



Petroleum Federation of India

Voice of Indian Oil & Gas Industry

PRESS NOTE

September 19, 2016

Petroleum Minister pushes for Gas-based economy: Announced big expansion for gas pipelines & LNG regasification infrastructure

Bangalore: Sh. Dharmendra Pradhan, Hon'ble Minister of Petroleum and Natural Gas addressed a workshop conducted by PetroFed together with consulting companies IHS Markit and ICF in Bangalore last Saturday. The Minister announced that for the first time ever in the country; Government of India will be spending from its budget on augmenting gas pipeline infrastructure which is proposed to increase from 15,000Km to 30,000 Km. In addition to building the new gas pipeline, he mentioned India is also increasing its gas regasification capacity from 21MMT to 55MMT, and this increased capacity of 34MMT will enable to push more gas in the market. Minister referred the KG basin, which is a major gas reserve, as the "North Sea for India". He also spoke about the Gujarat case, where the gas share is 26%, higher than the world share at 24%, and aspiration to replicate that across India.

The third workshop held is a part of the project supported by British High Commission and was attended by CEO's & senior leaders from the Oil & Gas industry covering the entire gas value chain. In his address, Hon'ble minister touched on several points from climate change, gas infrastructure and pipelines, domestic gas supply, gas economics and innovative technology to boost gas share in India's energy mix.

Minister stated that Bangalore is a city where everything starts, and that Bangalore is a good starting place for creating new gas markets. He began his address on the climate note saying that India is not the most polluting country. He highlighted that India has committed to carbon emission reduction in the COP21 summit and that gas will play a key role in India to combat climate change. On augmenting gas distribution, GAIL has approximately 15,000km pipeline laid out for gas transport and plans to build another 15,000km gas pipeline.

He also stressed on the need for developing India specific models like Bio CNG, waste to gas, Syn gas from coal, etc. are the other areas to be looked for innovative economic solutions. He also mentioned that there will be enough market to absorb new volumes of gas in India in form of new anchor customers like new 100 smart cities. Further the urban areas are fast expanding and developing a market for gas, replacing LPG and will help enable channel the

LPG in rural areas where women use animal waste and firewood for cooking, which is a big health hazard.

On gas economics, he commented that government would be willing to consider exempting LNG from import duty like crude oil, given that gas is a clean fuel and will help reduce emissions. He addressed to all the participants in the workshop to make an actionable plan and stressed on implementation and hitting the market. He also advised the group that a successful implementation strategy is one where all parties are aligned and onboard, hence it is important to convince all stakeholders across the gas value chain. Earlier the Deputy High Commissioner of United Kingdom, Mr. Dominic McAllister complimented Government of India on the amazing economic pace and significant policy and regulatory reforms.



Sh. Dharmendra Pradhan Hon'ble Minister, MoP&NG addressing the participants during the workshop



BHC Participants during the workshop