

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

UNSTARRED QUESTION NO:2081
ANSWERED ON:09.03.2006
AGREEMENT BETWEEN ONGC AND SHELL OIL COMPANY
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Oil and Natural Gas Corporation (ONGC) has signed any agreement with Shell Oil Company to get stake in overseas projects;
- (b) if so, the details in this regard; and
- (c) the details of possibilities of Shell's participation in ONGC-MRPL refinery and petrochemical complex after such agreement?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b) : Oil and Natural Gas Corporation Limited (ONGC) have reported that they have entered into a Memorandum of Understanding (MoU) with Shell Exploration Company on 19.1.2006 for cooperation in various business opportunities in the hydrocarbon sector. The areas of cooperation identified therein are the following :

- (i) Investigating specific exploration opportunities within India;
 - (ii) Joint participation in international upstream ventures out of Shell and ONGC portfolios;
 - (iii) Improving production by using Improved Oil Recovery methods;
 - (iv) Extraction of C2-C3 from imported LNG, downstream of the Hazira facility;
 - (v) Evaluating the concept of jointly setting up surface coal gasification facilities in India using Shell's proprietary Coal Gasification Process.
 - (vi) Long term oil products supply arrangement with MRPL for a part of its demand in India;
 - (vii) Establishing the feasibility of setting up a joint venture bitumen business in India;
 - (viii) Evaluating joint business opportunities in the area of marine fuels and lubricants at select ports;
 - (ix) Evaluating joint business opportunities in new refinery and petrochemical projects, including, but not limited to, cooperation on product exports and potential Shell equity participation if Shell desires, in green-field refinery, new petrochemical plant and potential other facilities;
 - (x) Cooperation in areas of Health, Safety and Environment (HSE);
 - (xi) Evaluating joint business opportunities in the area of Coal Bed Methane applications in India;
 - (xii) Cooperation in renewable energy sources, such as wind farms and potential Coal Gasification.
- (c) : The MoU does not specifically make a mention of any particular project.