ONGC News as on 12 December 2024 (Print & Online)

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ONGC eyes Shell, Petronas tie-ups

ARUNIMA BHARADWAJ
New Delhi, December 11

STATE-RUN ONGC IS discussing technology tie-ups with global energy giants like Shell and Petronas for several offshore gas fields. The company has also firmed up plans to start production in a clutch of new fields, including the promising DWN-98/2 block in the deep waters of the Bay of Bengal, in a bid to arrest a declining trend in hydrocarbon production.

"We expect oil production to start growing again in the next couple of years," said Sushma Rawat, director (Exploration), ONGC. "In offshore, we are looking towards International E&P partners, other than companies from western countries, we are also looking towards Southeast Asian companies like Petronas, PTTEP plus other companies. Even with Shell, we are under discussions for our deepwater discoveries, since they have demonstrated their expertise in floating LNGs plants etc. It is just the beginning of the process and discussions with them. We are yet to share the actual data and finalise the deal," she said, underscoring the importance of technology tie-ups for new ventures like small LNG units.

TECH UPGRADE

Continued on Page 7

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ONGC eyes Shell, Petronas tie-ups

THE COMPANY IS also looking at Indian companies in a major way to help it monetise its isolated smaller discoveries by developing modular solutions such as Small LNG plants/Mobile LNG or CNG Plants etc.

Among the Category II basins of Mahanadi, Bengal, Kutch & Saurashtra, and the Andamans, acquired under the open acreage licensing policy (OALP), drilling operations (for oil) will begin by the end of this fiscal for Andamans, Rawat added. Under OALP blocks, the licence-holders are allowed to carve out areas they want to explore.

Talking about oil production from the KG 98/2 basin, she said that the field is likely to reach its peak production of 45,000 barrels per day (bpd) of crude oil and 10 million metric standard cubic metres per day (mmscmd) of gas by the end of the current financial year. "By month-end, there will be some real changes and production numbers will improve. We have just connected 6 of the 20 wells. Once these

wells start getting connected for oil and gas, the production definitely is going to go up." ONGC's output was 4.576 million tonne in Q2FY25 against 4.545 million tonne in Q2FY24. During April-October this fiscal, the company produced 10.3 million tonne of oil, down from 10.6 million tonne last year, as per official data.

The company has already entered into a partnership with state-run IndianOil Corporation to set up a small-scale LNG plant near Hatta gas field in the Vindhyan basin of Madhya Pradesh.

Currently, ONGC has about 80 discoveries that are yet to be monetised. It is planning to ready three to four Field Development Plans for its stranded gas discoveries by the end of the current fiscal year.

"The decline in gas production is only momentary. We have a number of discoveries which are underway in terms of field development plans and we are also trying to bring in technology improvement, the techno commercial aspect of it," said the director.

In the second quarter of the current fiscal, ONGC produced 4.912 billion cubic metres of gas, as against against 5.018 BCM in the same period of last fiscal.

The decline in growth of gas output, which was 3.6% in Q1FY25 over Q1FY24 has been brought down to 2.1% in Q2FY25 over Q2FY24.

The firm expects its acreage acquisition to grow to 260,000 square kilometer, against 150,000 square kilometer in 2023. It is targeting an indigenous production of 40 million metric tonne of oil equivalent (MMtoe) in the current fiscal.

Publication : Mint	Editions : New Delhi
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Gail set to ride two tailwinds

Ashish Agrawal
feedback@livemint.com

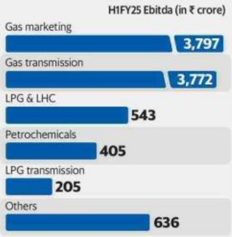
Gail (India) Ltd is expected to benefit from several tailwinds in FY26. The state-run natural gas transmission and marketing company is looking to capitalise on India's growing demand for natural gas by providing the necessary transmission infrastructure. It is building six gas pipeline projects totalling about 6,800 km, which would expand its network by more than 40%.

These include a 3,300 km pipeline connecting north India to the east and a 1,700-km pipeline connecting Mumbai to the central and eastern regions. Five of the six—barring the one in Jammu—are slated to be commissioned by June. "Gail should gain share in transmission on the back of two major pipelines commissioning in FY26," said analysts from Jefferies India in a report on 3 December.

Gail's LNG terminal on the west coast is expected to be ready by February after several delays, reducing its reliance on other terminals for

Motley mix

Gail's smaller segments are closely linked with its core business despite the lower contribution.



Ebitda is earnings before interest, tax, depreciation and amortization; Others include city gas distribution, power generation etc.

mint Source: Company, JM Financial

SATISH KUMAR/MINT

regassification and saving on operational costs. It is also investing about ₹17,000 crore in petrochemical expansion and efficiency improvement projects, which will be progressively commissioned by October.

Gail's debt-to-equity ratio of 0.24x as of September offers sufficient financial comfort to spend on this

The company is building six gas pipeline projects spanning 6,800 km.

capex. While petrochemicals contributed 6% of Ebitda in the September quarter (Q2FY25), it is expected to rise with improved sourcing of raw materials and lower production losses, led by better efficiency.

Meanwhile, increasing domestic gas demand and the anticipated rise in gas availability will be favourable for Gail. Over January-October, gas demand in India rose 12% year-on-year, driven by a drop in global prices. The expected addition of nearly 8 million standard cubic metres a day (mmscmd) of gas by Oil and Natural Gas Corp Ltd from FY26 also augurs well for Gail's transmission business.

Gail submitted a petition to hike its transmission tariff to the Petroleum and Natural Gas Regulatory Board in September and expects it to be approved by March. Jefferies sees the "likelihood of a rerating" of this business if a tariff hike ensues by March.

While Gail's stock is down about 16% from its 52-week high of ₹246.30 on 31 July, it has gained 27% so far in 2024. A tariff hike is key to further movement in the stock.

The near 40% cut in gas allocated at administered prices to city gas distribution, forcing them to look for alternative supplies, opens up a ne market for Gail. It "has an opportunity to source and market more volume in terms of LNG to meet those demands which have come up because of de-allocation", the management said in Q2 earnings call.

Still, slower-than-expected recovery in domestic gas demand could weigh on gas transmission and marketing volumes. Gail's Q2 transmission volume rose 9% on-year to 130.6 mmscmd, in line with its full-year guidance of 130 mmscmd. But marketing profit margin was hurt by higher sourcing from the spot market, which is costlier than long-term contract price. Transmission brought in nearly 40% of Gail's Q2 Ebitda, while marketing contributed 34%.

A spike in spot prices in a harsh winter and delays in commissioning petchem projects pose risks to earnings. "The gas transmission business has good prospects, but the commodity business (LPG, gas marketing, petchem) would be volatile," said a report by Anand Rathi Share and Stock Brokers.

FUELLING THE FUTURE

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THE company is also investing ₹17,000 cr in petrochemical expansion and efficiency upgrades

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Law min weighs steps after SC nixes arbitration model

Supreme Court has struck down the practice of unilateral appointment of arbitrators

Manas Pimpalkhare
manas.pimpalkhare@hindustantimes.com
NEW DELHI

The Union law and justice ministry will discuss judgements by the Supreme Court (SC) to amend the Arbitration and Conciliation Act, two people aware of the matter said. This follows an SC judgement on 8 November deeming illegal the unilateral arbitrator appointment process in disputes involving the government and private parties.

The Centre's move comes after a 15-day public consultation ended on 3 November, where stakeholders suggested various amendments to expedite dispute resolution.

"Now that public consultations are over, we will have more internal meetings and discussions...we will discuss some SC judgements that have come," one of the officials mentioned above said, requesting anonymity, adding that the ministry will also discuss stakeholder inputs on the law.

An email query to the law and justice ministry did not elicit a response till press time.

For perspective, in arbitration cases of government vs private parties, the government chooses one arbitrator from a panel it creates and asks the private party to choose another arbitrator from the same panel. These two arbitrators, empanelled by the government, would choose a third arbitrator also from the same panel.

The top court struck down this practice as it could result in arbitrators being biased. The court noted that when one party, particularly a government entity, has the sole authority to appoint an arbitrator, it creates a power imbalance that undermines the fairness of the arbitration process.

The initially proposed draft amendment to the Arbitration and Conciliation Act—to rename the Act to the Arbitration Act—published on 18 October, did not include provisions to cut the government's arbitration costs. High costs of arbitration have led to multiple state-run firms paring their exposure to arbitration.

Mint earlier reported that Oil India Ltd and ONGC (Oil and Natural Gas Corporation) Ltd had decided to only arbitrate matters where the disputed value is below ₹10 crore, hence reducing the state-run firms' exposure to arbitration, following a finance ministry nudge.

Recently, the state government of Karnataka also withdrew compulsory arbitration clauses citing financial burden, aligning with a June advisory from the Union finance ministry asking PSUs as well as state governments to reduce arbitration costs.

The finance ministry advisory also asked government entities to consider resolving disputes using mediation, or by moving courts of law. As per the advisory, mediation is less expensive than arbitration.

The government advised its entities to litigate in courts because arbitration was becoming a costly affair and a dent on the public exchequer.

The Supreme Court's judgement came about three weeks after the draft amendment was published, notably after the public consultation window had closed.

In the last judgement delivered by former chief justice D.Y. Chandrachud, the top court clipped the powers of public sector undertakings (PSUs) to appoint arbitrators unilaterally, to protect the principles of natural justice.

For an extended version of the story, go to livemint.com.

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REFORM TRACK

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KARNATAKA govt recently withdrew compulsory arbitration clauses citing financial issues

THE finance ministry advisory asked govt entities to consider resolving disputes using mediation

GOVT advised its entities to litigate in courts as arbitration was becoming a costly affair

Publication : The Morning Standard	Editions : New Delhi
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HPCL Green R&D Centre signs MoU with Sea6 Energy for production of biofuel

HPCL has set-up its state-of-the-art HP Green R&D Centre in Bengaluru and is carrying out research in areas related to petroleum refining, development of novel catalysts & additives, biofuels, alternate energy, nanotechnology, etc and has developed patented technologies/products for various applications. Sea6 Energy, headquartered in Bengaluru, to develop innovative solutions for key global problems. Over the last decade, it has become a pioneer of innovative technologies for sustainable, large-scale and mechanised farming of seaweeds and conversion of this biomass to novel products. Seaweeds provide an attractive alternative to traditional biomass as far as biofuel production is concerned as it doesn't compete with food security, doesn't require fertilizers or irrigation, can be practiced in areas unsuitable for traditional agriculture such as coastlines, etc.

Publication : Business Standard	Editions : New Delhi
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UTTAR PRADESH

Plans to save ₹1 trn with solar power

VIRENDRA SINGH RAWAT
Lucknow, 11 December

Bolstering the clean energy roadmap, Uttar Pradesh plans to save an estimated ₹1 trillion in conventional energy costs by integrating solar power in over 33,000 projects across the state through the flagship Jal Jeevan Mission.

Jal Jeevan Mission currently has a portfolio of 41,000 projects in the state.

The 33,229 solar energy-based ground water schemes in UP are projected to save the state exchequer ₹1 trillion during their lifecycle by cutting down on energy bills.

Moreover, these projects will reduce carbon dioxide emissions by 1.3 million tonnes (mt) annually owing to lower traditional power supply.

"To support clean energy initiatives, solar panels with a combined capacity of 900 megawatt (mw) have been installed. This innovation has been recognised by the Centre as the best practice," a UP government official said, adding it would set precedence for eco-friendly governance in India.

Recently, UP Chief Minister Yogi Adityanath had directed officials to speed up solar power projects and schemes.

In addition to cost savings, solar energy-based schemes are expected to help UP earn 39 million carbon credits over 30 years, showing UP's commitment to sustainability and environmental conservation.

Publication : Financial Express	Editions : New Delhi
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286 primary agri credit societies apply to set up fuel pumps: Shah

AS MANY AS 286 primary agricultural credit societies from 25 states and Union Territories have applied so far to set up retail petrol and diesel outlets, Cooperation Minister Amit Shah informed Parliament on Wednesday.

Shah, in his written reply to the Rajya Sabha, also said 109 societies from four states have agreed to convert their whole consumer pumps to retail outlets, with 45 of them already receiving letters of intent from oil marketing companies (OMCs).

The initiative helps to strengthen PACS by creating additional revenue streams and enhancing their financial sustainability. It also generates significant employment opportunities for the rural youth through the operation and management of the retail outlets. "Moreover, by making fuel more accessible in rural areas, it supports agricultural and transportation needs, contributing to local economic growth and reducing dependence on urban centres for such services," the minister added.

The government has permitted these societies to take dealership of petrol and diesel pumps and OMCs have issued guidelines in this regard. They have been given a one-time option to convert their wholesale consumer pumps into retail outlets. —PTI

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Trump vows to speed up permits for those investing $1 bn in US

JENNIFER A. DLOUHY, ARI NATTER & JOSH WINGROVE
December 11

PRESIDENT-ELECT DONALD Trump said his administration would help expedite permits for any person or company that invested at least $1 billion in the US. "Any person or company investing ONE BILLION DOLLARS, OR MORE, in the United States of America, will receive fully expedited approvals and permits, including, but in no way limited to, all Environmental approvals," Trump said Tuesday in a post on his Truth Social network. "GET READY TO ROCK!!!"

Trump did not immediately detail what steps his administration would take to help investors secure permits to fast-track projects and any such effort is likely to face hurdles at the state and local levels. Trump's pledge, though, is in line with his vows to help bolster energy, infrastructure and other domestic investments in his second term and roll back federal regulations Republicans say have hampered economic growth. The president-elect is nominating North Dakota Governor Doug Burgum to head the Interior Department as well as a newly created National Energy Council and is tapping Chris Wright, who runs a Colorado-based oil and natural gas fracking services company, to lead the Energy Department.

Burgum is the head of an energy-rich state and and Wright is a vocal proponent of oil and gas development, highlighting the incoming administration's focus on bolstering domestic energy production. Permitting reform is a major focus for the oil and gas industries.

The prospect of years of legal and regulatory delays has deterred the construction of new pipelines and has curbed the growth of natural gas production in the Appalachian region. The same issue is now of primary concern for electricity generators and tech firms as the growth in AI-related data capacity is forecast to rapidly increase US power demand over the next few years.

Donald Trump

Publication : The Daily Guardian	Editions : New Delhi
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Non-fossil fuel capacity up 14%

TDG NETWORK
NEW DELHI

The total non-fossil fuel installed capacity in the country has reached 213.70 GW as of November 2024, marking 14.2 per cent increase compared to 187.05 GW in the same month last year. During April-November period of FY25, a total of 14.94 GW of renewable capacity was added, nearly double of 7.54 gigawatt (GW) added during the same period a year ago, Ministry of New and Renewable Energy (MNRE) said in a statement.

In November alone, 2.3 GW capacity was added, posting a fourfold increase from 566.06 MW added in November 2023.

Publication : The Economic Times	Editions : New Delhi
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OPEC Makes Deepest Cut Yet to World Demand Forecast

Bloomberg

OPEC cut oil demand growth forecasts for this year and next for a fifth straight month, making its deepest reduction to the 2024 outlook so far after agreeing to extend its supply curbs.

The Organization of Petroleum Exporting Countries chopped projections for consumption growth in 2024 by 210,000 barrels a day to 1.6 million barrels a day, according to its monthly report. The cartel has slashed projections by 27% since July as it belatedly recognizes the deteriorating market picture.

Last week, the OPEC+ alliance led by Saudi Arabia and Russia agreed for a third time to delay plans to restart halted crude production, while also slowing the pace of increases once they do begin next year.

The first in a scheduled series of hikes was postponed to April from January.

Oil prices have declined 17% since early July as China falters and supply from OPEC's rivals in the Americas booms. Brent futures are trading near $73 a barrel, too low for the Saudis and many others in the coalition to cover government spending.

OPEC's Vienna-based secretariat said the revision takes "into account recently received bearish data" for the third quarter," including "downward revisions to OECD Americas and OECD Asia Pacific."

Despite the slew of downgrades, OPEC's forecasts remain significantly higher than most others in the oil industry, and at odds with actual data for consumption this year.

The alliance's growth projections for 2024 are roughly double those of Morgan Stanley and Goldman Sachs Group Inc., and considerably above the International Energy Agency in Paris. They're even significantly higher than estimates from Saudi Arabia's state oil company, Aramco.

OPEC predicts that oil consumption will average 103.82 million barrels a day this year. It lowered growth estimates for 2025 by 90,000 barrels a day to 1.4 million barrels a day.

The failure to accurately estimate oil demand this year casts further doubt on OPEC's long-term expectation that oil consumption will keep growing to the middle of the century — a minority view even within the petroleum industry.

OPEC+ has been withholding output since 2022 in a bid to stave off a surplus and shore up prices. With last week's decision, its plan is now to revive 2.2 million barrels a day of halted output in modest slivers between April and late 2026.

Publication : The Economic Times	Editions : Bangalore
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Non-Fossil Fuel Capacity Up 14%

New Delhi: India added 14.94 GW of renewable energy capacity between April and November, nearly double of what was added a year ago. As of November, the total non-fossil fuel installed capacity was 213.7 GW, up 14.2% from last year, the Ministry of New and Renewable Energy said on Wednesday.

The total non-fossil fuel capacity, which includes projects in pipeline, rose to 472.9 GW, an increase of 28.5% from the previous year's 368.15 GW.

Solar power continues to lead the growth with installed capacity rising to 94.17 GW in 2024 from 72.31 GW in 2023, a growth of 30.2%.

Solar power capacity including pipeline projects rose 52.7% to 261.15 GW by November end, compared to 171.10 GW on the same date last year.

Wind power's installed capacity rose to 47.96 GW in November this year, up 7.6% from last year. Wind capacity with projects under pipeline rose 17.4% on year to 74.44 GW as of November end. Bioenergy capacity rose to 11.34 GW in 2024, reflecting a growth of 4.6% year-on-year.

Small hydro projects saw a marginal rise to 5.08 GW from 4.99 GW in 2023 last year, with total capacity, including pipeline projects, reaching 5.54 GW.

—**Our Bureau**

ओएनजीसी
ONGC

Publication : The Hindu	Editions : New Delhi
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Climate impact of exploring space passing below the radar

Making satellites is an energy-intensive process. Every launch also releases carbon dioxide, black carbon, and water vapour. Rocket propellants deplete the ozone layer and disrupt atmospheric circulation. Satellites burning up in the air release ash into the atmosphere's middle layers

Shrawani Shagun

As the world becomes more reliant on space technology for vital functions like climate monitoring, the environmental consequences of space activities also become increasingly urgent and in need of more attention. The rapid growth of the number of satellites in orbit has led to concerns about interference with climate monitoring systems and the accumulation of orbital debris. With no specific international regulations addressing these challenges, it is crucial the world's governments act quickly to ensure space exploration doesn't drift into unsustainability.

A SpaceX Falcon 9 rocket lifts off from Cape Canaveral Space Force Station, Florida. The rocket carried 23 Starlink satellites. AP

How rockets affect the environment

Every rocket launch releases carbon dioxide, black carbon, and water vapour into the atmosphere. Black carbon is of particular concern because it absorbs sunlight 500 times more effectively than carbon dioxide does, amplifying global warming. As commercial space ventures become more common, the cumulative impact of these emissions will worsen.

Rocket propellants, especially those using chlorine-based chemicals, deplete the ozone layer at high altitudes, increasing exposure to ultraviolet radiation on the ground as well as disrupting atmospheric circulation – both of which affect the global climate. According to a December 9 article in *MIT Tech Review*, when satellites "burn up in the atmosphere" once their missions end, they release "satellite ash in the middle layers of the earth's atmosphere. This metallic ash can harm the atmosphere and potentially alter the climate."

Next, like many other forms of manufacturing, the production of satellites demands energy-intensive processes involving metals and composite materials, whose extraction and preparation have large carbon footprints of their own. Satellites also use propulsion systems to adjust their location and orientation in orbit, and their emissions add to the overall count. Equally, the rise of space mining – e.g. extracting valuable (on the earth) minerals from asteroids – could lead to increased industrial activity both in space and on the ground. Such mining activities haven't begun yet, but they are sure to be part of the future.

While space technology supports essential climate monitoring and disaster management, the environmental costs for the earth's atmosphere and space are escalating, requiring urgent redressal.

Dangers of orbital debris

Orbital debris, or space junk, refers to defunct satellites, spent rocket stages, and pieces of satellites produced when they break apart in low earth orbit (LEO). According to the European Space Agency, as of September 2024, there had been around 6,740 rocket launches since 1957 that placed 19,590 satellites in orbit. Around 13,230 are still in space, and of them 10,200 are still functional.

Since the space in earth's orbit is a resource just like water bodies and land masses on the ground, the occupation of orbits by non-functional objects constitutes a form of pollution as well – with the added threat of risk magnification.

For example, space surveillance networks have catalogued around 36,860 space objects thus far, including those produced in the 650+ fragmentation events (break-ups, explosions, and collisions). The total mass of all space objects in orbit exceeds 13,000 tonnes. As this mass continues to increase, the collision risks to satellites increase as well. Most space junk can reach speeds of up to 29 km/hr. When moving so fast, even a minuscule piece of metal can smash through a satellite like a bullet, damaging critical components, including those used for communication, navigation, and to monitor climate parameters of merit.

Orbital debris also poses an indirect threat by interfering with scientists' ability to collect data about the earth – from tracking disasters to monitoring weather – from space, such as by interfering with radio waves. Such threats also obligate satellite operators to invest in shielding satellites and actively perform costly manoeuvres to avoid collisions; both requirements drive up mission cost.

The risks are even more significant for human-crewed missions. For example, the International Space Station frequently adjusts its orbit to avoid debris.

Barriers to space sustainability

Regulation is key to ensuring space remains accessible and space activities remain environmentally sustainable. Without clear guidelines, the unchecked growth of emissions and debris will harm the earth's climate and increase the barriers to future space exploration.

Space activities currently fall outside international sustainability instruments like the Paris Agreement, so governments need to establish standards for emissions from rockets and satellites to prevent them from becoming overlooked contributors to global warming.

Without regulations, the increasing number of satellites and debris will overcrowd LEO, rendering future missions more expensive, which in turn would subtract from space's identity as a shared global resource that needs to be equally accessible to everyone.

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International cooperation through bodies like the Committee on the Peaceful Use of Outer Space (COPUOS) is necessary to create enforceable standards in this context.

Governments can also ensure such frameworks align with the Outer Space Treaty's principles of responsible use of space while addressing the treaty's current lack of binding provisions. This unity is particularly crucial if countries are to address the environmental impacts of space activities.

Achieving sustainability

Achieving sustainability in space exploration requires innovative solutions, which also present challenges of their own. For example, reusable rockets like those developed by SpaceX and Blue Origin reduce manufacturing waste and lower costs by allowing engineers to reuse rocket components in multiple missions. But the reusable parts are often heavier, which increases fuel consumption. These also have limited applicability for high-orbit missions, and their wear and tear invokes costly refurbishments. Thus scaling this technology while maintaining efficiency remains a hurdle.

Second, transitioning to cleaner fuels like liquid hydrogen and/or biofuels can minimise harmful emissions during liftoffs. However, hydrogen is currently produced with non-renewable energy, negating its environmental benefits. Cryogenic fuels – which provide more thrust for the same mass – are more expensive and more complex to handle, keeping them out of reach of smaller operators. Electric propulsion is another option, but its low thrust restricts its use to specific missions like in-orbit manoeuvres.

Third, designing satellites with biodegradable materials that naturally disintegrate during re-entry can prevent long-term debris accumulation. On the flip side, these materials currently lack the durability required for the extreme conditions of space. High development costs and limited adoption further slow progress. Autonomous debris removal (ADR) technologies such as robotic arms and laser systems also offer hope for cleaning up orbital debris, but again, they are currently expensive as well as need more legal clarity before they can begin to operate safely.

A global traffic system to monitor satellites and debris in real time could reduce collisions and optimise orbit use. Resistance to data sharing, including due to security and commercial concerns, and the lack of a unified international authority hinder its development, however.

None of these hurdles are permanent, of course. Moreover, whereas individual solutions face significant challenges, a combined approach may be more feasible.

For example, binding agreements through COPUOS can standardise emission limits, debris mitigation, and data-sharing practices; governments and private entities can prioritise funding for green technologies, ADR systems, and satellite biodegradability; and financial rewards, subsidies, or penalties can nudge private actors towards sustainable practices.

At the intersection of technological advancement and environmental responsibility, the choices we make today will define the future of space exploration.

(Shrawani Shagun is pursuing a PhD at National Law University, Delhi, focusing on environmental sustainability and space governance. shrawani.shagun@gmail.com)

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Crude oil up on China's monetary policy shift

Singapore: Crude oil prices rose on Wednesday, with traders expecting demand to rise in China, the world's largest crude importer, after Beijing announced that it would relax its monetary policy to try to stimulate economic growth. Brent crude futures gained 24 cents to $72.43 a barrel by 0730 GMT, while the US West Texas Intermediate crude futures rose 24 cents to $68.83. REUTERS

Online

Headline	ONGC in talks with Shell, Petronas for gas ventures		
Publication	The Financial Express	Edition	Online Coverage
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ONGC in talks with Shell, Petronas for gas ventures

https://www.financialexpress.com/business/industry/ongc-in-talks-with-shell-petronas-for-gas-ventures/3689719/

ONGC produced 4.576 million tonnes in Q2FY25 against 4.545 million tonnes in Q2FY24. During April-October this fiscal, the company produced 10.3 million tonnes of oil, down from 10.6 million tonnes last year, as per official data.

State-run ONGC is discussing technology tie-ups with global energy giants like Shell and Petronas for several offshore gas fields. The company has also firmed up plans to start drilling operations in a clutch of new fields, including the promising DWN-98/2 block in the deep waters of the Bay of Bay of Bengal, in a bid to arrest a declining trend in hydrocarbon production.

We expects oil production to start growing again in the next couple of years, a senior company executive told FE. For offshore assets, we are looking at tie-ups with southeast Asian companies, Petronas and others. Even with (the UK's) Shell, we are in early stages of discussions for deep-water discoveries, floating LNG units etc, the official said, underscoring the importance of tie-ups for new ventures like small LNG units.

As for the Category II basins of Mahanadi, Bengal, Andaman, Kutch, and Saurashtra, and the Andamans, acquired under the open acreage licensing policy (OALP), drilling operations (for oil) will begin by the end of this fiscal, the person added. Under OALP blocks, the licence-holders are allowed to carve out areas they want to explore.

Talking about oil production from the KG 98/2 basin, the source said that the field is likely to reach its peak production of 45,000 barrels per day (bpd) of and 10 million metric standard cubic metres per day (mmscmd) of gas by the end of the current financial year. By month-end, there will be some real changes.. and production numbers will improve. We have just connected 6 of the 20 wells. Once these wells start getting connected for oil and gas, the production definitely is going to go up.

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In the second quarter of the current fiscal, ONGC produced 4.912 billion cubic metres of gas, as against against 5.018 BCM in the same period of last fiscal.

The decline in growth of gas output, which was 3.6% in Q1FY25 over Q1FY24 has been brought down to 2.1% in Q2FY25 over Q2FY24.

The company expects its acreage acquisition to grow to 2.6 lakh square kilometer, against 1.5 lakh square kilometer in 2023. It is targeting an indigenous production of 40 million metric tonnes of oil equivalent (MMtoe) in the current fiscal.

Earlier, in an analyst call, the company had said that it plans to increase its cumulative production of crude oil and natural gas by 20% to 47 MMtoe comprising about 21.8 MMT of crude oil and about 25.5 BCM of gas from the current 39.45 MMtoe over the next three years.

The company opened the three oil wells of A-field of deepwater block KG-DWN-98/2 in October which aided in enhancing its total oil production to about 25,000 barrels of oil per day. It now plans to open the remaining five oil wells shortly.

Headline	India will benefit from slowdown in China's economy, will be a major market for global oil and gas.		
Publication	Any Tv News	Edition	Online Coverage
Published Date	11 Dec 2024		

India will benefit from slowdown in China's economy, will be a major market for global oil and gas.

https://anytvnews.com/business/india-will-benefit-from-slowdown-in-chinas-economy-will-be-a-major-market-for-global-oil-and-gas/

New Delhi, December 10 (IANS). India is expected to become a major destination for global oil and gas products as the country expands

refinery, petrochemical, LNG regasification and pipeline capacity even as China's economy slows down, according to an HSBC report released on Tuesday.

The report said that global oil prices are likely to remain weak. This will benefit India, as the country imports more than 80 per cent of its crude oil requirement and any fall in global oil prices leads to huge savings in the import bill.

For India's oil and production, we expect modest growth over another year, but this all depends on ONGC's ability to mitigate declines in production and enrollment blocks on schedule, the HSBC report said. Is.

The current fiscal year 2025 will also see an increase of at least 25 per cent in LNG regasification capacity, which will further enhance India's capacity to absorb global LNG, he said. In terms of refining, India is expected to increase its capacity by 9 percent, adding 0.5 million barrels per day.

The report further states that energy transition will also increase in the country. The report said that we expect that Indian oil and gas companies will start their investment in phase energy transition. We are also looking forward to the initiation of refinery transformation projects which will be linked to petrochemicals.

According to the report, India's own demand for petroleum products is declining, especially demand for diesel, which is expected to decline further.

HPCL, BPCL, IOCL, all given a buy rating, will benefit from weaker oil prices. We are reduce' on ONGC due to downside risk in oil prices and on petrochemicals and competitive regas, the report said. Hold on PLNG due to investment in terminals.

According to the report, there will be downward pressure on global oil prices but gas prices are likely to rise in the near future.

We maintain our Brent oil forecast at $70 per barrel. On the other hand, our team now expects the LNG market to remain tight through 2027 and that LNG supply will only exceed demand in 2027, the report said.

According to the report, it is also expected that demand growth for transportation fuels (the highest margin product) will slow due to concerns over the Chinese economy and gradually increasing penetration of EVs.

Headline	India Benefits From China's Slowdown In Oil & Gas Sector		
Publication	Bizz Buzz	Edition	Online Coverage
Published Date	11 Dec 2024		

India Benefits From China's Slowdown In Oil & Gas Sector

https://www.bizzbuzz.news/national/india-benefits-from-chinas-slowdown-in-oil-gas-sector-1345176

Any decline in global oil prices leads to a huge saving in the India's import bill says HSBC report

India Benefits From China's Slowdown In Oil & Gas Sector

11 Dec 2024 IST

New Delhi: India is expected to be the key destination for global oil and gas products as the country adds refinery, petrochem, LNG regasification and pipeline capacity while the Chinese economy slows, according to an HSBC report released on Tuesday.

The report states that global oil prices are likely to remain weak. This would benefit India as the country imports over 80 per cent of its crude oil requirement and any decline in global oil prices leads to a huge saving in the import bill.

For India's oil and production, we expect another year of marginal growth but it is all contingent on ONGC's ability to deliver on-schedule production and minimise the decline in nomination blocks. CY25 will also see at least 25 per cent growth in LNG regasification capacity which will further enhance India's capacity to absorb global LNG. On the refining side, India is expected to increase its capacity by 9 per cent, adding 0.5 million barrels per day, the HSBC report states.

It further points out that energy transition in the country will pick up as well. We also expect India's oil and gas companies to start their investment phase in energy transition led by renewables, early stage green hydrogen blending and investment preparation for green hydrogen.

We also expect the start of refinery transformation projects to orient towards petrochemicals, the report observes.

It also states that India's own petroleum product demand is slowing, especially on the diesel side, which is expected to continue to slow as stricter emission norms encourage vehicle manufacturers to focus on electric and gas-driven vehicles.

The report in its investment views rates GAIL as Buy' as the company should benefit from improved gas infrastructure, range-bound LNG pricing, and new customers.

HPCL, BPCL, IOCL, all rated Buy, benefit from weak oil prices. We are Reduce' on ONGC on the risk of falling oil price and Hold' on PLNG on investment in petrochemical and competing regas terminals, the report adds.

According to the report, global oil prices will face downward pressure but gas prices are looking up near term. As per HSBC's European oil research head Kim Fustier, OPEC+ muddles through, but for how long? The 2025 market remains balanced but the outlook worsens for 2026 as surplus grows if volumes return.

We maintain our Brent oil forecast for USD70/bbl. On the other hand, our team now expects the LNG market to remain tight till 2027 and an LNG supply glut only in 2027, the report adds.

Headline	ONGC Prepares Auctions to Accelerate Green Energy Transition – EQ		
Publication	EQ International	Edition	Online Coverage
Published Date	11 Dec 2024		

ONGC Prepares Auctions to Accelerate Green Energy Transition – EQ

https://www.eqmagpro.com/ongc-prepares-auctions-to-accelerate-green-energy-transition-eq/

In Short : India has mandated the use of domestically manufactured solar cells in clean energy projects starting June 2026. This move aims to bolster local manufacturing, reduce reliance on imports, and support the country's renewable energy goals. It aligns with the government's Make in India initiative, promoting self-reliance while driving innovation and sustainability in the solar energy sector.

In Detail : Oil and Natural Gas Corp (ONGC) plans to hold auctions to select developers for its planned 1.2 GW greenfield renewable energy projects, according to a senior company executive. India's leading oil and gas producer plans to hold two rounds of auctions, each offering 600 MW, with the first round set for two months ahead, according to the executive.

ONGC plans to utilize both new projects and acquisitions to establish a green energy portfolio of 10 GW by 2030, according to the executive. We are evaluating various models for greenfield projects, including offering end-to-end project development responsibility to a third party, the executive added.

ONGC's first tender for 600 MW will require bidders to suggest a price for the entire plant development. The minimum bid size will be 300 MW. An official mentioned that a bidder must obtain land and grid connection and execute engineering procurement and construction (EPC) for the project.

The winning bidder is required to provide a completely functional plant to ONGC by a designated deadline. Finding clients for power purchase agreements (PPA) for the projects will be the responsibility of ONGC. The second tender, maintaining the same capacity, will require bidders to supply only land and grid connections for the projects.

ONGC will issue a distinct EPC contract in addition to securing clients for the PPA. The executive stated that if the bidding process goes as scheduled, ONGC will duplicate the model for an additional 1200 MW. In this new batch of projects, the company intends to enter procurement as well, reducing the role of EPC contractors.

Headline	ONGC outsourced workers block National Highway over unpaid wages		
Publication	Tripura Times	Edition	Online Coverage
Published Date	12 Dec 2024		

ONGC outsourced workers block National Highway over unpaid wages

https://tripuratimes.com/ttimes/ongc-outsourced-workers-block-national-highway-over-unpaid-wages-21809.html

Sabroom , Dec 11, 2024, TRIPURA TIMES Desk Sabroom, Dec 11: Protesting against unpaid wages, ONGC outsourced workers blocked the Agartala-Sabroom National Highway near Kalacherra Bazaar on Wednesday morning.

Both workers and vehicle owners who transport laborers participated in the road blockade and raised demands for their due payments.

It was learnt that, the workers have not been paid for a long time despite continuing their duties.

Irked by the delays, around 300 workers and vehicle owners staged the demonstration which caused severe traffic disruption.

However, police rushed to the spot to manage the situation.

Later, after discussions with local representatives and ONGC officials, the protesters agreed to withdraw the blockade.

Headline	Container shipping giant Maersk keen to build and repair ships in India, says official		
Publication	ET Infra.com	Edition	Online Coverage
Published Date	11 Dec 2024		

Container shipping giant Maersk keen to build and repair ships in India, says official

https://infra-economictimes-indiatimes-com.cdn.ampproject.org/c/s/infra.economictimes.indiatimes.com/amp/news/ports-shipping/container-shipping-giant-maersk-keen-to-build-and-repair-ships-in-india-says-official/116193251

We've been recycling our assets in India over the last decade. So, we also want to come up the value chain. We're looking at ship repairs and eventually also shipbuilding opportunities," said Capt Prashant Widge, Head of ESG & Public Affairs, South Asia, A. P. Moller-Maersk.

MUMBAI: Container shipping giant A.P. Moller-Maersk A/S is keen to build and repair ships in India, making it the first major global ship owner to show confidence in the nation's capabilities as the government gives final touches to a big bang shipbuilding policy to be signed off by the Cabinet soon.

"India has a huge ambition for shipbuilding and Maersk, alongside others, are also looking at shipbuilding and ship repairs," Capt Prashant Widge, Head of ESG & Public Affairs, South Asia, A. P. Moller-Maersk, said at a discussion held by the Baltic and International Maritime Council (BIMCO) in Mumbai on 2 December.

The Copenhagen-based integrated logistics company runs Maersk Line, the world's second biggest container carrier.

The proposed shipbuilding policy includes rolling out a ship recycling credit note scheme and a fixed rate of subsidy for local yards for ten years as the government looks to boost shipbuilding as part of a larger driver to step-up manufacturing.

According to the proposal, shipyards will get 20 percent extra as subsidy on the cost of constructing a normal ship, 25 percent as subsidy for building special category vessels including oil, gas, chemical tankers and container ships and 30 percent subsidy for green vessels and other vessels with futuristic technology. The rate of subsidy will be fixed for the duration of the scheme that will run through March 2034 with possible extension up to 2047 to give long term "visibility" to the yards while booking orders.

Part of Maersk's attraction to look at building ships in India could be the credit note scheme.

"We've been recycling our assets (ships) in India over the last decade. So, we also want to come up the value chain. We're looking at ship repairs and eventually also shipbuilding opportunities. It's all looking very positive in India at the moment," Capt Prashant stated.

Maersk recycled more than 20 ships at a dozen yards at Alang in Gujarat -home to the world's largest stretch of shipbreaking beaches - over the past few years at facilities that are compliant with the International Maritime Organisation's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC) which will enter into force on 26 June next year.

Under the proposed ship recycling credit note scheme, a credit note equivalent to 40 percent of the scrap value of a ship being dismantled in an Indian ship breaking yard would be given to a fleet owner – both Indian and global - with the credit note being reimbursable against cost of construction of new vessel at an Indian yard.

With this credit note, the fleet owner can go to an Indian shipbuilder for ordering a new ship and get a rebate in the shipbuilding cost to the extent of the credit note value.

The world's top notch fleet owners have never built ships in India due to concerns over cost and construction timeline, preferring instead to order at Chinese and South Korean yards. The closest India came to building ships for a top tier global shipping company was Pipavav shipyard, which under its original promoter Nikhil Gandhi, constructed a few so-called 'ice class' Panamax ships and dry bulk Panamax carriers for an outfit owned by Norwegian shipping tycoon John Fredriksen when it started out some 16 years ago.

But opportunities are beckoning as South Korea, the world's second largest shipbuilding nation, stares at an acute shortage of skilled workers (a key element in shipbuilding) due to plunging fertility rate – the lowest on the planet - threatening its shipbuilding dominance.

In 2022, South Korea reported a fertility rate of 0.78 or 78 babies for every 100 women. This figure dropped to 0.72 in 2023 and is projected to drop further to 0.68 in 2024.

“One of the challenges that South Korea is facing is an acute shortage of human resources and they were very frank about it saying in the next ten years they may not have local people working in their shipyards,” said Capt B K Tyagi, Chairman and Managing Director, Shipping Corporation of India Ltd, India’s biggest fleet owner by capacity.

Capt Tyagi was part of an industry delegation led by T K Ramachandran, Secretary, Ministry of Ports, Shipping and Waterways that visited the yards of South Korean shipbuilding giants HD Hyundai Heavy Industries Co Ltd, Hanwa Ocean Co Ltd and Samsung Heavy Industries Co Ltd between 27 November and 1 December, to understand how it emerged as a shipbuilding behemoth.

“They have got technology, expertise and experience, but the local population is no more interested in shipbuilding. And that is a big opportunity for India. We have got a huge, young and talented population. The entire purpose of that exercise (trip) was to invite the world reputed South Korean yards to Indian shores,” Capt Tyagi stated.

India holds less than 1 percent of the global shipbuilding market but aims to break into the top 10 ranking by 2030 and top 5 by 2047.

“We will have some clear-cut policies and incentives very soon to create an eco-system in India and these two areas (shipbuilding and expanding the Indian fleet) which remained neglected for years are getting due attention of the government today,” Capt Tyagi added.

Headline	Do you have a better deal?: India's Jaishankar responds on getting ‘cheap oil' from Russia		
Publication	Dilgentia Service	Edition	Online Coverage
Published Date	11 Dec 2024		

Do you have a better deal?: India's Jaishankar responds on getting ‘cheap oil' from Russia

http://www.diligentia.net.in/do-you-have-a-better-deal-indias-jaishankar-responds-on-getting-cheap-oil-from-russia/

Indian Foreign Minister S Jaishankar gave a stern reply on Saturday (Dec. 9) to the criticism of New Delhi buying oil from Russia amid the country's ongoing war with Ukraine.

Foreign Minister Jaishankar was taking part in the 22nd edition of the Doha Forum panel on Conflict Resolution in a New Era in Doha.

Pleased to participate @DohaForumpanel today on the topic Conflict Resolution in a New Era in Doha today along with PM & FM@MBA_Al Thani_of Qatar and FM @EspenBarthEide of Norway. As the conflicts around us increase, the need of the hour is more diplomacy, not less, Jaishankar said in a post on X.

Do you have a better deal?'

On being asked about India getting cheap oil from Russia, Jaishankar said, I get oil, yes. It is not necessarily cheap. Do you have a better deal?

Last month, Indian Petroleum and Natural Gas Minister Hardeep Singh Puri said that Russia had become the largest supplier of crude oil to India, accounting for over 35 per cent of the country's imports.

In September, Puri said that New Delhi was prepared to keep buying oil from Russian companies that were allowed to make such sales since prices were cheap.

Western sanctions on Russia over its war with Ukraine have capped the price Russia can charge for its crude oil, and India is prepared to buy oil and gas at the lowest possible prices from anyone, Puri told the news agency Reuters.

Jaishankar on Russia-Ukraine war

Meanwhile, at the Doha Forum panel, Foreign Minister Jaishankar reiterated India's stance that the Russia-Ukraine war could only be resolved through dialogue and diplomacy and not on the battlefield.

We've always held to the view that this war is not going to be solved on the battlefield. At the end of the day, people are going to return to some kind of negotiating table, the sooner the better. Our effort has been to facilitate that to the extent possible. That has not been the most popular thing, at least in some parts of the world, Jaishankar said

Headline	Sustainable Aviation Fuel Volumes Not Growing Fast Enough, IATA Concerned		
Publication	Outlook Business	Edition	Online Coverage
Published Date	11 Dec 2024		

Sustainable Aviation Fuel Volumes Not Growing Fast Enough, IATA Concerned

https://www.outlookbusiness.com/planet/sustainability/sustainable-aviation-fuel-volumes-not-growing-fast-enough-iata-concerned

SAF volumes have reached 1 million tonnes but this is still significantly lower than the projections for 2024

Sustainable aviation fuel (SAF) volumes are increasing but disappointingly slowly, director general of the International Air Transport Association (IATA) Willie Walsh said on Global Media Day in Geneva on December 10.

Governments are sending mixed signals to oil companies which continue to receive subsidies for their exploration and production of fossil oil and gas. And investors in new generation fuel producers seem to be waiting for guarantees of easy money before going full throttle, Walsh added.

According to the new estimates released by IATA, SAF production volumes have reached 1 million tonnes in 2024, double the volume of 2023 at 0.5 million tonnes. However, this makes up only 0.3 per cent of the global jet fuel and 11 per cent of the global renewable fuel.

This is also significantly lower than the projections of 1.5 million tonnes production volume in 2024 as key SAF production facilities in the United States have pushed back plans of ramping up production to the first half of 2025.

IATA, which represents around 330 airlines including Indian carriers Air India and IndiGo, expects the SAF production to reach 2.1 million tonnes or 0.7 per cent of global jet fuel in 2025.

Speaking on the profitability from producing SAF, Walsh said, "With airlines, the core of the value chain, earning just a 3.6% net margin, profitability expectations for SAF investors need to be slow and steady, not fast and furious." However, airlines are eager to buy SAF, and money can be made by the investors and companies who see long-term future in decarbonisation, he added.

The IATA study shows that between 3,000 to over 6,500 new renewable fuel plants are needed to reach net zero carbon emissions by 2050. The annual average capital expenditure needed to build the new facilities over the 30-year period, as per the study, is about $128 billion per year.

Governments must be quick in delivering incentives to bolster renewable energy production, and they already have a set model of solar and wind energy transition to follow, Walsh said, adding that the energy transition including SAF will need less than half the annual investments.

India's SAF Journey

World Economic Forum (WEF) said that India has the potential to produce 30 billion litres of sustainable ethanol used for SAF production from agricultural residue, solid waste and industrial off-gases.

"Harnessing just 5% of this potential with the ATJ [alcohol-to-jet pathway can meet India's 10% sustainable aviation fuel blending target and produce renewable diesel fuel," WEF stated.

Moreover, Union petroleum minister Hardeep Singh Puri had said in May 2023 that India had feedstock for producing 1924 million tonnes of SAF per year.

India has feedstock for potential production of 19 to 24 million tons of SAF per year, whereas the estimated maximum requirement of SAF in India, considering 50% blend, is around 8 to 10 million tons per year by 2030," minister said.

In May 2023, India used indigenously produced SAF-blended aviation turbine fuel for the first time in a commercial passenger flight AirAsia (I5 767). It travelled from Pune to Delhi, utilising fuel produced by using indigenous feedstock by Praj Industries.

According to a recent Deloitte India's Sustainable Aviation Fuel (SAF) report, India could produce 810 million tonnes of SAF annually by FY40. This would require investments worth Rs 67 lakh crore, as per the report.

Headline	India shaping up as refining hub, to rely on fossil fuels until 2040, oil minister says		
Publication	Qrius	Edition	Online Coverage
Published Date	11 Dec 2024		

India shaping up as refining hub, to rely on fossil fuels until 2040, oil minister says

https://qrius.com/india-shaping-up-as-refining-hub-to-rely-on-fossil-fuels-until-2040-oil-minister-says/

India, the world's number 3 oil importer and consumer, is expected to rely on fossil fuels until at least 2040 and is positioning itself as a refining hub, Oil Minister Hardeep Singh Puri told Reuters on Tuesday. Company Value Change %Change While global refining centers are downsizing as energy transition progresses at an unpredictable pace, [

While global refining centers are downsizing as energy transition progresses at an unpredictable pace, India's rising daily crude utilization means it will rely on fossil fuels until at least 2040, Puri said at the sidelines of a refining conference in Bengaluru.

Our existing refineries will increase in terms of capacity and they will also become regional hubs in terms of providing to other countries, Puri said.

India, the world's third-largest emitter of greenhouse gases, has pledged to achieve a net zero carbon emission target by 2070. It has a target of 500 gigawatts (GW) of renewable energy by 2030.

Puri reiterated that India is looking to scale its refining capacity by 81% to as much as 450 metric tonne per annum (mtpa), from about 249 mtpa, or about 5 million barrels per day (bpd), currently. He did not provide a timeline.

The minister said there are robust discussions among state-owned and private refiners to scale beyond 310 mtpa, which might be achieved even before the targeted 2028.

Smaller refineries will no longer be economically viable, Puri said.

Bharat Petroleum Corp Ltd (BPCL) is exploring building a new 180,000-300,000 bpd oil refinery in southern Andhra Pradesh state or northern Uttar Pradesh state.

Meanwhile, Hindustan Petroleum Corp Ltd (HPCL) is expected to start operations at its 180,000 bpd Barmer refinery in the desert state of Rajasthan late this year or early next year.