

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO- 936
ANSWERED ON – 08/12/2025

REFINING BOOM VS PRODUCTION SLIDE

936. SMT PRIYANKA CHATURVEDI:

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

- (a) whether Government has analysed that while the country's refining sector is booming, even as domestic crude, the gas production continues to fall due to ageing fields and weak exploration;
- (b) steps being taken to reverse long-term decline in upstream production, especially given that crude output has dropped by over 26 per cent and natural gas by 24 per cent since FY 2012;
- (c) whether Government has evaluated risk that refining boom could deepen the country's import dependence for crude and LNG and measures in place to mitigate this risk strategically; and
- (d) Government's plan to balance expansion of refining capacity with investments in upstream exploration to ensure long-term energy security?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) The country's refining capacity has increased from 215.1 Million Metric Tonnes Per Annum (MMTPA) to 258.1 MMTPA (as on 1st April, 2025) in the last 10 years. The country has already become self sufficient in the refining sector, thereby enhancing the energy security of the country. Petroleum products remain an important export item from India. In FY 2024-25, Petroleum Products accounted for nearly 15.54% of the total exports from India.

While the production of domestic crude has shown a decline due to maturing fields, the domestic production of natural gas has increased from 33.65 Billion Cubic Metres (BCM) in FY 2014-15 to 36.11 BCM in FY 2024-25.

(b) to (d): India is expected to remain a major driver of global energy demand growth. According to the International Energy Agency (IEA), India will contribute over 40% of the global increase in oil demand and about 8% of the growth in natural gas demand between 2024 and 2035, while OPEC estimates India's share at approximately 23% for oil and 10% for gas over the same period.

Towards further strengthening our energy security, India has aggressively pursued domestic exploration and production (E&P) in the last 10 years. Of the total active acreage under E&P today, more than 75% area has been awarded in the last 10 years through Open Acreage Licensing Program (OALP), Coal Bed Methane (CBM) and Discovered Small Fields (DSF) bid rounds. Since 2015, 172 blocks have been awarded and more than 6,000 wells have been drilled.

The measures for increasing the domestic exploration and production of both conventional (Oil & Natural gas) as well as unconventional (Coal Bed Methane, Shale Oil & Gas and Gas Hydrate) hydrocarbon resources vis-à-vis the expansion of refining capacity and to reduce dependency on import of oil and gas inter-alia include:

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014;
- ii. Discovered Small Field Policy, 2015;
- iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016;
- iv. Policy for Extension of PSCs, 2016 and 2017;
- v. Policy for early monetization of Coal Bed Methane (CBM), 2017;
- vi. Policy to Promote/Incentivize Enhanced Recovery Methods of Oil/Gas, 2018;
- vii. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons including CBM, Shale Oil and Gas etc under Existing Contracts and Nomination Fields, 2018;
- viii. Release of about 1 Million Sq. Km. (SKM) “No-Go” area in offshore in 2022 which were earlier blocked for exploration for decades.
- ix. Amendments to Oilfields (Regulation and Development) Act in 2025 to promote ease of doing business, contractual stability and operational efficiency.
- x. The Oilfields (Regulation and Development) Amendment Act, 2025 has expanded the definition of "mineral oils" to include a broader range of hydrocarbons including conventional as well as unconventional form of hydrocarbons allowing the production of these hydrocarbons under a single lease.
- xi. In 2017, a policy framework for Early Monetization of CBM was formulated to provide marketing and pricing freedom for CBM and streamline the operational issues in the existing blocks.
- xii. In 2018, Government notified terms & conditions for grant of exploration and exploitation rights to Coal India Limited (& subsidiaries) from coal bearing areas.
- xiii. Policy guidelines for promotion of exploration and production of shale gas / oil inter-alia include:

- a. Allowing E&P operators in India to explore and develop all unconventional hydrocarbons (CBM, shale oil/gas and gas hydrate) under existing production sharing contracts, CBM blocks, and nominated licenses. This allows the exploration and development of shale gas/ oil in existing PML areas.
- b. Policy framework to promote and incentivize Enhanced Recovery Methods for Oil and Gas under which various fiscal incentives are being provided to the operators for future discoveries of unconventional hydrocarbons (Shale Gas/Oil and Gas Hydrate).

Additionally, during the last eleven years, from Ethanol Supply Year (ESY) 2014-15 to ESY 2024-25 (up to October 2025), ethanol blending in petrol undertaken by Public Sector Oil Marketing Companies (OMCs) has resulted in crude oil substitution of about 260 lakh metric tonnes, thereby strengthening the country's energy security.
