

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3950
ANSWERED ON:17.08.2000
TIE UP WITH INDONESIAN OIL COMPANY
UMMAREDDY VENKATESWARLU

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

- (a): whether Indian Oil Corporation (IOC) has tied up with Indonesia's State Oil Company named 'Pertamina' for cooperation in down-stream and up-stream projects;
- (b): if so, the details thereof;
- (c): whether Indian Oil Corporation has gone into the antecedents and operational ability etc. of Pertamina;
- (d): if so, the details thereof;
- (e): if not, the reasons therefor; and
- (f): the gains expected by IOC from this tie-up?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a)&(b): A Memorandum of Understanding was signed by the Chairman, Indian Oil Corporation Limited (IOCL) on behalf of the Indian Hydrocarbon delegation which visited Indonesia, with the President Director and CEO of Pertamina, the national Oil Company of Indonesia, on July 13, 2000. The MOU envisages development of cooperation for projects identified in Indonesia and India subject to mutual agreement among the parties in the following areas:

- 1) Crude Oil Exploration & Production : To participate in each other's E&P projects.
- 2) Gas and LNG business: For import of LNG from Indonesia's LNG plants.
- 3) Refinery business.
- 4) Marketing/investment/upgrading of gas stations in Indonesia.
- 5) Information Technology.
- 6) Consultancy services, R&D cooperation and Training.
- 7) Other areas of business opportunities as may be mutually agreed.

(c) to (f): Pertamina, the national oil company of Indonesia is involved in the entire hydrocarbon value chain in Indonesia. The image of Pertamina in Indonesia is very good owing to its contributions to foreign exchange earning for Indonesia.

The above MOU is expected to open-up prospects of sustained cooperation between India and Indonesia. Indonesia, as such, holds vast reserve of gas, which could be considered to be profitably converted to LNG or DME for bringing to India. An alternate opportunity exists for sourcing of LNG from Indonesia vis-à-vis Middle East countries on competitive terms. In addition, adequate expertise available with the Indian hydrocarbon companies, who participated in the visit viz. Oil and Natural Gas Corporation Limited (ONGC), IOC, Gas Authority of India Limited (GAIL) and Engineers India Limited (EIL) can be offered to Pertamina for improvement of their hydrocarbon sector, resulting, inter-alia, in income through consultancy services.