

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

UNSTARRED QUESTION NO:4354
ANSWERED ON:19.08.2010
US SANCTIONS ON OIL COMPANIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether United States of America (USA) has named 41 companies including Oil and Natural Gas Corporation and Indian Oil Corporation which may attract sanctions for investment in Iran energy sector;
- (b) if so, whether the Government has asked State run oil companies to seek legal opinion on the impact of US sanctions against Iran;
- (c) if so, the details thereof;
- (d) the extent to which these sanctions are likely to hit Indian energy sector; and
- (e) the alternate measures taken or being taken by the Government to meet its energy requirement in the wake of sanctions imposed on oil companies by USA?

Answer

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

(a) Yes, Madam.

(b) to (e) In June 2010, Ministry of Petroleum & Natural Gas advised ONGC Videsh Ltd to seek legal opinion with regard to the impact of U.S./UN/other economic sanctions on investment opportunities in Iran. While Iran continues to be India's second biggest crude oil supplier and there is no adverse impact of various economic sanctions on the supply of crude oil from Iran to India, the impact of economic sanctions on investment opportunities pursued in Iran, is being examined. The next India-Iran Joint Working Group meeting to discuss all bilateral issues in the hydrocarbon sector to be held. Several measures have been taken by the Government to meet the energy requirement in the country, which are as under:

- (i) Carving out more areas for exploration in the country for offer under various rounds of New Exploration Licensing Policy (NELP) and Coal Bed Methane Policy(CBM).
- (ii) Application of Enhanced Oil Recovery/Improved Oil Recovery techniques for increasing recovery factor from existing fields in the country.
- (iii) Acquisition of exploration acreages and producing properties overseas to bring in equity oil and gas.
- (iv) Arresting decline from ageing/ matured oil and gas fields in the country.
- (v) Substitution of oil through use of non-conventional source of energy such as bio-diesel, ethanol etc. Extraction of Gas from gas hydrates under National Gas Hydrates Programme (NGHP) by evolving suitable production technology.