

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

UNSTARRED QUESTION NO:1171
ANSWERED ON:30.11.2012
INVESTMENT IN SHALE GAS ASSETS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Oil India Limited(OIL) and Indian Oil Corporation Limited(IOCL) have invested in shale gas assets in United States of America(USA);
- (b) if so, the details thereof;
- (c) whether export of shale gas from USA is restricted and banned to non-FTA (Free Trade Agreement) countries like India;and
- (d) if so, the rationale behind investment in an overseas asset which cannot be shipped back to India?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAKA LAKSHMI)

(a) and (b): No, Madam. However, Oil India Limited(OIL) and Indian Oil Corporation Limited(IOCL) have invested in liquid rich Shale Oil/Condensate asset in United States of America(USA).

(c) and (d): Export of shale gas from United States of America(USA) is restricted and banned to non- Free Trade Agreements(FTA) countries like India. The rationale behind investment in the said shale oil/condensate asset in USA is given below:

- (i) Gaining foothold in producing Niobrara shale oil play.
- (ii) Access to US unconventional shale asset.
- (iii) Opportunity to work with the reputed US unconventional player i.e. Carrizo(a National Association Securities Dealers Automated Quotations(NASDAQ) listed company) as operator.
- (iv) Possibility of participating/bidding jointly with Carrizo for more shale oil/gas ventures in USA and India.
- (v) Exposure and hands on experience to IOCL's Exploration & Production(E&P) manpower through secondment.
- (vi) In addition and more importantly, the produce from the asset is predominantly crude oil/condensate.