

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

UNSTARRED QUESTION NO:167
ANSWERED ON:02.07.2009
SETTING UP OF STRATEGIC OIL RESERVES
Rao Shri Sambasiva Rayapati

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

- (a) whether the Government has any proposal to set up strategic oil Reserves storages in view of rise in global crude oil prices; and
(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI JITIN PRASADA)

(a) & (b): Yes,Sir.The Government decided in September, 2005 to set up a Strategic Crude Oil Reserve of 5 Million Metric Tonne (MMT) capacity at 3 locations viz., Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur, Udipi (2.5 MMT) through the Indian Strategic Petroleum Reserves Limited (ISPRL), which is a 100% subsidiary of the Oil Industry Development Board (OIDB). This strategic storage of crude oil would be in addition to the existing storages of crude oil and petroleum products available with the oil companies. Crude oil from the reserves will be released by a Government-appointed High Powered Committee, to deal with any short-term disruptions in crude oil supplies due to any unforeseen global event like war etc., leading to an abnormal increase in crude oil prices, or to deal with a contingency arising out of a natural calamity, etc.

The construction of the underground cavern is under progress at Visakhapatnam.The work order for underground civil works at Mangalore has been awarded to the successful bidder. Pre-project activities relating to land acquisition and obtaining the required clearances are under progress at Padur.