



**Ministry of Petroleum and Natural Gas**  
Government of India

# Investment Opportunities in Indian E&P Sector

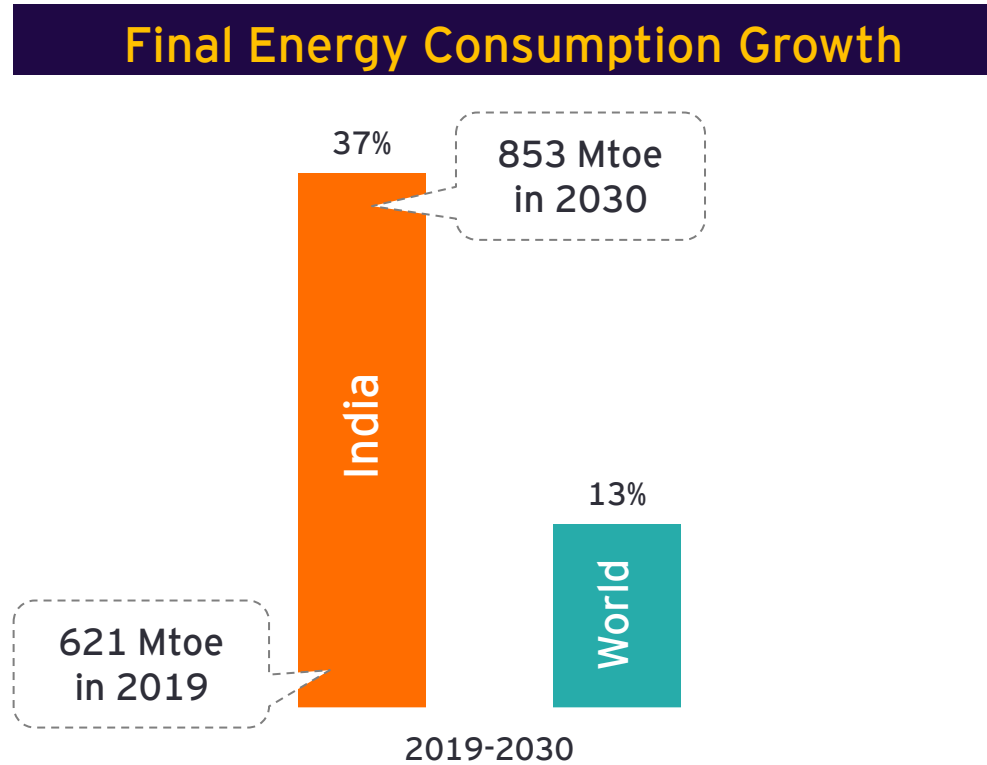
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**Additional Secretary-Exploration**  
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<https://mopng.gov.in/en>

# Indian Economy expected to witness an increasing energy demand

Nominal GDP for FY22 is estimated at INR 236 trillion (~US\$ 3.1 trillion)

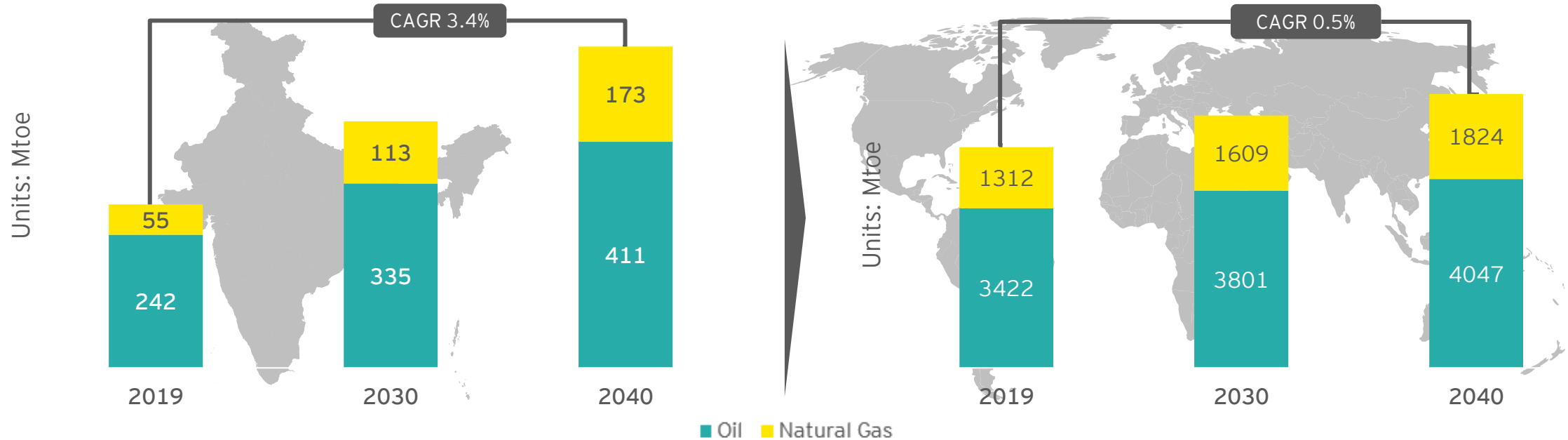


Source: IEA India Energy Outlook 2021, IEA World Energy Outlook (Stated Energy Policies Scenario)

- India is currently **3<sup>rd</sup> largest energy consuming country**; set to overtake EU's combined energy consumption by as early as 2030
- By 2040, India's will account for ~9% of world's final energy consumption

# Hydrocarbon demand in India is expected to grow at a rate ~7 times faster than that in Rest of the World

## Oil & Gas Demand Outlook: India vs. Rest of the World

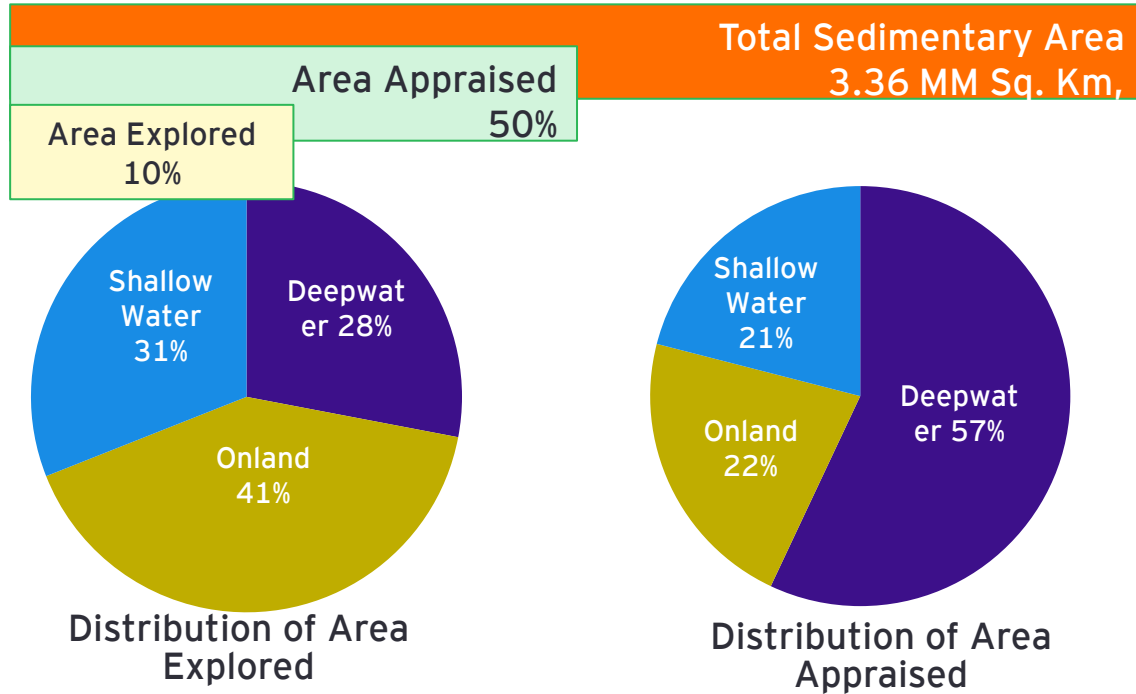


## Drivers of Oil & Gas Demand in India

- India will continue to rely on Oil & Gas as the energy demand increases; Oil & Gas will satisfy ~39% of India's primary energy demand in 2040 (IEA) (up from 33% in 2019)
- India has set a target to become a gas-based economy by increasing natural gas' share in energy mix to 15%

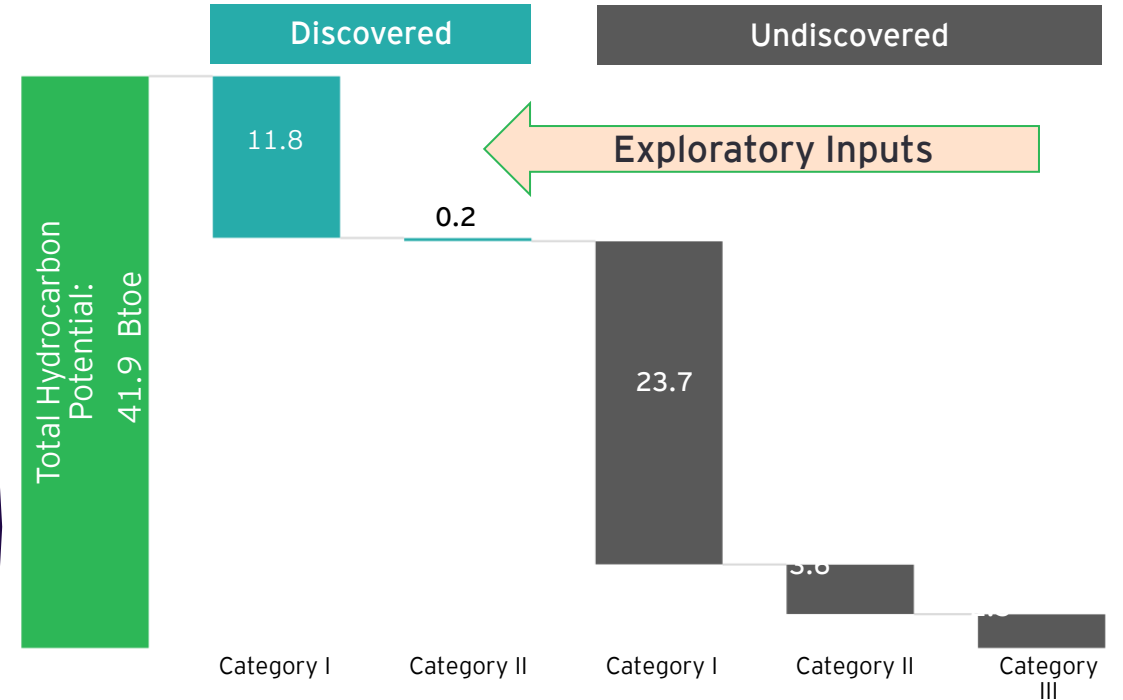
# Investors can tap the demand by exploring and developing India's vast hydrocarbon resources

26 Sedimentary Basins spread over 3.36 Mn sq. km. ...



- 10% basin area has been explored through drilling
- 49% basin area has been appraised through survey and drilling
- ~1 Mn sq.km basin area falls in Category I which already has established commercial production

...holds nearly 41.9 Btoe Hydrocarbon Potential



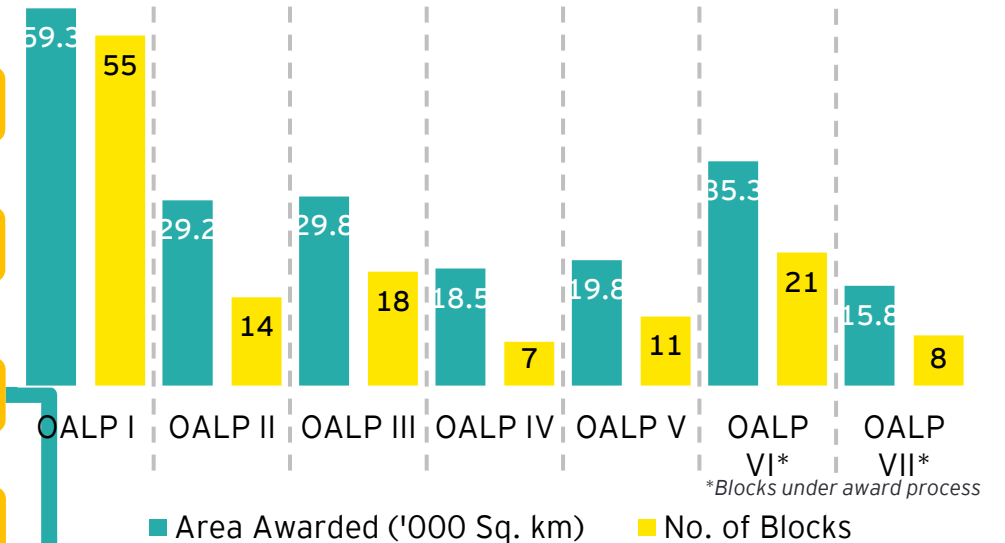
- India has an estimated **Un-risked Undiscovered**
- Additionally, there are ~2599 BCM of CBM resources in the country
- These resources are to be developed to support Govt. of India's target of Energy Self Sufficiency by 2047

# Remodelled Hydrocarbon licensing policies for commercially attractive E&P investment

## Key features of HELP & OALP introduced in 2016

- 1 No Revenue Share bidding for category-II and III Basins
- 2 Incentives for Early Production
- 3 Lower & Graded Royalty Rates
- 4 More Weightage to Work Programme
- 5 50% Cap on GoI Revenue Share in category-I Basin
- 6 100% PI allowed for Foreign / Private investors

## Total 7 OALP Rounds conducted till date



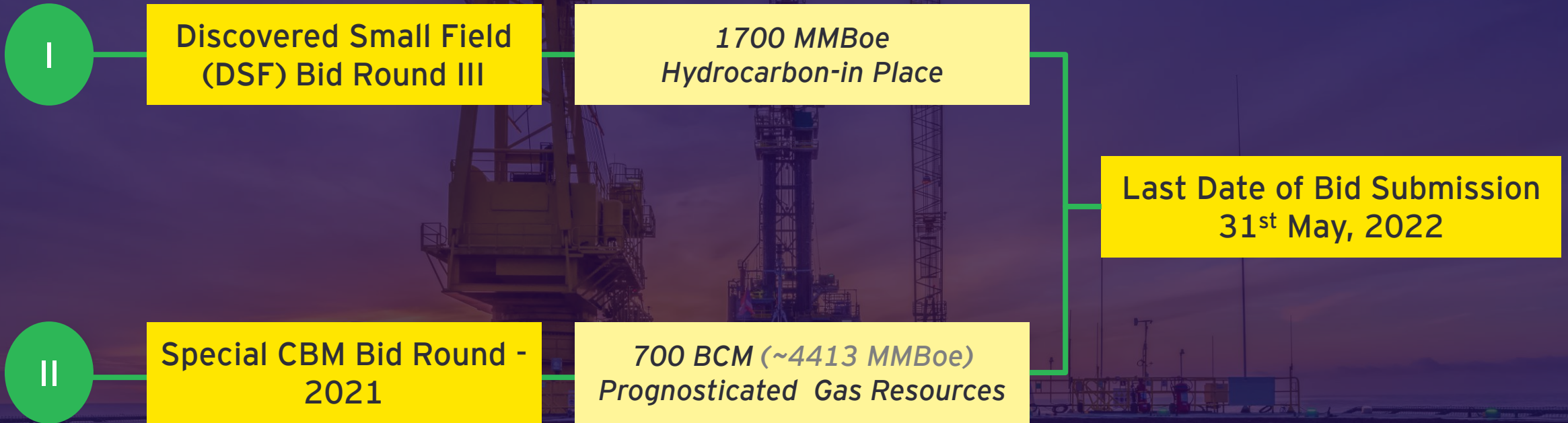
- 134 blocks awarded in 7 OALP bid rounds with investment commitment of US\$ 3.1 billion
- Current Eol submission window open till 31<sup>st</sup> July 2022

**OALP Bid Round-VIII Coming Soon**

*Royalty rates in India are lower than Canada (up to 45%), Colombia (up to 25%) Algeria (up to 20%), Kuwait (up to 15%) etc.*



# Currently, two investment opportunities are open for bidding



# DSF Bid Round-III: 75 Discoveries across 32 Contract Areas on offer

## Discovered Small Field Round III

### Key Offerings

- Hydrocarbon in-place of over **232 MMTOE**
- Area ~13,000 sq. km
- 24,961 LKM of 2D Seismic, 9,888 SKM of 3D seismic and 268 wells

### Key Policy Features

- Full marketing and pricing freedom** for gas produced
- Royalty in line with HELP; no Cess
- No upfront Signature Bonus
- 100% participation from foreign companies/ JVs allowed

#### 1 – Rajasthan

Contract Area: 2  
Discoveries: 3

#### 2 - Gujarat

Contract Area: 1  
Discoveries: 1

#### 3 – Kutch offshore

Contract Area: 2  
Discoveries: 9

#### 4 – Cambay Offshore

Contract Area: 2  
Discoveries: 5

#### 5- Mumbai Offshore

Contract Area:10  
Discoveries: 22

#### 6- Madhya Pradesh

Contract Area: 1  
Discoveries: 2

#### 7 – Assam

Contract Area: 3  
Discoveries: 4

#### 8 – Andhra Pradesh

Contract Area: 3  
Discoveries: 8

#### 9 – KG Offshore (SW)

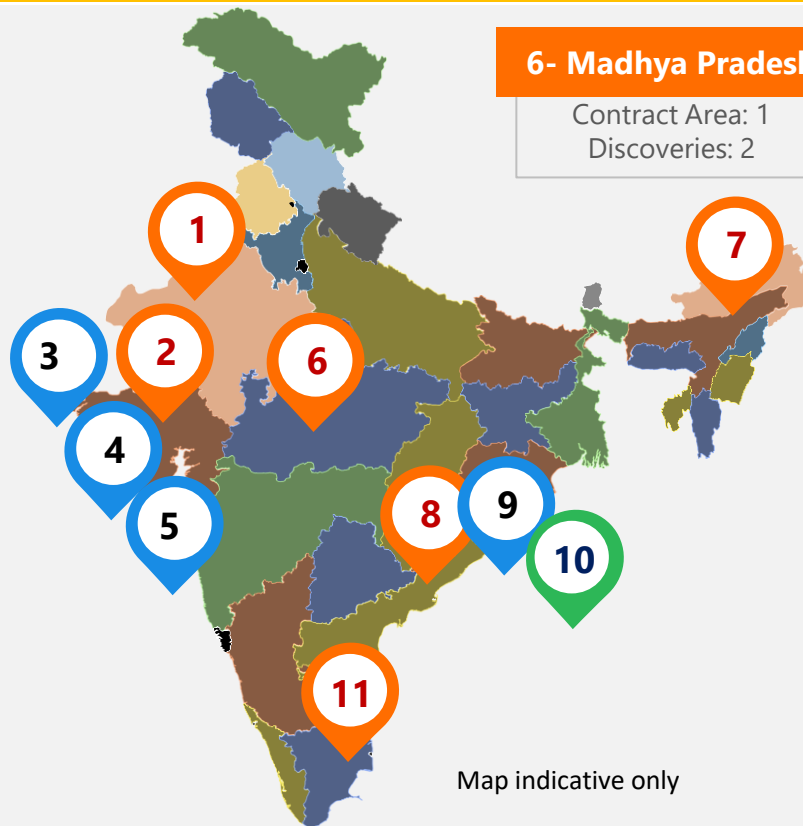
Contract Area: 6  
Discoveries: 18

#### 10 – KG Offshore (DW)

Contract Area: 1  
Discoveries: 2

#### 11- Tamil Nadu

Contract Area:1  
Discoveries: 1



Hydrocarbon in-place



Area



**Last Date of Bid Submission 31st May, 2022**

# DSF Bid Round-III: Liberalised terms making it more attractive and investor friendly

## Key Revisions

Feature	Revised Provision
1 Modified Bidding Parameter: Equal Weightage	Work Program: 50% weightage Govt. Revenue Share: 50% weightage HRP Upper Ceiling: 50%
2 Reduced Liquidated Damage (LD)	75% reduction from the existing LD amount
3 Incentivised Early Production	<u>Negligible GoI Revenue during Development Period</u> <u>Oil:</u> Min. of 5 US\$/bbl and Quoted LRP <u>Gas:</u> Min. of US\$ 0.2/ MMBtu and Quoted LRP
4 Clarity on Income Tax Benefit	Enhanced clarity on benefits of Income tax under section 42
5 Extension of Development Period	Upto 1 year for completion of Work Program by payment of fee
6 Broadening Net Worth Definition	Compulsory Convertible Debentures (CCD) included in Net worth Definition
7 Suitable Exit Option	For lack of Statutory Clearances beyond 2 Years



# Special CBM Round-2021: 15 CBM Blocks across 6 States on offer

II

## Special CBM Bid Round-2021 (SCBM 21)

### Key Offerings

- Prognosticated resources of **~700 BCM**
- **~8,500 sq. km acreage area**
- Gas Pipeline infrastructure through GAIL Pradhan Mantri Urja Ganga Pipeline

### Key Features

- All offered Blocks in Category-III- **No Revenue Sharing** till windfall gain
- **Full marketing and pricing freedom** for gas produced
- **No overlap with coal Blocks**
- Single License for Conventional and Unconventional Hydrocarbons
- Exploration allowed during entire contract period.
- 100% participation from foreign companies/ JVs allowed
- Single state carving out of the Blocks for administrative ease

### 1 – Madhya Pradesh

Blocks: 5  
Area: 3199 Sq. Km.

### 2 - Chhattisgarh

Blocks: 3  
Area: 1582 Sq. Km.

### 3 – Jharkhand

Blocks: 2  
Area: 1556 Sq. Km.

### 4 – Maharashtra

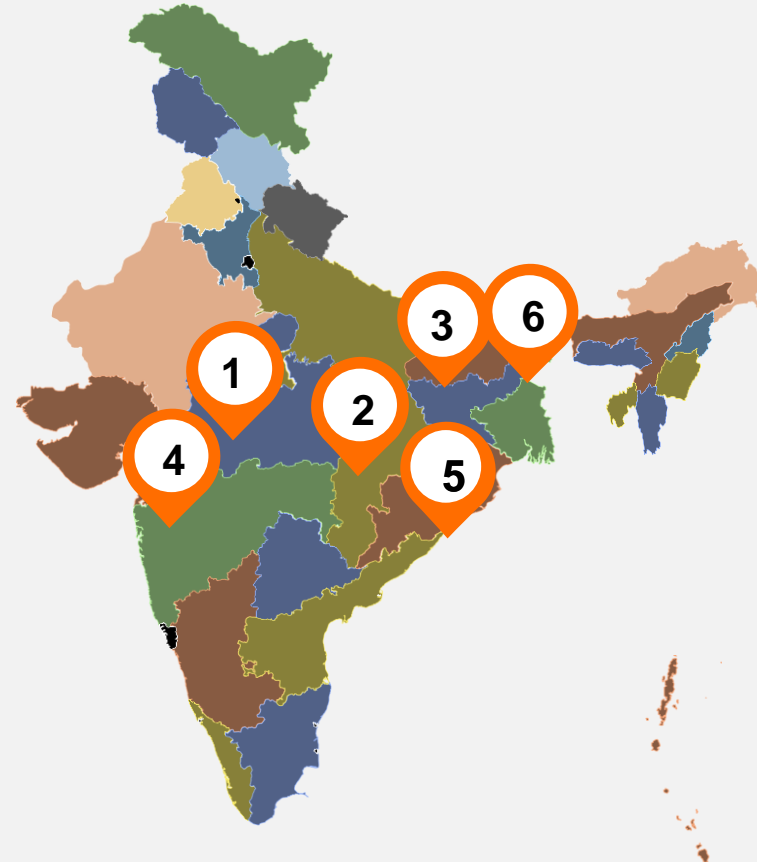
Blocks: 2  
Area: 1040 Sq. Km.

### 5 – Odisha

Blocks: 2  
Area: 884 Sq. Km.

### 6 – West Bengal

Blocks: 1  
Area: 197 Sq. Km.



Launched  
22 Sep'21

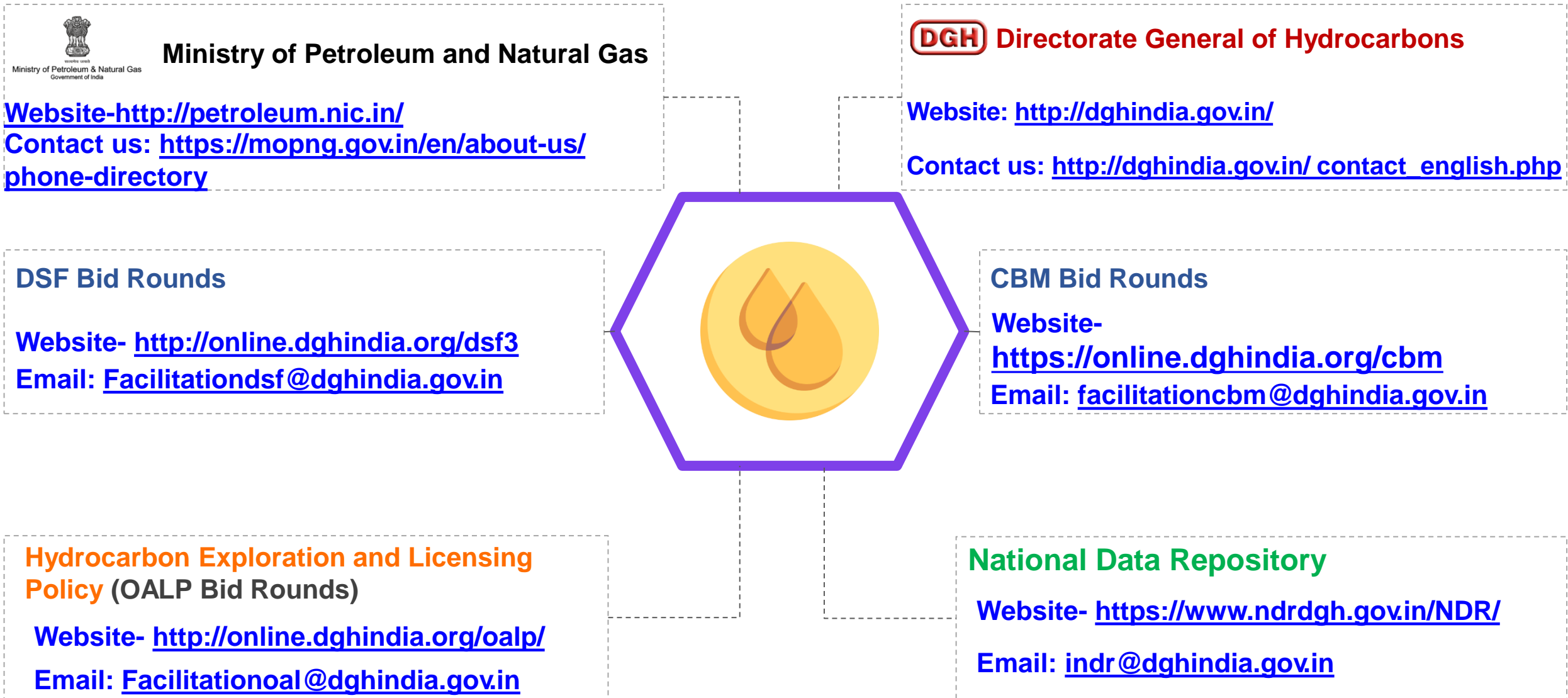
***Last Date of Bid Submission 31<sup>st</sup> May, 2022***

# Special CBM Round-2021: Several initiatives taken to make it more investor friendly

## Key Revisions

Feature	Revised Provision
1 Relaxed Technical Qualification Criteria	No prior Oil & Gas experience/ Acreage holding required as long as an expert team is engaged
2 Broadening Net Worth Definition	<b>Compulsory Convertible Debentures (CCD)</b> included in Net worth Definition
3 Incentivised Early Completion of Committed Work Program	Time saved from early completion of Committed Work Program can be added to other statutory timelines
4 Clarity on Income Tax Benefit	Enhanced clarity on benefits of Income tax under section 42
5 Ease of Doing Business	<b>No prior Government consent required for Project financing</b>

# Key Touch Points for Facilitation



Thank You!



## Annexure 1: Details of Sedimentary Basins in India

<b>Total Sedimentary Basin Area</b>	3.36	Mn Sq. Km
<b>Area Explored</b>	0.34	Mn Sq. Km
Onland	0.14	Mn Sq. Km
Shallow Water	0.10	Mn Sq. Km
Deepwater	0.09	Mn Sq. Km
<b>Area Appraised</b>	1.65	Mn Sq. Km
Onland	0.36	Mn Sq. Km
Shallow Water	0.35	Mn Sq. Km
Deepwater	0.94	Mn Sq. Km