

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

UNSTARRED QUESTION NO:3846
ANSWERED ON:02.12.2010
DISPUTE BETWEEN ONGC AND CAIRN INDIA LTD
Singh Dr. Raghuvansh Prasad

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

(a) whether there is any dispute between Oil and Natural Gas Corporation and Cairn India Ltd. regarding their joint venture oil field in Rajasthan after Cairn deal with Vedanta Resources;and

(b) if so, the present status thereof and the action taken by the Government to settle this dispute?

Answer

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

(a) and (b): Cairn India Ltd, (CIL) through its affiliate/subsidiaries holds 70% of Participating Interest (PI) in the Pre-NELP Block RJ-ON-90/1 in Rajasthan and ONGC holds 30% of PI and is also the licensee of the block. It is reported by Oil and Natural Gas Corporation (ONGC) that Cairn Energy PLC which holds 62.4% interest in CIL, vide letter dated 16th August, 2010, has informed ONGC that it has announced the proposed disposal of its substantial shareholding (up to 51%) in Cairn India Ltd. ONGC viewed that it has pre-emptive rights in relation to Cairn's PI under the Joint Operating Agreement (JOA) read with the provisions of the Production Sharing Contract (PSC). ONGC has requested Cairn Energy PLC to provide details in this regard. Cairn Energy PLC provided the share purchase deed for the proposed transaction and informed that ONGC's pre-emptive rights have not been triggered as it is not a case of transfer of PL ONGC is examining the above views of Cairn Energy PLC.

The rights and obligations amongst the JV Partners i.e. ONGC and Cairn India Limited, such as `first-right to purchase`, etc., are governed by the JOA, wherein this Ministry is not a party to the agreement.