

**LOK SABHA
UNSTARRED QUESTION NO. 2607
TO BE ANSWERED ON 12th March, 2018**

Development of Oil and Gas

2607. SHRI P. KUMAR:

पेट्रोलियम व प्राकृतिक गैस मंत्री

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

- (a) whether the Government proposes to hold consultation with the industry/investors before formulating any new policy regarding development of oil/gas and other petroleum products;
- (b) if so, the details thereof along with the salient features of the new oil/ petroleum policy;
- (c) whether the Government proposes to deregulate the prices of natural gas; and
- (d) if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री (श्री धर्मेन्द्र प्रधान)

**MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARAMENDRA PRADHAN)**

(a) & (b). The Government of India has launched the Hydrocarbon Exploration & Licensing Policy (HELP) on 30th March, 2016 after holding wide ranging consultations with various stakeholders such as Exploration & Production (E&P) operators, service providers, industry and trade associations etc., including National Oil Companies (NOCs). The salient features of new Hydrocarbon Exploration & Licensing Policy (HELP) are as follows: -

- Single License for conventional and unconventional Hydrocarbons.
- An Open Acreage Licensing Policy.
- Easy to administer Revenue Sharing Model
- Marketing & pricing freedom for the Crude oil & Natural gas.
- Zero royalty rates for deepwater and ultra deepwater blocks for first seven years.
- Equal weightage to work programme and fiscal share
- Exemption from oil cess
- Custom duty exemption etc.

(c) & (d). Government of India has notified “New Domestic Natural Gas Pricing Guidelines, 2014” in October, 2014. This pricing mechanism is formula based and has been worked out considering the volumes and prices prevailing at major international markets such as Henry Hub (USA), National Balancing Point (UK), Alberta (Canada) and Russia. The formula has been finalized considering the requirements of producing and consuming sectors, and has tried to make a fine balance between their interests. The prices are notified after every six months in accordance with said guidelines. Government has notified a policy in March, 2016 to grant marketing and pricing freedom with a price ceiling on gas produced from discoveries in Deepwater, Ultra Deepwater, and High Pressure-High Temperature areas. Government has also provided marketing and pricing freedom for the sale of crude oil and natural gas to be produced under the Discovered Small Fields Policy-2015 and Hydrocarbon Exploration and Licensing Policy (HELP). Government has also notified the marketing and pricing freedom for Coal Bed Methane (CBM) in April, 2017 to augment domestic gas production.
