

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

UNSTARRED QUESTION NO:3694

ANSWERED ON:25.08.2011

ACQUIRING OIL AND GAS ASSETS OVERSEAS

Siddeswara Shri Gowdar Mallikarjunappa

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

(a): whether the Ministry has urged the Finance Ministry to consider setting up a fund that will aid domestic public sector companies in acquiring oil and gas assets overseas;

(b): if so, whether it has been pointed out that as competition in the overseas market is tough and to establish a strong footing apart from quick decisions, huge investments are required;

(c): whether as a strategy, a focal point is required to pursue such acquisition; and

(d): if so, the time by which a final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) to (d): As per Presidential Address to Parliament on 04.06.2009, the Government is committed to pursue India's oil diplomacy aggressively which includes consultations with the concerned agencies/stakeholders. Keeping in view requirements of Energy Security for the country, it has been suggested to consider the idea of creation of a sovereign fund focused on resource asset acquisition abroad. Presently, the acquisition of overseas Exploration and Production (E&P) assets by oil Public Sector Undertakings (PSUs) and funding thereof is based on commercial considerations based on strategy adopted by the respective oil PSUs.