

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

UNSTARRED QUESTION NO:1399
ANSWERED ON:01.12.2005
ALLOCATION OF OIL BLOCKS TO NTPC
Chowdhury Shri Adhir Ranjan;Singh Shri Uday

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

- (a) whether the Government has allocated oil blocks for exploration to National Thermal Power Corporation (NTPC) in some States;
- (b) if so, the details thereof;
- (c) whether terms and conditions and production sharing contract with NTPC have been made;
- (d) if so, the details thereof; and
- (e) the extent to which the Government/ oil companies are likely to be benefited by this contract?

Answer

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

(a)&(b):- Yes, Sir. The Government has awarded one exploration block under the fifth round of New Exploration Licensing Policy (NELP-V) to the consortium of NTPC Ltd., Geopetrol International, and Canoro Resources Ltd. The block is located in Arunachal Pradesh and covers an area of 295 sq. kms.

(c)&(d):- The terms and conditions of the Production Sharing Contract (PSC) have been negotiated with the consortium. The broad terms and conditions of the proposed PSC are at Annexed.

ANNEX

Annex referred to in reply to parts (c) and (d) of the Lok Sabha Unstarred Question No. 1399 by Shri Adhir Chowdhury and Shri Uday Singh to be answered on the 1st December, 2005 regarding Allocation of oil blocks to NTPC.

- (i) The PSC provides for Production Sharing Contract between the Government and the Consortium.
- (ii) The participating interest of NTPC-Geopetrol International and Canoro Resources are 40 -30-30 percent respectively
- (iii) The Consortium is required to complete the minimum exploration programme under the PSC.
- (iv) The Consortium is required to pay royalty as per the PSC.
- (v) The Consortium will be exempted payment of customs duty on imports to be used for petroleum products.
- (vi) The Consortium is subject to the laws of India.
- (vii) The Consortium is allowed 100% cost recovery.
- (viii) The Consortium has freedom to sell oil and gas at market related prices in India.