



**ONGC News, 04.12.2020 Print**

## **\$40 oil price needed to make basic capex viable: ONGC**

OIL PRICE needs to be around \$40-\$45 a barrel to support basic investments in oil fields, state-run ONGC's finance chief Subhash Kumar said at a virtual energy event on Thursday. That much oil price is needed to support the production that could replace the normal depletion in the fields.

## ■ Australian Co Blocks OVL's Senegal Deal



**NEW DELHI** In a setback to ONGC Videsh Ltd, Australia's Woodside Petroleum on Thursday said it has exercised its right to match an offer

by the Indian company to buy FAR Ltd's stake in the \$4.2 billion Sangomar oil project in Senegal. OVL, the overseas investment arm of state-owned Oil and Natural Gas Corporation (ONGC), had last month reached a deal to buy Australian firm FAR Ltd's 13.67% stake in the Sangomar project off Senegal's shore for \$45 million. That deal was subject to a waiver of pre-emption rights by partners. "Woodside has given notice exercising its right to pre-empt the sale by FAR to ONGC Videsh Vankorneft Pte Ltd (a unit of OVL) of FAR's entire participating interest in the Rufisque, Sangomar and Sangomar Deep JV," the Australian company said.

# Australian firm blocks OVL's Senegal oilfield deal

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# Australia's Woodside Petroleum blocks OVL's Senegal oilfield deal

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"Woodside has given notice exercising its right to pre-empt the sale by FAR Senegal RSSD SA (FAR) to ONGC Videsh Vankorneft Pte Ltd (a unit of OVL) of FAR's entire participating interest in the Rufisque, Sangomar and Sangomar Deep (RSSD) joint venture," the Australian company said in a statement.

FAR has a 13.67 per cent interest in the Sangomar exploitation area and a 15 per cent interest in the remaining Rufisque, Sangomar and Sangomar Deep evaluation area.

This would have been

the first acquisition by ONGC Videsh Ltd in two-and-a-half-years.

But with Woodside exercising the pre-emption rights, the deal is all but gone, a source with knowledge of the development said. Sangomar is a joint venture with Woodside Petroleum and Senegal's national oil company, Petrosen.

FAR had said last month it would exit the troubled \$4.2 billion Sangomar project by selling its stake to ONGC Videsh Ltd.

"The acquisition is value-accretive for Woodside shareholders and results in a streamlined joint venture which will assist in our targeted sell-down in 2021," Woodside Chief Executive Officer Peter Coleman said in a statement.

Woodside's stake in the Sangomar joint venture will increase to 90 per cent and the company will remain as an operator.

"The terms of Woodside's acquisition will reflect those of the FAR/OVL transaction,

including payment to FAR of \$45 million; reimbursement of FAR's share of working capital, including any cash calls, from 1 January 2020 to completion; and entitlement to certain contingent payments capped at \$55 million," it said. Woodside in August exercised its right to match a \$400 million offer by Russia's Lukoil to buy Cairn Energy's stake in the RSSD project, making it the largest shareholder.

Woodside, the operator of the block, at present has a 68.33 per cent stake in the Sangomar field and 75 per cent interest in exploration area.

Petrosen holds an 18 per cent stake interest in Sangomar field and 10 per cent in the exploration area of the RSSD Block. The Perth-headquartered Woodside said its offer is subject to approval by the Senegal government and FAR shareholders.

It plans to commence drilling next year in order to meet its targeted first oil in 2023. PTI

# IGX gets approval from PNGRB to operate as gas exchange

## OUR BUREAU

New Delhi, December 3

The Indian Gas Exchange (IGX) has been authorised to operate by the Petroleum and Natural Gas Regulatory Board (PNGRB). This approval has been given under the PNGRB (Gas Exchange) Regulations, 2020 for 25 years. These regulations were notified by PNGRB on September 28, 2020.

IGX said that it had submitted its application for authorisation on October 8, 2020 under the new regulations of PNGRB.

IGX was established in 2020 as India's first auto-



IGX is a wholly-owned subsidiary of the Indian Energy Exchange

mated national-level trading platform for physical delivery of natural gas. It is a wholly-owned subsidiary of the Indian Energy Exchange (IEX).

The IGX platform provides a neutral and

transparent marketplace to multiple buyers and sellers to trade in spot and forward contracts at designated physical hubs, the statement said.

PNGRB Chairperson DK Sarraf, said, "With this development, IGX has become first regulated gas exchange in the country. The Exchange will play an instrumental role in transparent discovery of gas prices, accelerate investments in the value chain, aid in capacity utilization of pipelines as well as boost consumer confidence and in turn increasing gas demand in the country."

# OPEC+ resume talks on oil policy after impasse

OPEC and Russia have moved closer to a compromise over oil supply policy for 2021 after talks earlier this week failed to yield a decision on how to tackle weak oil demand amid a second coronavirus wave, OPEC+ sources told *Reuters*.

The Organisation of the Petroleum Exporting Countries, Russia and allies, a group known as OPEC+, had previously been expected to extend existing oil cuts of 7.7 million bpd, or 8 per cent of global supplies, until at least March.

But after hopes for a speedy approval of anti-virus vaccines spurred an oil price rally at the end



of November, several producers started questioning the need to keep such a tight rein on oil policy, as advocated by OPEC leader Saudi

Arabia. OPEC+ sources have said Russia, Iraq, Nigeria and the UAE have all to a certain extent expressed interest in supplying the market with more oil in 2021. "Things are heading towards a compromise," one OPEC delegate

said. Energy Aspects, a consultancy, wrote: "We understand that there has been tentative progress in discussions between OPEC+ members today and that ministers are inching closer to a compromise that should break the impasse." **REUTERS**

# MPC likely to hold policy rates as oil prices may spike inflation

Retail inflation continued its surge for the ninth month in a row to reach 7.61% in October

Rajeev Jayaswal

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**NEW DELHI:** Taking the economy out of a technical recession without stoking inflation is a major challenge in the preparation of the Budget for 2021-22, and some of the contours of this challenge, government officials say, will be set by the Reserve Bank of India's (RBI) monetary policy decision on Friday.

The officials believe the committee may not immediately cut interest rates at a time when global oil prices are heading north. The RBI's immediate priority is to tame inflation, they added. And growth has been better than expected, with GDP for the second quarter contracting



Officials said they do not see inflation softening immediately as oil prices have jumped by over \$7 a barrel in just one month. MINT

only by 7.5%, bettering analyst estimates by a bit. A Bloomberg poll of 29 economists showed that no one expected a rate cut.

This means North Block may have to do more to drive growth, and hope that the inflation will fall within RBI's comfort zone sometime early next year, opening up the possibility of a rate cut. India's policy rate has been

at 4% for the past seven months.

"There is a need to cut policy rates to boost the economy, which fell into a 'technical recession' with contraction in two consecutive quarters. But RBI may not opt for it because of two reasons—already high inflation and surging crude [oil] prices," one of the officials said.

The Indian economy shrank

23.9% in the first quarter of 2020-21 mainly due a nationwide lockdown because of the Covid-19 pandemic, but saw a sharp improvement in the second quarter with a contraction of 7.5%. However, retail inflation continued its surge for the ninth month in a row to reach 7.61% in October, the highest since May 2014. It is well in excess of RBI's comfort band of 4% plus or minus 2%

The officials said they do not see inflation softening immediately as global crude oil prices have jumped by over \$7 a barrel in just one month and benchmark Brent crude touched \$48.25 a barrel on Wednesday. A \$10 per barrel increase in crude price adds about 49 basis points to inflation, they added. One basis point is a hundredth of a percentage point.

"India is the world's third biggest importer of crude after the US and China. High oil prices have a direct bearing on transport fuels, particularly diesel,

which has an inflationary impact," a second official said. Due to a spike in global oil prices, pump prices of petrol in Delhi have risen by ₹1.60 per litre and diesel by ₹2.38 a litre in less than a fortnight.

"Currently, the oil cartel is deliberating their strategy to raise crude prices further by squeezing supply," the second official said. He was referring to the Opec+, which is expected to continue existing output cut of 7.7 million barrels per day, about 8% of global supplies, in the first three months of 2021.

DK Srivastava, chief policy advisor at consulting firm EY India said a cost push CPI inflation would affect the next budget in three ways: designing a fiscally expansionary budget, reducing the tax burden on petroleum products; and higher food, fertiliser and petroleum subsidies since these are directly linked to petroleum prices.

The Union finance ministry declined to comment.



**NOTICE BOARD** CORPORATE ASSOCIATE DIARY APPOINTMENTS, MOVEMENTS, CELEBRATIONS, HONOURS



**HACKATHON - NTPC**

RK Singh, Minister (IC) for Power and New & Renewable Energy launched the Green Charcoal Hackathon organised by NVVN, a wholly owned subsidiary company of NTPC, to find greener solutions for growing air pollution concerns.



**CSR-OIL**

The students who were beneficiaries of OIL's popular CSR initiative - Oil India Super 30 - have excelled in their entrance exams. In the engineering batch of 2019-20, a 96% success rate has been recorded across its six centres.



**MOA - REC**

REC partners with CII for skill training and employment of underprivileged youth from seven states. A MOA was signed between Srinivas Shroff Nagesha Rao - CEO, REC Foundation and Sougata Roy Choudhury - Executive Director, CII.



**CONVOCATION - IIT ROORKEE**

IIT Roorkee recently organised its virtual Annual Convocation, wherein Ashok Soota, Executive Chairman, Happiest Minds Technologies Ltd, was the Chief Guest. A total of 1889 students were conferred upon their respective degrees virtually.



**LAUNCH - INDIANOIL**

Branded as XP100, 100 Octane was launched across 10 cities by D Pradhan, Minister of PNG & Steel, in the virtual presence of T Kapoor, Secy, MoP&NG, SM Vaidya, Chairman, IndianOil, and other officials.



**AGREEMENT - NHSRCL**

NHSRCL recently signed contract agreement with Larsen & Toubro for the country's biggest infrastructure contract for design and construction of 47% of MAHSR alignment including 4 stations and depot.



**PLEDGE - CRPF**

CRPF has joined hands with ORBO & AIIMS Delhi for a massive organ donation campaign - 'e-sanjeevani'. In a short span of time, the campaign has garnered pledge of more than 80000 personnel and their family members.



**SAMVIDHAN DIWAS - NSIC**

To commemorate the "Samvidhan Diwas", Shri Vijayendra, CMD, NSIC read the Preamble to the Constitution with all the NSIC employees, in presence of P. Udayakumar, Dir.(P&M) and G Dixit, Dir. (Fin), NSIC.



**MOU - PFC**

PFC along with REC recently executed MoU with STPL for Extending Term Loan of Rs. 8520.46 Crore for 2x660 MW Buxar Thermal Power Project, in presence of RS Dhillon, CMD, PFC, NL Sharma, CMD, SJVN, and others.



**APPOINTMENTS**

**BHEL** On her appointment as Director on the Board of BHEL, Renuka Gera has assumed charge as Director (Industrial Systems & Products) of BHEL. Significantly, she is the first woman employee of BHEL to reach the level of Director. Prior to this, Gera was heading BHEL's Industry Sector business segment as Executive Director. She has over 36 years of holistic and hands-on experience in various verticals. During her career span, she has had extensive involvement in HVDC projects in the country and was Project Manager of one of the largest HVDC Multi-Terminal projects in India.

**GAIL** MV Iyer assumed charge as Director (Business Development) of GAIL recently. Before this, he was working as ED (Projects) with GAIL. Iyer has 33 years of rich and diverse experience in GAIL in projects execution amounting to Rs 40,000 crores. Iyer is also Director in one of the GAIL's new Joint venture company IGLG for implementation of North East Gas Grid.



**REC** Gorityaia Veera Mahendar has joined as Member (E&C), CEA. He has vast experience of 37 years in the Power sector. He was on deputation to A P. Electricity Regulatory Commission as Joint Director (Tariff) and played critical role in reforms of Andhra Pradesh Electricity sector. He joined REC in 2013 and headed Entity Appraisal division, introduced new Financial products and New Investments. Before joining CEA, he was with the Procurement and Contracts division and spearheaded Government E Markets (GeM) implementation in REC.



**FÉLICITATION - IRCON**

KIIT, Bhubaneswar at its 16th Annual Convocation, held in virtual mode, conferred Honoris Causa Degrees of D.Litt. upon SK Chaudhary, CMD, IRCON. Sri Sri Ravi Shankar was present on the occasion through virtual mode.

**PNB** has completed IT integration of all branches of the erstwhile Oriental Bank of Commerce with PNB. All customers of eOBC are now migrated to CBS of PNB wherein they can transact seamlessly via existing branches & digital banking channels like Internet Banking & Mobile Banking. The entire migration has been completed without any change in their account numbers, debit cards or Net Banking credentials. On this achievement, MD & CEO of PNB, CH.S.S. Mallikarjuna Rao, said, "It is a moment of accomplishment for us to be able to offer synchronised services across eOBC branches and digital delivery channels."

**NBCC** has yet again won the coveted status of "Great Place to Work". This is the second consecutive year when NBCC has received this celebrated and distinguished status. This significant achievement of NBCC is a direct outcome of consistent efforts put in by its HRM Team and Management. Even during the global pandemic, HRM Team has successfully managed to provide a healthy and safe working environment to their employees and contract workers engaged across various locations for their well-being.

**ITPO** The 43rd AGM of ITPO was held recently through video conferencing, which was attended by LC Goyal, CMD, ITPO, members of ITPO's Board, including senior officials from the Ministry of Commerce & Industry, Gol. While addressing the AGM, Goyal mentioned that ITPO was able to generate a total income of Rs.241.96 crore and a net surplus of Rs.87.21 crore during 2019-20.

**EIL** and CSIR-NCL have signed a MoU and MoA for development and commercialization of Technologies. The MoU was signed by Prof. Ashwini Kumar Nangia, Director CSIR-NCL and Suresh C. Gupta, CGM and Head, R&D Division, EIL on 10th November, 2020. Subsequently, the MoA was signed on 26th November, 2020 through video conference in the presence of Vartika Shukla, Director (Technical), EIL. With Di-methyl Ether (DME) emerging as a new sustainable alternative and potential blend for LPG, this synergy between the catalysis & chemicals expertise of CSIR-NCL and the engineering prowess of EIL will lead to a significant reduction in the nation's LPG/Crude oil and bolster the Atmanirbhar Bharat initiative.

**SAIL** AK Chaudhary, Chairman, SAIL and Chairman, CII PSE Council, chaired the PSE Summit 2020 organized on the topic of "PSEs: Furthering Atmanirbhar Bharat" held recently. During his welcome address, he said "Increasing self-reliance is the cornerstone today for better economic performance and that is why Atmanirbhar Bharat has become so close to our thoughts and actions and today's summit is marked to celebrate the very spirit of Atmanirbhar Bharat". "Perform or Perish" is the key that has gripped both the Industry in general and PSEs in particular", he added.

**Sahitya Akademi** The Prime Minister of India Narendra Modi recently announced the successful completion of translations of 10 selected titles from 10 Indian languages during the virtual meet with the SCO heads. Announcing the completion of translation, the Vice President of India Venkaiah Naidu said translation of these Indian regional literatures into Chinese and Russian languages is bound to encourage wider interest in ancient and rich Indian cultural heritage among the masses outside.

**DRDO** has increased the number of ICU beds to 500 in Sardar Vallabhbhai Patel Covid Hospital at Delhi Cantonment on the advice of Union Government, in view of the rising number of cases in Delhi NCR. All the beds are provided with oxygen support. Director General Armed Forces Medical Services (DGAFMS), Lt Gen Anup Banerji, SM, PHS, has been continuously monitoring the updating of the facility to meet the current upsurge and the information has been updated on Delhi Government portal.

**Embassy of Russian Federation** Dr. Reddy's Laboratories Ltd. and Russian Direct Investment Fund (RDIF) recently announced that they have commenced adaptive phase 2/3 clinical trials for Sputnik V vaccine in India after receiving the necessary clearance from the Central Drugs Laboratory, Kasauli, India. Commenting on this development, Russian Ambassador to India Nikolay R. Kudashev said, "We welcome the launch of adaptive phase 2/3 clinical trials for Sputnik V vaccine in India by Dr. Reddy's Laboratories Ltd. & Russian Direct Investment Fund. Comprehensive cooperation in countering the spread of the novel coronavirus infection is a priority area of the Russian-Indian bilateral and multilateral strategic partnership. We are ready to continue every interaction and coordination in this area to support global efforts to combat COVID-19."

**IGNOU** recently observed Constitution Day by reading the preamble of the Constitution. The President led the nation in reading the Preamble to the Constitution of India. Prof. Nageshwar Rao, VC, IGNOU read the preamble along with other IGNOU officials at IGNOU Headquarter. IGNOU's School of Law (SOL) also celebrated the Constitution Day/Samvidhan Divas and conducted one-hour live and interactive discussion on Gyan Darshan channel on the theme "Seventy Years journey of Constitution of India (1950-2020)".

## 'OPEC+ agrees on output hike'

*London/Dubai:* The Organization of the Petroleum Exporting Countries (OPEC) and Russia, a group known as OPEC+, on Thursday agreed to a modest oil output increase from January by 500,000 barrels per day (bpd) but failed to find a compromise on a broader and longer term policy for the rest of next year, sources said. The development helped oil prices edge up, as Brent crude was trading 39 cents, or 0.8 per cent, higher at \$48.64 a barrel by 12:22 p.m. EST (1722 GMT), while US West Texas Intermediate (WTI) crude increased by 29 cents, or 0.6 per cent, to \$45.57. **REUTERS**

## आईडीएक्स को मंजूरी

नई दिल्ली। इंडियन एनर्जी एक्सचेंज ने गुरुवार को कहा कि उसकी सहायक इंडिया गैस एक्सचेंज (आईजीएक्स) ने पेट्रोलियम एवं प्राकृतिक गैस नियामक बोर्ड से एक गैस एक्सचेंज के रूप में काम करने की मंजूरी मिली है। आईडीएक्स भारत का पहला स्वतः डिलीवरी आधारित गैस ट्रेडिंग मंच है। इंडियन एनर्जी एक्सचेंज ने एक बयान में कहा कि आईजीएक्स ने पीएनजीआरबी नियमन, 2020 के तहत 25 वर्षों तक गैस एक्सचेंज के रूप में काम करने के लिए आवश्यक प्राधिकार हासिल कर लिया है।