

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

UNSTARRED QUESTION NO:4271  
ANSWERED ON:21.04.2005  
AGREEMENT BETWEEN IOC AND OIL  
Rao Shri Sambasiva Rayapati

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

- (a) whether Indian Oil Corporation has signed a 10 year agreement with Oil India Ltd.(OIL) for foraying into upstream business of oil as well as other related prospects in the hydrocarbon chain;
- (b) if so, the salient features thereof; and
- (c) the total investment made by the Indian Oil Corporation abroad in LNG (liquefied natural gas) and petrochemicals?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ ( SHRI MANI SHANKAR AIYAR )

(a) & (b): Yes, Sir. On 8.12.2004, Indian Oil Corporation Ltd. (IOC) and Oil India Ltd. (OIL) entered into a Memorandum of Understanding (MOU) to synergise their skills and strengths in their respective domains and jointly pursue overseas upstream business opportunities.

In terms of the MOU, the participating interest of IOC and OIL in all overseas opportunities will be equal unless mutually decided otherwise on a project-to-project basis. OIL will be the operator for all overseas upstream projects wherever the IOC-OIL combine acquires operatorship rights. Initially, the MOU will be effective for a period of 10 years and, thereafter, can be extended by mutual agreement.

(c): IOC have not made any investment abroad as yet in Liquefied Natural Gas (LNG) and Petrochemicals projects.