



PETRASCOPE

(Monthly e-newsletter of PETROTECH Society)
website: www.petrotechsociety.org

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PETROTECH

Issue 10, March 2010

NB: Readers views are solicited for improvement & Guidance

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NEWS HEAD LINES

OIL ready to take over ONGC's fields

NEW DELHI: Northeast explorer Oil India Ltd has said it is ready to take over flagship explorer Oil and Natural Gas Corporation's fields in the region and is confident of operating them more efficiently, even as the oil ministry is examining a proposal to reassign assets of the two state-run firms for better operational efficiency.

"What we have heard is that the government is considering such a move (reassignment of oilfields). No one has proposed to OIL to take over ONGC's fields in the northeast... But OIL is ready if the offer comes. We will definitely be able to run them better than anyone else," OIL chairman N M Bora said. Not wanting to be seen as jumping the gun, Bora qualified his statement by admitting that the decision would be made based on detailed due diligence and that stage was yet to come. Other OIL executives said ideally the company would want ONGC's Assam oilfields to be hived off into a special purpose vehicle that is jointly owned by the two firms.

Source: *Times of India, Feb 1, 2010*

'It's a myth that only leaders know things'

NEW DELHI: A boss who enjoys sycophancy is not a leader. Inspired leaders don't encourage servile behavior, they confront people with their freedom. That was the provocative message from Peter Block, consultant and bestselling author of influential books like *Flawless Consulting*, *Stewardship*, *The Empowered Manager* and *Community: The Structure of Belonging*. "To say, 'I want my boss to like me' is the equivalent of — 'I want my mommy'. The notion that leaders know and others don't is a myth," said Block.

The management guru said people should stop treating bosses as if they are matter, rather than what they are — just bosses. "People are responsible for how they are inside the institution. Subordinates create the bosses that they have. Maybe the audience creates the performance. Maybe the listening creates the speaking. Maybe citizens create leaders, maybe employees create bosses, maybe students create teachers and children create parents," he said.

Source: *Times of India, Feb 3, 2010*

Govt drafts norms for open access to power

MUMBAI: In a move that would benefit both power companies and bulk consumers of power, the Union government is finally giving shape to the open access system of power, which it has been working on for some years now. The government is preparing detailed guidelines for smooth functioning of the open access system, which will enable power producers to sell electricity to the most creditworthy buyer.

According to an internal note prepared of the ministry of power, a copy of which is with TOI, the government plans to develop an index in the form of a matrix to reward the states facilitating open access. Since the proposed central unallocated power to be offered for incentivising open access is limited, it will be considered as a separate pool and will be distributed irrespective of the region from where it originates.

Though some states have allowed open access in a limited way but largely power producers can sell power only to state electricity boards, which are often not creditworthy. The new guidelines would also help bulk consumers to choose a power producer. Besides, by offering incentives to states for its adoption, it will give a push to the open access system.

Source: *Times of India, Feb 5, 2010*

Debt-laden Dubai claims oil strike

DUBAI: The government of Dubai, facing dwindling oil resources and a mountain of debt, announced on Thursday the discovery of a new off-shore oil field which it hoped would rescue its limping economy.

The ruler of Dubai, Sheikh Mohammed bin Rashed al-Maktoum, "heralds the good news to the people of the United Arab Emirates that a new off-shore oil field has been discovered in Dubai", a government statement said. The UAE sits on the world's fifth largest proven oil reserves, amounting to 97.8 billion barrels of crude oil. But 95% of those reserves are controlled by the leading partner in the federation, Abu Dhabi.

The statement did not provide information about the size of the new field, saying that Sheikh Mohammed instructed the emirate's oil department to "begin exploration work and conduct needed research to

specify the size of the reserve, and its production capacity in the short and long term". It said that the new field lies east of the small field of Rashid, which is located some 70km off Dubai's coast.

Source: *Times of India*, Feb 5, 2010

EIL's net profit up by 67%

Engineers India Limited (EIL), a premier design and engineering consultancy company has registered a turnover of Rs.494 crores in the quarter ending December 2009. The company's net profit for the third quarter of FY 2009-10 has increased by 61% to Rs.111 crores against Rs.69 crores in the corresponding period previous year. The profit before tax increased by 60% to Rs.167 crores vis-a-vis Rs.105 crores in the corresponding period previous year. Over the nine-month period of FY 2009-10, the company has registered a turnover of Rs.1353 crores, a 20% increase over the turnover in the corresponding period previous year. Its net profit over the nine-month period of FY 2009-10 has increased by 67% to Rs.311 crores against Rs.186 crores in the corresponding period previous year. The profit before tax increased by 65% to Rs.462 crores.

Source: *Times of India*, Feb 5, 2010

Himachal to Learn Carbon Neutrality from Costa Rica

Shimla: Himachal Pradesh shall be taking inspiration and learning from Costa Rica in emerging carbon neutral State of the country in the near future by checking all possible green house gases emission. This was revealed by Prof. Prem Kumar Dhumal, Chief Minister, while interacting with the World Bank authorities and participants from different countries at San Jose, Costa Rica last evening, which he is visiting along with an eight member high level team to participate in the Conferences and seminars on environment. He said that Himachal Pradesh had emerged the first State in the country demanding carbon credits in lieu of the green house gases being absorbed through the green cover available in the State. He said that various steps directed towards the carbon neutrality had been initiated by the State Government in recent past while more vigorous efforts were being made to achieve the target of making Himachal Pradesh a carbon neutral state of the country in the near future.

Chief Minister said that Himachal Pradesh was inspired from the achievements Costa Rica had and

was destined to emerge the First Carbon Neutral country in the world by 2021. He said that the achievement made by the small Central American country in successfully doubling its green cover from 21 percent in 1988 to 42 percent in the year 1997, was a remarkable and inspiring achievement for rest of the world to learn from. He said that Himachal Pradesh would join hands with Costa Rica in implementation of all environment protection measures in the State keeping in view the geophysical conditions prevalent in small hilly state of the country. He said that the delegation would study the modes adopted by Costa Rica to double its green cover in a period of less than a decade and replicate the same in Himachal Pradesh keeping in view the weather and other climatic conditions prevalent here. He apprised the gathering that Himachal Pradesh had carried various plantation campaigns in public participation to replace the aged forests with new herbal and medicinal plant forests so that while it could contribute towards enhancement of forest cover it could also generate income to the people of the State.

Source: *Good Luck India* 08 February 2010

Centre wants alcohol, petro products under GST

NEW DELHI: The law ministry is believed to have sent a detailed response on the suggestions sought by the department of revenue towards finalisation of draft Constitutional amendment of the indirect tax reforms. The proposed GST was initially scheduled to be implemented from April 1, 2010. However, lack of consensus between states and the Centre on a uniform tax structure and their inability to carry out necessary legislative amendments led to its postponement by another six months.

"On a different threshold, the revenue-neutral rate for central GST will go abnormally high," sources said. The Centre is hopeful of taking on board Haryana and Punjab on including the purchase tax in the GST. At present both the states earn nearly Rs 1,000 crore each on account of purchase tax and have been seeking exclusion of the tax from the proposed GST model.

Source: *Times of India*, 8 Feb 2010

'Relook at OVL's Qatar exit plan'

NEW DELHI: The Cabinet Secretariat has sought a fresh round of inter-ministerial consultations for seeking Cabinet approval to have a relook at ONGC

Videsh Ltd's earlier decision to relinquish an offshore acreage in Qatar that the company had won in March 2005.

ONGC Videsh had in 2008 taken a decision to relinquish the prospect, Najwat Najem, located in the Arabian Gulf. The decision was taken after the company found that the reserves in the block were not enough to be commercially viable. The company had also decided to give up the rig it had acquired for drilling in the acreage.

An empowered committee of secretaries had on June 24, 2009 made its recommendations and cleared the ONGC proposal to give up the acreage. The Cabinet Secretariat, however, has now returned the oil ministry note for seeking Cabinet approval. It has asked the ministry to seek comments from other pertinent ministries before seeking Cabinet's approval on the ground that the secretaries panel did not have authority to decide issues of acquisition or relinquishment.

Source: Times of India, Feb 8, 2010

NTPC signs MOU with IOC

National Thermal Power Corporation (NTPC) Limited and Indian Oil Corporation (IOC) Limited have signed an MoU for collaborative research in the areas of mutual interest. The MoU signed in New Delhi between the leading Navratnas in the Energy Sectors is for import substitution of Lubricants, Bio-Fuels, Corrosion, NDT, R&D Infrastructure etc.

The MoU was inked by Dr. R.K. Malhotra, Executive Director [R&D], IOCL and Shri Sharad Anand, Executive Director, NTPC Energy Technology Research Alliance [NETRA] in the presence of R.S. Sharma, CMD (NTPC) and Sarthak Behuria, Chairman, (IOCL).

Source: India Infoline News Service, Feb 11, 2010

HPCL mulls moving Mumbai refinery

State-controlled Hindustan Petroleum Corporation Ltd (HPCL) has proposed a Rs. 25,000-crore investment plan to relocate its 6.5 million tones per annum refinery in Mumbai with a grass root refinery at Ratnagiri in coastal Maharashtra that would be three times its size. Government sources said the proposal to build an 18 to 20 mtpa refinery involves sale of land HPCL had acquired in Mumbai, which turned out to be insufficient for its ambitious expansion. "We are

evaluating the proposal," HPCL's chairman and managing director Arun Balakrishnan told the Hindustan Times, but refused to give further details.

A senior Petroleum Ministry official also confirmed the proposal, saying. "It looks feasible, considering the difficulties listed by the company."

"However, we have asked HPCL to do a detailed techno-economical examination of the proposal. A final decision will be taken by the HPCL's board," the official added. The new refinery will be funded partly through internal resources generation of about Rs 11,000 crore, while Rs 10000 crore will be raised from the sale of land of the existing Mumbai Refinery. Loans and external commercial borrowings (ECBs) will make up the rest.

Source HT: Feb 9, 2010

IFFCO enters oil sector; buys 10% in Canada firm

Fertiliser cooperative IFFCO on Wednesday marked its entry into the oil and gas exploration sector by acquiring a 10 per cent stake in Canadian firm Americas Petrogas Inc for an undisclosed sum. The world's largest fertiliser cooperative has also picked up 20 per cent stake in GrowMax, a subsidiary of Americas Petrogas with a large potash project in Peru, IFFCO's Managing Director US Awasthi said here.

Americas Petrogas owns 11 virgin blocks, measuring 1.5 million acres, in Neuquen basin of central Argentina and has started trial production in four wells. The production is likely to reach 5,000 barrels per day (BPD) by December. "We have been considering to enter into the oil and gas sector for the last five years and found Americas Petrogas to be the best partner among three others," Awasthi said, adding, however, that IFFCO does not have any plan to participate in the next round of the New Exploration and Licencing Policy. "India is not the market for our oil and gas exploration."

Source: HT, 11 Feb 2010

'Warming can turn world more fragrant'

LONDON: A major scientific review has indicated that as a result of climate change, the world will become more "fragrant". As CO² levels increase and the world warms, land use, precipitation and the availability of water will also change. According to BBC News, in response to all these disruptions, plants will emit greater levels of fragrant chemicals called biogenic volatile organic compounds (BVOCs).

That will then alter how plants interact with one another and defend themselves against pests, according to a major scientific review. The world may already be becoming more fragrant, as plants have already begun emitting more smelly chemicals, according to the scientists leading the review. "The increase is exponential," said Josep Penuelas, of the Global Ecology Unit at the Autonomous University of Barcelona, Spain. "It may have increased already by 10% in the past 30 years and may increase 30 to 40% with the 2 to 3°C warming projected for the next decades," he added.

Source: Times of India, Feb 11, 2010

Argentina, UK in spat over oil drilling in Falklands

BUENOS AIRES: Argentina escalated on Tuesday a row with UK over oil drilling in the Falklands by ordering all ships heading to the disputed islands through its waters to seek permission first. Argentine president Cristina Kirchner signed the decree, ratcheting up tensions between Argentina and Britain over Las Malvinas, the Spanish name for the islands they warred over in 1982 at the cost of almost 1,000 lives. "All ships that wish to move between ports in continental Argentina and ports in the Malvinas islands, or that wish to cross Argentine waters as they head to the islands" require prior permission, it said.

Source: Times of India, Feb 18, 2010

Wake-up call for govt on fuel prices

The governments report card on the economy does not outline a roadmap for reforms in the fuel pricing regime but gives only a veiled signal to the petroleum ministry that there may be no alternative but to deregulate at least motor fuel prices in view of high oil prices pushing up the subsidy bill.

Pointing out that record crude prices led to a substantial rise in the subsidies, the Survey said the practice of giving bonds outside the Budget to state-run oil marketers for keeping pump prices artificially low led to higher supplementary demand for grants. Major budgetary subsidies have risen to 2.2% of the GDP in 2008-09 from 1.6% in 2003-04. Oil bonds alone accounted for 1.7% of GDP in 2008-09. In such a situation, the Survey suggested that the reforms carried out in the fertiliser sector where the government decontrolled nonurea items to move to a nutrient-based subsidy regime and raised urea prices can be carried out for other products, in line with the Kirit Parikh panel report.

Source: Times of India, 26 Feb, 2010

FEATURE REPORT

World's first N-fusion plant to be ready in 20 yrs

British scientists have drawn up plans to build the world's first nuclear fusion power station. They say it could be pouring electricity into the National Grid within 20 years. Nuclear fusion, the power that lies at the heart of the sun, offers the prospect of clean, safe, carbon-free power with a minimum of radioactive waste. But despite decades of research the technical problems have seemed insurmountable.

This weekend, however, Research Councils UK (RCUK), which oversees the British government's spending on science and technology, has said it believes that many of those obstacles are close to being overcome. It wants to commit Britain to a 20-year research and construction plan that would see a fusion power station in operation around 2030. Didcot in Oxfordshire is among the sites under consideration for the so-called Hiper project. "The potential of fusion energy to contribute to the future global energy system is sufficiently large that it should be pursued in the UK," said a report published by RCUK.

It also follows the recent start-up of America's National Ignition Facility, in California, which has been designed to demonstrate the principle of laser fusion. There, 192 giant lasers have been installed, collectively capable of generating 500 trillion watts — 1,000 times the power of the US national grid — for a fraction of a second. That energy will be focused on a tiny fuel pellet of frozen hydrogen which, in theory, should be compressed and heated to 100 million degrees Celsius — so hot that the atoms within it start to fuse. "The world is watching and waiting to see what happens at NIF," said the report, calling this "a seminal moment" in the development of fusion.

Source: Times of India, Feb 22, 2010

Petrol, diesel prices up

Retail prices of petrol and diesel will go up from midnight today as the government has given the go-ahead to public sector oil marketing companies (OMCs) to pass on the impact of the increased duty burden to fuel consumers. While presenting Budget 2010-11 in Parliament on Friday, finance minister Pranab Mukherjee proposed to hike central excise duty on petrol and diesel by Re 1 per litre, even as he restored customs duty on crude oil to 5%.

"We have been advised by the petroleum ministry to raise petrol and diesel price from midnight today to

