

'Oil investments of \$40 billion by 2022'

On an uptick: Recent reforms have led to investments of \$25.2 billion under the PSC regime, says Dharmendra Pradhan. AFP

India is likely to attract investments worth more than \$40 billion in the next five years in the oil and gas sector alone as several global oil companies such as Saudi Aramco, BP Plc., Vedanta Resources and Total of France have evinced interest in investing in world's fastest growing market, oil minister Dharmendra Pradhan told *The Hindu*.

"Cumulative estimated investments of \$40 billion is expected in India's E&P [exploration and production] sector in the next 4-5 years. The total investment required is \$25 billion in production-sharing contract [PSC] regime, of this FDP worth of \$13.6 billion have been approved and investment of \$11.6 billion is under declaration of commerciality," said Mr. Pradhan, who was in Mumbai to attend a roadshow to showcase opportunities available for investments in the Indian oil and gas sector. The Minister also met with financial institutions and private equity firms in Mumbai.

"During Pre-NELP and NELP, total investments of \$40 billion has been done. In the last three years, pending projects worth \$25 billion have been started. Our liberal policies and transformation reforms undertaken recently had led to investments of \$25.2 billion under the PSC regime."

'BP investment'

When asked about investments by big oil firms, Mr. Pradhan said, "Today BP announced an investment of \$3 billion, Vedanta Resources has announced investments of \$6 billion and Saudi Aramco CEO has said that India is the investment destination. It shows the robustness of the Indian market."

The government has come out with the HELP (Hydrocarbon Exploration and Licensing Policy) framework with a vision to reduce India's import dependency in oil and gas by 10% by 2022.

"The ministry has enacted a series of reforms to incentivise domestic exploration and production of oil and gas.

"Discovered small field (DSF) bid round 2016 introduced under a liberalised framework has been extremely successful and we hope to get good investments under the upcoming round of bids in December," K.D. Tripathi, Petroleum Secretary, said.

The government is banking on investments from three key reforms in the petroleum sector- Open Acreage Licensing (OAL), Discovered Small Fields (DSF) and Production Enhancement Contracts (PEC).

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