

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

UNSTARRED QUESTION NO:2631
ANSWERED ON:16.12.2004
PARTNERSHIP IN CRUDE PIPELINE
Rao Shri Sambasiva Rayapati

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

- (a) whether Egypt has offered India, partnership in its multi-billion dollar crude pipeline linking the Mediterranean and Red Sea;
- (b) if so, whether the pipeline, has given excess to India to the oil reserves of the Caspian and Dead Sea regions;
- (c) whether this new pipeline will also open a western maritime door oil from Algeria and Libya;
- (d) if so, whether Iran has also offered India 20% in Oil field on nomination basis and in turn Iran wants India to buy the proposed 5 millions tonnes p.a. of LNG for \$2.57 million BTU;
- (e) if so, whether both Egypt proposal and Iran offer has been accepted; and
- (f) if so, the time by which the final decision is likely to be taken by Government in this regard?

Answer

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

(a) to (c): During a meeting between the Minister of Petroleum and Natural Gas, Government of India and his Egyptian counterpart in Vienna on 16th September, 2004, on the side-lines of the OPEC international seminar, the Egyptian Minister had indicated that they intended to build a long-distance pipeline which would run from the Mediterranean coast to the Red Sea Coast. He invited India to consider participating in this project after the proposal is finalised by the Egyptian side. Depending upon the alignment, capacities and uses to which the pipeline(s) is put, it could improve India's access to regions abutting the Mediterranean. GAIL is following up the invitation to participate.

(d) to (f): A Memorandum of Understanding (MoU) was signed on 27th January, 2003 between the Ministry of Petroleum and Natural Gas, Government of India and Ministry of Petroleum of Islamic Republic of Iran for furthering cooperation in the hydrocarbon sector. Under the provisions of this MoU, a joint working group (JWG) has been constituted to follow up and monitor the progress of cooperation. The minutes of the first meeting of JWG held in May 2003 provide for a package of cooperation. The package consists of export of 5 MMTPA of LNG from Iran to India and Iran agreeing to negotiate awarding a significant-sized discovered Iranian oilfield and a semi-discovered Iranian oil field to an Indian PSU like ONGC Videsh Limited subject to technical and commercial competitiveness.

Finalisation of an agreement on this is subject to commercial terms, including price, being agreed upon mutually. Negotiations are continuing.