

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

UNSTARRED QUESTION NO:941  
ANSWERED ON:16.08.2012  
DIVERSIFYING OF BUSINESS BY ONGC  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the Oil and Natural Gas Corporation (ONGC) has sought to diversify its business portfolio and venture into new and challenging areas;
- (b) if so, the details thereof;
- (c) whether the Indian Oil Corporation (IOC) also needs to have substantial presence in the gas market to make up for the loss in liquid fuel business and to maintain its leadership in the oil and gas market; and
- (d) if so, the details thereof along with the steps being taken by the IOC in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIR.F.N. Singh)

(a) and (b): Details pertaining to Oil and Natural Gas Corporation Limited(ONGC) plan's and initiatives to expand its business portfolio into new and challenging areas of hydrocarbon and related business are given as under:

(i) ONGC has identified challenging areas like `High Pressure High Temperature (HPHT) wells, basement drilling, Shale and tight gas, Coal Bed Methane(CBM), Deep water etc. for its future growth through alliances and partnership route.

(ii) ONGC is already present in Refinery and Liquefied Natural Gas(LNG) segment of business through Manglore Refinery and Petrochemical Limited(MRPL) and Petronel LNO Limited(PLL) respectively. As integration project ONGC is implementing projects in power, petrochemicals at Tripura. Dahej and Mangalore through Joint Venture route.

(iii) ONGC has identified Alternate Energy and Renewable energy sources like Wind and Solar including Nuclear power generation as focus areas for green energy development which has potential to provide stable and sustained cash-flow to its balance sheet with effective insulation against business cyclicality.

(iv) Other areas under focus and consideration are:

# i ,NG re-gasification and city Gas Distribution

# Monetize stranded gas through Fertilizer plant.

# Focus on non-conventional energy sources like Underground Coal Gasification (UCG).

# Pursue commercial exploitation of off-shore wind potential.

# Pursue and examine Research and Development R&D) Investment in emerging energy related business like Geothermal. Tidal, Run of river hydro electric power stations. Energy efficient lighting.

The above investment plans are subject to viability of individual project and envisages capturing value down the hydro-carbon chain as well as increase green energy foot-print: however, ONGCs main focus remains on core upstream business.

(c) and (d): Yes. Madam. In order to make up for the loss in liquid fuel business and to have substantial presence in the gas market. Indian Oil Corporation Limited(IOCE) has taken the following steps:

(i) IOCL, being a promoter of PLL is entitled to market one third of the long term LNG being imported by PLL as an off taker.

(ii) IOCL has pioneered the supplies of LNG by road to customers who are not connected to Natural gas pipelines or customers seeking only LNG for their operations.

(iii) IOC, in partnership with GAIL(India) Limited has been operating a Joint Venture(JV) for two City Gas Distribution(CGD) networks viz. Agra and Lucknow.

(iv) The demand for `Natural Gas is driven by availability, infrastructure and affordability to various customers. IOCL is in process of setting up a 5 Million Metric Tonne Per Annum(MMTPA) LNG storage and re-gasification terminal at Ennore near Chennai.