

ONGC to play larger role in country's pursuit of energy security

New Delhi, 28 April 2021

A number of press reports pertaining to the purported communication from Ministry of Petroleum and Natural Gas are noticed that convey an impression that the role of ONGC may be significantly affected in the wake of its potential restructuring. The fact on the contrary is that the Govt. has been continuously encouraging ONGC to play a much larger role in the context of India's oil and gas sector.

ONGC Board approved Energy Strategy 2040 in April 2019 that outlines strategic growth initiatives across the energy value-chain. Besides, there have been regular interactions of ONGC with various stakeholders including the Ministry of Petroleum and Natural Gas (MoPNG), in order to further augment the role of ONGC in domestic upstream sector. The expectation and the strategy for ONGC is to act as the fulcrum around which an ecosystem for thriving oil and gas industry in the country can be created consistent with expectations for meeting Prime Minister's vision to reduce import dependence.

In this context, ONGC has continuously been reviewing its engagements to move up higher in value chain to concentrate on areas where the expected risk-reward payoff offers better business opportunities for growth. Over the years ONGC benefitted from participation of other players and opportunity specific alliances which have helped ONGC enhance value for itself, besides releasing ONGC resources to pursue more promising opportunities with perceived better risk return tradeoff. ONGC, in its efforts to augment production of oil and gas, is endeavoring to engage all interested players so that the concept of 'Atmanirbhar Bharat' is central theme of our domestic project execution.

On the back of enabling policy facilitation by the Govt., ONGC has rolled out its separate Gas vertical, which will increase its activities in gas sector leveraging on its strong domestic and international presence. It is also taking steps to augment its renewables portfolio.

ONGC is also looking into strategic relationships and close alliances with key international players through ONGC Videsh. Intention is to invite foreign participations to explore Category-II and Category-III basins which match size and scale of expectations and portfolio of these large players.



Press Release

In fact during the ongoing discussions there has been an opportunity for ONGC to raise issues which are critical for ONGC to achieve the objectives of delivering value to all stakeholders. Despite uneconomical gas prices, ONGC has been aggressively pursuing its deepwater projects in East Coast and couple of shallow water projects in West Coast. ONGC has also a plan of acquiring much larger acreage through OALP. There are certain issues around structure where decisive steps can be evaluated only once the industry is completely under GST regime.

So, it can be stated that the ongoing discussions are neither new nor intended to limit role or growth of ONGC. Requirement and opportunity for ONGC is to play an even more pronounced role in improving energy security of the country. ONGC feels confident and comfortable that the ongoing discussions within ONGC and with its stakeholders will help delivering greater value to all stakeholders, and make ONGC a much stronger commercial organization, at par with the best in the world.

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