

Consortium of Indian cos bags Oman oil block

TIMES NEWS NETWORK

Mumbai: An Indian consortium, led by Videocon Industries, has bagged a major oil block in Oman. Block 56, located off the south Oman salt basin, has been awarded to the consortium which includes state-run Gas Authority of India (GAIL), Hindustan Petroleum, Bharat Petroleum and Australian firm Oilex NL.

Outbidding oil majors from the US, China and Malaysia, the consortium bid \$50 million for the block. According to estimates by Fugro Robertson, an oil consultant from UK, the block has 4 billion barrels of oil. Proven oil reserves though are said to be closer to the region of 800-900 million barrels. "Even if we are able to extract 20% of that, it's still a very large amount," said Venugopal Dhoot, chairman, Videocon, which holds a 26% stake in the consortium.

Videocon says it will make an initial investment of Rs 250 crore to develop the field, with the other partners expected to make proportionate contributions. While GAIL and Oilex hold 25% each, BPCL and HPCL hold 12% each.

According to Dhoot, apart from the quality of financial and technical bids submitted by the consortium, what swung the deal in their favour was the Oman government's policy of leaning towards companies which had a non-oil presence in the region. Videocon already has a factory manufacturing air-conditioners in Oman.

Last year Oman's oil and gas ministry had invited bids for five of its onshore exploration blocks—54, 55 and 56 which are in the eastern flank area and 57, 58 which are located in the western margin region after Oman government-owned Petroleum Development Oman (PDO) relinquished control over the 23,000 square kilometre area. The consortium bid for all the oil blocks. A decision on Block 58, said to be larger than 56, is awaited shortly.

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- Indian companies are being encouraged to secure the country's oil security
- The strategy is a part of the India Hydrocarbons Vision-2025 which emphasised securing of acreages in identified countries for long-term supplies
- India's fuel consumption will rise to 3.2 million barrels per day by 2010, according to estimates
- At present the country imports 75% of its oil needs
- ONGC, Oil India, IOC and Reliance are also in the race to acquire blocks abroad