



ONGC News as on 19 June 2024 (Print)

Inside ONGC's call for foreign companies at Mumbai High

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NEW DELHI: State-run Oil and Natural Gas Corporation's (ONGC) decision to invite a tender on June 1 to engage an international firm to enhance oil production from its flagship Mumbai High came after an in-house committee on May 30 said the oil field was facing an "alarming state of decline", according to documents seen by HT.

The six-member committee, which was constituted by ONGC on May 16, took just 14 days to conclude that the field was facing "alarming rate of production decline and suboptimal performance of decline-arresting measures by ONGC". It suggested that the company "publish an NIO (notice inviting offer or tender) pending sanction". HT has reviewed a copy of the report. Mumbai High (MH), formerly Bombay High, is a giant offshore oil and gas producing field active for over four decades, which is located at 165km off the Mumbai coast.

That the tender was raised days before a new government was to be formed at the Centre has led to doubts being raised by auditors and experts, according to people aware of the matter.

Two officials with direct knowledge of the matter said on condition of anonymity that ONGC should have waited for the formation of the government at the Centre and for the "explicit approval of the competent authority" before floating the tender of a service contract for the national asset to a private entity for about 15 years.

"The MH field is a prized national asset and post-facto approvals of competent authority for such important public assets should be avoided," one of them said. "It is not as per the CVC [Central Vigilance Commission] guidelines," one official said.

The in-house committee was constituted by ONGC's director-production on May 16 amid the ongoing general elections, and



ONGC had invited a tender on June 1 to engage international firms to enhance oil production from Mumbai High. REUTERS

the tender was floated three days before the poll results were declared. "Ideally, ONGC should wait for the new government to assume charge," a second official said.

The Modi 3.0 government took over the charge on June 9. ONGC, its director-production, the petroleum ministry, CVC, and the Comptroller and Auditor General (CAG) of India did not respond to email queries on this matter. "The committee also proposed ONGC to engage KPMG as consultant to advise on the engagement of TSP (technical service provider) and develop a business model on a nomination basis [without inviting open bids] to avoid any delay, which is also in contravention of Central Vigilance Commission norms," the second official said.

"It is recommended to engage M/s KPMG as commercial/managerial/legal consultant on nomination basis for a period of 12 months," the committee said in its report.

According to a June 5 post on X, ONGC said that it was "keen to engage an internationally proven Technical Service Provider to enhance production from its maturing Mumbai High field on the Arabian Sea". The service provider would be identified through an international competitive bidding (ICB), already floated on June 1, 2024, with due date for bid submission on September 15, 2024, it added.

"The giant multi-layered

Mumbai High field, which commenced production 48 years ago in 1976, is currently in its mature stage of production, and ONGC has implemented a number of schemes in this field to improve production. Mumbai High is one of the prime assets of ONGC and significant upside is still to be unlocked here if ONGC applies best-in-class reservoir management technologies and adopt globally best operational and management practices," ONGC said in the post.

As a custodian and operator of Mumbai High field, ONGC is keen to collaborate with a global TSP, it said. "The service provider would be contracted 10 years, extendable by another five years," it added.

"The identified service provider would carry out a comprehensive review of field performance and identify improvements in Wells, Reservoir including water injection, and Facilities Management (WRFM). It would suggest and help implement suitable technological interventions to improve production. Integrated reservoir/FEED studies and development of detailed work plan for field development would also be within the scope of work," it said.

All international oil and gas majors, with an annual revenue above \$75 billion, are invited to participate in this ICB, it added.

The Mumbai High field had a peak production of 471,000 barrels of oil per day (BOPD) in March 1985, which fell to 176,000 BOPD in April 2018 and 134,000 BOPD in April 2024. According to an estimate, it still has very significant oil reserves (OOIP of 1,821.28 MMT).

Former ONGC Videsh Ltd managing director NK Verma said: "This is not only the bread and butter of ONGC, but also a crown jewel of India. It must not be given away to multinationals for 15 years when ONGC has in-house talent. It only needs will power and the government's support. All technologies and resources are globally available and also accessible to ONGC."

Day trading guide

23570 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
23530	23470	23610	23680	Go long on dips at 23545. Stop-loss can be placed at 23520

₹1609 » HDFC Bank

S1	S2	R1	R2	COMMENT
1595	1580	1620	1640	Wait for dips. Go long at 1600. Keep the stop-loss at 1590

₹1498 » Infosys

S1	S2	R1	R2	COMMENT
1480	1450	1510	1540	Go long only above 1510. Keep the stop-loss at 1505

₹429 » ITC

S1	S2	R1	R2	COMMENT
426	423	432	435	Go short now and at 431. Stop-loss can be placed at 433

₹276 » ONGC

S1	S2	R1	R2	COMMENT
274	270	278	282	Take fresh longs above 278. Keep the stop-loss at 277

₹2961 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2940	2910	2975	3000	Go long only above 2975. Stop-loss can be kept at 2965

₹845 » SBI

S1	S2	R1	R2	COMMENT
842	836	850	855	Go long now and also at 843. Keep the stop-loss at 840

₹3815 » TCS

S1	S2	R1	R2	COMMENT
3800	3780	3835	3855	Wait for a rise. Go short at 3830. Keep the stop-loss at 3845

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Airbus to deliver 3 India-made H125 helicopters in 2026

Our Bureau
Mumbai

Airbus expects to deliver three made-in-India H125 helicopters in 2026, and will ramp up production in subsequent years to meet customer demand, Sunny Guglani, head of Airbus helicopters in India and South Asia, said on Tuesday.

In January, Airbus teamed up with the Tata group to set up a final assembly line for its H125 helicopters.

The announcement was made during French president Emmanuel Macron's India visit, at the time.

"We are working with the Tata group to prepare the ground for the final as-



Last year, Airbus secured order for 10 helicopters REUTERS

sembly line," Guglani said. Location for the assembly line is being finalised, he added. "We see three helicopters being delivered from final assembly line in India in 2026. There will be a ramp up in subsequent years," Guglani said.

Last year, Airbus secured order for 10 helicopters from Indian customers.

"We are seeing a change

in market dynamics in India. Operations of helicopters has crossed pre Covid levels. Market is constrained not due to demand but by supply," he added.

ENERGY SECTOR OPS

On Tuesday, Airbus announced the introduction of H145 helicopters in energy sector.

The first of these helicopters are being operated by Heligo Charters Private Limited for Oil and Natural Gas Corporation.

The entry of the H145 into offshore operations comes six months after Heligo Charters signed a comprehensive by-the-hour services contract with Airbus for six H145 helicopters in January.

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■ OIL announced the commencement of its Environmental, Social, and Governance strategy initiatives on June 14, in an event held at Noida in collaboration with global management consulting firms. These initiatives are a part of OIL's ambitious target to achieve Net Zero emissions by 2040.

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Rupee was buoyed by fresh inflow of foreign capital and a firm trend in equity markets. REUTERS

Rupee up 12 paise, hits 83.43 a dollar

The rupee appreciated 12 paise to settle at 83.43 against the US dollar on Tuesday, buoyed by fresh inflow of foreign capital and a firm trend in domestic equity markets, wherein benchmark indices scaled new peaks.

Forex traders said reports of dollar selling by public sector banks also supported the local currency. However, higher crude oil prices capped the gains in the local unit. At the interbank foreign exchange market, the local unit opened at 83.52 and hit the intraday high of 83.39 against the greenback during the session. It finally settled at 83.43 against the dollar, registering a gain of 12 paise from its last close.

On Friday, the rupee had settled 1 paise lower at 83.55 against the US dollar. Forex markets were closed on Monday on account of Bakri Id.

Anuj Choudhary, research analyst at Sharekhan by BNP Paribas, said the rupee gained as domestic markets hit new all-time highs amid fresh foreign fund inflows. "Reports of selling of dollars by state-run banks also supported the rupee. However, a positive tone in the US dollar and surge in crude oil prices capped sharp gains," he said. **PTI**



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Crude oil stable on demand uncertainty

London: Crude oil prices were largely stable as traders awaited signs of a summer demand boost to prop up prices even as strong supply threatens to blunt gains. Benchmark Brent crude futures were down 16 cents to \$84.09 per barrel. US WTI was down 15 cents to \$80.18 a barrel. Both benchmarks gained around 2 per cent on Monday, closing at their highest levels since April.REUTERS