

**OMCs TO INCUR UNDER-RECOVERIES OF Rs. 45,478 CRORE DURING  
2009-10: MURLI DEORA**

**CRUDE OIL PRODUCTION FROM BARMER FIELD TO PEAK AT  
1,75,000 BBL PER DAY BY 2011**

**NATURAL GAS PRODUCTION FROM KG D-6 EXPECTED TO REACH  
80 MMSCM IN MARCH 2010**

**CONSULTATIVE COMMITTEE ATTACHED TO PETROLEUM  
MINISTRY MEETS**

New Delhi: December 11, 2009

The Minister of Petroleum & Natural Gas Shri Murli Deora informed the Parliamentary Consultative Committee that the Oil Marketing Companies(OMCs) are projected to incur under-recoveries of Rs. 45478 crore on the four sensitive petroleum products (MS, HSD, Domestic LPG and PDS Kerosene) during 2009-10 based on the Refinery Gate Prices of the first fortnight of December 2009. Chairing the meeting of the committee here late yesterday evening, Shri Deora said, “today, the public sector OMCs incur under-recoveries of Rs. 3.10/litre of petrol, Rs. 2.55/litre of diesel, Rs.17.30/litre of PDS kerosene and Rs. 241.00 on each 14.2 kg cylinder of Domestic LPG at Delhi.” The Minister further said that the OMCs are backbone of the country’s energy security, hence their health is a cause of concern for us.

He also recalled that the Government took adequate measures to insulate consumers against high international oil prices during 2008-09 providing a financial support of Rs. 1,06,000 crore (Rs. 74,000 crore subsidy support and Rs. 32,000 crore support by upstream oil PSUs) to ensure essential fuels remain within reach of common man. “However, this kind of subsidy support is not sustainable in the long run”, he added. The Expert Group constituted for suggesting viable and sustainable pricing policy is expected to submit its recommendations in January 2010 in the light of which Government will consider suitable pricing policy initiatives, Shri Deora said.

The Minister also elaborated several other initiatives being undertaken for increasing domestic oil and gas production as well as various measures for the service & convenience of petroleum product customers. He said that crude oil production from pre-NELP block in Rajasthan which was inaugurated by the Prime Minister in August is likely to peak at 1,75,000 barrels per day by 2011 on completion of transport pipeline. Similarly, gas production from KG basin D-6 Field under NELP is estimated to increase to 80 Million Metric Standard Cubic Metres per day (MMSCMD) by March 2010 against present production of 42 MMSCMD. The SMS booking of LPG, more Kisan Sewa Kendras in rural areas, automation of retail outlets and use of technology to improve supply of right quality and quantity of petro products, etc. are some of the important initiatives being

undertaken by the OMCs. A major initiative for extending LPG supplies over next five years specially in rural areas and the regions with low LPG coverage has been taken with the launch of Rajiv Gandhi Gramin LPG Vitrak Yojana.

The members appreciated the efforts of the Ministry and the Oil PSUs and made several important suggestions to further improve the working of the sector. These include: acceleration in domestic E&P activities, intensive R&D towards production and conservation of petroleum products, strict action against malpractices in the distribution and supply of petroleum products, more community development programmes in various project areas particularly in North Eastern States and consultation with people's representatives in this regard, etc. The Ministry was complimented for allotment/commissioning of petro-product dealerships for the families of martyrs of Mumbai Terro Attack

The members who attended the meeting are: S/Shri Chandrakant B. Khaire, Radhey Mohan Singh. G.V. Harsha Kumar, P.R. Natarajan, Purnamasi Ram, Radha Mohan Singh, Nishikant Dubey, Suwendu Adhikari, Kumar Deepak Das, Dharampal Sabharwal, A.A. Jinnah, Rajniti Prasad, Silvius Condpan, Praveen S. Rashtrapal, V. Hanumantha Rao, Birendra Prasad Baishya, Rama Shankar Rajbhar, Pratap Singh Bajwa, Dhiraj Prasad Sahu and Prof. Alka Balram Kshatriya.

Shri Jitin Prasada, Minister of State for Petroleum & Natural Gas, Shri S. Sundareshan, Addl. Secy.(MoP&NG), Chief Executive Officers of Oil Public Sector Undertakings and senior officers of the Ministry & Oil PSUs also attended the meeting.