ONGC News as on 11 June 2024 (Print)

Publication : Echo of India	Editions : Kolkata
Date :11 June 2024	Page : 8

ONGC seeks foreign partners for Mumbai High oilfield

NEW DELHI, JUNE 10 /--/ State-owned Oil and Natural Gas Corporation (ONGC) is seeking foreign partners to reverse declining output at its flagship Mumbai High fields, offering a share of revenue from incremental production plus a fixed fee but not any equity stake.

ONGC on June 1 floated an international tender seeking global technical services providers (TSP) with annual revenue of at least USD 75 billion, according to the tender document. The TSP would have to do a comprehensive review of the field performance and identify improvements as well as implement suitable technological interventions and practices for improving production and recovery, it said. Bidders have been asked to quote quarterly incremental production they can enable over the 10-year contract period as well as the percentage share of the revenue they want from the sale of oil and gas produced over and above the baseline production. Bids are due by September 15, 2024.

The TSP, who would be selected on the basis of one offering the highest incremental production and the lowest revenue share, will also be paid a fixed service fee for its efforts, the document said. The Mumbai High field (previously Bombay High field) -- India's most prolific oil field -- lies some 160-kilometer in the Arabian Sea off the Mumbai coast. It was discovered in February 1974 and started production on May 21, 1976. The field hit a peak of 4,76,000 barrels of oil per day and 28 billion cubic meters of gas in 1989 and has since seen a gradual decline in output. It is currently producing 1,34,000 bpd of oil and 13 bcm (less then 10 million standard cubic meters per day) of gas -- accounting for almost 38 per cent of India's production and 14 per cent of consumption. ONGC believes the field still has a balance reserve of 80 million tonnes (610 million barrels) of oil and over 40 bcm of gas and hence needs partners who can help tap them.

With the field seeing a steady decline in output, a stake sale had been considered on at least two occasions in recent years. A high-level committee headed by the then Niti Aayog Vice Chairman Rajiv Kumar in late 2018 considered "transferring" western offshore oil and gas fields of Mumbai High as also some fields in Mumbai offshore, Assam, Rajasthan, and Gujarat to private/foreign companies. But that plan met with strong opposition from ONGC and some quarters within the government, three sources with knowledge of the matter said. While ONGC opposed giving away on a platter to private/foreign sector what it discovered after years of toil and spending billions of dollars over last four decades, some in government were not convinced by the incremental potential toyed with to get the proposal through, they said, adding that it wasn't clear how the incremental output numbers were arrived at in the absence of any real basin or field study by the panel.

The Oil Ministry twice in 2021 told ONGC to give away 60 per cent stake, plus operating control of Mumbai High and Bassein fields to foreign companies. Bassein and Satellite (B&S), adjoining Mumbai High, are India's biggest gas fields that were put to production in 1988. The 2021 proposal, too, was resisted by ONGC but with the output continuing to decline it has now come up with the TSP model to get technical knowhow for boosting output. ONGC produced a total of 18.4 million tonnes of crude oil in 2023-24 (April 2023 to March 2024) fiscal year, down from 18.54 million tonnes in the previous year. Gas output declined 3.2 per cent to 19.974 bcm. (PTI)

Publication : The Hindu Business Line	Editions : New Delhi
Date :11 June 2024	Page : 6

Day trading guide

23230 » **Nifty 50 Futures**

S1	S2	R1	R2	COMMENT
23200	23000	23300	23400	Go short on a break below 23200. Keep the stop-loss at 23220

₹1562 » **HDFC Bank**

S1	S2	R1	R2	COMMENT
1540	1520	1570	1580	Go short now and at 1567. Keep the stop-loss at 1575

₹1500 » **Infosys**

S1	S2	R1	R2	COMMENT
1480	1450	1510	1540	Go short now and at 1505. Keep the stop-loss at 1515

₹437 » **ITC**

S1	S2	R1	R2	COMMENT
433	431	439	442	Wait for a rise. Go short at 438 with a stop-loss at 440

₹259 » **ONGC**

S1	S2	R1	R2	COMMENT
258	255	261	264	Go short on a break below 258. Keep the stop-loss at 260

₹2941 » **Reliance Ind.**

S1	S2	R1	R2	COMMENT
2930	2900	2950	2975	Go short only below 2930. Stop-loss can be kept at 2940

₹832 » **SBI**

S1	S2	R1	R2	COMMENT
826	820	834	840	Go short now and at 833. Keep the stop-loss at 836

₹3856 » **TCS**

S1	S2	R1	R2	COMMENT
3830	3800	3875	3910	Take fresh shorts now and at 3870. Stop-loss can be kept at 3885

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

Publication : The Hindu Business Line	Editions : New Delhi
Date :11 June 2024	Page : 2

GAIL urges M.P. govt to facilitate setting up of ethane cracker unit

Rishi Ranjan Kala
New Delhi

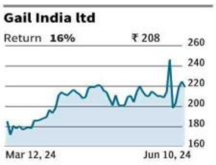
State-run GAIL said it has urged the Madhya Pradesh government to provide enablers for setting up India's largest ethane cracker unit, which may entail an investment of around ₹60,000 crore.

The gas utility intends to set up a 1,500-kilo tonnes per annum (ktpa) ethane cracker project, along with a greenfield petrochemicals complex, at Ashta tehsil of Sehore district. Ethane is used to produce plastics, anti-freeze and detergents.

"GAIL submitted its request to the Madhya Pradesh government for providing suitable enablers. Around 800 hectares of land shall be provided by the MP Industrial Development Corporation, for which the State government has already initiated the process," the Maharatna company said in a filing on BSE.

The investment approval from GAIL's Board shall be sought after a favourable outcome on enablers. The mode of financing is yet to be decided, it added.

Earlier this month, the MP government approved the project, which is expected to generate 15,000 jobs during the construction period and about 5,600 as operations begin. A 70-hectare township is also proposed in the project. The ground-breaking ceremony is expected by February 2025 with commercial production likely in FY31. At present, GAIL has a petrochemicals capacity of 8,10,280 tonnes.



Indian oil and gas companies such as GAIL are expanding their petrochemicals business to create more revenue lines. Besides, the demand for petrochemicals is increasing in the country, led by expanding industrial, construction and manufacturing segments.

For instance, GAIL, ONGC and Shell Energy India have signed a tripartite Memorandum of Understanding (MoU) to explore opportunities for import of ethane and other hydrocarbons and development of evacuation infrastructure at Shell Energy Terminal, Hazira in March this year.

CAPEX PLANS

GAIL spent 30 per cent of its total capex of ₹11,426 crore in FY24 on petrochemicals. In FY25, it projected a capex of around ₹11,500 crore, out of which ₹5,200 crore, or roughly 45 per cent, will be on petrochemicals.

GAIL Mangalore Petrochemicals plant, acquired through the NCLT process (erstwhile JBF Petrochemicals), is expected to be completed by March 2025.

Publication : Deccan Herald	Editions : Bangalore
Date :11 June 2024	Page : 2

66-yr-old trucker crashes into traffic signboard on ORR, hurt

BENGALURU, DHNS: A heavy goods vehicle driver suffered injuries following a self-inflicted accident on the Outer Ring Road in the early hours of Monday.

The 66-year-old driver is in a serious condition at Victoria Hospital.

The accident occurred near Embassy TechVillage, Devarabeesanahalli, between 3.45 am and 4 am.

Azam Khan, 66, a native of Madhya Pradesh, was transporting iron sheets on his Maharashtra-registered truck.

An officer posted at the HAL Airport traffic police station said that the driver reportedly swerved left suddenly from the main carriageway and lost control of the vehicle. "He then hit a tree and crashed into a traffic signboard and a pole fixed above a GAIL Gas pipeline before going over the median and onto the service road. The pipeline was not damaged."

The goods truck that crashed into a tree and two poles on the Outer Ring Road on Monday. CREDIT: X (BENGALURU TRAFFIC POLICE)

Impact on traffic

Police said they could not clear the debris overnight because no cranes were available. This caused traffic congestion along the ORR on Monday morning, extending all the way to the Bagmane World Technology Centre.

Publication : Outlook	Editions : National
Date :11 June 2024	Page : 63

From Vision to Action BPCL's Path to a Greener Future

In an exclusive interview, Sukhmal Jain, Director Marketing, BPCL, shares insights into the company's strategic initiatives, including investments in renewable energy, transitioning to green fuels, and achieving Net Zero emissions in Scope 1 & 2 by 2040

Sukhmal Jain
Director Marketing, BPCL

To realise our vision of a Net Zero company in Scope 1 & 2 emissions, we're building our renewable energy portfolio, aiming for 1 gigawatt (GW) of capacity by 2025 and 10 GW by 2040

Q What is BPCL's overarching vision for integrating strategy, investments, and environmental and social ambitions towards sustainability?

Sukhmal Jain: We have lined up ambitious climate action goals, which include transitioning to renewable energy sources, optimizing operational efficiency to minimise carbon footprint, and pioneering innovative solutions like green hydrogen production.

Our aim is to achieve Net Zero Energy status by 2040, addressing Scope 1 and Scope 2 emissions, as we strive to mitigate the impacts of climate change while promoting sustainable growth and resilience.

Q What specific climate action goals has BPCL set to mitigate environmental risks and promote sustainability?

Sukhmal Jain: In the pursuit of clean energy and strengthening our core operations in oil refining, fuel marketing and petrochemical business, we plan to invest Rs 1.7 lakh Crore over the next five years. Out of this, we have earmarked Rs. 10,000 Crores on green energy and Rs 25,000 Crores on natural gas business recognising its role as a transitional fuel energy source.

As part of 'Project Aspire', a five-year strategic framework, our strategy is based on two fundamental pillars - 'Nurturing the Core'; and 'Investing in Future Big Bets'. Though we remain committed to our core businesses, we are focusing on our big bets, which comprise petrochemicals, gas, green energy, etc.

In line with the government's focus to increase gas share in the Indian energy portfolio from 6 per cent to 15 per cent, we intend to increase our gas footprint by building optimal city gas infrastructure and allocated high opportunity geographic areas. We are also exploring enablers like diversification of sourcing, trading capabilities, storage facilities and LNG regasification infrastructure etc. to support our aspirations.

Q How is BPCL actively reducing energy consumption and carbon emissions to achieve its sustainability objectives?

Sukhmal Jain: We are bolstering our renewable energy portfolio, aiming for 1 gigawatt (GW) of capacity by 2025 and an impressive 10 GW by 2040. This monumental shift underscores our dedication to fostering a greener future.

In parallel, we will produce 30,000 tonnes per annum of green hydrogen in our refineries by 2030, to meet 10 per cent of our hydrogen demand. These strategic investments will yield significant dividends in terms of reduced energy consumption and carbon footprint.

Our achievements in alternative fuels are commendable. In the current financial year, we have established 4,226 Fuel Stations selling E20 blended petrol. Going forward, we're committed to reaching new milestones, aiming for the highest-ever Ethanol Blending rate of 14.5% by FY25. Additionally, we're actively pursuing biofuels and have imminent plans to install 26 compressed biogas plants.

In the EV charging business, we plan to reach a total of 7,000 EV charging stations by FY25. As of March 2024, we added 2,443 new EV charging and battery swapping stations, taking our total to 3,135 EV charging and battery swapping stations. The EV charging stations will complement our fuel retailing network which also includes 2,034 CNG stations.

We've obtained approvals for a Green Hydrogen refuelling station in Kochi and launched India's first indigenous green hydrogen plant, showcasing our leadership in clean energy technologies.

Publication : The Economic Times	Editions : New Delhi
Date :11 June 2024	Page : 4

GAIL Plans to Set Up 1,500 KTA Ethane Cracker Unit in MP, Invest ₹60,000 cr

Our Bureau

Mumbai: State-run GAIL India on Monday said it plans to set up a 1,500 KTA ethane cracker project at Ashta in Madhya Pradesh's Sehore district with an investment of ₹60,000 crore.

ET was the first to report on GAIL's plans in its May 21 edition.

The plant will have a product slate of various ethylene derivatives, the company said.

Ethane is a component of natural gas. An ethane cracker breaks down ethane into ethylene, which is the key chemical input for making plastics, adhesives, synthetic rubber, and other petrochemicals.

In a regulatory filing, the company said it has submitted its request to the Madhya Pradesh state government to provide suitable enablers for the project.

"Around 800 hectares of land will be provided by the MP Industrial Development Corporation Ltd, for which the state government has already initiated the process," GAIL said, adding that investment approval from GAIL's board shall be sought after a favourable outcome on enablers.

A 70-hectare township is also proposed in the project. The ground-breaking ceremony of the project is expected to take place by February 2025 and commercial production is expected to start in 2030-31.

Publication : The Economic Times	Editions : New Delhi
Date :11 June 2024	Page : 1, 14

BPCL Plans to Set Up New Refinery for ₹50k cr

State-run oil co evaluating three states to set up 12 MMTPA refinery, plans big capex in 5 years to raise capacity amid surging demand for fuel

Kalpana.Pathak@timesgroup.com

Mumbai: State-run Bharat Petroleum Corporation (BPCL) plans to set up a new 12 million metric tonnes per annum (MMTPA) refinery in the country, two industry officials aware of the development told **ET**. The state-owned oil marketing company will invest around ₹50,000 crore in the project for which it is currently evaluating locations in three states — Andhra Pradesh, Uttar Pradesh, and Gujarat, they said.

"BPCL is planning another refinery either on the east coast or on the west coast as India needs more refineries to meet the increasing fuel demand," one of the officials said. "Talks are at a preliminary stage." The company may also consider UP, the officials said.

BPCL did not respond to an email query till press time on Monday.

Last month, BPCL chairman G Krishnakumar said the company is planning to increase its refining capacity to 45 mmtpa by FY29.

The company runs three refineries in Mumbai, Kochi, and Bina (in Madhya Pradesh) with a combined annual refining capacity of around 36 MMTPA.

Last month, BPCL chairman said the company is planning to increase its refining capacity to 45 mmtpa by FY29

BPCL plans to invest about ₹1.7 lakh crore over the next five years in its core oil refining, fuel marketing, and petrochemical business and in the clean energy business. Of the total capex, it has earmarked ₹75,000 crore for refineries and petchem projects, ₹8,000 crore for pipeline projects, and more than ₹20,000 crore for its marketing business.

The second industry official cited above said BPCL is looking to set up a new refinery because a proposed plan to set up a 60-MMTPA integrated refinery and petrochemicals complex on the west coast in Maharashtra did not take off. The government had in 2015 proposed the idea of setting up Asia's largest refinery in Ratnagiri, Maharashtra, at the cost of ₹3 lakh crore to meet the country's growing demand for fuel and petrochemicals.

VIJAY P

A joint venture company between Indian Oil Corporation, BPCL, Hindustan Petroleum Corporation and Saudi Aramco — christened Ratnagiri Refinery and Petrochemicals (RRPCL) — was formed in 2017 to execute the project. Saudi Arabia's national oil company held 50% stake in RRPCL while the three national oil companies of India were equal partners.

However, due to environmental concerns and opposition from a number of local residents, the project never got off the ground.

At the same time, fuel demand has also been increasing, driven by higher automotive fuel and naphtha sales. Fuel demand reached a record high of about 233.276 million tonnes in FY24 compared to 223.021 MT in the previous year.

To cater to the increasing oil demand, India is looking to increase its refining capacity by nearly 80% from the present 252 MMTPA to about 450 MMTPA by 2030.

The country is planning to set up smaller petroleum refineries as they pose fewer hurdles like land acquisition and other regulatory clearances. According to analysts, even as fuel demand grows across the world, new refineries are not coming up and the old refineries in Europe and the US are closing.

"World over refineries are closing, which may lead to a crisis of finished products," one of the industry officials cited above said. "This is where India can step in and become a refining hub for the world. But for that, we need to add more refining capacity. Fuel demand is predicted to be robust in the coming years."

Goldman Sachs in a report dated May 27 said most of the (international) refinery closures took place between 2020 and 2022 when refineries were forced to shut due to the Covid-19 pandemic, poor economics, regulatory changes, and geopolitical tensions.

"Outside of refinery closures already announced, Wood Mackenzie assess that 4% or 3.6 mb/d of global refining capacity is at a high risk of closure," the report said. "Based on their outlook of 2030 refining margins 45% of such high-risk sites are located in Europe, where a number of standalone catalytic cracking facilities could come under pressure due to local carbon taxes and weaker gasoline cracks in the medium term."

Publication : The Economic Times	Editions : Bangalore
Date :11 June 2024	Page : 7

DOLLAR INDEX GAINS

Rupee Falls 10 Paise to Close at 83.50/ Dollar

PTI

Mumbai: The rupee settled for the day lower by 10 paise at 83.50 against the US dollar on Monday, following a rising American currency in overseas markets and a sluggish trend in domestic equities. Forex traders said the downside in the rupee was restricted by easing political uncertainties as Narendra Modi was sworn in as Prime Minister on Sunday for a record-equalling third term.

At the interbank foreign exchange, the local unit opened at 83.48 and settled for the day lower by 10 paise at 83.50 against the American currency. On Friday, the rupee appreciated 13 paise to 83.40 against the US dollar.

"We expect the rupee to trade with a slight negative bias on strong US Dollar amid rising expectations of a delay in interest rate cut by the US Federal Reserve due to tight job market," said Anuj Choudhary – Research Analyst at Sharekhan by BNP Paribas.

However, softening crude oil prices and optimism over a stable government may support the rupee at lower levels. Traders may take cues from inflation data from India and the US.

Investors may also watch out for the Federal Open Market Committee (FOMC) meeting this week. USD/INR spot price is expected to trade in a range of Rs 83.20 to Rs 83.80.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading at 105.27, higher by 0.37 per cent.

Brent crude futures, the global oil benchmark, advanced 0.21 per cent to USD 79.79 per barrel.

Modi will be heading a 72-member Union Council of Ministers putting emphasis on continuity, youth and experience.

Publication : The Economic Times	Editions : Bangalore
Date :11 June 2024	Page : 14

Oil Prices Up 2%, at One-Week High

Oil prices climbed about 2% to a one-week high on Monday, buoyed by hopes of rising fuel demand this summer despite a stronger U.S. dollar and expectations the US Federal Reserve will leave interest rates higher for longer. The Fed uses higher interest rates to reduce inflation. Those higher rates boost borrowing costs for consumers and businesses, which can slow economic growth and reduce demand for oil. Similarly, a stronger U.S. dollar can reduce demand for oil by making dollar-denominated commodities like oil more expensive for holders of other currencies. Brent futures rose $1.36, or 1.7%, to $80.98 a barrel by 1524 GMT, while U.S. West Texas Intermediate (WTI) crude rose $1.46, or 1.9%, to $76.99. That puts both crude benchmarks on track for their highest closes since May 31. **Reuters**

Publication : The Indian Express	Editions : New Delhi
Date :11 June 2024	Page : 13

ENERGY SECTOR

Khattar charged with power, Puri retains oil & gas, Joshi gets MNRE

AGGAM WALIA & SUKALP SHARMA
NEW DELHI, JUNE 10

THE ENERGY sector ministries saw shades of both continuity and change *vis-à-vis* the previous government, with Hardeep Singh Puri retaining the petroleum portfolio, while power, renewable energy, and coal ministries getting new ministers at the helm. Former Haryana chief minister Manohar Lal Khattar is the new power minister, while Pralhad Joshi has been entrusted with the Ministry of New and Renewable Energy (MNRE). The coal portfolio has been allocated to G Kishan Reddy.

Khattar and Joshi replace RK Singh, the outgoing minister of power and MNRE, who lost in the recently-concluded Lok Sabha elections. Until a few months ago, Khattar served as Haryana CM, while Joshi handled coal, mines, and parliamentary affairs portfolios at the Centre in the second Modi government. Reddy was heading ministries of tourism, culture, and development of north eastern region.

As for the Ministers of State (MoS) in these ministries, Shripad Yesso Naik will handle power and MNRE, while Suresh Gopi will serve in the petroleum ministry. Satish Chandra Dubey is the new MoS for coal.

At a broad level, accelerating energy transition, striking the delicate and critical balance between fossil fuels and green energy sources, pushing new and future fuels like green hydrogen, raising domestic energy production while cutting costly energy imports, ensuring energy affordability amid global volatility, and spurring private sector investment in various segments are likely to be the themes for these ministries' efforts over the next few years. Given India's high and rapidly rising energy demand, the work these ministries do is critical to the economy.

The petroleum ministry is expected to push public and private sector companies to increase domestic oil, gas, and fuel production and refining capacity, further expand fuel retail network including charging infrastructure for electric vehicles, while working simultaneously to reduce the sector's carbon footprint. As in the past two terms, expanding the share of natural gas in India's primary energy mix shall continue to be a key focus area of the new NDA government.

Work for the power ministry and MNRE appears to be cut out—setting up extensive energy storage infrastructure, building adequate thermal and nuclear baseload capacity, raising annual renewables capacity, pushing for reforms in the beleaguered power distribution sector, and effectively implement schemes that facilitate and incentivise adoption of clean energy. The coal ministry will be expected to focus on raising India's domestic coal output further to facilitate the country's ever-growing demand for power.

The energy ministries—mainly through the public sector companies under their control—have already been working to rapidly develop a green hydrogen ecosystem in India with a common aim to make the country a global production and export hub for what is seen as a zero-emission fuel with massive potential to change the global energy landscape. The efforts, including pushing for localisation of the equipment supply chain and domestic manufacturing of electrolysers, are expected to only get accelerated over the coming years.

(Left to right) Manohar Lal Khattar, Minister of Power; Hardeep Singh Puri, Minister of Petroleum and Natural Gas; Pralhad Joshi, Minister of New and Renewable Energy. *PTI*