

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

UNSTARRED QUESTION NO:5226
ANSWERED ON:26.04.2013
PRODUCTION OF OIL AND GAS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Public Sector Undertakings in the country are not able to produce oil and natural gas commensurate with the demand in the country and consequently this work is being assigned to the private sectors;
- (b) if so, the details thereof;
- (c) whether assigning production of oil and natural gas to private sector or to Public Private Partnership (PPP) model results in revenue loss to Government;
- (d) if so, the details thereof and the amount of revenue loss caused to the Government during the year 2011-12 as a result of it; and
- (e) the corrective steps taken by the government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI PANABAACA LAKSHMI)

(a) & (b): With an objective to attract significant risk capital from Indian and foreign companies, state of the art technologies, new geological concepts, and best management practices to explore oil and gas resources in the country to meet rising demands of oil and gas, New Exploration Licensing Policy (NELP) became effective in February, 1999, which provides level playing field to the private investors by giving them the same fiscal and contract terms as applicable to National Oil Companies (NOCs) for the exploration acreages offered.

(c) & (d): The sharing of profits in the awarded fields are governed by the provisions laid down in the respective Production Sharing Contract (PSCs) of these fields. As a result of award of Discovered Fields, the oil and gas production from these fields have increased from 0.254 Million Metric Tonnes (MMT) and 0.088 Billion Cubic Meters (BCM) in 1994-95 to 2.38 MMT and 4.231 BCM in 2012-13 respectively. The increase in oil and gas production resulted in higher revenues to the Government in terms of increased realization of Profit Petroleum and Royalties.

(e): Does not arise in view of relies to "c" & "d" above