ONGC News as on 06 February 2025 (Print & Online)

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Date :6 February 2025	Page : 11

EXPECTS INCREMENTAL OUTPUT FROM MUMBAI HIGH BY MAR 2026

ONGC sets FY26 capex target at ₹36,920 crore

ARUNIMA BHARADWAJ
New Delhi, February 5

STATE-OWNED OIL EXPLORATION and production company Oil and Natural Gas Corp (ONGC) has set its capex target for the upcoming financial year 2025-26 at ₹36,920 crore, the company said in its investor meet.

Of the total amount, the company intends to spend 38% as capital, 30% in development drilling, and 20% in exploratory drilling. The remaining amount will be spent in integration projects, research and development, and surveys.

So far, in the first nine months of the current fiscal 2024-25, the company has incurred a capex amounting to ₹45,335 crore.

In the domestic exploration front, the company is targeting a compound annual growth rate of 49% in its acreages at 300,000 square kilometre in FY26 against 180,000 sq km in FY25, it said in its investor presentation. For FY27, ONGC aims for its acreage under exploration to reach 400,000 sq km.

With 25 major (11 development and 14 infrastructure) projects with an investment of ₹74,474 crore in pipeline, the company has guided for growth of 3.4% (CAGR) in its domestic production at 44.51 mmtoe (millions metric tonnes of oil equivalent) in FY26 and 45.61 mmtoe in FY27. In FY25, the production stood at 42.44 mmtoe.

The state-owned upstream company is aiming to intensify its exploration activities, monetise discoveries, and maximise recovery from matured fields.

The company expects to complete Cluster –II of the KG-DWN-98/2 project by March 2025 with an envisaged gain of 44.74 mmtoe in its output.

ONGC had recently announced BP Exploration (Alpha) Ltd as its technical service provider to enhance the production from Mumbai High field. BP has indicated a substantial increase in Oil and Oil Equivalent of Gas (O+OEG) production (up to 60%) from baseline production levels over a 10-year contract period. The company expects incremental production from the field to begin from March 2026.

The company has also laid out a roadmap for its diversification in the renewable energy sector which will primarily be carried out by its subsidiary ONGC Green. ONGC Green aims at 1 gigawatt (GW) of RE capacity by the end of FY25 through asset acquisition with a capex of ₹1,000 crore, the company said.

CAPITAL GOALS

- During the first nine months of the current fiscal 2024-25, the company has incurred a capex amounting to **₹45,335 cr**
- The firm aims to intensify exploration activities, monetise discoveries, and maximise recovery from matured field
- It intends to spend **38%** of capex as capital, **30%** in development drilling, and **20%** in exploratory drilling

- With 25 major projects at an investment of **₹74,474 crore** in pipeline, the firm has guided for growth of **3.4%** (CAGR) in domestic production

Publication : Business Standard	Editions : New Delhi
Date :6 February 2025	Page : 19

BARREL OF TROUBLE

Trump's tariffs on his major trading partners and India's 2025–26 Budget jeopardise the country's growing demand for fuel and put oil company finances under strain

S DINAKAR
Amritsar, 5 February

India's state-owned oil-marketing companies (OMCs) are staring down an abyss in 2025 on the heels of a disappointing annual budget for oil and gas for 2025-26 and from the volatility in oil and gas markets caused by the Trump administration's disruptive energy tariff policies. These developments come amid discounted Russian oil flows, a mainstay of gross refining margins for Indian refiners, slowing to a trickle in the face of the latest US sanctions and expensive alternative supplies.

US President Donald Trump initially threatened tariffs as high as 60 per cent on China and 25 per cent on Mexico and Canada, subsequently reducing rates to 10 per cent for Chinese imports and for energy imports from Canada and Mexico. The changes were effective from Tuesday but have been delayed by at least a month for its North American trading partners.

Trump's tariffs have roiled oil markets over concerns of potential near-term supply disruptions. After an initial spurt, gains on crude oil prices more than halved on the news that some tariffs might be delayed. European benchmark Brent futures are now at $76 per barrel, after closing at around $82 per barrel on January 15, reflecting the volatility from Trump's policy announcements.

Trump on Tuesday ordered reinstating a "maximum pressure" campaign on Iran, which had last year illegally exported around 1.7 million barrels per day (bpd) of oil, primarily to China. In response to the news that Trump would sign the order, benchmark crude oil prices spiked nearly $2 per barrel, UK market intelligence provider Energy Intelligence reported.

China, in turn, has slapped retaliatory tariffs of 15 per cent on US liquefied natural gas (LNG) and 10 per cent on imports of US crude oil. Prices of European gas benchmark TTF, a reference point for spot LNG rates, have increased by more than 30 per cent since December to a 15-month high of over $16 per million British thermal units, said Greg Molnár, gas analyst at the International Energy Agency, in a LinkedIn post.

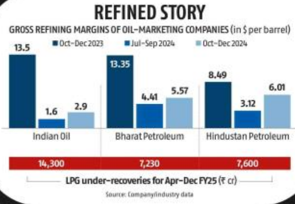
Volatile markets

Volatile oil prices impact India's fiscal position and oil company finances, and a sharp rise in LNG prices threatens to unravel India's projected 12 per cent growth in demand for the fuel this fiscal. While traders may embrace volatility, state-run refiners and Indian policymakers prefer price stability because they are devoid of instruments to hedge volatility at the pump by passing on rate changes to consumers.

"Certainly it helps to have a more stable pricing regime," said Prashant Vasisht, senior vice-president and co-group head, corporate ratings, at Icra, a US Moody's affiliate. "Overall, it could impact their marketing margins because auto fuel levels are static. Higher prices eat away marketing margins."

There have been concerns of run cuts by Indian refiners, but supply availability from other crude oil suppliers does not seem to be an issue for now, said Singapore-based consultancy Facts Global Energy in a report. "Of course, this does impact margins." The country's crude oil basket averaged $82.5 per barrel as of January 21, a sharp rise from $73.3 per bbl in December 2024, it said. The February average is at $78.4 per bbl, according to the oil ministry data.

REFINED STORY



A sharp rise in LNG prices threatens to unravel India's projected 12% growth in demand for the fuel this financial year

The finances of oil-marketing companies rest on a Trishul, an industry source explained. The three prongs of profitability are gross refining margins, or what a refiner makes turning crude oil into fuels; marketing margins, or what Indian Oil or Bharat Petroleum earn from selling petrol and diesel at pumps; and liquefied petroleum gas (LPG) margins. At the moment all three look challenged.

Singapore GRMs, a benchmark for Indian margins, ranged from an anaemic 30 cents to $3 per barrel in the last two weeks. The GRMs remain weak, a Mumbai-based senior analyst said. Margins have more than halved for state-run refiners in the just concluded December quarter from a year earlier, the company data shows.

Marketing margins also seem inadequate to cover low profits from refining. Marketing margins have more than doubled from as low as ₹2.60 per litre late last month, when crude oil was over $80 per barrel, to ₹6 per litre at $76.4 per barrel crude, but the sensitivity to crude oil prices is high, and the current volatility impacts profits at the pump.

LPG drag

Marketing margins at ₹5 per litre are "marginally above average," the analyst said. Typically, in the past, oil-marketing companies would use the swings in marketing margins to compensate for losses incurred from fixed prices of petrol and diesel. LPG under-recoveries were compensated — as seen in the ₹22,000 crore provided to oil marketing companies by the government in 2022-23.

That support is no longer available. Marketing margins on petrol and diesel need to be around ₹8 per litre to compensate for losses incurred on LPG, another analyst said. That would require crude oil at $70 per barrel levels on a sustained basis, something unlikely given the current turmoil in oil markets from Trump's energy policies. The US President's actions against Iran threaten to take more than 1 million bpd of crude oil out of the market — around a fifth of India's oil demand. And with Saudi Arabia-led Organization of the Petroleum Exporting Countries (Opec) oil grouping reportedly comfortable with oil prices of $80 per barrel, it may be reluctant to compensate for the losses of Iranian barrels with Opec barrels.

"LPG is a substantial drag on the profitability of OMCs," Vasisht said. Subsidies provided for direct benefit transfer of ₹1,500 crore, and the ₹9,100 crore allocated for the Ujjwala LPG scheme for 2025-26 are inadequate, he added. OMCs are expected to post under-recoveries of ₹40,000 crore on LPG sales by the end of this financial year, analysts estimate.

Indian Oil's earnings (April-December), after adjusting for LPG under-recoveries, would have been ₹19,000 crore/₹20,000 crore and not ₹5,500 crore, said Smartsun Capital's Sumeet Rohra, a fund manager, in the company's latest quarterly earnings call, according to the transcript. Rohra said that the company had lost a staggering ₹95,000 crore in market cap, and the current market cap is just a third of its assets of ₹4,85,000 crore. Indian Oil Director of Finance Anuj Jain replied that "the government is fully seized of this matter and is definitely going to support OMCs".

Oil minister Hardeep Singh Puri also suggested some form of compensation to OMCs during a press briefing in Mumbai last month. But the government has made no provision in the 2025-26 Budget, presented to Parliament on February 1, to compensate state-run refiners for losses incurred in selling domestic LPG to households at below cost. Fuel prices were unchanged last year because of important state and Lok Sabha elections.

Sanction woes

Adding to refiners' woes is the likelihood of erosion in discounted crude oil from Russia for the next few months. A shortfall in February will be minor, but state-run refiners expect a larger supply gap in March. There may be interruptions in flows in April and uncertainty further down.

Facts Global estimated that 450,000 bpd of Russian crude oil exports to India were at risk following the January 10 sanctions by the US. Others estimate it at 600,000 bpd. State-run refiners have issued tenders for over 15 million barrels of crude oil for deliveries in March and April, with some of the barrels changing hands at a $4-5 per barrel premium over the Dubai benchmark — that compares to premiums of $1-1.5 per barrel prior to sanctions, increasing crude oil sourcing costs for refiners, and further impacting profitability.

Publication : Financial Express	Editions : Mumbai
Date :6 February 2025	Page : 9

A cooling fluid for nextgen data centres

BHARAT PETROLEUM AND Refroid Technologies plan to introduce a liquid coolant for AI-driven data centres. While data centres consume a good amount of energy, which results in substantial heat generation, the liquid coolant aims to improve their cooling efficiency, decrease power usage effectiveness (PUE), and reduce carbon emissions.

Publication : The Tribune	Editions : New Delhi
Date :6 February 2025	Page : 5

CM lays foundation stone of green hydrogen plant

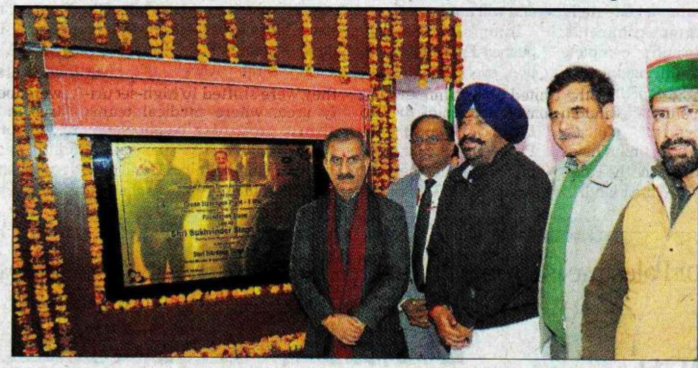
TRIBUNE NEWS SERVICE

SOLAN, FEBRUARY 5

Chief Minister Sukhvinder Singh Sukhu's vision of making Himachal India's first green energy state by 2026 received a major boost as he laid the foundation of North India's first 1 MW Green Hydrogen Plant at Dabhota in Nalagarh tehsil today.

This pioneering project, being developed by Himachal Pradesh Power Corporation Limited (HPPCL) in collaboration with Oil India Limited, is set to be established at a cost of Rs 9.04 crore. He directed the officials to ensure its completion within a year.

Speaking on the occasion, the Chief Minister reaffirmed Himachal Pradesh's commitment to becoming India's first Green Energy State by March 2026. He emphasised that the Dabhota Green Hydrogen Plant marks a major milestone in the state's renewable energy journey. He said "This initiative is a crucial step in Himachal Pradesh's efforts to establish itself as a leader in renewable energy and sustainability."



Chief Minister Sukhvinder Singh Sukhu lays the foundation stone of North India's first 1 MW Green Hydrogen Plant at Dabhota in Nalagarh tehsil on Wednesday.

A MAJOR MILESTONE

- This pioneering project, being developed by Himachal Pradesh Power Corporation Limited (HPPCL) in collaboration with Oil India Limited, is set to be established at a cost of Rs 9.04 crore.
- The Chief Minister reaffirmed Himachal Pradesh's commitment to becoming India's first Green Energy State by March 2026.
- He emphasised that the Dabhota Green Hydrogen Plant marks a major milestone in the state's renewable energy journey.

To further this vision, the state government signed a Memorandum of Understanding (MoU) with Oil India Limited on April 26, 2023, focusing on the development of solar energy, green hydrogen, geothermal energy, and compressed biogas.

He said that following a detailed assessment, a 4,000-square-meter land parcel in Dabhota was selected for the plant. "As the state's first large-scale green hydrogen initiative, this project underscores the government's commitment to sustainable energy solutions. The plant will utilise power from renewable sources to produce hydrogen through electrolysis, using an alkaline potassium hydroxide solution as an electrolyte. This method significantly reduces greenhouse gas emissions and supports a cleaner energy ecosystem," he added.

The Chief Minister informed that, "With a production capacity of 423 kilograms of green hydrogen per day, the plant will require 13 litres of water per kilogram of hydrogen, sourced from underground reserves via tube wells. The production process will consume approximately 52.01 units of electricity per kilogram of hydrogen. Annually, the plant is expected to generate 1,54,395 kilograms of green hydrogen."

He also highlighted the state government's broader focus on green energy, including its progress toward achieving a 500 MW solar energy target.

MLAs Hardeep Singh Bawa, Ram Kumar Choudhary, Vinod Sultanpuri and Sanjay Awasthi, Vice Chairman HPSIDC Vishal Chambyal, Managing Director HP Power Corporation Limited Harikesh Meena, Director (Personnel and Finance) HP Power Corporation Limited Shivam Pratap Singh, CMD Indian Oil Limited Dr Ranjeet Rath were among those present on the occasion.

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Date :6 February 2025	Page : 4

‘Trump may be interested in seeing Indian firms signing US LNG contracts’

ANNE-SOPHIE CORBEAU is a global research scholar at the Center on Global Energy Policy at Columbia University's School of International and Public Affairs. She has more than 20 years of experience in the energy industry and is the author of many publications on gas, LNG markets, Asia, China, India and Africa. Corbeau, in an email interview with **S Dinakar**, spoke about US President Donald Trump's energy policy and its likely impact on India. Edited excerpts:

Q&A

What would be the impact of China's retaliatory tariffs on US energy imports (15 per cent on LNG and 10 per cent on crude)?
This is not the first time such a thing has happened. In 2018, following tariffs put in place by the (first) Trump administration, China put tariffs on US LNG. Eventually, this led to a year without any US LNG exports to China (between March 2019 and April 2020).

This time, volumes at stake are higher (China imported around 6 billion cubic meters of US LNG, against 3 bcm in 2018), but China and the US are not too dependent on each other. It is likely that the LNG will again go somewhere else if it's not competitive against other sources of LNG (especially if China increases the tariffs even further).

What does Trump's energy emergency mean? Two of his executive orders issued within hours of his taking office include the Unleashing American Energy order.
The emergency he is talking about is "an increasingly unreliable grid", requiring swift and decisive action. The emergency is quite centered on electricity, although gas in particular is a key source of this power. US power demand has been quite flat for over a decade, and was expected to increase rapidly in the short and medium terms due to AI (artificial intelligence) and data centres. Now, this might change as DeepSeek (a Chinese startup's AI service) seems to indicate that there will be less energy needed than they thought.

What he is doing with the National Emergency Act is facilitate the deployment of all domestic energy resources, but not solar and wind. It is possible though that his decisions not to support wind and solar eventually mean a higher domestic gas demand in the power sector, and potentially higher prices.

Will this make the fuels more accessible and affordable for countries like India. What would be the impact on LNG prices?
On whether it makes the LNG more affordable, it depends whether Chinese companies importing US LNG will try to replace it with other LNG sources, replace it by pipeline gas or domestic gas production (unsure they can get as much as 6 bcm though) or reduce their consumption. In the last cases, there will be more LNG available on the global gas market, so that should put downward pressure on prices.

> “TRUMP'S DECISION NOT TO SUPPORT WIND AND SOLAR (ENERGY) MEANS A HIGHER DOMESTIC GAS DEMAND IN THE POWER SECTOR, AND POTENTIALLY HIGHER PRICES”
>
> **ANNE-SOPHIE CORBEAU**
> Global research scholar at the Center on Global Energy Policy at Columbia University's School of International and Public Affairs

What impact will the orders have on LNG production and projects? Will it improve global LNG supplies and if so by when?
President Trump has stopped the pause of LNG liquefaction projects. There is no doubt that the administration will put pressure on the DOE [Department of Energy] to rapidly review the applications.

In any case, based on existing capacity the US is the largest LNG exporter. And it will remain so based on capacity under construction. The question is how many US LNG plants will take FID (final investment decision) in 2025 and 2026. We can imagine that US LNG exporters have also been working on securing more contracts during the pause. And that many countries/companies may be interested in signing more offtake agreements in order not to have tariffs.

Will India benefit from these orders or will they hurt its economy?
US LNG is usually sold with a Henry Hub plus formulae, which has been used since Cheniere started exporting in 2016. Therefore, the price of US LNG depends first on the Henry Hub price, which has been relatively low over the past decade (with the exception of 2022). As long as Henry Hub prices remain low, then, the price of US LNG will remain competitive. The other element which is important is the cost of liquefaction, which varies depending on the company/companies developing the LNG plant. Historically, we have seen those varying between \$2.25 and \$3.5/mm Btu. The lower the liquefaction fee, the more competitive US LNG is. That is not something that Trump can decide upon.

Do any of Trump's energy initiatives help India secure oil or gas at an affordable price?
The important thing is that I am not sure Trump is interested in making gas affordable. Competitive, yes. Competitiveness is good, because that means that US LNG is better than competitors. He may be interested in seeing more Indian companies signing long-term contracts to buy US LNG from new LNG export facilities that have not yet taken final investment decisions.

But it also depends on what India deems affordable. I remember an Indian minister saying in 2015 he wanted LNG at \$5/mmBtu, which is very low (and there is no US LNG delivered at that price).

More on business-standard.com

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Date :6 February 2025	Page : 2

RIL, others pledge ₹75K cr for Bengal

FE BUREAU
Mumbai, February 5

SEVERAL CORPORATE HOUSES on Wednesday came forward with big investment proposals at the Bengal Global Business Summit (BGBS) with conglomerates Reliance Industries, JSW Group and RP Sanjiv Goenka group making commitments of more than ₹75,000 crore.

Speaking at the inauguration of the eighth edition of the two-day summit in Kolkata, Reliance Industries (RIL) chairman Mukesh Ambani said that the group will invest ₹50,000 crore by the end of this decade. Ambani added that the investment would generate about 100,000 jobs in the state. "Reliance has already invested ₹50,000 crore in Bengal over the last decade. We will make an additional investment of ₹50,000 crore by the end of this decade. Our investment will cover multiple sectors, including digital services, green energy, and retail," he added.

JSW Group chairman Sajjan Jindal announced an investment of ₹16,000 crore to develop a 1,600-MW power project at Salboni.

Jindal said the company plans to double its capacity with an additional investment of a similar scale.

Chief minister Mamata Banerjee along with industrialists during the eighth edition of the Bengal Global Business Summit, in Kolkata on Wednesday
PARTHA PAUL

He said that the group will invest and facilitate an industrial park project and infrastructure development at Durgapur airport. JSW has a cement grinding facility at Salboni where it holds a huge land bank.

JSW Energy, in an exchange filing, said it has secured an order to develop the 1,600 MW greenfield thermal power project under a competitive bidding process conducted by the West Bengal State Electricity Distribution Company.

Sanjiv Goenka, the chairman of the RP-Sanjiv Goenka Group, has announced an investment of ₹10,000 crore in the state over the next few years.

Speaking at the inauguration ceremony, he said the investment will be focused on three key sectors: energy, healthcare, and education. "We will invest ₹10,000cr in healthcare, energy and education," he said.

Earlier, in her address, chief minister Mamata Banerjee highlighted the state's ongoing infrastructure development, including the construction of six economic corridors along national highways.

She also announced the formation of a synergy committee to facilitate business in Bengal.

"I am announcing the formation of a new state-level synergy committee to facilitate ease of doing business in the state. It will be a one-stop destination for all forms of clearance for doing business in Bengal," she said. "We have a stable government in Bengal, where no man-days are lost," she said, underscoring the state's business-friendly environment.

Diversified conglomerate ITC also announced the opening of its global centre of excellence for artificial intelligence (AI) in the metropolis. The centre was virtually inaugurated by the chief minister.

ITC chairman and managing director Sanjiv Puri highlighted Bengal's potential for investment, noting that the firm, headquartered in Kolkata, has made significant investments in sectors such as hospitality, manufacturing, IT and agriculture.

Bhutan's agriculture minister Younten Phuntsho attended the summit on behalf of the country, instead of Prime Minister Dasho Tshering Tobgay, who was originally expected to lead the delegation.

(With inputs from PTI)

Publication : Financial Express	Editions : Chennai
Date :6 February 2025	Page : 3

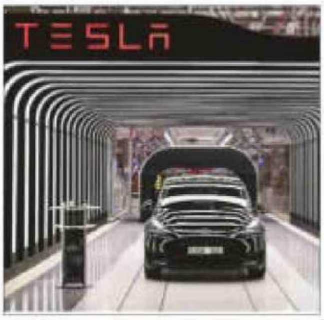
Tesla sales plunge 59% in Germany to lowest level

TESLA'S SALES PLUMMETED 59% last month in Germany, adding to indications that Chief Executive Officer's Elon Musk political activities are hurting the carmaker's business in major electric vehicle markets.

The US manufacturer registered only 1,277 new cars in January, its lowest monthly total since July 2021, according to the German Federal Motor Transport Authority.

Tesla lost substantial ground in an EV market that was up 54% for the month. Musk's intervention in Germany's upcoming federal election likely factored in the result — a poll taken in mid-January found the CEO was viewed unfavorably, and that his political interventions were unwelcome.

Tesla also posted declines in France and the UK last month, meaning its sales fell in Europe's three largest EV markets. In addition to vouching for Germany's far-right Alternative for Germany party and taking on UK Prime Minister Keir Starmer, Musk spent the month cementing his position in the administration of US President Donald Trump, who's threatened to hit the European Union with tariffs.



The company's sales plunged 63% last month in France — the EU's second-biggest EV market, after Germany — and dropped 12% in the UK. Tesla shares traded down as much as 3.1% as of 12:15 p.m. Wednesday in New York.

Musk, 53, hosted a live discussion with AfD leader Alice Weidel on his social media site X on Jan. 9, giving a platform to the co-chair of a party that's opposed Tesla's construction of a plant outside Berlin and taken a dim view on renewable energy. —BLOOMBERG

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Date :6 February 2025	Page : 12

Crude oil dips amid rising US inventories

Singapore: Oil prices slid on Wednesday as rising stockpiles in the US and market worries about a new Sino-US trade war offset President Donald Trump's renewed push to eliminate Iranian crude exports. Brent crude futures were down 0.51 per cent at $75.81 a barrel. US West Texas Intermediate crude lost 0.36 per cent to $72.44. REUTERS

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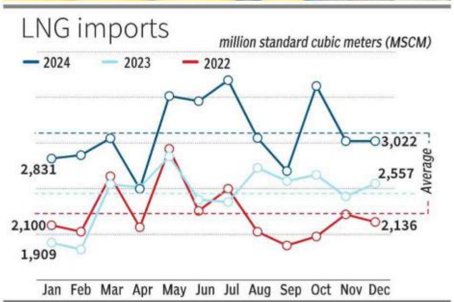
Date :6 February 2025 | Page : 3

India's natural gas production to peak this year, decline thereafter: Wood Mackenzie

Rishi Ranjan Kala
New Delhi



Source: PPAC

India's natural gas production is expected to peak in the current calendar year, after which it is likely to decline at a rate of 3.6 per cent annually until 2030, Wood Mackenzie said in a report.

Besides, falling production amidst rising demand for the commodity — considered the best transition fuel — is expected to push up imports. India is likely to become the world's third largest importer of liquefied natural gas (LNG), after China and Japan, by 2032, with inbound cargoes accounting for 75 per cent of its gas consumption.

"We expect Indian domestic gas production to increase by 4.5 per cent and peak in 2025, then decline by an average 3.6 per cent annually over the next five years, due to structural declines in mature fields and delays in development of new projects," the consultancy said.

FALLING PRODUCTION

After 2030, production is expected to see a 9 per cent annual decline through 2040, driven by the exhaustion of mature fields and slower-than-expected discoveries, Wood Mackenzie said. "The narrative could change, however, if the Oilfields (Regulation and Development) Amendment Bill introduced in August 2024 is implemented effectively," it added.

The bill aims to increase investment in oil and gas exploration and production. Key ultra-deepwater discoveries, such as UD-1 in the eastern offshore basin, could transform India's gas landscape in the future, contingent on favourable policies, faster project execution and advanced exploration techniques. Exploration and production blocks OALP-VIII and OALP-IX were tendered in recent licensing rounds, but the participation of private players and international oil companies was muted, it pointed out.

RISING IMPORTS

India's LNG imports totalled 26 million tonnes per annum (mtpa) in 2024, accounting for more than half of the country's gas consumption.

"We expect LNG demand to continue to grow in the coming years, exceeding 37 mtpa by 2030 and 88 mtpa by 2050, as India's demand for gas rises while its domestic production shrinks. By 2032 already, LNG should account for around two-thirds of India's gas consumption and will become the third largest importer of LNG after China and Japan," Wood Mac said.

LNG consumption saw a whopping 11.5 per cent compound annual growth rate (CAGR) from 2022 to 2024, thanks to lower prices, a rise in industrial demand, subsidies for the fertilizer sector and changes to pipeline tariff mechanism. Industrial gas demand, primarily from the fertilizer and refinery sectors, alone posted a 9 per cent CAGR in 2022-24.

Greater gas availability for new industrial units and the potential expansion of refineries and petrochemical plants will boost Indian industrial gas demand to around 63 billion cubic meters by 2040, it projected.

Sizeable growth will come from the city gas distribution (CGD) sector, which includes the transport, residential, and commercial segments, as well as small industries. The CGD sector's share of the gas consumption mix is expected to increase from 25 per cent to 32 per cent by 2030.

In 2024, Indian LNG buyers sought to renew and sign new long-term LNG supply and purchase agreements for 14.7 mtpa. Spot LNG imports almost doubled to more than 110 cargoes during the year to plug the gap between rising demand and shrinking production. "While the contractual LNG volume sat at around 22 mtpa in 2024, it will surpass 27 mtpa in 2026 with the addition of SPAs signed in 2024. The need to sign further long-term LNG contracts will be key to securing supply," Wood Mac said.

Online

Headline	ONGC sets FY26 capex target at Rs 36,920 cr		
Publication	MSN India	Edition	Online Coverage
Published Date	6 Feb 2025		

ONGC sets FY26 capex target at Rs 36,920 cr

https://www.msn.com/en-in/money/markets/ongc-sets-fy26-capex-target-at-rs-36-920-cr/ar-AA1ytFdD

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Of this, the company intends to spend 38% as capital, 30% in development drilling, and 20% in exploratory drilling. The remaining amount will be spent in integration projects, research and development, and surveys. So far in the first nine months of the current fiscal 2024-25, the company has incurred a capex amounting to Rs 45,335 crore. In the domestic exploration front, the company is targeting a compound annual growth rate of 49% in its acreages at 3 lakh square kilometers in FY26 against 1.8 lakh sq km in FY25, it said in its investor presentation. For FY27, ONGC aims for its acreage under exploration to reach 4 lakh sq km. With 25 major (11 development and 14 infrastructure) projects with an investment of Rs 74,474 crore in pipeline, the company has guided for growth of 3.4% (CAGR) in its domestic production at 44.51 mmtoe (millions metric tonnes of oil equivalent) in FY26 and 45.61 mmtoe in FY27. In FY25, the production stood at 42.44 mmtoe. The state-owned upstream company is aiming to intensify its exploration activities, monetise discoveries, and maximise recovery from matured fields. The company expects to complete Cluster II of the KG-DWN-98/2 project by March 2025 with an envisaged gain of 44.74 mmtoe in its output. ONGC had recently announced BP Exploration (Alpha) Ltd as its technical service provider to enhance the production from Mumbai High field. BP has indicated a substantial increase in Oil and Oil Equivalent of Gas (O+OEG) production (up to 60%) from baseline production levels over a 10 years contract period. The company expects incremental production from the field to begin from March 2026. The company has also laid out a roadmap for its diversification in the renewable energy sector which will primarily be carried out by its subsidiary ONGC Green Ltd. ONGC Green aims at 1 gigawatt (GW) of RE capacity by the end of FY25 through asset acquisition with a capex of Rs 1,000 crore, the company said. ONGC's green arm further envisages a 10 GW RE capacity by 2030 of which 60-70% will be solar, followed by 30-40% of wind energy. The subsidiary also targets to build 25 compressed biogas plants, 2 GW of pump hydro plants, a green ammonia plant of 1 million tonnes per annum capacity and 180 KT green hydrogen plant. The company has kept its capex at Rs 1 lakh crore to build its green portfolio.

Headline	ONGC sets FY26 capex target at Rs 36,920 cr		
Publication	The Financial Express	Edition	Online Coverage
Published Date	6 Feb 2025		

ONGC sets FY26 capex target at Rs 36,920 cr

https://www.financialexpress.com/market/ongc-sets-fy26-capex-target-at-rs-36920-cr-3739042/

ONGC has set a capex target of Rs 36,920 crore for FY26, with 38% allocated to capital, 30% to development drilling, and 20% to exploratory drilling, while the rest will fund integration, R&D, and surveys.

State-owned oil exploration and production company Oil and Natural Gas Corp ( ) has set its capex target for the upcoming financial year 2025-26 at Rs 36,920 crore, the company said in its investor meet. Of this, the company intends to spend 38% as capital, 30% in development drilling, and 20% in exploratory drilling. The remaining amount will be spent in integration projects, research and development, and surveys.

So far in the first nine months of the current fiscal 2024-25, the company has incurred a capex amounting to Rs 45,335 crore.

In the domestic exploration front, the company is targeting a compound annual growth rate of 49% in its acreages at 3 lakh square kilometers in FY26 against 1.8 lakh sq km in FY25, it said in its investor presentation. For FY27, ONGC aims for its acreage under exploration to reach 4 lakh sq km.

With 25 major (11 development and 14 infrastructure) projects with an investment of Rs 74,474 crore in pipeline, the company has guided for growth of 3.4% (CAGR) in its domestic production at 44.51 mmtoe (millions metric tonnes of oil equivalent) in FY26 and 45.61 mmtoe in FY27. In FY25, the production stood at 42.44 mmtoe.

The state-owned upstream company is aiming to intensify its exploration activities, monetise discoveries, and maximise recovery from matured fields.

The company expects to complete Cluster II of the KG-DWN-98/2 project by March 2025 with an envisaged gain of 44.74 mmtoe in its output.

ONGC had recently announced BP Exploration (Alpha) Ltd as its technical service provider to enhance the production from Mumbai High field. BP has indicated a substantial increase in Oil and Oil Equivalent of Gas (O+OEG) production (up to 60%) from baseline production levels over a 10 years contract period. The company expects incremental production from the field to begin from March 2026.

The company has also laid out a roadmap for its diversification in the renewable energy sector which will primarily be carried out by its subsidiary ONGC Green Ltd. ONGC Green aims at 1 gigawatt (GW) of RE capacity by the end of FY25 through asset acquisition with a capex of Rs 1,000 crore, the company said.

ONGC's green arm further envisages a 10 GW RE capacity by 2030 of which 60-70% will be solar, followed by 30-40% of wind energy. The subsidiary also targets to build 25 compressed biogas plants, 2 GW of pump hydro plants, a green ammonia plant of 1 million tonnes per annum capacity and 180 KT green hydrogen plant. The company has kept its capex at Rs 1 lakh crore to build its green portfolio.