



**ONGC News as on 27 August 2024 (Print & Online)**

THE COMPASS

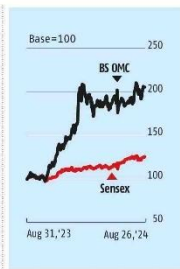
# Any correction in OMCs could be a buying opportunity

**DEVANGSHU DATTA**

Trends in the global energy markets are crucial if India's growth outlook is to remain healthy. Prices for the Indian crude basket were averaging around \$86.2 per barrel through Q1FY25 and then moderated to \$84 in July and to \$78.79 in August (so far). But global crude supply may outpace weak global demand in the short term. Lower crude prices are in general, good for India and these help the Oil Marketing Companies (OMCs) in particular. Oil producers have profits capped at around \$75-80 a barrel by the windfall tax. This is the sweet spot for Oil India and ONGC. However, the oil market could turn into a

significant surplus supply in Q2FY25. The gross refining margins (GRMs) and gross marketing margins for OMCs are critical. OPEC-plus supply cuts will expire in Q3FY25 when the oil-exporting group takes a call on future action. Indian refiners would continue to report a premium to the GRM benchmark due to a higher share of the higher-crack product, diesel. India's oil demand remains strong with a 7.2 per cent Y-o-Y increase in total petroleum product consumption in Q1FY25. Diesel and petrol gross marketing margins (as of August 20) were at ₹7.1 and ₹10.6 per litre, respectively, and Q2FY25 average is running at ₹4.2 and ₹7.6 a litre.

The average for Q1FY25 stood at ₹37 per litre and ₹5.4 a litre. The fall in the crude price has been supportive of OMC margins. If the trend of lower crude prices and good GRMs is maintained, there are upsides for the OMCs. According to CMIE, the discount on Russian crude to India was at \$1.7 per barrel in June 2024 versus \$1.4 per barrel in May '24 (far lower than the discount of \$6-10 per barrel in H1CY23). Further, Russia's share of India's crude imports improved month on month to 42 per cent in June 2024 as compared to 37 per cent in May 2024. But LPG under-recovery continues at ₹2,500 crore per month. Current LPG under-



recoveries are at ₹160 per cylinder and the industry is hoping for policy action to cover the accumulated losses. OMC valuations look reasonable and investors will factor for a dividend yield of 3-4. The decline in crude oil prices could result in refining/marketing inventory losses for OMCs, but these are less significant. More importantly, a drop in GRMs will hurt the OMCs and analysts will watch for signs of GRM normalisation. The OMCs' risk-reward equation for investors may still be hard to judge, or even unfavourable, despite the above developments in their favour. The current valuations imply

sustainable GRM will stay higher than the historical average, which is an assumption that may be at risk. Also, it's assumed that gross marketing margins will stay above the historical average of ₹3.5 per litre. Hence, valuations are also trading at a 10-40 per cent premium to the historical price to book. Moreover, the OMCs have big capex plans, which means that the new projects must create long-term value for shareholders, and deliver an acceptable internal rate of return. LPG under-recovery dragged down performance in Q1. Earnings took a big hit with LPG under-recoveries of ₹4,120 crore for IOC, ₹2,350 crore for HPCL and ₹2,000 crore for BPCL. IOC did manage

strong marketing margins (₹4.8/litre) and a turnaround in the petrochemical division. However, HPCL missed estimates due to a lower-than-expected marketing margin of ₹3 per litre. BPCL's operating profit was in line, with the implied marketing margin well above estimate at ₹4.8 per litre. For all OMCs, the reported GRM was in line with or above estimates. There could be share price corrections if the misses by OMCs impact market sentiment. If share prices do correct, investors may receive an entry opportunity. Apart from reported Q1FY25 results, investors must track gross marketing margins trends, GRM trends and booked inventory gains or losses.

# Natural gas imports rise 7% in Apr-Jul on high demand

ARUNIMA BHARADWAJ  
New Delhi, August 26

**INDIA'S IMPORT BILL** for natural gas rose by 7% to \$4.6 billion during the first four months of the current fiscal, compared with \$4.3 billion in the same period a year ago. The increase was due to a rise in consumption, particularly by the city gas distribution (CGD) companies and the power sector, data from the Petroleum Planning and Analysis Cell showed.

The import bill for July stood at \$1.1 billion, registering an increase of 22% from the same period last fiscal. The country imported 11,423 million standard cubic metre of LNG (liquefied natural gas) during April to July, up by 13% from the corresponding period of FY24, the data showed. The growth was also supported by stabilised prices of natural gas from the earlier highs recorded in FY23, enabling consumers to buy more imported gas, as per analysts.

During the period, the country's consumption of natural gas rose by almost 9% to 23,364 mmscm, with major demand coming in from the CGD, fertiliser, and the power sector.

The power sector consumed 4,031 mmscm of natural gas in the first four months of FY25, up significantly by 31% from 3,071 mmscm in April-July of FY24 after the government mandated gas-based thermal plants to run at full capacity in order to meet the rising power demand.

Natural gas producing companies use some quantity of gas for their own use as internal consumption, while some quantity of gas is flared as

## TAKING STOCK

Imports of natural gas (\$ billion)



Gas import dependency (%)



Source: PPAC

a part of technical requirement. After flare, loss and internal consumption by gas producing companies, the net production for sale of gas to consuming sectors like power, fertiliser, CGD, refinery, and petrochemicals among others was approximately 83.2% of the gross production during July 2024, PPAC said.

In 2022, the sudden outbreak of war between Russia and Ukraine had led to a sharp increase in prices of natural gas in FY23, as a result of which gas lost its cost-competitiveness to the alternate fuels. Accordingly, natural gas consumption declined in FY23. However, with range-bound prices, analysts expect the consumption to grow in the medium term.

"With imported LNG prices expected to remain range-bound (at \$10-\$12/mmbtu), growth in domestic natural gas production and size-

able demand from key user industries, natural gas consumption is slated to grow significantly in the medium term," CareEdge Ratings had earlier said in a report.

As the imports continue to grow, the country's production of natural gas also saw a marginal increase of 4%. However, the production growth has remained below the set targets. State-owned ONGC produced 6,271 mmscm of natural gas in the period, 4% lower than the same period of last fiscal and much lower than the target of 6,548 mmscm for the period, according to PPAC data. Oil India, however, saw an increase of 6% in gas production from last year at 1,052 mmscm, but failed to reach the target of 1,272 mmscm gas production.

As a result, the country's dependence on imported gas rose to 48.9% from 46.9% in April-July of FY24.

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## India's wait for LNG from Mozambique gets longer

Utpal Bhaskar  
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NEW DELHI

India's wait for liquefied natural gas (LNG) supplies from the marquee \$20 billion Mozambique project has lengthened, with any progress expected only after a new government is formed in the East African country after its presidential elections on 9 October, two people aware of the development said.

Rovuma Offshore Area 1 project, once tipped as the panacea for India's growing clean fuel needs, has been a disappointment so far. The long-delayed project in which an ONGC Videsh Ltd (OVL)-led Indian consortium has a 30% stake has been beset with difficulties, with the suspension of operations following attacks by Islamic State terrorists in April 2021, after which force majeure was declared.

At stake is around \$8 billion investment made by OVL, Bha-



OVL-led Indian consortium owns 30% in the project.

rat Petroleum Corp. Ltd's Bharat PetroResources Ltd (BPRL) and Oil India Ltd (OIL), including around \$5.185 billion for buying stakes in the largest gas discovery in offshore East Africa. While OVL and OIL jointly bought 10% stake from Videocon Mauritius Energy Ltd for \$2.47 billion, OVL bought US-based Anadarko Petroleum Corp.'s 10% stake for \$2.64 billion. Also, BPRL bought 10% stake from Anadarko Petroleum for \$75 mil-

lion. Apart from this, additional investments were made to develop the project.

"Apart from what was paid at the time of acquisition of the stakes by Indian state-run firms, there have also been cash calls that have been met, thereby upping the overall investment in the gas project. There are concerns around the project," said one of the two people cited above, requesting anonymity.

OVL, BPRL and OIL hold 16%, 10% and 4% stake respectively in the project, operated by France's TotalEnergies with a 26.5% stake. The other partners are Japan's Mitsui & Co. (20%), Mozambique's state-run Empresa Nacional de Hidrocarbonetos or ENH (15%) and Thailand's PTT Exploration and Production Plc. or PTTEP (8.5%). With the production from Rovuma basin originally slated to start in 2018, India was to get its first LNG consignment from

TURN TO PAGE 6



## India's long wait for Mozambique LNG gets longer

FROM PAGE 1

Mozambique by 2019.

"TotalEnergies is the operator for Rovuma Area-1 Offshore Mozambique (Area-1) block, where force majeure is in place. Once the force majeure is lifted, the production can start immediately. This is no problem with the asset quality per se. This asset has seen the biggest gas discovery in the recent past," said an Indian government official, requesting anonymity.

The importance of the Mozambique project in India's energy security stratagem can be gauged from the fact that external affairs minister S. Jaishankar visited the African country in April last year, becoming the first Indian foreign minister to visit it since 2010. This was followed by a visit of India's petroleum and natural gas minister Hardeep Singh Puri in October last year, when he met Mozambique's minister of mineral resources and energy Carlos Zacarias.

A Mitsui & Co spokesperson in an emailed response said, "We are not in the position to answer to your inquiries. Please ask TotalEnergies, the operator or Indian companies."

TotalEnergies has also flagged the impending Presidential elections in Mozambique and its importance for the LNG project, as articulated by its chairman and CEO Patrick Pouyanné in a July investor call.

A TotalEnergies spokesperson in an emailed response said, "The project is still under force majeure," and added, "But for more details, please refer to our CEO last call with investors end of July: On Mozambique, I can tell you that everything has been settled with the contractors. So we are clear: we know where we are. In fact, it was more a matter, to be honest, of the cost of the frozen period, which was to be



TotalEnergies is the operator for Rovuma Area-1 Offshore Mozambique block.

absorbed and discussed, because between 2020 to 2024, we have frozen some works. We have some equipment which was kept in different locations. All that has been discussed, all that is settled with them. And so, we are on the way to move forward. As soon as we can update you, we will do it. But the progress has been done in many directions, including on security."

"Now, we try to regroup all the financers around the project. As you know as well, there are some presidential elections in Mozambique com-

ing soon. And so of course, for us, it's important to have the confirmation that the new President will follow the same policy regarding these large projects. That's where we are. So say, by end

of the year, we should clarify how we should be able to move forward."

An OVL spokesperson declined comment. Queries emailed to the spokespersons of BPCL, OIL, ENH, PTTEP, Mozambique High Commission in New Delhi, and India's ministries of petroleum and natural gas; and external affairs on Tuesday late night remained unanswered till press time.

For an extended version of this story, go to [livemint.com](https://www.livemint.com).

**A force majeure is currently in place at the project and once that is lifted, production can start immediately from the block**

## Day trading guide

### 25045 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
25000	24900	25085	25140	Go long on a break above 25085. Stop-loss can be kept at 25030

### ₹1640 » HDFC Bank

S1	S2	R1	R2	COMMENT
1630	1610	1650	1670	Go long only above 1650. Keep the stop-loss at 1640

### ₹1876 » Infosys

S1	S2	R1	R2	COMMENT
1860	1830	1890	1910	Go long only above 1890. Keep the stop-loss at 1885

### ₹506 » ITC

S1	S2	R1	R2	COMMENT
504	501	509	514	Go long now and at 505. Stop-loss can be kept at 503

### ₹328 » ONGC

S1	S2	R1	R2	COMMENT
324	318	331	336	Go long only above 331. Stop-loss can be placed at 329

### ₹3024 » Reliance Ind.

S1	S2	R1	R2	COMMENT
3000	2980	3050	3080	Wait for dips. Go long at 3005. Keep the stop-loss at 2990

### ₹815 » SBI

S1	S2	R1	R2	COMMENT
814	811	819	824	Go short only below 814. Stop-loss can be placed at 815

### ₹4501 » TCS

S1	S2	R1	R2	COMMENT
4490	4450	4560	4615	Go long only on a break above 4560. Keep the stop-loss at 4545

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

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### In Works: Indp Natgas Transport System Operator



The oil ministry may soon float a cabinet note to set up an independent transport system operator to manage the common carrier capacity of natgas pipelines to give all gas marketers a level playing field. **Sanjeev Choudhary** reports. >> 11



**OIL MINISTRY SET TO FLOAT CABINET NOTE**

# Independent Natgas Transport System Operator Likely Soon

Move to allow transparent, non-discriminatory access to gas grid

Sanjeev Choudhary

**New Delhi:** The oil ministry may soon float a cabinet note on setting up an independent transport system operator (TSO) to manage the common carrier capacity of natural gas pipelines to give all gas marketers a level playing field in the country, according to people with knowledge of the matter.

The common carrier capacity of a gas pipeline, which averages about a quarter of the full capacity, is managed by the company that laid the pipeline and now operates it. In most cases, these pipeline operators such as GAIL and GSPC also have gas marketing businesses. In this dual role, the operator also becomes a competitor for its pipeline customer in the gas marketing business.

To remove this perceived conflict of interest, and allow fair, transparent and non-discriminatory access to the gas grid to all gas marketers, the government is planning to set up the TSO, the people cited above said.

The TSO is aimed to be the single go-to source for all gas marketers to book common carrier capacity in gas pipelines. It will have a gas management control centre and a data-

## Fair Play

**Transport System Operator (TSO)** needed for fair, non-discriminatory access to gas pipeline grid

Pipeline operators also market gas, compete with pure play gas marketers

Gas marketers have been demanding TSO for a level playing field

**TSO will oversee** common carrier capacity of all gas pipelines

**TSO will publicly** display real-time pipeline usage, charges

**Gas marketers** will have to contact TSO (not pipeline operators) for booking capacity



base management system. It will publicly display all relevant data on pipeline usage and charges.

ET was the first to report in December 2020 about the government's plan to set up a TSO. Finance minister Nirmala Sitharaman announced the plan in her budget speech in February 2021, following which the oil ministry prepared a detailed draft on the subject.

The draft proposed a government's stake of 51% in the TSO, with the balance equally owned by five state-run oil and gas companies. The proposed shareholding met with resistance from the finance ministry, which didn't favour creating a new state-run firm. Gradually, the oil ministry lost interest in the plan and buried the draft.

The plan has been resurrected now with industry players demanding it. The new draft is likely to propose a stake for the government in the TSO, but its extent is not yet clear, according to people with knowledge of the matter.

Indian Gas Exchange (IGX) CEO Rajesh Kumar Mediratta told ET recently that an independent TSO was needed to ensure fair access to the full capacity of pipelines for all market players. "The absence of transparent and non-discriminatory access to the gas grid impedes competition and, ultimately, stifles the growth of the gas market. The solution is to split the bundled entities into two, one to look after the marketing function and the other for transportation," he said.

## LNG imports in May-July hit a 4-year high driven by heatwave, power demand

**Rishi Ranjan Kala**  
New Delhi

India's imports of liquefied natural gas (LNG) rose to a multi-year high during May-July 2024 driven by an unprecedented heatwave coupled with record high temperatures pushing electricity consumption to a new high.

According to energy intelligence firm Vortexa, India's monthly LNG imports in May, June and July 2024 hit a four-year record, averaging 2.57 million tonnes (mt).

"This was largely driven by record high temperatures that plagued the country since May, resulting in a spike in gas-fired power generation to meet increased cooling demand. This comes despite Asian spot LNG prices reaching a seven month high of around \$12 per million British thermal units," said Vortexa's LNG Analyst Miko Tan.

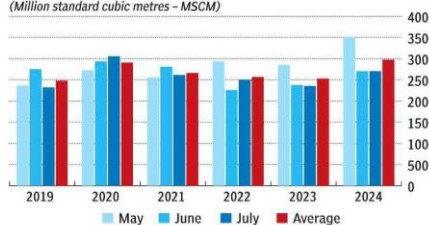
The previous LNG import highs across 2020 occurred in a significantly different market where LNG prices fell to record lows, creating an incentive for coal-to-gas switching in power generation across India, she added in a commentary earlier this week. However, power demand has softened in July with the start of the monsoon season and easing temperatures, thereby putting downward pressure on gas-fired power generation, Tan said.

### POWER DEMAND

India's power demand has been rising at around 7-9 per cent on an annual basis driven by an expanding industrial and commercial base coupled with rising household consumption.

### Rising LNG imports

(Million standard cubic metres - MSCM)



Source: PPAC

Tan pointed out that record high temperatures led to an uptick in total power generation across the country in May and June. While the increased demand was met largely by hydropower, the share of gas-fired power generation doubled from level in the first quarter.

Capacity utilisation and electricity generation by gas-based power plants, with 23.64 gigawatts (GW) capacity under operation, was the second highest on record during April-June 2024.

In April-June 2024, gas-based plants clocked a capacity utilisation, or plant load factor (PLF), of 25.8 per cent generating 13,338.23 million units (MU) on a provisional basis. This is second only to April-June 2020 when PLFs hit 28.6 per cent producing 14,961.55 MU of electricity.

Higher production by gas-based power plants pushed up gas' contribution in India's power generation mix increasing from 2 per cent in June 2023 to 2.8 per cent in June 2024, Crisil Market Intelligence & Analytics said in a report.

However, power demand fell in July with the start of the monsoon season and easing temperatures, thereby putting downward pressure

on gas-fired power generation, Tan said.

"While LNG imports remained strong, demand is likely to taper off as the current price point is unattractive to most buyers in the country. GAIL and state-owned refiner IOC did not award their recent tenders seeking cargoes in September and October, as offers were deemed unattractive," she added.

### US REPLACES QATAR

In June, the US overtook Qatar as India's largest LNG supplier, importing a monthly record 851,000 tonnes in 12 cargoes. The majority of volumes came from Sabine Pass and Cove Point LNG terminals, with which India's state-controlled gas distributor GAIL has term contracts totalling 5.8 million tonnes per annum (mtpa), said Tan.

"Historically, GAIL has optimised their contracted volumes by swapping US term cargoes with supplies in closer proximity. June marks the first time that monthly flows from Sabine Pass and Cove Point combined in mtpa equivalent have reached total contracted volumes, potentially indicating full offtake," she added.

Publication : The Indian Express	Editions : New Delhi
Date :27 August 2024	Page : 5

## Assam cites national interest, allows Vedanta project in Gibbon habitat

**NIKHIL GHANEKAR**  
NEW DELHI, AUGUST 26

CITING NATIONAL interest, the Assam wildlife department has recommended to the Centre that forest clearance be granted to a Cairn Oil and Gas proposal for oil and gas exploration in the eco-sensitive zone (ESZ) of the Hoolongapar Gibbon wildlife sanctuary, home to the endangered Hoolock Gibbon and wild elephants, official records show.

Cairn Oil and Gas, Vedanta's subsidiary, has sought diversion of 4.49 hectares of forest land for oil and gas exploration drilling in Jorhat, Assam, and is currently pending before the Union Environment Ministry's Forest Advisory Committee (FAC), which appraises proposals for forest diversion. FAC had last month sought the state Chief Wildlife Warden's views on the project from a wildlife conservation point of view.

Chief Wildlife Warden Sandeep Kumar noted that the ESZ area of the sanctuary sees significant movement of wild

elephants and conservation of their habitat is crucial. He said that, therefore, "appropriate scientific interventions shall have to be undertaken while implementing the above mentioned project in Dessoi Valley RF."

"As the project is of national interest, it may be recommended for granting Forest Clearance subject to the following conditions," the Chief Wildlife Warden said.

Among the four conditions mentioned, the top wildlife officer said that the exploration work should happen with minimal tree felling without causing "adverse impact" to "wild animals and their habitat." Further, the officer said, "The user agency shall take adequate measures against all kinds of pollution likely to be generated due to implementation of the project including disasters like oil and gas leakage and explosion of the well."

Also, for the wildlife conservation plan and mitigation of human-wildlife conflict, 2% of the total project cost shall be deposited with the Chief Wildlife Warden, he said.



Publication : Financial Express	Editions : New Delhi
Date :27 August 2024	Page : 6

### Crude oil climbs 3% on West Asia tensions

**OIL PRICES** rose nearly 3% on Monday as supply concerns sharpened on reports of escalating conflict in the West Asia and production cuts in Libya. Brent crude futures climbed \$2.28, or 2.89%, to \$81.30 a barrel by 10:30 a.m. ET (1430 GMT), while US crude futures were at \$77.30 a barrel, up \$2.47, or 3.3%. "The near-term buying seems justified," said Dennis Kissler, senior vice president of trading at BOK Financial. A missile attack by the Hezbollah movement appeared to have been largely thwarted by pre-emptive Israeli strikes in southern Lebanon. —REUTERS

**Crude oil up 3% on Libya  
production halt**



**London:** Crude oil prices rose nearly 3 per cent on Monday on reports of a near total production stoppage in Libya, adding to earlier gains on concerns that escalating conflict in the Middle East could disrupt regional oil supplies. Brent crude futures climbed \$2.30 to \$81.32 a barrel by 1148 GMT. REUTERS



**Sinopec's H1 profit up  
2.6% on record output**



**Beijing:** China's Sinopec posted a 2.6 per cent rise in net profit for the first half of the year, it said, as record oil and gas output compensated for falling domestic demand for refined fuel and petrochemicals. China Petroleum & Chemical Corp reported a net income of 37.1 billion yuan (\$5.21 billion) for January to June. REUTERS



**Online**

Headline	Oil & gas firms' prioritise green hydrogen, carbon capture to achieve net-zero targets		
Publication	Moneycontrol	Edition	Online Coverage
Published Date	26 Aug 2024		

## Oil & gas firms' prioritise green hydrogen, carbon capture to achieve net-zero targets

<https://www.moneycontrol.com/news/business/oil-gas-firms-prioritise-green-hydrogen-carbon-capture-to-achieve-net-zero-targets-12807118.html>

To meet their emission reduction targets, the companies are committing large investments towards energy transition particularly in the renewable space

India's oil and gas companies are focussing on initiatives such as green hydrogen and carbon capture, utilization and storage (CCUS) as they move towards achieving net-zero emission targets. The companies are committing large investments towards energy transition, particularly in the renewable space, an oil ministry journal on net-zero plans has said. The first-of-its kind report, which was released on August 25, list various steps being taken by these companies to reduce emissions and their carbon footprint. India's largest oil and gas explorer ONGC said the company is advancing in the field of CCUS with a capacity to sequester 2.21 million MT of CO2 emissions. "This technology is vital for reducing the carbon intensity of industrial processes and achieving long-term sustainability targets," the company said. CCUS is a set of technologies that capture carbon dioxide and use it or store it safely to prevent it from contributing to climate change. "These technologies can also remove existing CO2 from the atmosphere. There is debate over its feasibility, with critics saying it is too expensive to be viable. In the Budget FY25, Finance minister Nirmala Sitharaman said the Centre planned to introduce a policy for hard-to-abate industries to nudge them towards lower emissions. The decision comes as India plans to achieve net zero by 2070, while the oil and gas companies have pledged to attain the emission target much earlier. India's largest refiner Indian Oil said the company has collaborated with ReNew Power and L&T to venture into green hydrogen space. "The company has also signed a binding agreement with L&T to enhance domestic electrolyser production capacity. The company is planning to set up a 10kTPA green hydrogen plant at Panipat. It is also working and conceptualizing capacities at other potential refinery locations for other such projects," the company said in the report. Green hydrogen is generated from electrolysis of water, with the entire process run on renewable energy. Investments in renewable energy The refiners plan to use renewable energy instead of brown power to reduce emissions. Bharat Petroleum Corporation Limited (BPCL) said in addition to reducing emissions, renewable energy is also essential for electric boilers, green hydrogen and CCUS, all of which have significant power requirements. "For refineries, an Inter-State Transmission System (ISTS) hybrid solution with 1.3 MW solar and 2.2 MW wind capacity per MW of power requirement has been devised to achieve 80-85 percent capacity utilisation," it said. Companies also plan to upskill employees to adapt new technologies. "As a part of capability building to meet net-zero challenges, HPCL is sensitising its workforce on challenges and mitigation measures related to net-zero," the company said. It has developed training modules for different levels of its workforce, which includes participation in various related national and international seminars and workshops, the company said. The information provided in the journal is in their personal capacities, the ministry said.

Headline	ONGC opens another well on flagship deep-sea project in Bay of Bengal		
Publication	Citrus Interactive	Edition	Online Coverage
Published Date	26 Aug 2024		

## ONGC opens another well on flagship deep-sea project in Bay of Bengal

<http://www.citrusinteractive.in/News/OpenNewsContent.aspx?SecId=7&SubSecId=15&NewsID=1113679>

Oil and Natural Gas Corporation (ONGC) has opened another well on its flagship deep-sea project in Krishna Godavari basin in Bay of Bengal, which will help augment production of crude oil and natural gas.

In January this year, ONGC had started producing oil, which is converted into fuels like petrol and diesel in refineries, from the KG-DWN-98/2 or KG-D5 block. On August 24, 2024, ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster-2 asset.

With this, ONGC also successfully commissioned its gas export line from the offshore-to-onshore terminal. Earlier in January, oil production commenced from the same asset, with 4 of 13 wells already flowing. Gas production is also advancing, with 3 of 7 wells online.

The block, which sits next to Reliance Industries' KG-D6 block in the KG basin, has a number of discoveries that have been clubbed into clusters. Located 35 kilometres off the coast of Andhra Pradesh in water depths ranging from 300-3,200 metres, the discoveries in the block are divided into Cluster-1, 2 and 3. Cluster 2 is being put to production first.

ONGC is India's largest government-run corporation and produces about 70% of India's crude oil and natural gas. The corporation is the biggest public sector commercial organization in India.

Headline	India's inordinate wait for Mozambique LNG gets longer, at stake \$8 billion investment		
Publication	HT Syndication	Edition	Online Coverage
Published Date	27 Aug 2024		

### **India's inordinate wait for Mozambique LNG gets longer, at stake \$8 billion investment**

<https://www.htsyndication.com/mint/article/india-s-inordinate-wait-for-mozambique-lng-gets-longer%2C-at-stake-8-billion-investment/84072066>

New Delhi, Aug. 27 -- India's wait for liquified natural gas (LNG) supplies from the marquee \$20 billion Mozambique project has lengthened, with

any progress expected only after a new government is formed in the East African country after its presidential elections on 9 October, two people aware of the development said.

Rovuma Offshore Area 1 project, once tipped as the panacea for India's growing clean fuel needs, has been a disappointment so far. The long-delayed project in which an ONGC Videsh Ltd (OVL)-led Indian consortium has a 30% stake has been beset with difficulties, with the suspension of operations following attacks by Islamic State terrorists in April 2021, after which force majeure was declared.

Headline	ONGC achieved milestone in oil and gas production!!! Find out more:		
Publication	India Herald	Edition	Online Coverage
Published Date	26 Aug 2024		

**ONGC achieved milestone in oil and gas production!!! Find out more:**

<https://www.indiaherald.com/Business/Read/994739500/ONGC-achieved-milestone-in-oil-and-gas-production>

ONGC achieved milestone in oil and gas production!!! India has achieved great success in oil and gas production.

Public sector company ONGC has started a new well in KG-D5 Block. Union Petroleum and Natural Gas minister Hardeep Singh puri has described it as a big milestone for ONGC. He said that this will help the country to increase the production of oil and gas. KG-D5 block is close to reliance Industries' KG-D6 Block.

Production started from new well in krishna Godavari Basin

oil and Natural Gas Corporation (ONGC) said on sunday that it has achieved great success in krishna Godavari Basin in the Bay of Bengal. This will help us to increase the production of crude oil and natural gas. The new well is located in the sea about 35 km from the border of Andhra Pradesh. ONGC started producing crude oil from KG-D5 block in January. Now on august 24, they have also started the 5th well. The company has given this information in the stock exchange filing. However, the company did not say how much production is being done from the new well.

Hardeep Singh puri called it a big achievement of ONGC

Hardeep Singh puri said that this is a big achievement of ONGC in oil and gas production. This will not only help us in reducing the import of crude oil but it is also a big step for the energy sector. The target was to start this well in november 2021. But, it was delayed due to Covid-19. After this, the deadline was set for May, 2023, then December, 2023. But, production started from january 7, 2024. In january , ONGC had said that 45 thousand barrels per day can be produced from this field. ONGC has dug 13 oil and 7 gas wells in this field.

Headline	Shardul Amarchand Mangaldas & Co. Advised Oil And Natural Gas Corporation On Landmark Master LNG Sale And Purchase Agreements		
Publication	Legal Online	Edition	Online Coverage
Published Date	26 Aug 2024		

## **Shardul Amarchand Mangaldas & Co. Advised Oil And Natural Gas Corporation On Landmark Master LNG Sale And Purchase Agreements**

<https://www.legaleraonline.com/deal-street/shardul-amarchand-mangaldas-co-advised-oil-and-natural-gas-corporation-on-landmark-master-lng-sale-and-purchase-agreements-921648>

Shardul Amarchand Mangaldas & Co. Advised Oil And Natural Gas Corporation On Landmark Master LNG Sale And Purchase Agreements

Shardul Amarchand Mangaldas & Co. advised Oil and Natural Gas Corporation (buyer) in relation to the master LNG sale and purchase agreements with

Gunvor Singapore Pte. Ltd. and Emirates National Oil Company (Singapore) Pvt. Ltd. (collectively, sellers). The agreements were signed on August 7, 2024 and August 9, 2024, with Emirates and Gunvor, respectively.

The MSPAs executed are the first ever MSPAs executed by ONGC and provide impetus to Government of Indias ambition to increase natural gas usage to 15% by 2030. The deals mark a significant step in LNG marketing and strengthen ONGCs vision of integrating across the energy value chain.



Headline	ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster		
Publication	News Mantra	Edition	Online Coverage
Published Date	27 Aug 2024		

## **ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster**

<https://newsmantra.in/ongc-marked-a-significant-milestone-by-starting-production-from-its-fifth-oil-well-in-the-block-kg-dwn-98-2-cluster/>

ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster

Share

ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster-2 asset from 24 August 2024. Leveraging the floating production, storage, and offloading (FPSO) vessel, ONGC has begun transporting and sale of associated gas, all the while underscoring its commitment to achieving zero gas flaring. With this ONGC successfully also commissions its gas export line from offshore to onshore terminal. Earlier in January, oil production commenced from the same asset, with 4 of 13 wells already flowing. Gas production is also advancing, with 3 of 7 wells online. ONGC's dedication to self sufficiency continues with six water injection wells enhancing output.

Headline	ONGC announced the commencement of production from its fifth oil well in KG-DWN-98/2 (KG-D5) on Sunday.		
Publication	Republic Business	Edition	Online Coverage
Published Date	26 Aug 2024		

**ONGC announced the commencement of production from its fifth oil well in KG-DWN-98/2 (KG-D5) on Sunday.**

<https://www.republicbiz.com/economy/energy/ongc-steps-up-energy-production-from-a-new-well-in-kq-basin>

ONGC announced the commencement of production from its fifth oil well in KG-DWN-98/2 (KG-D5) on Sunday. ONGC Q2 EBITDA falls nearly 6% sequentially to Rs 18,359 crore

Headline	ONGC opens well in KG field to raise oil production		
Publication	The North Lines	Edition	Online Coverage
Published Date	27 Aug 2024		

## ONGC opens well in KG field to raise oil production

<https://thenorthlines.com/ongc-opens-well-in-kg-field-to-raise-oil-production/>

New Delhi: State-owned Oil and Natural Gas Corporation (ONGC) on Sunday said it has opened another well on its flagship deep-sea project in Krishna Godavari basin in Bay of Bengal, which will help augment production of crude oil and natural gas. In January this year, ONGC had started producing oil, which is converted into fuels like petrol and diesel in refineries, from the KG-DWN-98/2 or KG-D5 block.

On August 24, 2024, ONGC marked a significant milestone by starting production from its fifth oil well in the Block KG-DWN-98/2 Cluster-2 asset, the firm said in a stock exchange filing on Sunday. Leveraging the floating production, storage, and offloading (FPSO) vessel, ONGC has begun transporting and sale of associated gas, all the while underscoring its commitment to achieving zero gas flaring. It, however, did not state how much the new well was producing. With this, ONGC also successfully commissioned its gas export line from the offshore-to-onshore terminal.

Earlier in January, oil production commenced from the same asset, with 4 of 13 wells already flowing. Gas production is also advancing, with 3 of 7 wells online, it added. The block, which sits next to Reliance Industries' KG-D6 block in the KG basin, has a number of discoveries that have been clubbed into clusters. Located 35 kilometres off the coast of Andhra Pradesh in water depths ranging from 300-3,200 metres, the discoveries in the block are divided into Cluster-1, 2 and 3. Cluster 2 is being put to production first.

Headline	Assam Power Distribution Company Takes Step Towards Self-Sufficiency in Power		
Publication	The Sentinel	Edition	Online Coverage
Published Date	26 Aug 2024		

## Assam Power Distribution Company Takes Step Towards Self-Sufficiency in Power

<https://www.sentinelassam.com/topheadlines/assam-power-distribution-company-takes-step-towards-self-sufficiency-in-power>

APDCL (Assam Power Distribution Company) is taking another step forward to be self-sufficient in power. Published on Staff Reporter

GUWAHATI: APDCL (Assam Power Distribution Company) is taking another step forward to be self-sufficient in power. Under the aegis of this power distribution company, the Assam government has undertaken several solar power plants with a cumulative generation capacity of over 3,320 MW of power. Three of the plants with a cumulative generation capacity of 320 MW are set to be completed by August 2025.

According to APDCL sources, the construction of a 70-MW solar power plant is underway in BOO (Build Own Operation) mode at Bilasipara in the Dhubri district. A 50-MW solar power plant at Dhekiajuli in the Sonitpur district and a 200-MW solar power plant will be constructed. APDCL awarded the work orders for these three plants to Green Energy Ltd. of SJVN (Satluj Jal Vidyut Nigam Ltd.) on August 28, 2023, and the power purchase agreement was reached on February 7, 2024. The completion date of these three plants is August 7, 2025.

APDCL and NLC India Ltd. have signed an agreement to float a joint company for the setting up of another 1,000-MW solar plant. APDCL also formed a joint venture company named SGEL Assam Renewal Energy Ltd. with SJVN on April 18, 2024, for the construction of another 1,000 MW of solar power. The agreement between APDCL and SJVN was signed on October 17, 2022.

New and Green Energy of Assam Ltd. is a joint venture company floated on February 2, 2024, by the APDCL and ONGC Tripura Power Company Ltd. for the setting up of a 25-MW Battery Energy Storage System (BESS) plant. The agreement to this effect was reached on January 11, 2023.

A 1,000-MW solar power plant is under construction under the Chief Minister's Solar Power Plant at Lahorijan in the Karbi Anglong district. The cost of the plant is Rs 4,000 croreRs 3,200 crore from ADB and Rs 800 crore from the state government.

Headline	Retd ONGC staffer loses 18L savings to cyber fraud		
Publication	The Times of India	Edition	Online Coverage
Published Date	26 Aug 2024		

### Retd ONGC staffer loses 18L savings to cyber fraud

<https://timesofindia.indiatimes.com/city/dehradun/retired-ongc-employee-loses-rs-18-lakh-to-cyber-fraud/articleshow/112790759.cms>

Dehradun : A 61-year-old retired employee of ONGC was allegedly duped of Rs 18 lakh of his savings by an unidentified person, who called him and

posed as an ONGC employee assisting him to update KYC for his health smart card, in Dehradun's Dalanwala area.

According to police, the accused got his Aadhaar and bank account details and transferred the money to his bank account. The incident had happened on July 31 but came to light on Saturday after the victim lodged a complaint following which a case was filed.

SI Naveen Joshi, who is investigating the case, said the senior citizen first received a call from the accused on July 27. The person introduced himself as an ONGC employee and claimed that the KYC of his health smart card had to be updated. He then sent a link to his mobile phone and made him fill up a form with confidential details. Using them, he transferred around Rs 18 lakh, saved for his daughter's marriage, to his account on July 31, said Joshi.

He added, The victim lodged a complaint on Saturday on which a case of fraud under relevant sections of BNS was registered. A probe is on.

Headline	ONGC achieved milestone in oil and gas production!!! Find out more:		
Publication	India Herald	Edition	Online Coverage
Published Date	26 Aug 2024		

**ONGC achieved milestone in oil and gas production!!! Find out more:**

<https://www.indiaherald.com/Business/Read/994739500/ONGC-achieved-milestone-in-oil-and-gas-production>

ONGC achieved milestone in oil and gas production!!! India has achieved great success in oil and gas production.

Public sector company ONGC has started a new well in KG-D5 Block. Union Petroleum and Natural Gas minister Hardeep Singh puri has described it as a big milestone for ONGC. He said that this will help the country to increase the production of oil and gas. KG-D5 block is close to reliance Industries' KG-D6 Block.

Production started from new well in krishna Godavari Basin

oil and Natural Gas Corporation (ONGC) said on sunday that it has achieved great success in krishna Godavari Basin in the Bay of Bengal. This will help us to increase the production of crude oil and natural gas. The new well is located in the sea about 35 km from the border of Andhra Pradesh. ONGC started producing crude oil from KG-D5 block in January. Now on august 24, they have also started the 5th well. The company has given this information in the stock exchange filing. However, the company did not say how much production is being done from the new well.

Hardeep Singh puri called it a big achievement of ONGC

Hardeep Singh puri said that this is a big achievement of ONGC in oil and gas production. This will not only help us in reducing the import of crude oil but it is also a big step for the energy sector. The target was to start this well in november 2021. But, it was delayed due to Covid-19. After this, the deadline was set for May, 2023, then December, 2023. But, production started from january 7, 2024. In january , ONGC had said that 45 thousand barrels per day can be produced from this field. ONGC has dug 13 oil and 7 gas wells in this field.



Headline	India's wait for Mozambique LNG gets longer, at stake \$8 bn investment		
Publication	Mint	Edition	Online Coverage
Published Date	27 Aug 2024		

## India's wait for Mozambique LNG gets longer, at stake \$8 bn investment

<https://www.livemint.com/news/india/indias-inordinate-wait-for-mozambique-lng-gets-longer-at-stake-8-billion-investment-11724566573571.html>

Indias wait for liquified natural gas (LNG) supplies from the marquee \$20 billion Mozambique project has lengthened, with any progress expected only after a new government is formed in the East African country after its presidential elections on 9 October, two people aware of the development said.

Rovuma Offshore Area 1 project, once tipped as the panacea for Indias growing clean fuel needs, has been a disappointment so far. The long-delayed project in which an ONGC Videsh Ltd (OVL)-led Indian consortium has a 30% stake has been beset with difficulties, with the suspension of operations following attacks by Islamic State terrorists in April 2021, after which force majeure was declared.

### Big stake

At stake is around \$8 billion investment made by OVL, Bharat Petroleum Corp. Lts Bharat PetroResources Ltd (BPRL) and Oil India Ltd (OIL), including around \$5.185 billion for buying stakes in the largest gas discovery in offshore East Africa. While OVL and OIL jointly bought 10% stake from Videocon Mauritius Energy Ltd for \$2.47 billion, OVL bought US-based Anadarko Petroleum Corp.s 10% stake for \$2.64 billion. Also, BPRL bought 10% stake from Anadarko Petroleum for \$75 million. Apart from this, additional investments were made to develop the project.

Apart from what was paid at the time of acquisition of the stakes by Indian state-run firms, there have also been cash calls that have been met, thereby upping the overall investment in the gas project. There are concerns around the project," said one of the two people cited above, requesting anonymity.

OVL, BPRL and OIL hold 16%, 10% and 4% stake respectively in the project, operated by France's TotalEnergies with a 26.5% stake. The other partners are Japans Mitsui & Co. (20%), Mozambique state-run Empresa Nacional de Hidrocarbonetos or ENH (15%) and Thailand's PTT Exploration and Production Plc. or PTTEP (8.5%). With the production from Rovuma basin originally slated to start in 2018, India was to get its first LNG consignment from Mozambique by 2019.

### Force majeure in place

TotalEnergies is the operator for Rovuma Area-1 Offshore Mozambique (Area-1) block, where force majeure is in place. Once the force majeure is lifted, the production can start immediately. This is no problem with the asset quality per se. This asset has seen the biggest gas discovery in the recent past," said an Indian government official, requesting anonymity.

### Also read | Mozambique gas field restart is win for India

The importance of the Mozambique project in Indias energy security stratagem can be gauged from the fact that external affairs minister S. Jaishankar visited the African country in April last year, becoming the first Indian foreign minister to visit it since 2010. This was followed by a visit of Indias petroleum and natural gas minister Hardeep Singh Puri in October last year, when he met Mozambiques minister of mineral resources and energy Carlos Zacarias.

A Mitsui & Co spokesperson in an emailed response said, We are not in the position to answer to your inquiries. Please ask TotalEnergies, the operator or Indian companies."

### Presidential elections flagged

TotalEnergies has also flagged the impending Presidential elections in Mozambique and its importance for the LNG project, as articulated by its chairman and CEO Patrick Pouyann in a July investor call.

A TotalEnergies spokesperson in an emailed response said, "The project is still under force majeure," and added, But for more details, please refer to our CEO last call with investors end of July: On Mozambique, I can tell you that everything has been settled with the contractors. So we are clear: we know where we are. In fact, it was more a matter, to be honest, of the cost of the frozen period, which was to be absorbed and discussed, because between 2020 to 2024, we have frozen some works. We have some equipment which was kept in different locations. All that has been discussed, all that

is settled with them. And so, we are on the way to move forward. As soon as we can update you, we will do it. But the progress has been done in many directions, including on security."

"Now, we try to regroup all the financiers around the project. As you know as well, there are some presidential elections in Mozambique coming soon. And so of course, for us, its important to have the confirmation that the new President will follow the same policy regarding these large projects. Thats where we are. So say, by end of the year, we should clarify how we should be able to move forward," the TotalEnergies spokesperson added.

An OVL spokesperson declined comment.

Net importer of gas

India is a net importer of natural gas, and imports about 55% of its total gas requirement. According to the Petroleum Planning and Analysis Cell (PPAC), Indias LNG imports increased 17.5% year-on-year in FY24 in terms of volumes to 23.5 mmtpa.

Queries emailed to the spokespersons of BPCL, OIL, ENH, PTTEP, Mozambique High Commission in New Delhi, and Indias ministries of petroleum and natural gas; and external affairs on Tuesday late night remained unanswered till press time.

Mint earlier reported about TotalEnergies making efforts to resume operations at the plant. In February, CEO Pouyanne visited Mozambique's Cabo Delgado to review the security and humanitarian situation in the country.

India has been aggressively scouting for long-term LNG contracts after the gas market witnessed volatility in 2022 following the Russia-Ukraine war, which led to the failure of Russian government-owned Gazprom, the worlds largest explorer of natural gas, to honour the terms of a deal to supply LNG to state-run GAIL (India) Ltd.

As part of this new playbook, India is in talks with Equinor for securing long-term LNG deals from its portfolio in the US and Qatar, as reported by Mint earlier. Also, state run Indian Oil Corp. earlier signed a long-term LNG contract with TotalEnergies for supply of 1 mmtpa of LNG to IOCL for a period of around 10 years, with plans in the work to sign a long-term LNG deal to buy one million metric tonnes per annum (mmtpa) of clean fuel from state run Abu Dhabi National Oil Co (Adnoc). Petronet LNG also extended its contract with QatarEnergy LNG by signing a long-term deal for buying 7.5 million tonnes of LNG per annum.