

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

UNSTARRED QUESTION NO:4423

ANSWERED ON:26.08.2004

STRATEGIC OIL RESERVE

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

- (a) whether the Government is considering reviewing the proposal to build strategic oil reserves to ensure energy security for this country;
- (b) if so, the details thereof; and
- (c) the total funds required for creation and maintenance of these strategic oil reserves?

Answer

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

(a) to (c) The Government proposes to build strategic storage of crude oil for storing 5 million metric tonne of crude oil. The proposed storage would be in addition to the existing storage of crude oil and petroleum products with the oil companies and would provide emergency response mechanism to oil supply disruptions. The estimated capital cost of the project is around Rs. 1650 crore. In addition, the cost of crude would be around Rs. 5000 crore. The project is at its initial stage and the proposed storage is likely to come up in the next four years.