

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**181 BIDS RECEIVED FOR EXPLORATION BLOCKS  
OFFERED UNDER NELP-VII**

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In order to enhance the country's energy security, the Government of India had offered 57 exploration blocks under the 7<sup>th</sup> round on 13<sup>th</sup> December, 2007. This has been the highest number of blocks offered so far under NELP covering an area of 1.71 lakh sq km. With the above award, the exploration coverage of Indian sedimentary basin is likely to go up to 55%.

The Government had undertaken intensive promotional efforts to promote the 57 blocks on offer. A special web site was created which had online availability of data, bid documents including terms and conditions for NELP-VII and other promotional material. Further, the Government held promotional road shows in Mumbai, London, Houston, Calgary, and Perth. Data centers were also opened at Noida, Houston, London and Calgary to facilitate companies to view data for NELP-VII blocks. Besides above promotional activities, an Investor meet and an E&P Service Provider's meet were also organized at Singapore and Oslo, Norway respectively.

The response of E&P industry throughout the world has been overwhelming and the roadshows saw the largest participation so far. The sale of data packages to 64 number of companies, including a large number of non-E&P companies has been an indicator of the enthusiasm in the hydrocarbon potential of India. The Bid Evaluation Criteria (BEC) under NELP is fully quantitative and transparent which has gone a long way to usher investor confidence in this Policy.

A number of new Policy introductions have taken place in the present round with a view to enhancing number of players and giving due recognition to competencies in the area of deep water exploration. A new category of blocks, namely, S-type has been offered in the present round wherein previous oil and gas operatorship has not been made as an essential criterion. Similarly, those E&P companies from abroad, who have operatorship experience in deep water exceeding 400 metre water depth have been given additional 10 points if they bid in association with Indian companies. It may be pointed out that Indian deep waters have witnessed a number of exploratory successes. Further, in order to enhance transparency and expedite the bid award process, tentative evaluation of the bids has also been undertaken at the venue of bid receipt itself. The bidders have been made available gist of the bid parameters received for each block on the basis of information provided by them. However, the formal award of the blocks will take place after evaluation of the bids by the Ministry of Petroleum & Natural Gas with appropriate Government Orders.

The Government has received 181 bids for 45 blocks by the bid closing date i.e. today. 7 deep water blocks, 2 shallow water blocks and 3 on-land blocks have not received any bid. A total of 96 companies including 21 foreign companies and 75 Indian companies have bid either on their own or as consortia. The Government's desire to enhance the number of players in the E&P sector has been achieved as is evident from the fact that 42 new players have bid for the nine S-type blocks either on their own or in consortium. Similarly, in the deep water blocks 2 super majors, including BP and BHP Billiton have bid in consortium with Indian companies, namely, RIL and GVK,

respectively. The participation of super majors is likely to usher in world class technology in the Indian oil and gas exploration sector and will also lead to transfer of technology to Indian companies as a result of the consortium criterion introduced for the first time under NELP. Other bidders in Deepwater include ONGC, Cairn, GSPC amongst others.

As per the quick assessment carried out by DGH, on the basis of information provided by the bidders along with their formal bids, 45 blocks out of the offered 57 blocks are likely to be awarded to the bidders. This will include award of 12 deep water blocks, 7 shallow water blocks and 26 on-land blocks. As per the bids received, the award of blocks is likely to be fairly balanced in favour of public sector E&P companies and private sector including Indian and foreign companies.

NELP-VII, by far, has been successful as may be seen from the following facts:

- (i) 181 bids, highest ever received for 45 blocks under NELP-VII against 165 highest bids received for 52 blocks in last round of NELP-VI.
- (ii) A total of 535 data packages amounting to Rs 85 crore were sold as against the previous best sale of Rs. 78.60 crore in previous round in NELP-VI.
- (iii) A total of 96 companies have bid against the previous best of 66 companies in the NELP-VI round.
- (iv) A total of 9 new foreign companies out of 21 foreign companies submitted bids under NELP-VII.
- (v) 26 blocks out of the bid 45 blocks attracted multiple bids.
- (vi) 2 S-type blocks received 17 bids each.
- (vii) 19 blocks received single bid.

One of the major achievements of NELP-VII has been that besides having received bids for 12 deep water blocks, bids have also been received for 9 frontier on-land blocks out of a total of 12 frontier blocks offered. This is a major achievement and the interest shown by E&P companies in undertaking exploration in these blocks shows the maturity of the Indian sedimentary basin. Exploration activity in these blocks is likely to enhance the understanding of Category-III basins.

It is also a major achievement of the present round that 9 deepwater blocks in the western offshore have been received which is the maximum number awarded for this region in any round. The intensified E&P activity in the western offshore will go a long way in exploration along with the west coast of India. The receipt of bids for both the Kerala-Konkan Blocks, where no discovery has taken place so far, is also a satisfactory development. Out of a total of 39 blocks carved out of relinquished older exploration blocks, and those which were offered earlier, bids have been received for 27 blocks. This is again a sign of renewed confidence amongst the bidders.

Evaluation of the bids will be undertaken by the Government and the blocks are expected to be awarded within two months i.e. by 31<sup>st</sup> August 2008. The entire process would take just about 2 months from bid receipt to the award of contracts and the contracts are expected to be signed by 30<sup>th</sup> September, 2008.

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