

# ONGC set to enhance production

To Invest ₹35,000 crore in Kakinada offshore asset in next few years

**SANTOSH PATNAIK**  
VISAKHAPATNAM

ONGC will increase its production of 1.2 million cubic metres by five million cubic metres gas per day additionally from its deep-water wells in the Eastern Offshore Asset located at Kakinada.

After establishing proven reserves from the offshore blocks of East Coast of India, presently gas is being supplied through GAIL's KG Basin Grid.

After interacting with user-industries drawn from gas-based power plants, fertilizer and other establishments here on Saturday, ONGC Executive Director and Asset Manager of Eastern Offshore Asset Alok Nan-



ONGC executive director Alok Nandan and APGIC managing director Koya Pravin at an interactive meet in Visakhapatnam on Saturday.

dan told *The Hindu* that they were investing about ₹35,000 crore over next few years in Kakinada offshore asset.

He said ONGC was confident of adding 15 million

cubic meters of gas per day from mid-2019 onwards.

This being from deep-water fields, it would also entail pricing and market freedom for ONGC. Awarding of contracts for various works was

at various stages of finalisation. Eastern Offshore Asset is business unit of ONGC located at Kakinada. It is mandated to administer production from all its oil and gas properties in the eastern offshore and also to manage the connected offshore facilities.

Mr. Nandan said they were allowed to sell with marketing and pricing freedom as per government guidelines.

The company is also faced with discovery of oil and gas over a large extent due to technical challenges like location in very shallow waters, some in medium and some in deep waters. "Hence, we have decided to fully gear up to take advan-

tage of latest technological innovations and easing market conditions for conducive business," he stated.

Mr. Nandan said being cleaner and more efficient fuel, the government had also been promoting industrial use of gas and encouraging ONGC to increase its production from new deep-water fields of East Coast.

The gas will be competitively priced with lowest of landed price compared to alternative fuels like LNG, imported naphtha, coal and fuel oil.

Andhra Pradesh Gas Infrastructure Corporation Managing Director Koya Praveen was present during the interactive session.

# LNG terminal project in a limbo

MoU for the facility was signed in 2012

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The LNG terminal project proposed at Gangavaram Port by Petronet LNG Limited (PLL), a joint venture of leading public sector oil companies, is in a limbo.

Though the MoU was signed in 2012 for the ₹9,000-crore project, for which environmental public hearing was conducted in 2013, has not taken off due to a variety of problems like clearances for pipeline connectivity and achieving financial closure.

The project proponent was supposed to establish re-gasification facility at Gangavaram by hiring a floating bulk carrier.

As per the detailed project report, import, storage, and re-gasification facilities were to come up at the port for the 10 million tonne per



A view of the Gangavaram Port where an LNG terminal is to be set up. \*K.R. DEEPAK

annum facility to be taken up in two phases.

In the first phase, raw material was to be imported and transported directly to customers and, in the second phase, re-gasified fuel was to be supplied through pipeline as per the recommendations of the M.B. Lal Committee set up by the Ministry of Petroleum and Natural Gas.

As on date, the PLL has

not initiated anything.

Industry sources told *The Hindu* that problems with regard to obtaining clearances for the pipelines and raising funds for the ambitious project were the reasons attributed for the project remaining a non-starter.

The joint venture company in which the GAIL, the ONGC, the IOCL, and the BPCL are partners was supposed to make its third terminal at Gangavaram, the first on the East Coast, operational by 2016.

Anakapalle MP Muttamsetti Srinivasa Rao had raised in Lok Sabha the delay in establishing connectivity with the Kakinada-Srikakulam pipeline of the A.P. Gas Distribution Corporation, and pointed out that the delay had led to non-grounding of any work on the LNG terminal.