

INDIA OFFERS MUTUALLY ADVANTAGEOUS PARTNERSHIPS FOR AFRICAN HYDROCARBON SECTOR: FOREIGN MINISTER

INDIAN COMPANIES KEEN TO SOURCE LNG; SEEK EQUITY IN LNG TERMINALS AND E&P IN AFRICA: MURLI DEORA

2ND INDIA-AFRICA HYDROCARBONS CONFERENCE GETS UNDER WAY IN NEW DELHI

New Delhi: December 7, 2009

The 2nd India Africa Hydrocarbons Conference got off to a business-like start here today with India's Petroleum and Natural Gas Minister, Mr. Murli Deora, declaring the intent of Indian companies to source LNG as well as equity participation in existing and upcoming LNG terminals in Africa. The External Affairs Minister, Mr. S M Krishna, called for the establishment of a truly global and competitive energy market for long term benefit for producers and consumers. The two-day conference has been organized by the Ministry of Petroleum & Natural Gas and FICCI.

Mr. Deora said, "We are a stable, long-term and growing market for Africa's natural gas. Our companies are interested in sourcing LNG as well as equity participation in existing and upcoming LNG terminals in Africa." The Minister expressed India's desire to participate in upcoming exploration and production opportunities in Angola, Ghana, Sudan, Nigeria, Uganda and Cote D'Ivoire. "Our companies are also interested in farm-in opportunities in producing blocks especially in Libya, Algeria and Egypt. In efforts to broad base our activities, ONGC Videsh Limited is discussing setting up of a Greenfield refinery in Nigeria." Mr. Deora added.

Mr. Deora said, Indian upstream companies, led by ONGC Videsh Limited, have made an overseas investment of about US\$ 12 billion, with India's share of oil & gas production from these overseas assets reaching 8.8 million tonnes last year. India's investment in Sudan has been mutually beneficial, he said, adding that India was keen to invest in many such ventures in Africa in the years ahead.

Responding to the observations by Mr. Harsh Pati Singhania, President, FICCI, the Minister mentioned that India had emerged as a major refining hub. The total installed capacity of refineries in India is 177.97 MMTPA and is not only meeting its domestic demand of petroleum products but also exporting US\$ 25 billion worth of petroleum products annually. India's refining capacity was expected to expand even further in next three years. "We offer to the countries in Africa expertise in several fields, including in laying cross-country pipelines, setting up terminals and depots, LPG plants, and marketing & distribution of various petroleum products," Mr. Deora pointed out.

The Minister announced that India's premier design and engineering consultancy company, Engineers India Limited, was ready to share its expertise with Africa in areas such as petroleum refineries, petrochemicals, oil & gas processing - both onshore and offshore and pipelines.

He said, in recent years, India has invested in exploration and production of oil & gas in Sudan, Nigeria, Libya, Egypt, Gabon, Congo Brazzaville, Nigeria-Sao Tome Joint Development Zone (JDZ) and Equatorial Guinea. India is a big consumer of crude oil from Nigeria, Angola, Egypt and Sudan, to mention just a few African countries. “Our depth of engagement with Africa has grown as our companies are present in retail of petroleum products, building of storage terminals and refinery upgradation in Africa. We are also engaged in city gas distribution and CNG projects. Our training facilities and consultancy services in the hydrocarbon sector have been availed successfully by a few countries in Africa. We want to develop this cooperation further.”

Shri S.M. Krishna pointed out that as the fastest growing democracy India offers a complementary and mutually advantageous hand of partnership to our friends in Africa’s hydrocarbon sector. Apart from being an obvious long-term market for African hydrocarbons, India is also globally recognized as a hub for business opportunities spread across the entire hydrocarbon production cycle. India is a oil refining centre, exporter of petroleum products and home to competitive hydrocarbon multinationals, which have made their presence felt all over the world, including in Africa.

Shri Krishna further observed that the global energy trends suggested that the demand for oil had peaked in the developed world. The new global claimants for oil are now located in Asia, including India, where a rapidly growing economy is driving our demand for energy. India would need to depend upon 90% oil and 60% gas imports by 2030-31. Presently, about 15 percent of India's crude oil imports came from Africa, but we can do with more.

The Minister suggested that the conference also address issues like the volatility in the oil and gas markets; promoting energy trade and investments; the information gap between energy suppliers and consumers, and protecting the transportation and transit of oil and gas.

He said, “We remain hopeful of success at Copenhagen in achieving an outcome, containing substantive and enforceable commitments which are equitable and supportive of economic growth, especially in developing countries. India has conceived its response to Climate Change, as part of a broader strategy for ensuring sustainable development. Our objective is to bring about changes in the kinds of energy we produce and consume, while remaining mindful of our resources constraints, environmental concerns and imperatives of economic development.”

Dr. Emmanuel Egbogah, Presidential Adviser on Energy Matters, Federal Republic of Nigeria, invited Indian companies to operate in the Nigerian oil and gas sector and expressed confidence that Indian investments in Nigeria would be profitable while at the same time it would secure India’s energy supply needs. Nigeria, he said, was undertaking a comprehensive reform of its oil and gas industry and proposed to deregulate its downstream sector. These reforms would create opportunities for foreign companies to take part in the development of the Nigerian and other African economies.

The inaugural session of the conference was also addressed by Mr. S Sundareshan, Additional Secretary, Ministry of Petroleum & Natural Gas (MoP&NG); Mr, Sunil Jain,

Joint Secretary, MoP&NG; and Mr. Sanjay Kaul, Adviser, Energy & Resources, Deloitte
Touche Tohmatsu India Pvt. Ltd.