ONGC News as on 12 September 2024 (Print & Online)

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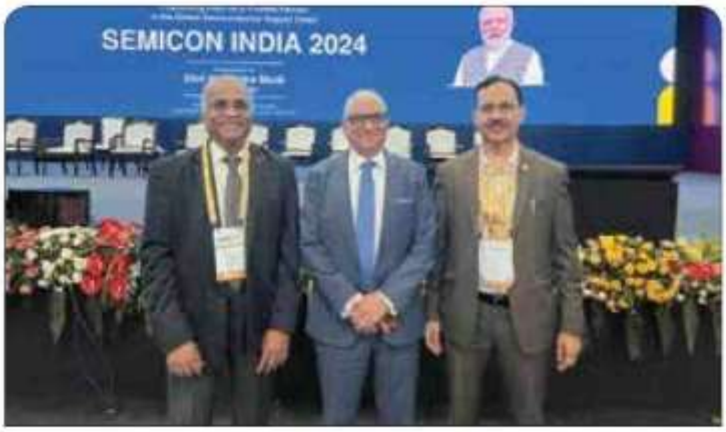
Date :12 September 2024	Page : 9

CORPORATE KALEIDOSCOPE

ONGC Videsh, Oil India Ltd, and Khanij Bidesh India Ltd signed an MoU with UAE-based International Resources Holding RSC Ltd to strengthen global collaboration on the Critical Mineral supply chain. The partnership aims to identify, acquire, and develop key mineral projects worldwide, including in India, ensuring a stable and sustainable supply of critical energy minerals



(From left) Dr V Veerappan, Chairman, India Electronics and Semiconductor Association, Ajit Manocha President and CEO, SEMI and Ashok Chandak, President, IESA at SEMICON India 2024

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OVL, OIL join hands with UAE's IRH

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NEW DELHI

India's largest international oil and gas exploration company, ONGC Videsh Ltd (OVL), along with Oil India Ltd (OIL) and Khanij Bidesh India (Kabil), signed a memorandum of understanding (MoU) on Tuesday with UAE-based International Resources Holding RSC Ltd (IRH), according to a statement from Oil and Natural Gas Corp. Ltd (ONGC).

The partnership aims to collaborate on the acquisition and development of critical mineral projects globally.

The MoU focuses on identifying, acquiring, and developing critical mineral projects worldwide, including within India. This initiative comes at a time when China has secured a dominant position in the critical minerals ecosystem.

India's collaboration efforts align with its recently launched Critical Minerals Mission, which aims to boost domestic production, recycling, and overseas acquisition of these essential resources.

In June 2023, the mines ministry published a list of 30 minerals deemed critical to India's economy. These include antimony, beryllium, bismuth, cadmium, cobalt, copper, gallium, germanium, graphite, hafnium, indium, lithium, molybdenum, niobium, nickel, PGE, phosphorus, potash, rare earth elements (REE), rhenium, selenium, silicon, strontium, tantalum, tellurium, tin, titanium, tungsten, vanadium, and zirconium.

The partnership aims to collaborate on the acquisition and development of critical mineral projects globally. BLOOMBERG

The MoU is part of India's strategy to secure critical minerals for its target of net-zero carbon emissions by 2070

The rare earth elements listed include neodymium, praseodymium, dysprosium, europium, yttrium, and terbium.

All Indian companies involved are state-run enterprises. OVL, a subsidiary of India's largest oil producer Oil and Natural Gas Corp. Ltd (ONGC), is joined by Kabil, a joint venture created in 2019 by National Aluminium Co. Ltd (NALCO), Hindustan Copper Ltd (HCL), and Mineral Exploration Co. Ltd (MECL). Kabil was established to identify and secure international critical mineral assets to enhance India's mineral security.

The MoU outlines plans for project identification, joint due diligence, risk management, and the development of a long-term offtake strategy to establish a critical mineral supply chain, according to the statement.

This agreement is especially important as critical minerals like lithium, cobalt, and molybdenum play a pivotal role in manufacturing energy storage systems and stabilizing advanced battery cells. These minerals are also crucial for the renewable energy sector, being integral to technologies such as electric vehicles and wind turbines.

The MoU is part of a broader strategy by the Indian government to secure critical minerals for its ambition to achieve net-zero carbon emissions by 2070. For instance, India signed a similar agreement with Australia in 2020 to collaborate on the mining and processing of critical minerals. That agreement was renewed in 2022.

India is also engaging with countries rich in these minerals, including Australia and several Latin American nations.

To read an extended version of this story, go to livemint.com

Publication : The Economic Times	Editions : New Delhi
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'Outcome of US Prez Election Unlikely to Affect Incentives for Clean Energy'

US dy secy of energy **David Turk** says Indian cos investing in US and taking advantage of IRA sops

Sanjeev Choudhary

New Delhi: The Inflation Reduction Act (IRA), aimed at attracting clean energy investments to the US, is benefitting all parts of America, including the Republican-dominated areas, and therefore will remain a durable source of economic boom regardless of the outcome of the presidential election, US deputy secretary of energy David Turk has said.

"What we've seen is that the IRA, in particular, has a lot of those tax incentives, grants, other kinds of tools; they are really embedded in our society, all parts of our country, the so-called red states and blue states and purple states are all benefiting from those investments," Turk told **ET** in an interview during his recent India visit. "And so, the thought that politicians of any stripe will repeal something that's causing such an economic boom for their communities just seems fanciful to me."

IRA is an important US election issue, with US Republican presidential nominee Donald Trump pledging to rescind any "unspent" funds under the IRA should he be elected in November.

Turk said the "leadership does matter" but the outcome of the presidential election is unlikely to stall the clean energy progress the IRA has triggered.

Many Indian companies are also investing in the US, taking advantage of the IRA tax incentives, Turk said, without naming the companies.

India and the US have discussed the issue of sanctions on Venezuela, which has impeded state-run ONGC's efforts to repatriate dividends from the South American nation in the middle of political turmoil. "We've had conversations with our counterparts even during this visit on those issues, and we'll work through those issues," Turk said. "But there are also norms of democracy that our two countries and our two societies share. And those are incredibly important values as well. So, we've got to take all that into account."

Turk defended the use of economic sanctions as a foreign policy tool against energy-rich nations like Russia, Venezuela, and Iran. "When you have such a barbaric illegal invasion, you look for whatever tools you've got in order to try to blunt that impact, to send strong messages," he said.

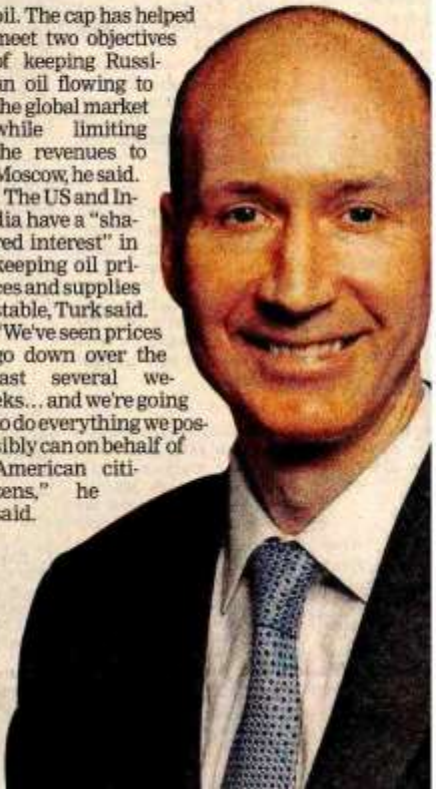
The G7 countries set a price cap on Russian oil exports to punish Moscow after the Ukraine invasion. But most of the Russian oil has since sold above the cap.

"The price cap, I think, has worked," said Turk, adding that the cap has helped India and other buyers to get a significant price discount on Russian oil. The cap has helped meet two objectives of keeping Russian oil flowing to the global market while limiting the revenues to Moscow, he said.

The US and India have a "shared interest" in keeping oil prices and supplies stable, Turk said. "We've seen prices go down over the last several weeks... and we're going to do everything we possibly can on behalf of American citizens," he said.

JUSTIFYING SANCTIONS ON RUSSIA

When you have such a barbaric illegal invasion, you look for whatever tools you've got in order to try to blunt that impact, to send strong messages



Publication : The Economic Times	Editions : New Delhi
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ONGC, OIL, KABIL Ink Pact with UAE Firm for Critical Minerals

New Delhi: ONGC Videsh, Oil India and Khanij Bidesh India (KABIL) have signed a preliminary pact with International Resources Holding RSC of the UAE to jointly acquire and develop critical mineral projects worldwide.

"The parties aim to leverage their expertise, resources and networks to pursue mutually beneficial opportunities, achieve operational excellence and secure a stable supply of critical energy minerals," ONGC Videsh said in a statement.

"The agreement outlines a cooperative and coordinated approach, focusing on project identification, joint due diligence, risk management and developing a long-term offtake strategy," it added.

India, US and many other countries have woken up to the need of developing a critical minerals supply chain that's currently dominated by China. With the rise of renewables and battery, the requirement of critical minerals has sharply grown in recent years. — **Our Bureau**

Publication : The Economic Times	Editions : New Delhi
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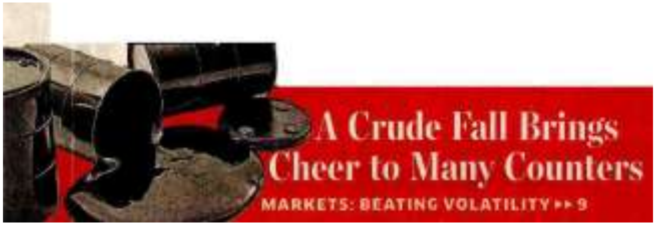


Paint, tyre, oil marketing and aviation companies likely to gain most ● Oil explorers could be the worst hit

A Crude Fall Brings Cheer to Many Counters

Ruchita Sonawane

Mumbai: A drop in oil prices is typically positive for India since the country is a big importer of crude. In the past 5 days, brent crude futures have dropped 3.9% and 13.7% in the past month to below $70 a barrel for the first time in three years due to concerns over a downturn in the US and China. Brent crude futures were up 1.2% to $ 69.7 on Wednesday, resulting in shares of companies that could benefit from a fall in crude surging. Domestic industries such as paints, tyres, oil marketing companies and airlines are among the biggest beneficiaries of falling crude prices globally. Oil exploration companies are the worst hit. A look at what's in store for shares in these segments:

PAINTS

Crude oil derivatives comprise almost 35% of paint makers' input costs, said analysts. "Paint companies are likely to benefit from the decline in crude oil prices since its raw material is a crude derivative," said Sumit Pokharna, VP and oil analyst at Kotak Securities. "However, these stocks have moved up quite a lot and the valuations are expensive in this space."

Asian Paints gained 2.23% while Berger Paints India and Kansai Nerloac advanced close to 2.5% each on Wednesday. "Although paint stocks have moved up today, they are likely to see the benefits with a lag as they typically carry 1-2 months of raw material inventory," said Nikhil Ranka, CIO equity alternatives, Nuvama Asset Management.

OIL MARKETING COMPANIES (OMCs)

Although lower crude oil prices are anticipated to be positive for OMC stocks, most of these declined on Tuesday due to the market expectation of the government slashing retail prices.

Indian Oil Corp declined 3.11%, Bharat Petroleum and Hindustan Petroleum fell 1.49% and 2.69%, respectively. These companies can see a positive impact of lower crude oil prices, said analysts.

"The marketing margins of OMC companies have expanded and the gains on marketing margin could outweigh the impact of inventory losses," said Swarnendu Bhushan, co-head of research, Prabhudas Lilladher. "The upside is limited, however, due to high valuations."

AVIATION

InterGlobe Aviation rose 1.16% on Wednesday while Spicejet fell 3.89%. "Aviation is likely to be a key beneficiary of the falling crude prices since fuel is the biggest cost component in aviation and additionally yields have remained stable," said Ranka.

TYRES

Since Tyre companies use natural and synthetic rubber as raw materials, and the cost of synthetic rubber is dependent on crude oil, a price drop would benefit them. Ceat Tyres moved up 0.64% and Apollo Tyres and MRF Tyres advanced marginally on Wednesday.

OIL EXPLORATION COMPANIES

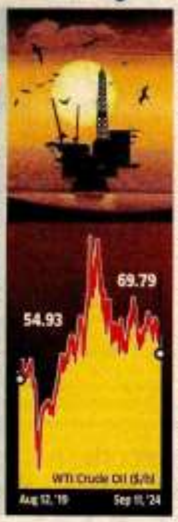
Oil drilling companies could be adversely impacted by the decline in crude oil prices as the realisations are expected to take a hit. Oil India fell 4.31% while Hindustan Oil Exploration and ONGC tumbled 5.40% and 2.94% each.

Big Consumers

Stock Performance

	5D %	1 Mth %	YTD %
Paint			
Asian Paints	4.5	10.3	-0.8
Berger Paints	3.3	17.3	2.2
Kansai Nerolac	3.1	7.0	-4.9
Oil Marketing Cos			
HPCL	-7.8%	8.0	53.9
BPCL	-4.4%	2.2	50.8
IOC	-4.5	0.6	30.5
Aviation			
InterGlobe Aviation	1.2	15.0	64.1
SpiceJet	0.6	2.0	3.9
Tyre			
Apollo Tyres	1.9	5.4	14.8
Ceat	-1.8	5.0	17.6
MRF	0.0	-1.1	4.9
Oil Exploration Cos			
Hindustan Oil Exploration	-7.4	-15.3	31.1
ONGC	-8.7	-15.9	39.7
Oil India	-14.2	-12.7	130.8

Source: NSE



Publication : The Hindu Business Line	Editions : New Delhi
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OVL, UAE firm to work on critical mineral projects

New Delhi: State-run ONGC, on Wednesday, said its subsidiary ONGC Videsh (OVL) along with Oil India and Khanij Bidesh India have signed a memorandum of understanding (MoU) with UAE-based International Resources Holding to identify, acquire and develop critical mineral projects worldwide, including in India. The parties aim to leverage their expertise to pursue mutually beneficial opportunities and secure a stable supply of critical energy minerals. OUR BUREAU

Publication : Millennium Post	Editions : Kolkata
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BPRL wins 1st full production concession in Abu Dhabi

MUMBAI: Bharat Petro-Resources Limited (BPRL), a 100% subsidiary of Bharat Petroleum Corporation Limited (BPCL) and its Exploration and Production arm along with Indian Oil Corporation Limited (IOCL) acting jointly through a 50:50 Special Purpose Vehicle viz,. Urja Bharat Pte Limited (UBPL) have been awarded a production Concession by The Supreme Council for Financial and Economic Affairs (SCFEA), Abu Dhabi.

This follows the award of the exploration and production concession to UBPL in March 2019, and the successful completion of the exploration phase, during which the company invested nearly $164 million. The concession agreement covers a total area of up to 6,162 square kilometers, offering UBPL 100% concession rights. Initial exploration efforts have yielded positive results in Onshore Block 1, specifically within the 38 square kilometer Ruwais area.

The area includes conventional undeveloped oil and gas resources, and its development will contribute to Abu Dhabi's efforts to expand its hydrocarbon sector. MPOST

Publication : The Morning Standard	Editions : New Delhi
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Crude oil prices decline below $70; petrol, diesel unlikely to get cheaper

RAKESH KUMAR @ New Delhi

EVEN as crude oil prices declined below $70 a barrel for the first time since December 2021, analysts believe that petrol and diesel prices in India are unlikely to come down anytime soon.

They indicated that oil marketing companies (OMCs) would prefer to see a sustained trend of lower crude prices for a longer period before making any decisions on domestic fuel prices.

"Oil marketing companies would possibly like to see sustenance of the trend of lower crude prices for longer before they take a call on prices," said Prashant Vasisht, VP & co-head, corporate ratings, ICRA.

Brent Crude Future prices dropped below $70 a barrel on Tuesday, triggered by OPEC+'s downward revision of its demand forecast. Though the prices rebounded early on

Wednesday, they fell below the $70 mark. Brent crude futures was trading at $69.68 a barrel and US West Texas Intermediate (WTI) crude at $66.37 at 7.56 PM IST.

"Crude oil prices have been depressed owing to repeated instances of increasingly weak demand from China even as US production is high at over 13 million barrels a day. Additionally, OPEC+ has extended oil production cut by two months leading to fears that there is disagreement on further production cuts leading to a bearish scenario. It is unclear whether this is a short term phenomenon as OPEC+ may after all increase cuts which could lead to increase in prices," said Vasisht.

Indian oil Marketing companies have made revision of the prices of petrol and diesel across the country in March 2024 by ₹2 per litre.

Now, the elections approaching in Haryana and Jammu & Kashmir, there is speculation that oil marketing companies might consider reducing fuel prices. Moreover, Indian oil marketing companies, including Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL), and Hindustan Petroleum Corporation Ltd (HPCL), have reported significant profits in recent quarters, with a combined consolidated net profit of ₹7,371 crore in the first quarter of this fiscal.

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Govt has the leeway to cut oil prices

The ebb in oil markets is a bonanza for India, which buys over 85 per cent of its fuel from abroad

SUSHMA RAMACHANDRAN
SENIOR FINANCIAL JOURNALIST

UPBEAT: Oil marketing companies are flush with funds, having ended the 2023-24 financial year with around Rs 81,000 crore of combined profits. TRIBUNE PHOTO

IT was just about a year ago that global investment bank Goldman Sachs predicted that world crude oil prices would touch $100 per barrel by the end of 2024. The forecast rattled emerging economies like India that are large importers. Luckily for them, the prediction has gone way off the mark. Oil prices have fallen by about 20 per cent over the past year with the benchmark Brent crude currently ruling around $70-72 per barrel. The turnaround has taken place despite a grim geopolitical environment, with the Russia-Ukraine war and the Israel-Hamas conflict showing little signs of ending.

Oil markets have clearly factored in the fact that neither are likely to disrupt supplies even though Russia remains the third largest crude oil producer in the world. Its production is still flowing into major consumption areas despite sanctions imposed by Western countries. Many European countries, including Poland, Finland, Hungary and even Germany, continue to buy oil and petroleum products from Russia, though the amount has reduced considerably. In addition, the European Union makes sizeable purchases of products like gasoline and diesel from Indian refineries using Russian crude.

As for the West Asian conflict, it has disrupted international trade flowing through the Red Sea and Suez Canal owing to the depredations of Yemen-based Houthi rebels. Traversing these inlets has been made dangerous for merchant vessels, many of which are now taking the long and expensive route via the Cape of Good Hope. But it has not affected availability of crude and natural gas supplies from the region, and they are continuing to reach consumers through both sea and land routes.

It is thus a variety of other factors that have led to the bearish trend in oil prices over the past year. One of the most significant is weakening global demand, especially from the world's biggest importer, China. Economic woes are continuing in that country as the manufacturing sector contracted for the fourth month in a row. Over the past year, there has been an expectation that the economy would revive and the real estate sector would come out of the doldrums. Such a scenario seems distant now and multinationals are slowly withdrawing from the second largest global economy which is now producing more than the rest of the world can absorb. China recorded a 5.2 per cent growth rate in 2023, but the World Bank has projected that it will touch only 4.8 per cent in 2024. The slowing economy has, in turn, led to a cut in oil imports.

> Prices of oil products are usually raised when global prices go up but are rarely reduced commensurately when rates fall.

Another factor contributing to softening prices has been rising output in the US, which has emerged as the world's largest crude producer. In fact, countries outside the Organisation of Oil Exporting Countries (OPEC) cartel are expected to lead output growth this year. This has largely offset the voluntary production cuts of 2.2 million barrels per day imposed by OPEC Plus since last year. These were expected to be lifted last week but with markets remaining relentlessly bearish, the cartel decided to extend the cuts for some more time. Even this news failed to perk up prices which rose slightly and then fell again to reflect the surplus availability in the market.

The ebb in oil markets has come as a bonanza for India, which buys over 85 per cent of its fuel from abroad. Ever since the Ukraine-Russia war began in February 2022, prices have remained volatile. But India was able to get Russian crude at discounted rates which helped tide over the crisis of high prices during that year. The recent declining trend has meant that the Indian basket of crudes has fallen from $89 per barrel in April to $72 currently. The significance of this decline can be gauged from the rough estimate that every $10 rise in oil prices leads to a 0.5 per cent increase in the current account deficit.

In this upbeat scenario, the government has the leeway to cut prices of petroleum products like petrol, diesel and LPG to bring some relief to the common man. With several states going to the polls later this year, it would also be a pragmatic political move. A similar measure was taken in March prior to the General Election. But the fact is that prices of oil products are usually raised by governments when global prices go up but are rarely reduced commensurately when prices fall.

The resistance to raising prices also comes from oil marketing companies (OMCs), which have to bear the brunt when international prices go up and retail rates are kept static. The situation is different now as the OMCs are flush with funds, having ended the 2023-24 financial year with roughly Rs 81,000 crore of combined profits. These include the flagship Indian Oil Corporation, Hindustan Petroleum Corporation Limited and the Bharat Petroleum Corporation Limited.

The oil companies would undoubtedly be worried that world markets may firm up yet again and they could end up struggling yet again with under-recoveries on product sales. For the time being, however, this does not look likely. The malaise in the Chinese economy, for instance, is not expected to show any significant improvement in the near future, indicating weakness in demand for some time. The output, on the other hand, especially from non-OPEC producers, is rising consistently.

As a result, global investment banks are quickly revising their price forecasts. Morgan Stanley has brought its projection for the last quarter of 2024 to $75 a barrel, while Goldman Sachs has kept to a safe range of $70-85. Citigroup has gone further and predicted it to fall to $60 in 2025. In other words, the moderation in oil markets is expected to continue in the medium term as well.

The only scenario in which prices could conceivably shoot up would be a full-blown war in West Asia. In this backdrop, it seems conditions are as ideal as possible for domestic oil companies to go ahead with cuts in pump prices. The geopolitical scenario remains challenging, but it is a risk worth taking.

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Cementing a sustainable future

NEERAJ AKHOURY

MD, Shree Cement Ltd, and president, Cement Manufacturers' Association of India

The cement industry has made significant strides in curbing emissions, driven by the dual imperatives of sustainable development and regulatory compliance

INDIA TODAY STANDS at a crucial juncture, as it needs to accelerate development activities while mitigating carbon emissions to achieve its net-zero target by 2070. As a result, various sectors, including cement, are focusing not only on production and meeting consumer demand but also on reducing emissions. The cement industry, which must meet a burgeoning construction demand and fulfil India's ambitious infrastructure targets, is integrating sustainability into every strategy.

But this is just the beginning. The industry must double down on its efforts and invest even more time and resources to further reduce its carbon footprint. It's time for the industry to intensify its emission reduction actions and lead the charge toward a sustainable future.

Advancing processes, mitigating emissions

The cement industry has made significant strides in reducing emissions, driven by the dual imperatives of sustainable development and regulatory compliance. It has adopted a multi-faceted approach to minimise its environmental impact.

One of the primary steps that has been taken is the adoption of alternative raw materials. By utilising waste products such as fly ash and slag, the industry reduces its use of limestone, lowering greenhouse gas emissions, and promoting a circular economy. This shift is complemented by the increased use of blended cements which incorporate these alternative materials.

Another crucial step in reducing carbon emissions in the industry is transitioning from fossil fuels to alternative energy sources. Cement manufacturers are increasingly adopting solar and wind energy, biomass, municipal solid waste, and used tires. Advancements in technology and improved combustion processes have made using these alternative energy sources more efficient and cost-effective, significantly reducing the industry's carbon footprint and promoting sustainability.

> **By utilising waste products such as fly ash and slag, the industry reduces its use of limestone, lowering greenhouse gas emissions, and promoting a circular economy**

Moreover, energy efficiency is a critical area of focus. Indian cement companies have implemented advanced technologies like waste heat recovery systems, which capture and reuse heat generated during manufacturing. This converts waste heat into usable electricity and hence reduces overall emissions. Additionally, the adoption of modern clinker production techniques, such as pre-calciners and pre-heaters, has significantly improved thermal efficiency, leading to lower carbon dioxide emissions per tonne of cement produced.

The industry is also moving towards eco-friendly transportation. Today, road transport is the primary mode of transportation, but efforts are being made to switch to more environment-friendly options such as trains and waterways, which emit fewer emissions than diesel-powered trucks. In addition, cement producers are emphasising the use of environment-friendly fuels for their vehicles, such as compressed natural gas. This is meant to minimise environmental impact and help create a more sustainable and greener future.

Water conservation is another priority, with measures like air-cooled condensers, rainwater harvesting, sewage treatment, and recycled water usage being implemented. Most cement manufacturers have also established a robust environmental, social, and governance framework to ensure alignment with sustainability goals and regularly measure progress.

Notably, digitalisation and automation have attracted the industry's attention due to their potential to facilitate emission reduction. The integration of advanced data analytics and automation systems allows for real-time monitoring and optimisation of production processes. This ensures that operations run at peak efficiency, minimising waste and reducing energy usage. Predictive maintenance powered by artificial intelligence helps in anticipating equipment failures, thereby avoiding unplanned downtimes and ensuring smoother, more efficient operations.

The manufacturers have also increased efforts to make their operations eco-friendly. For instance, the industry is producing blended cement varieties such as PPC, PSC, and CC while adhering to Bureau of Indian Standards norms. This approach reduces natural resource use and greenhouse gas emissions. Exploring limestone calcined clay cement as a sustainable alternative is also an option that manufacturers are considering. However, limited availability of alternative blending materials close to cement manufacturing locations is a bottleneck. Additionally, a policy push to promote the use of blended cement would be beneficial.

One of the sectors that India's ambitions for sustainability hinge significantly on is the cement industry. With over 250 million people projected to join the urban population in the next 20 years and a slew of infrastructure projects on the horizon, the demand for cement will skyrocket. The industry is not just expected but also obligated to ramp up to meet these goals, and it is well-placed to play an important role in tackling the colossal task of reducing India's environmental footprint.

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PM Modi calls for international cooperation on green hydrogen

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NEW DELHI

Prime minister Narendra Modi on Wednesday called for international cooperation on green hydrogen to scale up production, lower cost and promote research & development.

Addressing the International Conference for Green Hydrogen 2024, Modi said the G20 Summit held in New Delhi last year, under India's presidency, adopted voluntary principles for green hydrogen which would help in creating a common roadmap.

He said that given the global nature of climate change, the solutions for tackling climate change would also have to be global in approach.

He stressed the need for international partnerships to promote green hydrogen in efforts at decarbonization, adding that scaling up production, minimizing costs and building infrastructure can happen faster through cooperation.

He also called for jointly investing in research and innovation to push technology further. "All of us must remember—the decisions we make now will decide the lives of our future generations", he added.

PM Modi said the solutions for tackling climate change have to be global in approach. PTI

Reiterating Indian plans to produce and export green hydrogen, Modi said: "We aim to position India as a global hub for the production, utilization, and export of green hydrogen. The National Green Hydrogen Mission, launched in 2023, is a critical step toward realizing this ambition. It will drive innovation, build infrastructure, stimulate industry growth, and attract investment in the green hydrogen sector."

Addressing the inaugural session of the three-day conference Union minister for new and renewable energy Pralhad Joshi said that along with the potential to generate investment opportunities worth Rs 8 trillion, the green hydrogen mission would also help in creating 600,000 jobs.

"As we move forward, our efforts will also contribute to reducing carbon emissions by 5 MMT by 2030, positioning India as a beacon of sustainable development on the global stage," the prime minister said.

Hardeep Singh Puri, the Union minister for petroleum and natural gas noted that India's commitment to achieving net-zero emission by 2070 involves a multifaceted approach, including a significant focus on green hydrogen.

"Our goal of producing 5 million metric tonnes of green hydrogen by 2030 is a critical step in decarbonizing our economy. This will require an investment of $100 billion and the development of 125 gigawatts of new renewable energy capacity," Puri said.

To read an extended version of this story, go to livemint.com

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Date :12 September 2024	Page : 7

AFTER NTPC'S DECISION TO SHELVE LNG PROJECT

Andaman Admin Urges Rethink on Plan to Build 50-MW Gas-based Unit

UT also asks Centre to weigh interconnection with mainland through a high-voltage DC line

Shilpa Samant

New Delhi: The Andaman & Nicobar Islands administration has reached out to the union power ministry to reconsider building a 50-MW LNG-based power plant in the union territory, the plan for which was shelved by Centre-owned NTPC Ltd last year citing commercial unviability and possible low utilisation.

The union territory has also asked the Centre to look at an alternative proposal of an interconnection through a high-voltage direct current (HVDC) line from the mainland, which was suggested while shelving the plan, people familiar with the development said. The plant was to cater to the electricity requirements of Port Blair and South Andaman under a scheme to green the island.

The latest request comes after the announcement of NTPC building another LNG plant for India's big ticket Great Nicobar Islands project.

Mails sent to NTPC, power ministry and Andaman & Nicobar Islands administration did not get any response till the time of filing the report.

The dropping of the project last year led to disruption in long term availability plans and capacity building to meet the growing demand in the region, one of the persons said.

The peak of 48 MW in Port Blair and South Andaman is being met through own units, power purchase agreements with some generators, solar projects and diesel generators.

"The reliance on multiple small units leads to frequent fluctuations

and power supply interruptions," the person said.

Moreover, complete reliance on solar projects does not augur well because of the intermittent supply and expensive storage systems.

The region wants a large power plant to ensure stability and reliability in the grid, the person said.

For the alternative that entails connection with the grid in the mainland, a feasibility study is yet to be made, the person added. The Centre has already been working on ways to electrify the proposed Great Nicobar Island international container terminal and transshipment port through green energy sources and gas-based power.

India plans to develop the proposed port at Galathea Bay in Great Nicobar Island of Andaman and Nicobar Islands as an international terminal and port. For the ambition, the island is likely to be connected with green power and gas-based electricity.

Online

Headline	'Extraordinary results': India’s ONGC hits gas with potential play opening ultra-deepwater wildcat		
Publication	Upstream Online	Edition	Online Coverage
Published Date	11 Sep 2024		

'Extraordinary results': India’s ONGC hits gas with potential play opening ultra-deepwater wildcat

https://www.upstreamonline.com/exploration/extraordinary-results-india-s-ongc-hits-gas-with-potential-play-opening-ultra-deepwater-wildcat/2-1-1706711

Operator unveiled test results via social media posts that have since been removed

Indias state-owned Oil & Natural Gas Corporation (ONGC) has made a significant gas discovery with a potential play-opening ultra-deepwater frontier wildcat offshore Tamil Nadu in the Bay of Bengal, touting it as its first breakthrough in [India's southern waters in over three decades.

The news comes as ONGC presses ahead with deepwater exploration and development plans elsewhere in India, despite challenges including higher costs and its lack of technical expertise in such projects.

Headline	ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain		
Publication	ANI News	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain

https://www.aninews.in/news/business/ongc-videsh-oil-india-ltd-and-kabil-sign-mou-with-uaes-irh-to-strengthen-global-critical-mineral-supply-chain20240911135126

New Delhi [India, September 11 (ANI): ONGC Videsh, a Schedule "A" Navaratna Central Public Sector Enterprise , along with Oil India Ltd. (OIL) and

Khanij Bidesh India Ltd. (KABIL), has signed a Memorandum of Understanding (MOU) with UAE-based International Resources Holding RSC Ltd. (IRH).

According to ONGC , the agreement focuses on a global collaboration to strengthen the supply chain for critical minerals, which are vital for energy and manufacturing sectors.

The MOU sets out a framework for identifying, acquiring, and developing critical mineral projects both globally and within India.

The primary aim is to leverage the combined expertise, resources, and networks of all parties to secure a stable and reliable supply of these essential minerals. Through this cooperation, the parties intend to pursue mutually beneficial opportunities, achieve operational excellence, and ensure long-term access to critical energy minerals.

This partnership will adopt a cooperative and coordinated approach, focusing on several key areas including project identification, joint due diligence, risk management, and developing a long-term offtake strategy. The collaboration is expected to open new avenues for securing India's energy needs and advancing the nation's efforts to bolster its mineral resource base.

ONGC Videsh Ltd., a wholly owned subsidiary of Oil and Natural Gas Corporation (ONGC), is India's largest international Oil and Gas Exploration and Production (E&P) company.

With operations in 15 countries and managing 32 assets globally, ONGC Videsh plays a significant role in the country's energy security. During FY'24, ONGC Videsh produced 10.518 million metric tonnes of oil and oil equivalent gas (O+OEG) and currently has a daily output of approximately 200,000 barrels of O+OEG. As of 1 April 2024, ONGC Videsh holds total oil and gas reserves of about 476 million metric tonnes of oil equivalent (MMtoe), while its parent company ONGC possesses reserves of 704 MMtoe. (ANI)

Headline	Oil India, OVL and KABIL inks MoU with IRH, UAE		
Publication	Business Standard	Edition	Online Coverage
Published Date	12 Sep 2024		

Oil India, OVL and KABIL inks MoU with IRH, UAE

https://www.business-standard.com/markets/capital-market-news/oil-india-ovl-and-kabil-inks-mou-with-irh-uae-124091100497_1.html

The MoU will work on collaboration, identification, acquisition, and development of Critical Mineral projects on a global scale, including India. Indian state-owned companies Oil India, ONGC Videsh (OVL) and Khanij Bidesh India (KABIL) announced the signing of memorandum of understanding (MoU) with International Resources Holding RSC. (IRH), UAE, for global cooperation in Critical Mineral supply chain. Click here to connect with us on WhatsApp The parties intend to leverage their respective expertise, resources, and networks to pursue opportunities that are mutually beneficial and to achieve operational excellence and secure a stable supply of critical energy minerals, Oil India stated in the press release.

Under the terms of the MoU, the parties will work together in a cooperative and coordinated manner and will focus on project identification, conducting joint due diligence, collaborate on risk management strategies and devise a long-term offtake strategy, it added.

Oil India is a state-owned Maharatna under the administrative control of India's Ministry of Petroleum and Natural Gas. As of 30 June 2024, the Government of India held 56.66% stake in the company.

The petroleum business company reported 9.09% decline in standalone net profit to Rs 1,466.84 in Q1 FY25 as compared to Rs 1,613.43 crore posted in Q1 FY24. However, revenue from operations (excluding excise duty) jumped 17.67% to Rs 5,331.92 crore in Q1 FY25 from Rs 4531.18 crore reported in the same period a year ago.

Headline	ONGC shares fall as crude corrects, Nuvama says 'disappointment' in store		
Publication	CNBC TV18	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC shares fall as crude corrects, Nuvama says 'disappointment' in store

https://www.cnbctv18.com/market/ongc-share-price-falls-as-crude-corrects-nuvama-says-disappointment-in-store-19474383.htm

Nuvama wrote in a note that ONGC's earnings are poised for a significant decline, as crude prices have fallen below the $75 per barrel threshold, with the $67.5 per barrel level for gas also within reach.

In contrast, only 18% of analysts are bearish on ONGC, signaling excessive market optimism. The brokerage maintained a 'Reduce' rating with a price target of Rs 232 per share.

ONGC's stock was trading 2.44% lower, at 288.40 per share. The company, headquartered in New Delhi, currently has a market capitalisation of 3,62,941 crore. Despite Wednesday's decline, the stock delivered returns of 40% so far in 2024.

Headline	ONGC Videsh, OIL, KABIL join hands with UAE firm for critical mineral collaboration		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC Videsh, OIL, KABIL join hands with UAE firm for critical mineral collaboration

https://energy.economictimes.indiatimes.com/news/oil-and-gas/ongc-videsh-oil-kabil-join-hands-with-uae-firm-for-critical-mineral-collaboration/113254388

The primary goals of this MOU are to identify, acquire, and develop Critical Mineral projects worldwide, including India, the company said in a statement.

New Delhi: ONGC Videsh, along with Oil India Ltd. (OIL) and Khanij Bidesh India Ltd. (KABIL), has signed a Memorandum of Understanding (MOU) with UAE-based International Resources Holding RSC Ltd. (IRH) to collaborate globally on the critical mineral supply chain.

The primary goals of this MOU are to identify, acquire, and develop Critical Mineral projects worldwide, including India, the company said in a statement.

The parties aim to leverage their expertise, resources, and networks to pursue mutually beneficial opportunities, achieve operational excellence, and secure a stable supply of critical energy minerals. The MOU outlines a cooperative and coordinated approach, focusing on project identification, joint due diligence, risk management, and developing a long-term offtake strategy.

ONGC Videsh Ltd. , a wholly owned subsidiary of ONGC, the flagship NOC of India , is engaged in overseas E&P operations and is India's largest international Oil and Gas E&P company having 32 assets in 15 countries.

ONGC Videsh's production of Oil and Oil Equivalent Gas (O+OEG) during FY'24 was 10.518 MMtoe and is currently producing about 200,000 barrels of O+OEG per day. ONGC Videsh has total O&G reserves (2P) of about 476 MMtoe whereas its parent, ONGC has 2P reserves of 704 MMtoe as on 1 April 2024.

Headline	Premium gas pricing, oil stabilization to boost India's upstream earnings		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	12 Sep 2024		

Premium gas pricing, oil stabilization to boost India's upstream earnings

https://energy.economictimes.indiatimes.com/news/oil-and-gas/premium-gas-pricing-oil-stabilization-to-boost-indias-upstream-earnings/113275061

The premium on gas pricing comes at a critical time, with the APM price currently capped at USD 6.5 per mmBtu.

This price is projected to rise to USD 6.75/mmBtu by FY26, offering further upside for gas producers. "The increase in gas realizations, combined with stabilized oil prices, will drive substantial growth for upstream companies," the report said.

New Delhi: India 's upstream oil and gas companies are set to gain as gas prices rise and crude oil prices stabilize between USD 75-80 per barrel. According to oil & gas sector report by Prabhudas Lilladher , gas produced from new wells will attract a 20% premium over the Administered Pricing Mechanism (APM), significantly boosting earnings for key players like Oil and Natural Gas Corporation ONGC) and Oil India Limited (OIL). Meanwhile, oil prices, which recently dipped to USD 71 per barrel, are expected to rebound in the coming weeks as OPEC+ delays its planned production increase.

The premium on gas pricing comes at a critical time, with the APM price currently capped at USD 6.5 per mmBtu. This price is projected to rise to USD 6.75/mmBtu by FY26, offering further upside for gas producers. "The increase in gas realizations, combined with stabilized oil prices, will drive substantial growth for upstream companies," the report said.

OPEC+ holds production hike, prices set to stabilize

In response to falling oil prices, OPEC+ has delayed its planned production increase by two months, aiming to reduce the global oversupply and stabilize prices. The recent dip in Brent crude prices to USD 71 per barrel was primarily driven by the resolution of a supply dispute in Libya. However, analysts expect this decline to be short-lived, with oil prices predicted to stabilize between USD 75-80 per barrel in the near term.

The report noted that oil prices are unlikely to stay below USD 70 for long, given the high marginal cost of production at the far end of the cost curve. This stabilization will help Indian upstream companies recover from recent lower realizations.

Gas production growth to drive revenue

With the introduction of premium pricing for new gas wells, India's upstream sector is positioned for significant revenue growth. ONGC and Oil India are expected to benefit from the improved pricing regime, which comes as they ramp up production over the next few years.

ONGC's oil production is projected to grow at a compound annual growth rate (CAGR) of 3.4%, reaching 22.6 million metric tons (MMT) by FY26. Its gas production is forecasted to increase by 7.2%, reaching 23.7 billion cubic meters (BCM). Similarly, Oil India's oil production is expected to grow at a CAGR of 8%, while gas production is forecasted to grow by 16% during the same period.

Domestic production shows signs of recovery

India's total domestic oil production grew by 3% month-on-month in July 2024, signaling a recovery in the sector after supply-side disruptions. Although total gas production saw a marginal decline, industry experts are optimistic about future growth, particularly with the premium pricing set to boost revenue from new gas wells.

The rise in gas realizations is expected to play a crucial role in offsetting lower oil realizations in the short term, especially as oil prices stabilize. "The premium pricing for gas will drive incremental revenues for ONGC and Oil India, supporting their financial performance even as global oil prices fluctuate," the report added.

Positive earnings outlook for upstream companies

The stabilization of oil prices and the introduction of premium gas pricing are set to improve the earnings outlook for India's upstream oil and gas companies. ONGC's earnings before interest, taxes, depreciation, and amortization (EBITDA) are projected to rise to 1,016 billion in FY25 and further to 1,077 billion in FY26. Similarly, Oil India is expected to see its EBITDA grow from 97 billion in FY24 to 134 billion by FY26.

Both ONGC and Oil India are well-positioned to capitalize on the recovery in oil prices and the enhanced gas pricing regime, leading to stronger earnings and production growth in the next two years, the report stated.

Upgraded investor ratings for ONGC and Oil India

Reflecting the positive outlook, analysts have upgraded ONGC's stock rating from Hold' to Accumulate,' setting a target price of 329 per share. Oil India maintained its Buy' rating, with an increased target price of 786 per share, supported by the company's projected growth in production and earnings.

As India's upstream oil and gas sector navigates the volatility of global markets, the combination of stabilized oil prices and premium gas pricing is expected to provide a solid foundation for future growth. With production volumes set to rise, the sector is poised to benefit from the favorable market conditions.

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Headline	ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain		
Publication	Gujarat Samachar	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain

https://www.gujaratsamachar.news/news/ongc-videsh-oil-india-ltd-and-kabil-sign-mou-with-uaes-irh-to-strengthen-global-critical-mineral-supply-chain20240911135123/

The primary aim is to leverage the combined expertise, resources, and networks of all parties to secure a stable and reliable supply of these essential minerals. Through this cooperation, the parties intend to pursue mutually beneficial opportunities, achieve operational excellence, and ensure long-term access to critical energy minerals.

This partnership will adopt a cooperative and coordinated approach, focusing on several key areas including project identification, joint due diligence, risk management, and developing a long-term offtake strategy. The collaboration is expected to open new avenues for securing India's energy needs and advancing the nation's efforts to bolster its mineral resource base.

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Headline	ONGC, OIL, KABIL ink pact with UAE firm for critical minerals		
Publication	The Economic Times	Edition	Online Coverage
Published Date	12 Sep 2024		

ONGC, OIL, KABIL ink pact with UAE firm for critical minerals

https://economictimes.indiatimes.com/industry/energy/oil-gas/ongc-oil-kabil-ink-pact-with-uae-firm-for-critical-minerals/articleshow/113269840.cms

ONGC Videsh, Oil India, and KABIL have signed a preliminary agreement with International Resources Holding RSC of the UAE to jointly acquire and develop critical mineral projects globally. This collaboration aims to leverage their combined expertise and resources to secure a stable supply of critical energy minerals, essential for the growing renewables and battery sectors.

ONGC Videsh Oil India and Khanij Bidesh India KABIL) have signed a preliminary pact with International Resources Holding RSC of the UAE to jointly acquire and develop critical mineral projects worldwide.

"The parties aim to leverage their expertise, resources and networks to pursue mutually beneficial opportunities, achieve operational excellence and secure a stable supply of critical energy minerals," ONGC Videsh said in a statement.

"The agreement outlines a cooperative and coordinated approach, focusing on project identification, joint due diligence, risk management and developing a long-term offtake strategy," it added.

India, US and many other countries have woken up to the need of developing a critical minerals supply chain that's currently dominated by China . With the rise of renewables and battery, the requirement of critical minerals has sharply grown in recent years.

Headline	ONGC Videsh, Oil India, Khanij Bidesh India ink MoU with UAE firm for critical mineral projects		
Publication	The Hindu Business Line	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC Videsh, Oil India, Khanij Bidesh India ink MoU with UAE firm for critical mineral projects

https://www.thehindubusinessline.com/companies/ongc-videsh-oil-india-khanij-bidesh-india-ink-mou-with-uae-firm-for-critical-mineral-projects/article68629363.ece

MoU partners to tap mutual expertise for securing critical mineral supply

State-run ONGC on Wednesday said its subsidiary ONGC Videsh (OVL) along with Oil India (OIL) and Khanij Bidesh India (KABIL) have signed a memorandum of understanding (MoU) with UAE-based International Resources Holding to identify, acquire, and develop critical mineral projects worldwide, including in India.

The parties aim to leverage their expertise, resources, and networks to pursue mutually beneficial opportunities, achieve operational excellence, and secure a stable supply of critical energy minerals, ONGC said.

India, Chile discuss strengthening cooperation in trade, investment, critical minerals

India looks to provide financial support for global acquisition of critical minerals

A strategy for securing critical minerals

The MoU outlines a cooperative and coordinated approach, focusing on project identification, joint due diligence, risk management, and developing a long-term offtake strategy, it added.

OVL is engaged in overseas exploration and production (E&P) operations and is India's largest international oil and gas E&P company with 32 assets in 15 countries.

OVL is currently producing about 200,000 barrels of oil and oil equivalent gas (O+OEG) per day.

ONGC Videsh has O&G reserves (2P) of about 476 million tonnes of oil equivalent (Mtoe), while its parent, ONGC, has 2P reserves of 704 Mtoe as on April 1, 2024.

Comments

Headline	ONGC Videsh signs MoU with UAE's IRH to secure critical mineral supply chain		
Publication	The New Indian Express	Edition	Online Coverage
Published Date	12 Sep 2024		

ONGC Videsh signs MoU with UAE's IRH to secure critical mineral supply chain

https://www.newindianexpress.com/business/2024/Sep/11/ongc-videsh-signs-mou-with-uaes-irh-to-secure-critical-mineral-supply-chain

NEW DELHI: ONGC Videsh, along with Oil India Ltd. (OIL) and Khanij Bidesh India Ltd. (KABIL), has signed a Memorandum of Understanding (MoU) with International Resources Holding RSC Ltd. (IRH) of the UAE to develop mineral projects worldwide.

As per the company, the agreement aims to collaborate globally on the critical mineral supply chain, identifying, acquiring, and developing critical mineral projects worldwide, including India.

The parties aim to leverage their expertise, resources, and networks to pursue mutually beneficial opportunities, achieve operational excellence, and secure a stable supply of critical energy minerals, said ONGC Videsh in a press note.

Headline	ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain		
Publication	The Print	Edition	Online Coverage
Published Date	12 Sep 2024		

ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain

https://theprint.in/economy/ongc-videsh-oil-india-ltd-and-kabil-sign-mou-with-uaes-irh-to-strengthen-global-critical-mineral-supply-chain/2262547/

According to ONGC, the agreement focuses on a global collaboration to strengthen the supply chain for critical minerals, which are vital for energy and manufacturing sectors.

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This partnership will adopt a cooperative and coordinated approach, focusing on several key areas including project identification, joint due diligence, risk management, and developing a long-term offtake strategy. The collaboration is expected to open new avenues for securing Indias energy needs and advancing the nations efforts to bolster its mineral resource base.

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Headline	ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain – World News Network		
Publication	WNN	Edition	Online Coverage
Published Date	11 Sep 2024		

ONGC Videsh, Oil India Ltd., and KABIL sign MOU with UAE's IRH to strengthen global critical mineral supply chain – World News Network

https://worldnewsnetwork.co.in/ongc-videsh-oil-india-ltd-and-kabil-sign-mou-with-uaes-irh-to-strengthen-global-critical-mineral-supply-chain-world-news-network/

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