HP capacity land drilling rigs in the same asset. This marks the 3rd rig to be established under the Rajahmundry asset of the ONGC.

The new generation, fully-automated oil drilling is made under the Make in India' and Atmanirbhar Bharat' initiatives, as a part of the Rs 6,000 crore value of oil drilling rigs order from ONGC.

MEIL is the first private company in India to manufacture and use the oil and gas extraction rigs with indigenous technology. The advanced new generation oil drilling rig is unique in its functioning with the capacity of 2,000 HP and can drill up to 6,000 metres in high pressures and temperatures. In terms of the functioning of the oil drilling rig, it is much more efficient, cost-effective, automated, and zero risk than the traditional rigs, according to the company statement.

This C3BR1 rig is built with full automation in order to reduce downtime on account of safety & maintenance. The rig is the first of its kind to be inducted into the ONGC drilling fleet.

The inauguration ceremony of the oil drilling rig deployment was attended by representatives from MEIL and ONGC officials. MEIL has received an order for 47 rigs from the ONGC in global competitive bidding. Of the 27 land drilling rigs, two are mobile hydraulic rigs with a capacity of 1,500 HP, and 17 are AC VFD rigs with 1,500 HP capacity. Six others are AC VFD rigs having a capacity of 2,000 HP, and two others are HT VFD rigs of 2,000 HP which can drill up to 6,000 metres.

MEIL is manufacturing and supplying the remaining rigs to the ONGC assets in Assam (Sibsagar, Jorahat), Andhra Pradesh (Rajahmundry), Gujarat (Ahmedabad, Ankaleshwar, Mehsana, and Cambay), Tripura (Agartala), and Tamil Nadu (Karaikal).

According to the MEIL, this rig is equipped with a blowout preventer that can operate under high pressure and high temperatures. The rig can bring down the temperature of 220 degrees Celsius from underground to the surface area. Since it is equipped with a blowout preventer with 5,000 PSA capacity, which is used for the first time in India, it helps in reducing the temperature.

Besides, the rig is manufactured in India, having American Petroleum Institute (API) approved standards. With the highest level of automation, the rig reduces human intervention. Unlike other rigs, it does not require more workmen and only twomen can operate the entire rig. The rig is safe and more productive with Gen-X technology and is economical comparedto conventional rigs, the MEIL statement added.

Headline	IOC, HPCL and BPCL consortium in talks with Equinor to secure LPG contract		
Publication	Bharat Times	Edition	Online Coverage
Published Date	20 Aug 2024		

IOC, HPCL and BPCL consortium in talks with Equinor to secure LPG contract

https://news.bharattimes.co.in/ioc-hpcl-and-bpcl-consortium-in-talks-with-equinor-to-secure-lpg-contract/

The consortium comprises Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), and Bharat Petroleum corporation Ltd (BPCL).

The talks with Equinor come in the backdrop of growing tensions in West Asia, as a potential escalation of the Israel-Iran conflict could affect energy prices and supplies. Currently, United Arab Emirates (UAE), Qatar, Saudi Arabia and Kuwait are India's top LPG suppliers.

We are in talks with Equinor for sourcing LPG , the demand for which is growing in India, one of the two people cited above said, requesting anonymity. Equinor is offering us LPG from Norway. The terms and commercial agreement are under discussion.

The move to diversify LPG sourcing also assumes significance as the fuel comprises an estimated 62% of all cooking fuels used across households in the country, with more than 60% of LPG being imported.

LPG is a new area of discussions between India and Equinor, with the two already speaking on multiple issues such as the company's participation in India's strategic petroleum reserves (SPR), and long-term deals for supply of liquified natural gas (LNG) from Equinor's extensive portfolio in the US and Qatar as reported by Mint earlier.

Queries emailed to the spokespersons of Indian Oil Corp, Hindustan Petroleum Corporation Ltd, Bharat Petroleum Corporation Ltd and India's ministry of petroleum and natural gas on Sunday evening remained unanswered.

An Equinor spokesperson in an emailed response said, Equinor's policy is to not comment on rumors and market speculations.

First oil, now LPG

India's new LPG playbook is on the lines of what it has been trying to do on the crude oil sourcing front.

Apart from its major oil suppliers such as Iraq, Russia, Saudi Arabia, the UAE and US, India has been trying to diversify its oil supplies by procuring from countries such as Colombia, Brazil, Libya, Gabon and Equatorial Guinea, taking the total number of crude oil suppliers to 39.

The market for LPG has grown with the popularity of the Centre's Pradhan Mantri Ujjwala Yojana (PMUY) scheme.

The LPG market

India's LPG market has significantly grown over the past few years. LPG consumption in FY24 rose 3.7% year-on-year (y-o-y) to touch 29.6 million tonne (mt) from 28.5 mt in the previous fiscal, according to data from the Petroleum Planning & Analysis Cell. So far this fiscal, in the April-June period, India's total LPG consumption stood at 7.06 mt, 4.67% higher y-o-y.

To meet this growing demand of essential domestic cooking gas, India imported 4.5 mt LPG in the first quarter of FY25, which is around 17.7% higher than the 3.7 mt imported in the same period of last fiscal. The imports helped meet 64% of the country's LPG demand in the first quarter.

LPG consumption in FY24 rose 3.7% year-on-year to touch 29.6 mt from 28.5 mt in the previous fiscal

The government of India has promoted the use of LPG as a clean cooking fuel starting with the Pradhan Mantri Ujjwala Yojana (PMUY) scheme in 2016, which called for the distribution of 50 million LPG stoves and connections to women below the poverty level for families, the International Energy Agency (IEA) said in its report titled Indian Oil Market Outlook to 2030'.

The report added that the objective was to replace the use of highly-polluting solid fuels that could lead to premature death among women and children.

These schemes, including the provision of stoves and subsidies, have contributed to substantially higher LPG demand, which grew by a total of 51% (5.3% per year) between 2015 and 2023. By 2021, 62% of Indian households used LPG as their primary cooking fuel, the report said.

India' LPG imports are slated to grow.

Despite India maintaining its hefty export potential for light and middle distillates in the coming years, the structural shortfall in LPG supplies will expand and the need to import supplies will increase. Such is the scale of the current and prospective import requirement that India's refiners are unable to adjust yields to compensate. Furthermore, the relative value of LPG to gasoline, jet fuel and diesel argues for continued two-way trade, the IEA report said.

The Equinor playbook

Equinor has also tied up with state run Oil and Natural Gas Corporation (ONGC) for carbon capture, utilization and storage (CCUS), offshore wind and green hydrogen.

Equinor-backed Scatec ASA has also formed an equal joint venture (JV) with India's Acme Group for designing, developing, building and operating a large green hydrogen and green ammonia project at the SEZ at Duqm in Oman, which will require an investment of around $6 billion to supply emission-free fuel to Europe and Asia.

The proposed LPG and LNG deals with Equinor is part of India's efforts to fortify its clean fuel energy imports, with state run IOCL earlier signing a long-term LNG contract with France's TotalEnergies for supply of 1 mmtpa of LNG to IOCL for around 10 years, with plans to sign a long-term LNG deal to buy 1 million metric tonnes per annum (mmtpa) of clean fuel from state-run Abu Dhabi National Oil Co (Adnoc).

Energy security is key to India's national security as the country imports over 87% of its oil requirements and 55% of gas.

India is particularly vulnerable as any increase in global prices can affect its import bill, stoke inflation and widen the trade deficit.

The country's import bill for crude oil and petroleum products fell 15.45% to $155.9 billion in FY24 due to fall in prices from the highs of FY23, at the peak of the Ukraine war, although the volume of imports rose 1.6% to 281.8 million metric tonne in FY24.

As reported by newsonprojects.com, the ongoing exploration in Block 128, situated in a region claimed by China, highlights Indias strategic interest in maintaining a foothold in the South China Sea, even in the face of prior warnings from Beijing.

Headline	Petronet LNG inks MoU with LTL Holdings		
Publication	Citrus Interactive	Edition	Online Coverage
Published Date	20 Aug 2024		

Petronet LNG inks MoU with LTL Holdings

http://www.citrusinteractive.in/News/OpenNewsContent.aspx?SecId=7&SubSecID=15&NewsID=1112622

Petronet LNG (PLL) has entered into a Memorandum of Understanding (MoU) with LTL Holdings (LTL) of Sri Lanka on August 20, 2024 at Colombo, Sri

Lanka for supply of LNG to LTL's dual fuelled Power Plant(s) in Kerawalapitiya, Colombo.

Both parties, through this MoU, have agreed for development of LNG supply chain from PLL's LNG terminal, Kochi to LTL's Power Plant(s) in Kerawalapitiya, Colombo in a time bound manner. The proposed supply of LNG from PLL's Kochi LNG Terminal would be through LNG ISO tank containers involving multi-modal transport system. The initial term of LNG supply would be 5 years, which is extendable subject to mutual agreement.

Petronet LNG is one of the leading players in oil and natural gas industry space. The company's promoters are GAIL (India), Oil & Natural Gas Corporation (ONGC), Indian Oil Corporation (IOCL) and Bharat Petroleum Corporation (BPCL).

Headline	J M Baxi executes bridge module load-in at Krishnapatnam Port amid weather challenges		
Publication	India Seatrade News	Edition	Online Coverage
Published Date	21 Aug 2024		

J M Baxi executes bridge module load-in at Krishnapatnam Port amid weather challenges

https://indiaseatradenews.com/j-m-baxi-executes-bridge-module-load-in-at-krishnapatnam-port-amid-weather-challenges/

J M Baxi Group has said that it has completed the load-in of a 1061-ton bridge module for McDermott Asia Pacific's ONGC KG-DWN-98/2 project at Krishnapatnam Port, Andhra Pradesh.

Headline	India to amp up energy diplomacy; Petroleum minister Puri to visit US, UAE		
Publication	Mint	Edition	Online Coverage
Published Date	21 Aug 2024		

India to amp up energy diplomacy; Petroleum minister Puri to visit US, UAE

https://www.livemint.com/industry/energy/india-energy-diplomacy-petroleum-minister-puri-us-uae-11724157017912.html

The visits come at a time of uncertain global energy markets, even as India seeks to diversify its energy imports and hunts for long-term oil and gas contracts.

New Delhi: Union petroleum and natural gas minister Hardeep Singh Puri is set to visit the US and UAE in the coming months for key energy events in a bid to push India's energy diplomacy, diversify energy sources, and secure long-term oil and gas contracts.

Two people in the know of the developments said Puri in the first instance will attend Gastech 2024 in Houston where he will hold talks with US energy giants.

Set to gain momentum

"Energy diplomacy efforts would gain momentum now with the minister set to visit New York and Houston next month. In Houston he would attend Gastech. He would also then visit the UAE for Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in November," said one of the two people mentioned above.

India is making efforts to expand domestic areas for oil and gas production and increase output in a bid to cut imports. India has invited global E&P majors to take part in its efforts to increase energy production.

Investment opportunities

Addressing an event here in June, the minister said: "The exploration and production (E&P) sector offers investment opportunities worth $100 billion by 2030." He highlighted the potential of India's 26 sedimentary basins, containing substantial reserves of crude oil and natural gas that are yet to be fully tapped.

US companies ExxonMobil and Chevron already have partnerships with Indian state-run ONGC to explore E&P opportunities. In 2022 ONGC signed a deal with ExxonMobil for deep-sea exploration in India. In the same year, the Maharatna company also tied up with Chevron New Ventures PTE Ltd, a subsidiary of California-based Chevron Corp., to assess the exploration potential in India.

The minister is also likely to attend ADIPEC 2024 which is scheduled for 4-7 November.

"The minister has been a regular at events like Gastech and ADIPEC. This year too he is expected to attend ADIPEC. However, the visit is yet to be finalized," said another person

For long-term contracts

India has been looking at tying up with global oil and gas suppliers for long-term contracts for both oil and gas to ensure energy security.

Energy prices surged to all-time highs in 2022 amid the height of Russia-Ukraine war, and Russia's Gazprom defaulted on its contract for supply of gas to GAIL, prompting India to make efforts to diversify its import sources, sign long-term contracts and look for sweeter deals.

In July, Mint reported that state-run Indian Oil Corp. Ltd (IOCL), Hindustan Petroleum Corp. Ltd (HPCL) and Bharat Petroleum Corp. Ltd (BPCL) are in talks with Brazilian energy major Petroleo Brasileiro SA (Petrobras) to secure guaranteed crude oil supplies over the long term.

India is the third largest importer of oil and gas and imports about 85% of its energy requirement. In FY24, it imported 233.1 million metric tonne (mmt) of crude oil, compared to 232.7 mmt in the previous fiscal (FY23). India's LNG imports in FY24 were 31,795 million metric standard cubic metre (mmscm), 17.5% higher than 26,304 mmscm in the previous fiscal.

Headline	ONGC Signs MoU 2024-25 with Government of India		
Publication	News Mantra	Edition	Online Coverage
Published Date	20 Aug 2024		

ONGC Signs MoU 2024-25 with Government of India

https://newsmantra.in/ongc-signs-mou-2024-25-with-government-of-india/

Share ONGC signed the Performance Memorandum of Understanding (MoU) for 2024-25 with the Ministry of Petroleum and Natural Gas, Government of India.

The MoU, signed by Secretary Pankaj Jain and ONGC Chairman Arun Kumar Singh, highlights ONGC's commitment to meeting performance targets in financials, crude oil, and natural gas production, reinforcing India's energy security.

Headline	Pertamina Geothermal launches real-time two-phase flow measurement technology		
Publication	Think Geoenergy	Edition	Online Coverage
Published Date	16 Aug 2024		

Pertamina Geothermal launches real-time two-phase flow measurement technology

https://www.thinkgeoenergy.com/pertamina-geothermal-launches-real-time-two-phase-flow-measurement-technology/

State-owned PT Pertamina Geothermal Energy has officially announced launched Flow2Max, a technological breakthrough that allows for the real-time measurement of two-phase fluid streams in geothermal facilities.

Flow2Max is the worlds first flow meter capable of providing more reliable, easy, real-time, accurate, flexible, and dependable measurement of two-phase (liquid and vapor) fluid flow. It enables companies to evaluate well performance more regularly, predict production well productivity, and detect technical problems in wells early.

We believe that Flow2Max will be a game-changer in the global geothermal industry. This innovation is a testament to our commitment to drive technological advancement and provide sustainable solutions to the worlds energy challenges, said Julfi Hadi, President Director of PT Pertamina Geothermal Energy Tbk.

As a strategic step to accelerate the adoption of Flow2Max globally, PGE has signed a Memorandum of Understanding (MoU) with Ecolab, a US-based company, to further develop, manufacture and distribute Flow2Max to the global market, thereby providing broader benefits to the global geothermal industry.

This innovation is the result of intensive research and development by PGE, and is believed to bring significant changes in the management of geothermal reservoirs globally.

As we first reported back in 2021, Flow2Max was developed by Mohamad Husni Mubarok PhD (Husni), Manager of Production and Operational Excellence at PGE. It is one of the results of his doctoral studies at The University of Auckland, New Zealand.

In his research, Husni developed a method and tool combined with a special algorithm, now called the Mubarok Equation, which allows accurate measurement of two-phase fluid flow parameters, namely mass flow and enthalpy, in geothermalwells. Husni has published several papers on the topic.

This technology has obtained a patent certificate from the United States Patent and Trademark Office (USPTO) for Real-time Measurement of Two-phase Mass Flow Rate and Enthalpy Using Pressure Differential Devices with Patent Number: 11,698,281. In addition, several patents in Iceland, Turkey, the Philippines, and New Zealand have also been issued certificates.

In Indonesia, this technology has also been registered for a patent whose certificate was issued by the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia.

PGEs commitment to continue innovating is also demonstrated through the development of Geoflowtest, a portable geothermal well production test device also invented by Husni. Geoflowtest is used to test well production capacity in real-time, producing fast and accurate data.

Husni stated the both Flow2Max and Geoflowtest technologies are also useful in other industrial sectors, such as oil and gas, utilities, and processing industries.

Technological innovations such as Flow2Max and Geoflowtest contribute to better geothermal well management which ultimately increases the efficiency and reliability of geothermal power plant operations, said Husni.

The application of this technology is very broad to help various industrial sectors achieve operational excellence.

The development of Flow2Max is a manifestation of PGEs commitment to driving innovation in geothermal energy development. Through significant investment in research and development, PGE not only plays a role as a clean energy producer, but also as a pioneer in sustainable energy innovation.

Headline	India and Japan sign agreement for green ammonia export		
Publication	The Hindu Businessline	Edition	Online Coverage
Published Date	21st Aug 2024		

India and Japan sign agreement for green ammonia export

https://www.thehindubusinessline.com/economy/india-and-japan-sign-agreement-for-green-ammonia-export/article68547080.ece

India and Japan on Tuesday signed their first project offtake agreement for the export of green ammonia to the latter in the presence of Minister of New & Renewable Energy Pralhad Joshi.

The project offtake agreement marks a significant step forward in India's journey to becoming a global leader in green hydrogen and ammonia production, the Ministry of New & Renewable Energy (MNRE) said.

The Heads of Terms (HoT) agreement was signed between Sembcorp Industries, Sojitz Corporation, Kyushu Electric Power and NYK Line, solidifying a cross-border green ammonia supply partnership from India to Japan, it added.

"This agreement represents the first such collaboration between the two nations, underscoring India's growing prominence in the global green energy landscape," the Ministry noted.

Sembcorp Industries will lead the production of green ammonia in India, utilising renewable energy sources. Kyushu Electric Power has committed to integrating this green ammonia into its energy mix, partially replacing coal consumption at its thermal power plants in Japan.

Sojitz Corporation will act as the business intermediary, facilitating the connection between the ammonia producer and the off-taker. NYK Line will oversee the maritime transportation of green ammonia from India to Japan.

"Today is a historic day as we mark the first-ever agreement for the supply of Green Ammonia from India to Japan. This agreement will help establish a robust supply chain from production in India to consumption in Japan, paving the way for future collaborations in the green energy sector," Joshi said.

The Minister informed that a tender for 7.5 lakh tonnes per annum (TPA) of Green Ammonia is currently live, and additional tenders for 4.5 lakh TPA capacity have also been floated.

These efforts are part of India’s broader strategy to award incentives for the production of over a million tonnes per annum of Green Hydrogen, demonstrating India’s capability and intent to scale up green energy production at an unprecedented pace, he added.

The Minister expressed confidence that this agreement is just the beginning of India’s expanding capabilities in the green energy sector, with future endeavours expected to be even more ambitious and impactful.

This agreement reinforces India’s position as a key player in the global green energy market and reflects the Government of India’s steadfast support for green hydrogen and renewable energy initiatives. The collaboration with Japan is a testament to India’s growing expertise and commitment to sustainable development and energy independence.