

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

UNSTARRED QUESTION NO:3238
ANSWERED ON:30.08.2013
OIL AND GAS EXPLORATION IN EGYPT
Sivasami Shri C.

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

- (a) whether the Indian Consortium of certain oil companies have declined to sign Production Sharing Contracts (PSC) for a number of offshore oil exploration blocks in Egypt;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) to (b). Yes, Madam. South Quseir (Block 3) and South Sinai (Block 4) located in the Red Sea & Gulf of Suez were awarded to the consortium comprising of GSPC, OIL and HPC by Ganoub El Wadi Petroleum Company (GANOPE) in November 2008 following the bid submitted by the consortium. The signing of the concession agreements however got delayed due to maritime border dispute between Egypt and Saudi Arabia over parts of Red Sea which included portions of the awarded blocks also. The issue was resolved in 2010 by redrawing a median line between Egypt and Saudi Arabia which resulted in the reduction of the area of South Quseir block by 1562 Sq Km. The Indian Consortium re-assessed the feasibility of South Quseir (Block 3) and South Sinai (Block 4) projects, and decided not to sign the Concession Agreements on account of economic non-viability due to exorbitantly high cost of services and potential cost and time overruns.

(c). The decision to invest in E&P activities overseas is taken by the companies based on techno commercial viability. Cases which are beyond the limit of powers delegated to PSUs only, are referred to the Government after the techno commercial viability has been established.