

Speech of the Hon'ble Union Minister of Petroleum & Natural Gas at the PetroFed Awards ceremony on March 21st, 2008 at Mumbai

The Secretary, Petroleum & Natural Gas,
Chairman, PetroFed,
Director General, PetroFed,
Senior Officers of the Ministry of Petroleum & Natural Gas
and Oil Companies,
Winners of PetroFed Awards 2007,
Distinguished Invitees, Friends from the Media,
Ladies & Gentlemen

To begin with, I would like to take this opportunity to congratulate the winners of the first PetroFed Awards for the oil & gas industry.

2. I am happy at the initiative taken by the Petroleum Federation of India in launching these awards to recognise and nurture excellence in the Indian oil and gas sector. The oil & gas sector is a key engine for growth of the national economy. The rate of growth in demand of petroleum products is often considered as an indicator of economic growth. But with the price of crude oil breaching 100 US Dollars per barrel in the international market, we have to use it economically and effectively. Energy efficiency improvement and energy conservation have to be given highest priority. There is tremendous scope of work in both these areas.

3. India is the fifth largest crude oil consumer in the world and more than 70% of the same has to be imported. Despite the continually rising prices of crude oil in the world, the Government has not passed the burden on to the common man by increasing the prices of petroleum products in line with international prices. The price of kerosene used by the common man under the public distribution scheme has not been increased. Even the price of domestic cooking gas, has been only marginally increased in five years despite the substantial escalation in international prices. The prices of petrol and diesel were also increased marginally in the recent past after two consecutive reductions in prices.

4. The stability in prices in the country should not however lead to increase in consumption by the people. We have to consume petroleum products efficiently and conserve them as far as possible. The Government's initiatives under the New Exploration Licensing policy have begun to bear fruit. Before implementation of NELP, only 11% of the Indian sedimentary basins were under exploration. So far under NELP regime 49 oil & gas discoveries has been made in 15 blocks which have added more than 600 million metric tonnes of oil equivalent hydrocarbon reserves. These include gas discovery by Reliance Industries Ltd. and NIKO Resources in KG basin. After the conclusion of 6 rounds of NELP, 162 production sharing contracts have been signed and the area under exploration has increased four times. During the XI Plan the area under exploration has been targeted as 80% of the Indian sedimentary basinal area. By 2015, we propose to have 100% of the Indian sedimentary basin area under exploration.

5. The seventh round of New Exploration Licensing Policy has been launched and is expected to attract good bidding for the 57 blocks on offer by the bid closing date of April 25, 2008. These include 19 blocks in deep water, 9 in shallow waters and 29 blocks on land. The First Phase of Roadshow for NELP VII have already been held in London, Houston and Calgary (Canada).

6. We are also in the process of framing parameters for an open acreage policy. The country is also in the process of adding substantial refining capacity to become a refining hub. Even today, the refining capacity is more than the consumption of petroleum products and our exports of products constitute the single largest export item from the country.

7. All this has been possible by the efficiency of the oil & gas companies operating in India who rightly deserve to be complimented for their excellent effort. It is therefore befitting that the apex industry federation honours excellence in various fields through these awards.

I once again congratulate all the award winners.

Thank you,
Jai Hind.