

## OVL drops plan to build Iran LNG facility

ONGC Videsh Ltd. has shelved plans to build a \$5 billion LNG export facility in Iran and has, instead, opted to only invest in developing a giant gas field in the Persian Gulf for which the revised cost is being worked out, an official said.

### ‘Best offer’

OVL, the overseas arm of state-owned Oil and Natural Gas Corporation (ONGC), had, last year, made its ‘best’ offer to spend \$11 billion in developing the Farzad-B field in the Persian Gulf as well as in building the infrastructure to export the gas but Iran had dithered on awarding rights for the field to the Indian firm owing to differences over investments and price of gas.

The company has now agreed to do just the upstream field development part, leaving fuel marketing to Iran, the official said.

As had been agreed during the visit of Iranian President Hassan Rouhani earlier this month, a team of OVL officials will be visiting Tehran this week to discuss modalities of the upstream development.

“We had initially thought that the upstream field development would cost \$6.2 billion. But, this is not the final cost. We will be able to arrive at the final cost only after we at least appraise the discovery we had made about a decade back,” the official said.

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