

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

UNSTARRED QUESTION NO:6101

ANSWERED ON:05.05.2005

AGREEMENT FOR COMMERCIAL STORAGE FACILITIES

Singh Shri Kirti Vardhan;Yadav Shri Anirudh Prasad (Sadhu)

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

(a) whether Indian Oil Corporation and Hindustan Petroleum Corporation Limited have initiated steps with M/s. Saudi Aramco for criss cross investments in refineries in India and Saudi Arabia;

(b) if so, the details thereof;

(c) whether IOC has entered into an agreement with M/s. Saudi Aramco for commercial storage facilities in India; and

(d) if so, the details thereof?

Answer

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

(a) & (b): Yes, Sir. Indian Oil Corporation Ltd (IOC) and Hindustan Petroleum Corporation Ltd (HPC) have initiated discussion with Saudi Aramco for possible Saudi investment in IOC's Paradeep refinery and HPC's Vishakhapatnam refinery expansion project. The proposed Saudi investment is associated with possible investment by HPC and IOC in Yanbu refinery in Saudi Arabia.

(c) & (d): The question of India-Saudi cooperation in the establishment of commercial storage facilities was broached during the recent visit of the Minister to Saudi Arabia, but commercial negotiations are yet to begin.