

LOK SABHA
STARRED QUESTION NO. *74
TO BE ANSWERED ON 04TH DECEMBER 2025

DEMAND OF CRUDE OIL AND NATURAL GAS

*74. SHRI TATKARE SUNIL DATTATREY:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has taken any steps to ensure that the expected rise in country's crude oil and natural gas demand by 2035 as projected by the International Energy Agency at thirty-seven percent for crude oil and eighty five percent for natural gas is met through its various operations, if so, the details thereof;
- (b) the steps taken to boost sources such as Coal Bed Methane, Synthetic Natural Gas, Shale Oil and Gas etc. to meet this demand;
- (c) whether the Government and various companies in this sector are prepared in terms of transport and storage infrastructure to deal with this major rise in demand, and if so, the details thereof; and
- (d) the methods through which petrochemical and green energy components can be integrated to meet future energy demand?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) IN RESPECT OF
LOK SABHA STARRED QUESTION NO. 74 TO BE ANSWERED ON 04.12.2025
REGARDING 'DEMAND OF CRUDE OIL AND NATURAL GAS' ASKED BY
SHRI TATKARE SUNIL DATTATREY**

(a) & (b): India is expected to remain a major driver of global energy demand growth through 2035, propelled by its robust economic trajectory. 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. Government has also implemented a range of policy measures and sectoral reforms aimed at enhancing domestic exploration and production, expanding natural gas infrastructure, and promoting green and alternative energy sources to support a balanced energy transition. 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 is placed at Annexure.

(c): At present, more than 10,400 Km of pipeline for transportation of Crude Oil, 24,000 Km for transportation of Petroleum Products and 25,429 KM of Natural Gas Pipeline (including sub-transmission pipeline & tie in connectivity pipeline) is operational. Further, to cater to the rising demand of Oil and Gas, Central Public Sector Undertakings undertake projects for expansion and augmentation of the transportation network, on an ongoing basis.

Petroleum and Natural Gas Regulatory Board (PNGRB) authorises Natural Gas Pipeline Network across the country with the aim to create National Gas Grid and increase the availability of natural gas across the country.

PNGRB has also authorized entities for development of City Gas Distribution (CGD) network in 307 Geographical Areas (GAs), covering the entire mainland area for development of CGD network across the Country.

In order to build the capacities of strategic crude storage, Government, through a Special Purpose Vehicle, called Indian Strategic Petroleum Reserves Limited (ISPRL), has established Strategic Petroleum Reserves (SPR) facilities with total capacity of 5.33 Million Metric Tonnes (MMT) of crude oil at 3 locations namely (i) Vishakhapatnam-1.33 MMT, (ii) Mangaluru-1.5 MMT and (iii) Padur-2.5 MMT. Government have also approved two additional commercial-cum-strategic petroleum reserve facilities with total storage capacity of 6.5 MMT at Chandikhol-4 MMT in Odisha and Padur-2.5 MMT in Karnataka.

In addition, there is a total of 8 MMT Crude tankage capacity at various refinery location across the country.

(d): Government has implemented various initiatives to promote biofuels and green hydrogen, which inter-alia include achieving 20% ethanol blending under the Ethanol Blending Programme (EBP), and broadening the scope of feedstock to enhance the availability of ethanol. 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 conservation of foreign exchange amounting to more than ₹1,55,000 Crore, along with crude oil substitution of about 260 lakh metric tonnes, thereby strengthening the country's energy security. The Pradhan Mantri Jaiv

Indhan-Vatavaran Anukool Fasal Awashesh Nivaran (PM JI-VAN) Yojana has been launched to provide financial assistance for setting up projects for advanced biofuels, including Sustainable Aviation Fuel (SAF). For the promotion of Compressed Biogas (CBG), the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme has been launched, and schemes like BAM (Biomass Aggregation Machinery) and DPI (Direct Pipeline Infrastructure) have been introduced to support biomass aggregation and to connect CBG plants to the existing pipeline network. National Green Hydrogen Mission (NGHM) has been launched with the objective of production of 5 MMTPA green hydrogen by 2030.

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.

- 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. Setting up of National Data Repository, 2017
- vii. National Seismic Programme, 2017;
- viii. Policy to Promote/Incentivize Enhanced Recovery Methods of Oil/Gas, 2018;
- ix. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons including CBM, Shale Oil and Gas etc under Existing Contracts and Nomination Fields, 2018;
- x. Lower Royalty Rates, Zero Revenue Share (till Windfall Gain) and no drilling commitment in Phase-I in Open Acreage Licensing Program (OALP) Blocks under Category II and III basins to attract bidders 2019;
- xi. Natural Gas Marketing Reforms, 2020;
- xii. Release of about 1 Million Sq. Km. (SKM) "No-Go" area in offshore which were earlier blocked for exploration for decades 2022;
- xiii. Amendments to Oilfields (Regulation and Development) Act in 2025 to promote ease of doing business, contractual stability and operational efficiency.
- xiv. 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.
- xv. Earlier, definition of Mineral Oils included natural gas and petroleum. However, Mineral Oil has now been defined as any naturally occurring hydrocarbon, whether in the form of natural gas or in a liquid, viscous or solid form, or a mixture thereof, and includes crude oil, natural gas, petroleum, condensate, coal bed methane, oil shale, shale gas, shale oil, tight gas, tight oil, gas hydrate in their usual industrial connotation and other gases occurring in association with mineral oils, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale.
- xvi. 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.
- xvii. In 2018, Government notified terms & conditions for grant of exploration and exploitation rights to Coal India Limited (& subsidiaries) from coal bearing areas.
- xviii. A new sub-sector, "Production of Syngas leading to coal gasification," has been created under the Non-Regulated Sector (NRS) linkage auctions policy.

- xix. Two Public Sector Undertakings namely Bharat Petroleum Corporation Limited (BPCL) and Gas Authority of India Limited (GAIL) have tied up with Coal India Limited for Coal gasification plants at Chandrapur, Maharashtra; and SonepurBazari, West Bengal respectively, to boost Synthetic Natural Gas production.
- xx. Government has approved an outlay of ₹8,500 crore as financial incentive, for promotion of coal/lignite gasification projects. A 50% rebate in revenue share for coal used in gasification has been introduced in commercial coal block auctions, provided that at least 10% of the total coal production is used for gasification purposes.
- xxi. 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).
 - c. A total of 30 wells were drilled by Oil and Natural Gas Corporation (ONGC) Limited and Conventional shale cores in OALP blocks were collected to generate more data pertaining to shale Gas potential. Similarly, Oil India Limited (OIL) drilled a total of 04 wells.
- xxii. Government is diversifying energy sources beyond traditional hydrocarbons to emerging fuels like Ethanol, Compressed Biogas, Hydrogen etc through schemes such as Ethanol Blending Program (EBP), Sustainable Alternative Towards Affordable Transportation (SATAT) etc. 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 increased from 1.5% to nearly 19.97% resulting in crude oil substitution of about 260 lakh metric tonnes, thereby strengthening the country's energy security.