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Farmers oppose proposed move for hydrocarbon extraction

Villagers climb over exploratory well as mark of protest

SPECIAL CORRESPONDENT
PUDUKOTTAI

A cross-section of farmers and the general public of Karukakurichi Vadatheru in Karambakudi block in the district have expressed stiff opposition to the proposed move by the ONGC to carry out exploration of hydrocarbons in their village.

Their opposition comes in the wake of the Ministry of Petroleum and Natural Gas' announcement, inviting companies through international competitive bidding for exploration of hydrocarbons in various locations in the country, including in Karukakurichi Vadatheru.

As news of the proposed move spread, a section of villagers expressed strong resentment by climbing over an exploratory well, established by the ONGC nearly three decades ago in Karukakurichi Vadatheru, opposing any move to carry out exploration of hydrocarbons in their village. The protesters were led by the Tamil Nadu Vivasayigal Sangam's district president, M.K. Arokiasamy. This prompted revenue and police officials to visit the village.



Farmers of Karukakurichi village in Pudukottai district staging a protest against the proposed move to explore hydrocarbon.

Mr. Arokiasamy said the place where it was proposed to carry out the exploration for hydrocarbons fell under the Protected Special Agricultural Zone, covering the entire delta region and parts of Pudukottai district. The protest resorted to by the villagers of Neduvasal and those in its vicinity for over 100 days in 2017, opposing the hydrocarbon exploration project, had necessitated the government to stop the project. The recent announcement to carry out exploration of hydrocarbons in Karukakurichi Vadatheru too will be stoutly opposed. It is a fertile area like the delta region, said Mr.

Arokiasamy.

Exploration of hydrocarbons will not just affect farming, but also lead to further deterioration of the water table, he said.

The Tamizhaga Anaithu Vivasayigal Sangakalin Orunkinaippu Kuzhu's president, P.R. Pandian, who visited Karukakurichi Vadatheru, told reporters that the proposed move by the Centre went against the interests of Tamil Nadu.

T. Jayaraman, chief co-ordinator of the Anti-Methane Project Federation, said the extraction of hydrocarbons through the harmful process of hydraulic fracturing would harm the water table.

PRADHAN HAD SAID GOVT COS CAN'T HOLD ON TO FIELDS INDEFINITELY

Undeveloped oil fields: Govt plans monetisation amid low recovery, shift to renewables

KARUNJIT SINGH

NEW DELHI, JUNE 13

LOW RECOVERY of oil and gas from domestic fields and growing sentiment against fossil fuels have led to the government deciding to move ahead to monetise undeveloped fields and mature fields with falling output, according to government officials.

Last Thursday, Petroleum Minister Dharmendra Pradhan said that government companies cannot hold on to undeveloped resources indefinitely and suggested that these companies should seek to find technology partners or investors who can bring the expertise to monetise such fields quickly. India imports more than 85 per cent of its crude oil requirements.

"There is a sentiment developing against fossil fuels if you look at the latest report by the IEA (International Energy Agency) and the judgment against Shell. So people will be reluctant to invest in oil and gas (in the future) and what may happen is that the resource in the ground might remain there unless we monetise it

EXPLAINED

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Plan to rope in partners

THE OUTPUT of two of the country's major upstream players, ONGC and Oil India, have fallen over the years, even as India aims to lower its dependence on imports. To ensure their resources are utilised more, the Centre has proposed finding technology partners or investors who can bring the expertise to monetise such fields.

quickly," said a government official who wish to be anonymous.

The IEA had last month published a report recommending a halt on all new oil and gas investments to reach a goal of net-zero carbon emissions by 2050.

Separately, a Netherlands court has ruled that oil and gas major Shell must cut its carbon dioxide emission by 45 per cent by 2030 relative to 2019 levels.

"Whatever resource we iden-

tify underground, hardly 30-40 per cent are recoverable (by state-owned companies), why not 50-60 per cent?" said the official, noting that the Centre wanted to expand oil and gas development activity in the country and bring in more players so that new technology is brought into the domestic hydrocarbon production sector to increase the recovery factor of fields.

"If there is good management and execution, the recoveries can be increased," he said, adding that even relatively new fields such as ONGC's KG-DWN-98/2 field could benefit from expertise of large private players in recovering reserves in ultra deepwater fields.

Crude oil production by both state-owned upstream players ONGC and Oil India has fallen over the past five years, with natural gas production remaining stagnant despite both companies reporting net additions to their crude oil and natural gas reserves through new discoveries and acquisitions.

India's crude oil production has fallen from a peak of 38.1 million metric tonnes in FY15 to 30.5 million metric tonnes in 2020-21.

EXPERT VIEW

The recently auctioned 5.5 mmscmd from the new KG basin saw low demand from the three key LNG-consuming segments, mitigating a key concern of domestic gas replacing LNG usage for the target customers of PLNG

—Jefferies

Govt challenges O&G fields arbitration award in the UK

THE GOVERNMENT HAS challenged before an English High Court an arbitration award over a cost recovery dispute in the western offshore Panna-Mukta and Tapti oil and gas fields of Shell and Reliance Industries Ltd. An arbitration “tribunal gave favourable award on January 29, 2021,” Reliance has said in its latest annual report. “On April 9, 2021, Tribunal issued its decision on the Clarification Applications of both the parties. It granted the minor correction requested by the Claimants (Reliance and Shell) and has rejected all of the Government of India's clarification requests,” it said without giving details.

Petronet-Tellurian \$2.5-bn pact for LNG shelved

A PLANNED \$2.5-BILLION deal between Tellurian Inc and India's largest gas importer Petronet LNG has fallen through as the US-based firm hadn't made any request to continue interactions after December 2020, Petronet MD and CEO Akshay Kumar Singh said on Wednesday. "The (Tellurian) MoU has not been extended", Singh said. On September 21, 2019, Tellurian and Petronet LNG had signed an MoU to form a joint venture, with Petronet investing \$2.5 billion in Tellurian's Driftwood LNG export terminal in the US in exchange for the rights to 5 million tonnes per annum (MTPA) of LNG supply over 40 years.

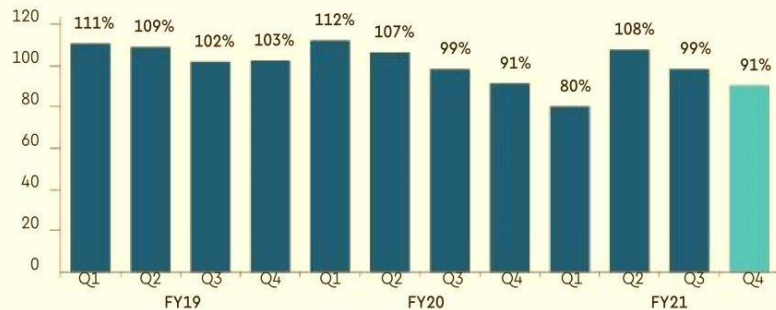
● **PETRONET LNG RATING: BUY**

Volumes were steady amidst industry decline

H1FY22 to be impacted due to Covid curbs; FY22-23 EPS down 6-6.5%; valuations are attractive; 'Buy' retained

Utilisation at Dahej fell to 91% during the quarter

Dahej capacity utilisation (%)



Source: Jefferies, company data



PLNG REPORTED FLAT volume y/y against JEFfe of +3%. With India's LNG imports down 12% y/y in Q4FY21 owing to a sharp spike in Spot prices, PLNG gained 700bps market share y/y. Ebitda missed JEFfe by 12% on lower volume and negative operating leverage. We cut earnings by 6-6.5% for FY22-23E, owing to the impact on volume from the continued COVID-related restrictions. Maintain **Buy** with new ₹320 PT amid attractive valuation at 11x FY22E P/E (~20% disc to hist avg).

Volumes: Volumes at Dahej was -1%

y/y, as against -12% for industry. Utilisation at 91% was the lowest since Q1FY21 on lower Spot vol in January owing to sharp spike in Spot LNG prices. Kochi volumes rose 8% y/y but remains a small contributor to overall volumes, with ~95% of overall volumes still coming from Dahej. Overall volumes were almost flat y/y, missing JEFfe (3% growth).

Ebitda 12% below JEFfe: Ebitda missed JEFfe on lower volume, higher employee cost owing to COVID-related provisions and higher-than-expected

fixed costs resulting in negative operating leverage. PAT missed JEFfe as Other Income declined 56% q/q, owing to ₹180 mn of FX losses booked during the quarter as opposed to ₹300 mn FX gain in Q3FY21.

We have cut FY22-23E EPS by 6-6.5%: PLNG's Q1FY22 volume has seen some impact from the pandemic-related restrictions across the country. We have lowered our vol est for FY22-23E by 1.5%-2% and built in negative operating leverage.

Latest domestic gas auction has limited negative impact on LNG volume

PLNG's Q1FY22 volume has seen some impact from the pandemic-related curbs across the country. We have lowered our vol est. for FY22-23E by 1.5%-2% and built in negative operating leverage

outlook: The recently auctioned 5.5 mmscmd from the new KG basin saw low demand from SOE fertiliser plants, IOCL's refineries along JHPL, and CGD players —

the three key LNG-consuming segments, mitigating a key concern of domestic gas replacing LNG usage by the target customers of PLNG.

Maintain Buy: We maintain **Buy** on PLNG with ₹320 PT (from ₹335 earlier), based on DCF assuming a 12% CoE, also noting that current valuation at ~11x FY22E P/E is attractive in the context of leadership position among LNG operators and strong earnings visibility.

JEFFERIES

Dharmendra Pradhan inaugurates oxy plant at Maharaja Agrasen Hospital

New Delhi: Petroleum minister Dharmendra Pradhan on Sunday inaugurated a medical oxygen generating plant at Maharaja Agrasen Hospital in New Delhi, the first of 7 such units being set up by state-run oil companies in the national capital ahead of the possible 3rd wave

of the Covid-19 pandemic.

The medical oxygen generating plant and booster unit at Maharaja Agrasen Hospital in Punjabi Bagh has been set up by Indraprastha Gas Ltd, which

can also be used to fill oxygen cylinders, a statement said.

“This is part of an overall strategy to be ready for any possibility of 3rd wave of

pandemic in the country,” Pradhan said. The plant at Maharaja Agrasen Hospital will be operated and maintained by the IGL for one year. The plant at Maharaja Agrasen Hospital has a capacity of 60 NM³/hour, which can give oxygen with purity of upto 96%.



Petrol, diesel prices remain unchanged on Sunday

New Delhi: Fuel prices which have been rising over the past one month remained unchanged in the national Capital on Sunday. In Delhi, petrol was sold for ₹96.12 while diesel was priced at ₹86.98 per litre, both at the same levels on Saturday. Fuel prices have increased in the last two consecutive days across the country. In the financial capital of the country, Mumbai, both petrol and diesel were sold for ₹102.30 and ₹94.39 per litre, respectively. **PTI**

Target to set up 1,213 plants of O2 across India: Pradhan



STAFF REPORTER ■ NEW DELHI

Petroleum Minister Dharmendra Pradhan inaugurated Pressure Swing Adsorption (PSA) at Maharaja Agrasen Hospital, Punjabi Bagh on Sunday.

While inaugurating the oxygen plant, he said since there are indications of the third wave of corona in the country, the Central Government wants to make

sure that the health system of the country is completely sound and this time there will be no panic regarding oxygen. No life should be lost at least not due to lack of oxygen.

There is a target of setting up 1,213 PSA oxygen plants across the country from the PM Care Fund which will be completed by July next month. "The production capacity of the new plants to be set up will be 35000 metric tonnes per day,"

he said.

State BJP President Adesh Gupta, Member of Parliament Parvesh Sahib Singh, State BJP Media Head Naveen Kumar, State Secretary Sunita Kangra, Former MLA Dr. Nandkishore Garg, District General Secretary Sunil Mittal, President of Maharaja Agrasen Hospital Shri Ashok Gupta and General Secretary Sunil Aron was present.

"All the companies under the Ministry of Petroleum are setting up such plants from place to place with their CSR funds," "IGL in Delhi has installed a plant, installed with the funds of ₹2.5 crore, has a capacity of 2.5 tonne. With this 400 to 500 cylinders can be filled per day," the minister said.

"Gas can also be supplied from here and cylinders can also be filled. This step has been

taken keeping in view the problems that were faced by the people of Delhi for home treatment during this second wave," he added further.

State BJP President Gupta said that, when there was acute shortage of gas in Delhi, people were wandering here and there with cylinders, BJP workers went door to door and delivered 100 oxygen cylinders daily. "Everyone saw the way BJP workers worked in the whole country with the spirit of service and unity. Within the three corporations, 6 PSA oxygen plants have been approved and the work is going on at a fast pace. With this plant, which has been installed in Maharaja Agrasen Hospital today, people can get the cylinder filled and take home, so the same can be used in an emergency," he added.

जुलाई तक 1213 ऑक्सीजन प्लांट लग जाएंगे

नई दिल्ली। पेट्रोलियम मंत्री धर्मेन्द्र प्रधान ने पंजाबी बाग स्थित महाराजा अग्रसेन हॉस्पिटल में पीएसए ऑक्सीजन प्लांट का उद्घाटन किया। इस मौके पर उन्होंने कहा कि देश में कोरोना की तीसरी लहर का संकेत मिलने के बाद से केंद्र सरकार इस बात को लेकर आश्वस्त होना चाहती है कि देश की स्वास्थ्य व्यवस्था पूरी तरह से सुदृढ़ रहे और इस बार ऑक्सीजन को लेकर किसी तरह की अफरा-तफरी का माहौल न बने। किसी भी बीमार की जान कम से कम ऑक्सीजन की कमी से न जाए। उन्होंने कहा कि इसके लिए पीएम केयर फंड से पूरे देश में 1213 पीएसए ऑक्सीजन प्लांट लगाने का लक्ष्य निर्धारित किया गया था, अगले माह जुलाई में पूरा हो जाएगा।