ONGC News as on 06 December 2024 (Print & Online)

Publication : Business Standard	Editions : New Delhi
Date :6 December 2024	Page : 4

Opec+ cuts extension may not impact India

Earliest reversal of cuts pushed to March 2025 on Thursday

SUBHAYAN CHAKRABORTY
New Delhi, 5 December

India is not expected to be impacted by the continuing cut in oil production by Opec-plus countries, given the lower global industrial demand outlook and continuing discounts on Russian crude, officials at the petroleum and natural gas ministry said.

On Thursday, Opec-plus nations agreed to extend two sets of voluntary production cuts, including the ongoing cuts of 2.2 million barrels per day (bpd), to the end of March 2025. "Then the 2.2 million bpd adjustments will be gradually phased out on a monthly basis until the end of September 2026 to support market stability. This monthly increase can be paused or reversed subject to market conditions," the bloc said. In place since November 2023, these cuts are currently being implemented by eight countries, including Saudi Arabia and Russia.

The oil bloc also extended ongoing cuts of 1.65 million bpd until the end of December 2026. These were initially announced in April 2023.

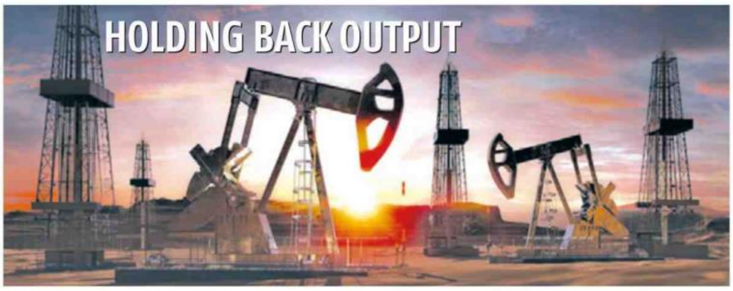
But officials played down the development. "The latest announcement is about continuation of existing production cuts. It is not expected to change the crude oil supplies to India," an official said. They pointed to November data from the International Energy Agency (IEA), which shows global supply will exceed demand by more than 1 million bpd in 2025, even if the Opec-plus cuts were to remain in place.

The official also indicated that Indian refiners remain assured of uninterrupted crude supplies at discounted rates. As of November, the share of Russian crude in India's imports remained at 38 per cent, slightly down from 39 per cent in October, show estimates made by London-based commodity data analytics provider Vortexa, which tracks ship movements to estimate imports. Russia's share in India's oil imports is expected to hold at these levels for the foreseeable future, analysts believe.

The average discount of Russian Urals grade of crude oil to dated Brent has held stable at $12.1 per barrel in the three months leading up to October, according to Platts, part of S&P Global Commodity Insights. Despite ongoing tensions in the West Asia and other uncertainties, the firm sees an easing of Platts Dated Brent to an average $70 per barrel in 2025, down from $81 per barrel in 2024. Apart from subdued global oil demand growth, expected production increases from non-Opec-plus sources are cited as reason.

Under pressure

An intergovernmental organisation of 13 major oil-producing nations, such as Saudi Arabia, Iran, Iraq, and Venezuela, among others, Opec has been called a "cartel" by economists. Member countries accounted for an estimated 44 per cent of global oil production and 81.5 per cent of the world's "proven" oil reserves as of 2018. Including Russia, 10 other nations make up the enlarged Opec+ group.



- **5.86 mn barrels per day** (bpd) of production withheld by OPEC-plus
- **This accounts for 5.7%** of global oil demand and has been extended multiple times
- **Includes 2 mn bpd** of cuts implemented by the entire group
- **Also includes 1.65 mn bpd** in first-stage cuts by 8 nations, including Saudi Arabia and Russia
- **Additionally, 2.2 mn bpd** in second-stage cuts by the same nations

ओएनजीसी ONGC

Publication : Financial Express	Editions : New Delhi
Date :6 December 2024	Page : 3

Dip in APM gas supply may impact CNG vehicle sales

ARUNIMA BHARADWAJ
New Delhi, December 5

LOSING OUT

- The industry apprehends that there could be further deallocation of APM gas to the CGD entities given its lower availability
- CNG vehicle sales in the country grew at a compound annual growth rate of 15% during FY20 to FY24

- If significant price hikes are taken, the competitiveness of the fuel may come down, impacting its volume growth and new conversions

COMPRESSED NATURAL GAS (CNG), which has been a significantly cheaper auto fuel compared with petrol and diesel, may have its relative competitiveness dented if the allocation of Administrative Price Mechanism (APM) gas to them is reduced further, industry sources warn.

While the price rises for consumers may be limited if absorbed by the city gas distribution (CGD) companies, if not, it could impact the growth of CNG vehicle volumes.

After the reduction in allocation of the cheaper APM gas for the CNG segment for two consecutive months, its share has declined in overall APM gas supplies from over 85% in the beginning of FY24 to 72% now. This was the steepest cut in APM gas allocation to the segment ever.

The industry apprehends that there could be further deallocation of APM gas to the CGD entities given its lower availability.

"This is a change in the policy stance of the government now. There could be further cuts also," said Prashant Vasisht, senior vice president–corporate ratings, Icra.

"So CGD entities will now have to mainly rely on LNG. Further deallocation can happen. The government has asked these companies to survive on their own," he said.

CNG vehicle sales in the country grew at a compound annual growth rate of 15% during FY20 to FY24. "However, if significant price hikes are taken, the competitiveness of the fuel may come down, impacting its volume growth and new conversions. In the absence of changes to the tax structure, CGD companies could see an impact on either their margins or volumes," India Ratings has said.

It also noted that the initial discounts given by companies for conversion to CNG from alternate fuels may come down to protect the profitability, and thus could again impact the volume increase.

"If a price hike of ₹5 per kg is taken by a CGD company, the recovery period of a vehicle would also elongate and the fuel economics for the first time would fall below 40%," it had said.

Post the announcement of allocation cut, Mahanagar Gas and Indraprastha Gas announced hike in CNG prices. While MGL increased CNG prices by ₹2 per kg in and around Mumbai, IGL raised prices by ₹1.50-4 per kg in different locations except Delhi.

Moreover, further reductions in low-cost domestic gas allocation for the CGD sector is also likely to impact their margins in the short term, because passing the complete price hike could impact the vehicle conversion volumes, according to India Ratings.

"The demand increase in CGD and the declining production of APM gas would continue to decline the priority allocation of APM gas to the CGD sector especially for CNG. Supply-side contracts (term LNG, HPHT) would play a key role in determining the long-term profitability of CGD companies, as the CNG segments would increasingly become a sourcing efficiency play rather than a game of cheap input gas availability," said Bhanu Patni, Associate Director, India Ratings and Research.

New geographical areas with high sequential growth were getting a lower allocation, as the availability was dependent on the last quarter's volumes, as per Ind-Ra.

Publication : Financial Express	Editions : New Delhi
Date :6 December 2024	Page : 7

OPEC+ delays oil production by 3 months

BLOOMBERG
December 5

OPEC+ DELAYED THE revival of its oil production by three months, the third time it's deferred the move while crude prices struggle amid a looming surplus.

The group led by Saudi Arabia and Russia pushed back the series of supply increases, which had been due to begin with a hike of 180,000 barrels a day in January. It will instead start in April and unwind the cuts at a slower pace than previously planned, according to a statement from the alliance.

The United Arab Emirates also won't make any production increases until April. The nation had previously won the right — separate from the group's production cuts — to gradually add an extra 300,000 barrels a day in monthly stages starting January, in recognition of its recent investments in production capacity.

"OPEC has bought itself some time," said Harry Tchilingurian, head of oil research and analytics at Onyx Commodities Ltd. "However, prices wait for no one, and if the demand outlook deteriorates further, then the support coming from current cuts will see diminishing returns and we could test a figure in the $60s."

Brent crude was little changed at $72.42 a barrel as of 1:08 p.m. in London trading. The Organisation of Petroleum Exporting Countries and its partners had first announced in June that they would restore output halted since 2022, reviving 2.2 million barrels per day in monthly tranches. But its plans have been thwarted as oil demand falters in top consumer China.

Publication : Financial Express	Editions : New Delhi
Date :6 December 2024	Page : 1, 7

Putin all praise for Modi, says Russia ready to make in India

● Calls investments in India profitable

AGENCIES
New Delhi, December 5

PRAISING PRIME MINISTER Narendra Modi's India-first policies, Russian President Vladimir Putin has said Russian firms are ready to set up manufacturing operations in India. "We believe that investing in India is profitable...We are ready to set up our manufacturing operations in India," he said at the 15th VTB Russia Calling Investment Forum on Wednesday, according to a statement.

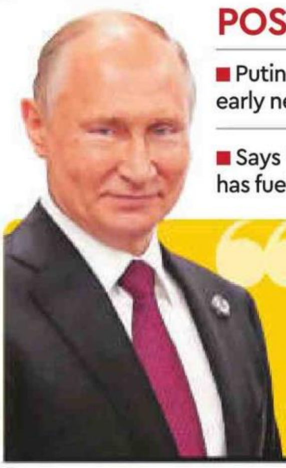
Putin further said that the 'Make in India' initiative, aimed at boosting local manufacturing and attracting foreign investment, has played a key role in strengthening India's position in the global economy.

"The Prime Minister of India and the Government of India have been creating stable conditions and this is because the Indian leadership has been pursuing India comes first policy and we believe that investments in India are profitable," the Russian President said. "And we would be ready to place our manufacturing site in India. Also, the biggest investment in India in the economy to the tune of $20 billion by Rosneft happened not long ago," he added.

Rosneft is the biggest oil producer company in the Russian Federation.

Drawing parallels between the 'Make in India' initiative and Russia's import substitution programme, Putin said that India's leadership is focused on a policy of prioritising its interests.

Continued on Page 7



POSITIVE TIES

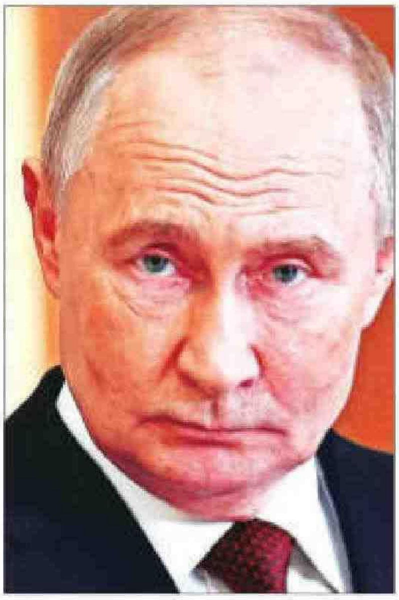
- Putin is set to visit India early next year
- Says 'Make in India' policy has fuelled growth
- India-Russia bilateral trade has risen from $49.4 bn in 2022-23 to $65.42 bn in 2023-24

VLADIMIR PUTIN, RUSSIAN PRESIDENT

"Biggest investment in India in the economy to the tune of $20 bn by Rosneft happened not long ago"

Publication : Financial Express	Editions : New Delhi
Date :6 December 2024	Page : 1, 7

Russia ready to make in India, says Putin



Putin is due to visit India early next year -- his first trip to the country since the war in Ukraine began -- with the Kremlin recently saying that preparations were underway for the trip.

The Russian president also urged for greater cooperation among Brics nations to support the growth of small and medium enterprises and encouraged member countries to identify key areas for collaboration at the upcoming summit in Brazil next year.

The nine-member BRICS bloc includes India, China, Russia, and Brazil.

India and Russia in July this year agreed to boost bilateral trade to over $100 billion by 2030 by reinvigorating investments, using national currencies for trade and increasing cooperation in sectors ranging from energy to agriculture and infrastructure.

Bilateral trade between the two nations has increased to $65.42 billion in 2023-24 against $49.4 billion in 2022-23. Trade gap is highly in favour of Russia due to a jump in crude oil imports.

On Thursday, foreign minister S Jaishankar said that India needed better access to the Russian economy. "We are pressing the Russian leadership very strongly saying look, we are buying so many things...we also need better access...I think we will make progress," he said at a conference in New Delhi.

Publication : Millennium Post	Editions : New Delhi
Date :6 December 2024	Page : 10

OPEC+ decides to put off increasing oil production amid weaker demand

FRANKFURT: OPEC+ alliance of oil exporting countries decided Thursday to put off hiking oil production as they face weaker than expected demand and competing production from non-allied countries — factors that could keep oil prices stagnant into next year.

The OPEC+ members decided at an online meeting to postpone by three months production increases that had been scheduled to take effect January 1. The plan had been to start gradually restoring 2.2 million barrels per day over the course of 2025. That process will now be pushed back until October 2026.

OPEC+, which includes Saudi Arabia as the dominant member of the OPEC producers' cartel, and Russia as the leading non-OPEC member in the 23-country alliance, have imposed several sets of cuts to agreed output to support prices.

Oil prices have been slack due to weaker than expected demand from China as well as increased production from countries like Brazil and Argentina that aren't in OPEC+. Among the beneficiaries of the current state of the oil market are US motorists, who have seen gasoline prices fall to their lowest in 2 1/2 years to near $3 a gallon. AGENCIES

Publication : Mint	Editions : New Delhi
Date :6 December 2024	Page : 9

Opec+ has agreement in principle to delay oil production hike

Opec+ already has an agreement in principle to postpone planned January production increase, with discussions continuing about the duration of the delay, delegates said.

Ministers from the group met online on Thursday to finalize details of the accord, with the main focus on a delay of three months, delegates said, asking not to be identified because the talks were private.

The group led by Saudi Arabia and Russia has firmed up a deal to once again postpone a sequence of supply increases, which had been due to begin with a hike of 180,000 barrels a day in January. With oil prices currently too low to cover government spending plans, Opec+ members have been unable to raise output for fear of sending crude even lower.

They have already been forced twice to defer the increases, as faltering demand in China and brimming supply from the Americas weigh on prices. Brent futures have retreated roughly 18% since early July to trade near $73 a barrel. BLOOMBERG

Opec+ has been forced twice to defer the hike, as faltering demand in China and brimming supply from the US weigh on prices. REUTERS

Publication : The New Indian Express	Editions : Bangalore
Date :6 December 2024	Page : 15

‘Alt fuels saved ₹1.09L cr in forex’

INDIA has saved nearly ₹1.09 lakh crore in foreign exchange from Ethanol Supply Year (ESY) 2013-14 to ESY2023-24 by promoting the use of ethanol-blended petrol (EBP) and other alternative fuels. To promote the use of compressed bio gas (CBG) as an automotive fuel, the government has launched the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative. As part of its multi-pronged strategy to reduce dependence on crude oil, the government has been promoting the use of natural gas as fuel/feedstock, renewable and alternative fuels like ethanol, second-generation ethanol, compressed bio gas, and biodiesel. Additionally, the government is working on creating electric vehicle charging infrastructure, improving refinery processes, promoting energy efficiency and conservation, and increasing domestic oil and natural gas production through various policy initiatives.

Online

Headline	OPEC+ delays oil output hike until April, extends cuts into 2026		
Publication	Reuters	Edition	Online Coverage
Published Date	5 Dec 2024		

OPEC+ delays oil output hike until April, extends cuts into 2026

https://www.reuters.com/business/energy/opec-will-delay-oil-output-hike-meeting-source-says-2024-12-05/

OPEC+ groups the Organization of the Petroleum Exporting Countries and allies such as Russia.

Despite the group's supply cuts, global oil benchmark Brent crude has mostly stayed in a $70 to $80 per barrel range this year. On Thursday it traded near $72 a barrel, having hit a 2024 low below $69 in September.

"They have been talking about this (output hike) since June but they are still delaying," said Bjarne Schieldrop, chief commodities analyst at SEB. "This means there is no upside to the oil price in the next couple of years."

Headline	ONGC donates equipment to milk societies		
Publication	The Hindu	Edition	Online Coverage
Published Date	5 Dec 2024		

ONGC donates equipment to milk societies

https://www.thehindu.com/news/cities/Tiruchirapalli/ongc-donates-equipment-to-milk-societies/article68950615.ece

ONGC Cauvery Asset has donated 22 milk testing tools and 77 milk cans to 38 cooperative societies in Nagapattinam district under its Corporate Social Responsibility programme.

The initiative was aimed at promoting animal husbandry and ensure milk production in the district. The items were handed over to the beneficiaries by the District Collector P. Akash on Wednesday in the presence of senior ONGC officials, according to a press release.

Headline	ONGC, NTPC Green JV set to buy Ayana Renewable for $750 million		
Publication	M&A Critique	Edition	Online Coverage
Published Date	5 Dec 2024		

ONGC, NTPC Green JV set to buy Ayana Renewable for $750 million

https://mnacritique.mergersindia.com/news/ongc-ntpc-green-jv-set-to-buy-ayana-renewable-for-750-million/

ONGC NTPC Green Pvt Ltd (ONGPL), an equal joint venture between ONGC Green and NTPC Green, is set to acquire a 100% stake in Ayana Renewable Power for $700-750 million, according to people with knowledge of the matter.

The JV has nearly completed the negotiations with Ayana's current shareholders-National Investment and Infrastructure Fund (NIIF) (51%), British International Investment (BII) (32%) and EverSource Capital (17%)-on the terms of the sale, these people said. ONGPL will likely sign the share purchase agreement in a fortnight to purchase Ayana, they said.

The deal pegs the enterprise value of Ayana at $1.7-1.8 billion, people said. ONGC, NTPC, NIIF, BII and EverSource didn't offer comment for the story.

ONGC Green is a wholly-owned subsidiary of state-run Oil and Natural Gas Corp and NTPC Green is a listed subsidiary of NTPC.

Ayana's existing shareholders have infused 3,700 crore in the renewable energy platform against their capital commitment of $721 million (about 6,100 crore at the current exchange rate), ratings agency ICRA said in a September report. Ayana was launched by BII in 2017. NIIF and EverSource came in two years later. Ayana reported a consolidated profit of 46 crore on an operating income of 856 crore for 2023-24, per the report.

Ayana has a portfolio of 4.6 GW of operational and under-construction renewable energy assets encompassing solar, wind and storage. It currently operates 1.6 GW. It is expected to add 1 GW by March and another 1.5 GW by the end of the next fiscal year, according to people cited earlier.

ONGC, JSW Neo Energy and Sembcorp were shortlisted to submit binding bids for Ayana in August. Sembcorp sought a deviation in the bidding process and went out of the race while JSW and ONGC submitted bids. ONGC emerged as the top bidder and teamed up with NTPC.

ONGC, which has spent over two decades acquiring oil and gas assets worth billions globally, chose a state-run generator as a partner to mitigate the acquisition risks associated with a sector it is less familiar with. The Ayana deal would boost the green ambition of the oil and gas producer, which aims to have a renewable energy portfolio of 10 GW by 2030. In September, ONGC acquired PTC Energy Ltd for Rs 925 crore. PTC Energy has 288 MW wind generation capacity.

The deal would also expand the portfolio of NTPC Green whose shares are making waves on the bourses since they listed last week. Its shares are trading 37% above the issue price.

The Ayana deal would also offer an exit to private equity investors at a time when several renewable energy deals are struggling to close in the country.

Headline	ONGC honored for ‘Best CSR Impact' by NAB		
Publication	PSU Connect	Edition	Online Coverage
Published Date	5 Dec 2024		

ONGC honored for ‘Best CSR Impact' by NAB

https://www.psuconnect.in/news/ongc-honored-for-best-csr-impact-by-nab/45553

The National Association for the Blind (NAB) has honored ONGC with the prestigious NAB Sarojini Trilok Nath National Award 2024 in the Best CSR Impact' category.

This recognition underscores our unwavering commitment to creating meaningful change and empowering communities.

Headline	OPEC to Hold 39th OPEC+ Ministerial Meeting on May 28, 2025		
Publication	Rupee Wise	Edition	Online Coverage
Published Date	5 Dec 2024		

OPEC to Hold 39th OPEC+ Ministerial Meeting on May 28, 2025

https://rupeewise.com/opec-to-hold-39th-opec-ministerial-meeting-on-may-28-2025/

The Organization of the Petroleum Exporting Countries (OPEC) and its allies, known as OPEC+, have announced that their 39th Ministerial Meeting will be held on May 28, 2025.

This meeting will follow the 38th OPEC and non-OPEC Ministerial Meeting scheduled for December 5, 2024. These meetings are crucial for determining future oil production levels and influencing global oil prices. OPEC+ plays a significant role in the global oil market, aiming to stabilize prices and ensure a balanced supply-demand dynamic. The upcoming meetings will be closely watched by investors and analysts for any decisions that could impact oil prices and the energy sector.

The primary focus of the upcoming OPEC+ meetings is to assess the global oil market and make decisions on production levels to maintain stability.

Key Events: The announcement of the 39th Ministerial Meeting date signals the ongoing commitment of OPEC+ to regular dialogue and collaboration.

Decisions made at these meetings can significantly impact oil prices, influencing the profitability of oil companies, and affecting investment strategies in the energy sector.

Oil Price Volatility: Investors should anticipate potential volatility in oil prices leading up to and following the OPEC+ meetings. Any unexpected production changes could trigger significant price swings.

Energy Sector Performance: The performance of oil and gas companies listed on the Indian stock market, such as ONGC, Reliance Industries, and Oil India, is likely to be influenced by the outcomes of these meetings.

Changes in oil prices can affect inflation, impacting the Indian economy and potentially influencing the Reserve Bank of India's monetary policy decisions.

Headline	Grapevine: Blackstone, Ayana Renewable Power, GIC, and Asia Healthcare in news		
Publication	VC Circle	Edition	Online Coverage
Published Date	5 Dec 2024		

Grapevine: Blackstone, Ayana Renewable Power, GIC, and Asia Healthcare in news

https://www.vccircle.com/grapevineblackstone-ayana-renewable-power-gic-and-asia-healthcare-in-news

Blackstone Inc and Sattva Group are set to file draft papers for an REIT IPO, a joint venture of ONGC and NTPC Green is nearing a deal to acquire a renewable power asset and Singapores GIC is set to increase its stake in Asia Healthcare Holdings, according to various media reports

Blackstone

Blackstone Inc and Sattva Group are set to file draft papers for an office real estate investment trust (REIT) IPO to raise $750-$800 million (about Rs 6500 crore), a media report said.

The REIT will include 50 million square feet of commercial assets from Blackstones Nucleus Office Parks and joint ventures with Sattva, The Hindu Businessline reported, citing people aware of the matter.

The draft prospectus filing is expected soon, with the listing planned for early next fiscal year.

Ayana Renewable Power

ONGC NTPC Green Pvt Ltd (ONGPL) is nearing a deal to acquire Ayana Renewable Power for $700-$750 million, a media report said.

The share-purchase agreement is expected within two weeks, valuing Ayana at $1.7-$1.8 billion, The Economic Times reported, citing people aware of the matter.

The joint venture between ONGC Green and NTPC Green is finalizing terms with Ayana's shareholdersNational Investment and Infrastructure Fund (51%), British International Investment (32%), and EverSource Capital (17%).

Asia Healthcare Holdings

Singapores GIC is set to increase its stake in Asia Healthcare Holdings (AHH), acquiring a 15% stake from majority owner TPG, a media report said.

The deal, part of TPGs strategy to return cash to investors, values AHH at $800-$900 million, Mint reported, citing people aware of the matter.

The move will make GIC the largest shareholder of the healthcare platform, which owns Motherhood Hospitals, Asian Institute of Nephrology and Urology, and Nova IVF.

The transaction is in the documentation stage, with a public listing of AHH likely in the next year or two.

Headline	Rajya Sabha Approves Amendments To Oilfields Act		
Publication	Bizz Buzz	Edition	Online Coverage
Published Date	5 Dec 2024		

Rajya Sabha Approves Amendments To Oilfields Act

https://www.bizzbuzz.news/politics/rajya-sabha-approves-amendments-to-oilfields-act-1344481

It will empower Centre to frame environment protection rules and boost green energy projects

Union Minister for Petroleum and Natural Gas Hardeep Singh Puri

The Rajya Sabha on Tuesday passed the landmark amendments to the Oilfields (Regulation and Development) Act, 1948 to facilitate the ease of business and speed up the development of India's rapidly growing energy sector.

Hailing this as "a historic step into the future", Minister for Petroleum and Natural Gas Hardeep Singh Puri said: "The epochal amendments proposed will further strengthen and propel India's energy sector under Prime Minister Narendra Modi, and ensure policy stability, international arbitration, extended lease periods etc."

Since petroleum (crude oil/ natural gas) is found in the pore spaces of subsurface rocks and is extracted by drilling, delinking of terms like mine' quarried' or excavated' as referred to in the current Act will remove ambiguity and introduce Ease of Doing Business into the sector which is more technologically driven, the minister said. The term mineral oil' is traditionally understood to be natural gas and petroleum. As unconventional hydrocarbon resources have been discovered and developed, the definition needs to be updated to reflect the modern understanding of the term, the minister pointed out.

The definition of a mining lease is being amended to clarify that leases granted prior to the commencement of the Oilfields (Regulation and Development) Amendment Act will be called mining leases. Thereafter, the use of said terminology will be discontinued and the term petroleum lease as defined in clause (f) shall be used. To encourage investors for holistic development of the field including planning for proper reservoir management practices as well as confidence to induct capital-intensive Enhanced Recovery methods. The provision seeks to empower the government to make rules for protecting the environment and promoting the development of green energy projects and the adoption of energy transition measures to enable the government and the companies to achieve their climate vision. Minister Puri also pointed out that small operators and new entrants often face difficulties in carrying out operations due to the high costs of infrastructure and facilities. This provision enables the government to make rules to enable the sharing of production and processing facilities and other infrastructure by two or more lessees.

Headline	RS approves amendments to Oilfields Act, Union Min hails ‘historic move'		
Publication	Kashmir Reader	Edition	Online Coverage
Published Date	5 Dec 2024		

RS approves amendments to Oilfields Act, Union Min hails ‘historic move'

https://kashmirreader.com/2024/12/05/rs-approves-amendments-to-oilfields-act-union-min-hails-historic-move/

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Minister Puri also pointed out that small operators and new entrants often face difficulties in carrying out operations due to the high costs of infrastructure and facilities. This provision enables the government to make rules to enable the sharing of production and processing facilities and other infrastructure by two or more lessees. The proposed amendments provide for a proper mechanism for the levy of penalties as well as for the handling of appeals arising therefrom with the formation of adjudication authority, mechanisms and appeals, he added.