

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

UNSTARRED QUESTION NO:689

ANSWERED ON:11.11.2010

INVESTMENT BY ONGC IN RAJASTHAN OIL FIELDS

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

- (a) whether the Government is considering a proposal of Vedanta to acquire Cairn India Ltd.;
- (b) if so, the details thereof;
- (c) whether the Government is aware that Oil and Natural Gas Corporation has invested \$ 1.3 billion in Rajasthan oilfields owned by Cairn India which as reported to have recorded negative return;
- (d) if so, whether the Government propose to take to safeguard the interest of ONGC in Vedanta-Cairn deal;and
- (e) if so, the details thereof?

Answer

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

(a): Cairn Energy PLC informed Ministry of Petroleum & Natural Gas Vide letter 16.8.2010 about the proposed disposal of their 51% shareholding in Cairn India Limited (CIL) to Vedanta Resources PLC. This Ministry advised Cairn Energy PLC and its Subsidiaries (operators) that they have to seek the prior consent of the Government for the proposed transfer as required under the provisions of the Production Sharing Contract (PSC). Accordingly, certain subsidiaries of Cairn Energy PLC have applied vide letters dated 9.9.2010 seeking consent of the Government of India

(b) The transaction details as submitted by Cairn Energy PLC is enclosed as Annexure-A.

(c) The Block RJ-ON-90/1 is owned by the Government of India, wherein ONGC is the licensee and Cairn India Limited is the Contractor & Operator. The audited statements as on 31.3.2010 show a cumulative investment of about US\$ 2932.58 million (MM), out of which, ONGC and Cairn India Limited have invested US\$ 691.45 MM and US\$ 2214.13 MM, respectively.

(d) and (e) The matter is under examination and a decision would be taken by the Government on the basis of the PSC provisions.