

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1561
ANSWERED ON-09/12/2024

INVESTMENTS IN EXPLORATION PROJECTS

1561# SHRI MITHLESH KUMAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the steps taken by Government to facilitate investment in exploration of major offshore oil reserves;
- (b) whether such investment by private companies would help in reducing dependence on oil;
- (c) the total area approved by Government for exploration activities which was earlier under the "no-go area"; and
- (d) the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF PETROELUM & NATURAL GAS
(SHRI SURESH GOPI)**

(a) & (b): The Government has taken various policy initiatives to facilitate investment in exploration of major offshore oil reserves, increase hydrocarbon production and reduce dependence which *inter-alia* include:

- i. Notification of Hydrocarbon Exploration Licensing Policy (HELP) on 30th March 2016 for the award of exploration acreages to boost the Indian Exploration & Production (E&P) Sector. This year also marked the landmark shift from Production Sharing mechanism to Revenue Sharing mechanism.
- ii. The Government introduced the Discovered small field policy in 2015 for awarding discovered acreages and enable monetization of unmonetized discoveries of Oil & Natural Gas Corporation (ONGC) Limited and Oil India Limited (OIL).
- iii. Government notified policies in 2016 and 2017 for marketing including pricing freedom for the gas produced from Deepwater, ultra deepwater and High Pressure-High Temperature areas subject to a ceiling price on the basis of landed price of alternate fuels.
- iv. The Government deregulated the sale of domestically produced crude oil in July 2022.
- v. Government further notified the policy reforms on 28th February 2019 to promote Ease of Doing Business and incentivize production (Revenue Share from Category II & III type of basins were removed except in case of windfall gains, 7-year Royalty Holiday and concessional Royalty Rates for Deep & Ultra-deep blocks, fiscal incentives for early monetization of fields as well as Marketing and Pricing freedom for natural gas)

- vi. Under the Open Acreage Licensing Program (OALP) under HELP, till date eight OALP bid rounds have concluded and 144 exploration blocks have been awarded for E&P activities with a total anticipated investment of 3.37 billion USD. In OALP Bid Round-IX, out of 28 blocks offered, 19 blocks are in offshore area covering an area of around 1,22,721 Sq. Km. (SKM).
- vii. Government is also spending substantially on acquisition of vital seismic data for appraisal of offshore sedimentary basins such as Andaman and India's Exclusive Economic Zone (EEZ) and drilling of stratigraphic wells to make quality data of Indian Sedimentary Basins available to bidders. Beyond the current EEZ boundary, Government has approved acquisition of 30,000 LKM of seismic data in the Extended Continental Shelf (ECS) of India.
- viii. Setting up of National Data Repository, 2017.
- ix. In 2022, Government of India released about 1 million SKM 'No-Go' area (which was previously prohibited for E&P operations) in offshore areas for new exploration.
- x. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
- xi. In June 2020, Government allowed monetization of early stage discovery during the Exploration period itself to help reduce the full gestation period of the project and enable investors to start earning revenues at an early stage.
- xii. In November, 2021 Government allowed monetization of ad-hoc and test gas making such gas that would have been flared available to the market.
- xiii. Expediting approval processes for oil and gas blocks through online portals and implementation of several processes on self-certification basis.

Oil and gas exploration and production projects are high risk, capital and technology intensive. India has 26 sedimentary basins. Government has undertaken various measures to appraise the unappraised sedimentary basins area which include Hydrocarbon Reassessment Survey, National Seismic Programme etc. Oil and gas exploration is carried out by companies in the public sector and private sector both. Exploration and production companies, including international oil companies, can contribute to the capital and technology required for projects to fulfill the energy requirement of the country.

(c) & (d): The "No-Go" area, which was prohibited for E&P operations, has now been reduced to 24,832 SKM from 1,366,708 SKM, thereby opening of up to ~99% of erstwhile "No-Go" area for exploration activities.

These areas lie off the coast of India in the Bay of Bengal, Indian Ocean and the Arabian Sea.
