

### India asks ONGC to consider selling 60% stake in key oil, gas fields- source

- India's petroleum ministry has asked state-run explorer Oil and Natural Gas Corp (ONGC.NS) to consider selling a 60% stake in its two major oil and gas fields to private companies to boost output, a government source said.
- India, the world's third biggest oil consumer and importer, wants to quickly monetise its oil and gas reserves and has been asking ONGC for years to raise production.
- The country's dependence on foreign oil has gradually risen to more than 80% as its local oil and gas output has been stagnating for years amid rising local refining capacity.
- ONGC Mumbai High and Bassein and Satellite oil and gas fields offshore western India account for a major chunk of its local output.
- The source with direct knowledge of the matter said the ministry's suggestion on farming out a majority stake to private companies was not a binding order for the state-run ONGC. The person declined to be named, citing confidentiality issues.
- India has failed to draw interest from global oil majors in licensing rounds since 1990 despite overhauling its exploration policy to include steps such as allowing state-run companies to rope in private firms to raise output and auction off some of their old fields.
- Oil Secretary Tarun Kapoor last month told Reuters that global oil major ExxonMobil Corp(XOM.N) was looking to buy a stake in some of the local deep water fields of ONGC in the east coast.
- He also said that India wants to attract global oil majors to boost the nation's oil and gas output.

### India's diesel sales fall in October, data shows

- India's gasoil consumption fell in the first half of October from the same period in the previous year, preliminary sales data showed.
- Diesel sales by the country's state fuel retailers came in at 2.4 million tonnes during Oct. 1-15, a decline of about 9.2% from last year and down 0.9% from the same period in 2019, the data showed.
- State retailers Indian Oil Corp (IOC.NS), Hindustan Petroleum Corp (HPCL.NS) and Bharat Petroleum Corp Ltd (BPCL.NS) own about 90% of the country's retail fuel outlets.
- Sales of gasoil, which accounts for about two-fifths of India's overall refined fuel consumption, are directly linked to industrial activity in Asia's third-largest economy.
- In contrast, gasoline sales stayed above the pre-COVID levels at 1.05 million tonnes as people continued to prefer using personal vehicles over public transport for safety reasons.
- India has not yet fully opened its public transport sector, which mostly uses diesel.
- October gasoline sales were up 8.3% from the same period in 2019 and rose by 2% from September, the data showed.

### India's top gas importer sees LNG price surge spurring long-term contracts

- Surging liquefied natural gas (LNG) prices are pushing buyers to look at securing long-term contracts possibly with an option for a floor and ceiling price to hedge against extreme volatility, the CEO of India's top gas importer said.
- "Such a volatility was never seen in the history of LNG markets. We have seen the lowest and the highest prices in the last one year," A.K. Singh, chief executive of Petronet LNG (PLNG.NS), told the India Energy Forum by CERAWEEK, an industry event.
- Asia spot LNG prices dropped to a record low of below \$2 per million British thermal units (mmBtu) in May last year when coronavirus-induced lockdowns depressed gas demand.
- Earlier this month, they rocketed to a record high above \$56 per mmBtu. Prices have pulled back to around \$30 per mmBtu since, but remain nearly 500% up from last year.
- Lower spot prices had hurt investment in gas production assets, leading to supply constraints when demand rebounded as the global economy recovered after the pandemic. Low prices also encouraged buyers to take advantage of spot prices.
- Global spot and short-term LNG contracts now account for over 40% of overall volumes, doubling in the last decade, also partly a result of Asian buyers hesitating to make long-term commitments amid energy transition uncertainties and growing supply liquidity, according to Valery Chow, head of Asia gas and LNG research at Wood Mackenzie.
- Petronet says long-term LNG is currently costing it \$11-\$12/million British thermal units compared to spot prices of around \$40/mmBtu.
- Singh said recent volatility in gas prices is prompting buyers to look at linking long-term gas contracts with a mix of crude and gas indices.
- Gas demand in India is set to rise as Prime Minister Narendra Modi has set a target to raise the share of gas in India's energy mix to 15% by 2030 from 6.2% now.
- Meeting that goal requires building new LNG terminals of 70-75 million tonnes per annum (mtpa) capacity in the country, Singh said, as imports of the supercooled gas could rise to 120 mtpa from the current 26 mtpa.
- India's current LNG import capacity is 42 mtpa. New terminals of 19 mtpa capacity are under construction while plants totalling 9-10 mtpa capacity are at the design stage, he said.

### PM Modi to interact with CEOs, experts of global oil and gas sector

- Prime Minister Narendra Modi will interact with CEOs and experts of the global oil and gas sector. This is the sixth such annual interaction which began in 2016 and marks the participation of global leaders in the oil and gas sector, who deliberate upon key issues of the sector and explore potential areas of collaboration and investment with India, the Prime Minister's Office (PMO) said in a statement.
- The broad theme of the upcoming interaction is promotion of clean growth and sustainability.
- The interaction will focus on areas like encouraging exploration and production in hydrocarbon sector in India, energy independence, gas-based economy, emissions reduction through clean and energy efficient solutions, green hydrogen economy, enhancement of biofuels production and waste to wealth creation, according to the PMO.
- CEOs and experts from leading multinational corporations and top international organisations will be participating in this exchange of ideas, the statement said.
- Union Minister of Petroleum and Natural Gas Hardeep Singh Puri will be present on the occasion.

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