

TWO-DAY INDIA AFRICA HYDROCARBON CONFERENCE CONCLUDES WITH SIGNING OF MOU BETWEEN INDIA AND SUDAN

New Delhi: December 8, 2009

The second India Africa Hydrocarbons Conference concluded here today with the signing of an umbrella MoU between India and Sudan for further expanding cooperation in the oil and gas sector. The MoU was signed by Shri Jitin Prasada, Minister of State for Petroleum & Natural Gas on behalf of India and by Ms. Angelina Jany Teny, Minister for Energy & Mining, Republic of Sudan which provides a broad framework to take forward the existing cooperation between the two countries. Speaking on the occasion Shri Prasada outlined the initiatives taken by Indian companies including an investment of 2.5 billion dollars in Sudan by OVL.

He also elaborated five thrust areas in the oil and gas sector for cooperation with the African countries. These include; buy more crude from Africa, invest more in upstream opportunities on bilateral basis in Africa as well as in third countries, explore opportunities to source more LNG from Africa, make available our skills, talent and technology in cost-effective manner for the benefit of Africa. While pursuing mutually beneficial projects in Africa, we will also take up community development programmes there for inclusive growth.

The Minister of State for External Affairs Shri Shashi Tharoor called for closer cooperation and inter-dependence between producers and consumers of oil and gas. Delivering his valedictory address he assured that India's approach to African resources is not a one way street. The Minister added, "We will draw equal satisfaction when African oil fuels Africa's own development and growth. Our long standing priority is to serve as a partner in Africa's development".

Shri S. Sundareshan, Addl. Secretary, Ministry of Petroleum & Natural Gas provided a Conference Review on the occasion. He identified six areas of opportunities for collaboration to the benefit of both India and the African countries. These are:

1. Investment by Indian Companies in E&P Opportunities in Africa. They should aggressively widely participate in the various rounds in African Countries which are rich in resources. The countries have evolved their own processes. Indian companies should in the first instance, develop expertise in understanding the African procedures and dealing with the African processes.
2. In several countries there are opportunities in investment in the downstream sector. There could be an opportunity for setting up small refineries. From the African side, there should be a system of providing downstream marketing rights.
3. There exists openings for upgradation of facilities by the Indian companies particularly in the project management. Indian companies should participate in such opportunities for petroleum infrastructure upgradation.
4. The Government of India would like to offer facilities for upgradation of human resources. This could be for students, executives and training for trainers. This could be suited to the specific requirements of the countries. We welcome proposals in this regard.

5. There could be formation of joint ventures between India and African companies. This could be in the areas of E&P and downstream projects. Joint venture could also be formed for exploring specific assets and ventures. The African side should design this.
6. The service providing sector also offers significant opportunities. The African countries are welcome to let us know the areas of infrastructure development, services and any bundling of opportunities they would like in the oil & gas sector and Government of India would facilitate in activating the interest of the Indian companies.

Following is the text of valedictory address by the Minister of State for Petroleum & Natural Gas Shri Jitin Prasada:

“I am honoured to be with all of you at this prestigious Conference. I trust that your deliberations have been most beneficial. We hope that various business ideas and proposals you have discussed here will germinate into fruitful partnerships for our mutual benefit.

You are undoubtedly aware that India has witnessed rapid economic growth over the last two decades. We are confident of maintaining 7-8% growth rate in coming years also. As India is dependent on the outside world for meeting large part of its oil & natural gas requirements, there is huge potential with regard to Africa and India coming much closer in the oil & gas sector.

Our objective with Africa has been to build up a strong partnership of enduring dimension in the oil & gas sector. As this is the concluding session of the Conference, I trust that all of you had ample opportunities to interact closely and discuss potential business tie-ups. We look forward to extensive cooperation between India and Africa in the oil and gas sector in the months ahead.

Our companies have taken many initiatives in Africa in the hydrocarbon sector. Some of these are :

- Indian upstream companies, led by ONGC Videsh Limited, have made significant investment, particularly in Sudan but also in Nigeria, Libya, Egypt, Congo-Brazzaville and Nigeria Sao Tome Joint Development Zone. Oil India Limited has also found upstream opportunities in Libya and Gabon.
- ONGC Videsh Limited has made an investment of US\$ 2.5 billion in Sudan in oil producing and in exploration assets. The investment of our companies is expected to increase when some of the oil & gas assets in Africa are developed to produce oil & gas. Our focus has been to step up investments in the oil & gas sector of Africa for mutual benefit.
- Our another public sector company, GAIL India Ltd., started investment in Egypt in 2004 by investing US\$ 22 million in three companies in the business city gas distribution & CNG. GAIL is now setting up its office in Cairo and expanding its business activities there.
- India can be a partner of African countries in the modernization of their refineries. For instance, Engineers India Limited has ample expertise to upgrade refineries to

Euro-3 & Euro-4 products. ONGC Videsh Limited is discussing setting up of a Greenfield refinery in Nigeria.

- More than 15% of our imported crude comes chiefly from Nigeria and Angola. Our oil marketing companies have strong interest in sourcing more crude oil directly from National Oil Companies in Africa on term basis.
- CNG is used in all our metropolitan cities for public transport. We are also a leader in use of LPG for domestic cooking purposes. India is keen to have partnership with the African nations by offering its expertise for the development of gas sector.
- India is also a growing market for LNG and there is a lot we could do together with countries rich in natural gas in Africa.

Let me sum up, Excellencies, Ladies & Gentlemen, our thrust in the oil & gas sector with Africa.

- Buy much more crude from Africa.
- Invest more in upstream opportunities on bilateral basis in Africa as well as in third countries.
- Explore opportunities to source more LNG from Africa.
- Make available our skills, talent and technology in cost-effective manner for the benefit of Africa.
- While pursuing mutually beneficial projects in Africa, we will also take up community development programmes there for inclusive growth.

In the end, I look forward to visiting some of the African Countries in the coming months to build bonds of friendship and strengthen business partnerships.”