

# Petroleum Minister leads high level delegation to USA to promote India's new Hydrocarbon Exploration and Licensing Policy (HELP) at CERA Week 2017

## Shri Pradhan emphasizes on the policy initiatives and reforms undertaken in the Indian Upstream Sector

HELP to open up India's entire sedimentary basin for investment from domestic and foreign players under a simplified, transparent and investor - friendly fiscal and administrative regime

## Petroleum Minister meets Foreign delegates to discuss bilateral relations O&G Sector

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A high level delegation led by Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan had organized a promotion event for India's new Hydrocarbon Exploration and Licensing Policy (HELP) at CERA Week 2017 in Houston, World's energy capital on 6<sup>th</sup> March 2017. The aim was to encourage active global participation in upcoming investment opportunities in India which has one of the world's fast growing oil and gas industry.

The promotion event was participated by global energy leaders, government dignitaries, policy makers, innovators and industry professionals. During the event, Shri Pradhan spoke about the transformative and proactive policy reforms undertaken by the Government like Make in India, Digital India, Ease of Doing Business, Skill India, and Startup India.

The Minister emphasized that the Government has introduced several progressive reforms in the Indian Upstream sector, driven by the Prime Minister's goal of reducing import dependency on oil and gas by 10% by 2022. At present, India is the third largest oil consumer in the world thus, placing an enormous focus on its energy security. The most important reform is the Hydrocarbon Exploration & Licensing Policy (HELP) that opens up India's entire sedimentary basin for investment from domestic and foreign players under a simplified, transparent and investor -friendly fiscal and administrative regime. The new policy aims to provide Investors a ready access to huge amount of seismic data available in National Data Repository (NDR), flexibility to carve out exploration acreages through an open acreage licensing process and increased operational autonomy through a new revenue sharing model. The National Data Repository (NDR) manifested through an open acreage licensing (OAL) process will be a key facilitator by providing seamless access to India's entire E&P data process through a digital medium to all investors with the objective of harnessing the potential of India's large basinal area.

The key features of HELP are:

- Single, uniform license for extraction and exploration for all types of hydrocarbon prospects
- Open acreage licensing (OAL) which will permit investors to carve out interested blocks and submit Expression of Interest (EoI), which will be subsequently given through bi-annual bid rounds
- Simple and easy to administer Revenue Sharing Model
- Full marketing freedom and free pricing for crude oil and natural gas
- Exploration allowed during entire contract period
- Zero royalty rates for deep water & ultra-deep water blocks for first 7 years
- Equal weightage to work program and fiscal share
- No oil cess
- Custom duty exemption

So far, India's oil and gas sector has generated an investment of 40 billion USD from companies like BP, Hardy Exploration, Niko Resources, Reliance, Cairn, ENI, Joshi Technologies etc. with around 236 oil and gas discoveries, some of which have come on production and account for 30% of the country's crude oil production and 25% of the country's gas production.

Shri Pradhan also spoke about the success of recently concluded Discovered Small Fields Bid Round 2016 in a period of crude oil price volatility. The bid round received a total of 134 bids from 47 companies for 34 contract areas and finally, the Government has approved the award of 31 contracts areas.

Shri Atanu Chakraborty, Director General, DGH also gave a detailed presentation on evolution of exploration and production industry in India, attractive features of the HELP Policy, National Data Repository (NDR), Open Acreage Licensing (OAL), fiscal & tax incentives and probable bid parameters.

The Minister had earlier attended a breakfast meeting with Indian Scientists and CEOs. He also interacted with H.E. Mr. Khalid Al Falih, Minister of Energy from Saudi Arabia to discuss bilateral partnerships in the energy domain. Also, he discussed global energy assessment trends with IEA Executive Director Mr. Fatih Birol. A meeting was also conducted by Mr Ed Monser, President Emerson on behalf of USIBC that witnessed participation from delegates of over 30 companies. The discussions revolved around USA-India bilateral relations. The role of Big Data and Analytics in the oil and gas sector and future collaborations with companies in Houston was also discussed in detail.

The High Level Delegation visited Lyondell Basell Refinery and Petrochemicals center near Houston to understand global good practices.

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