



# PetroMag

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*"Vision without action is daydream. Action without vision is nightmare."*

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- GAIL seeks reworking of US LNG contract
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- Dominion Energy denies LNG contract renegotiations
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- IOC Jharsuguda Oil Terminal Dedicated To Nation
- RBI Policy Minutes: Urjit Patel Concerned Over Rising Oil Prices

**EXPLORATION NEWS**

- ONGC Best Bet Among Asian Oil Explorers For Macquarie
- Oil And Gas PSU Mergers Exempt From CCI Approval For Five Years
- Saudi PetroRabigh II to start operations in Q1 next year -energy minister
- Wintershall start production at the Maria field
- Why One Giant Gas Field Is a Big Deal for Egypt: QuickTake Q&A
- Turkey intends to increase import of oil and gas from Azerbaijan and Iran
- Offshore oil searches are coming back to fashion - just not in Asia
- BP and Kosmos partner on five Ivory Coast offshore oil blocks
- Statoil acquires 25pct of the Roncador field in Brazil

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### INTERNATIONAL NEWS

- Saudi Arabia Sees Higher Oil Revenue as OPEC Cuts Boost Prices
- Baghdad could take oil in new direction — away from Turkey
- Fall in U.S. crude stocks, North Sea outage supports prices
- LNG imports expected to surge
- Chinese companies' overseas equity oil yield to top 200 mln tonnes in 2018
- Saudi Arabia sees higher oil revenue as OPEC cuts boost prices
- OPEC, IEA agree to disagree on crude
- Saudi Arabia brings OPEC to its knees
- Serica Energy eager to invest in Iran's oil-gas sector
- Rosneft Hasn't Ruled Out Extending Output Cuts Beyond 2018
- Global Crude Oil Supply Outage Is Near 2012 Low
- Green groups sue Trump administration over delay of methane rule
- France passes law to ban all oil and gas production by 2040
- Nigerian oil union begins nationwide strike over laying off of workers
- Goldman Says 'Stellar' Demand May Fast-Forward OPEC's Exit
- Saudis Say Aramco IPO 'On Track' as All Options Open for Listing
- "The American Energy Express" sets new dynamic for ship owners - CR Weber

### CRUDE OIL NEWS

- Oil Climbs After Surprise Drop in Industry Tally of U.S. Supply
- The Next Oil Price Collapse
- OPEC oil basket price continues to rise

### IMPORT & EXPORT – PORTWISE DATA

- Export of Petroleum Products at Indian Ports during October 2017
- Import of Petroleum Products at Indian Ports during October 2017
- Export of Petroleum Products at Indian Ports during September 2017
- Import of Petroleum Products at Indian Ports during September 2017
- Export of Petroleum Products at Indian Ports during August 2017
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**PROJECTS**

- |  |
|--|
| ➤ Chhara LNG Storage & Re-gasification Terminal                      |
| ➤ Barauni Oil Refinery Project – Modernisation                       |
| ➤ Barmer-Palanpur Natural Gas Pipeline                               |
| ➤ Haldia LPG Import Terminal   |
| ➤ Kochi-Kanjirkkod-Mangalore-Bangalore Pipeline                      |
| ➤ Bio-Fuel Project - Gunupudi  |
| ➤ Bodhjunnagar - LPG Bottling  |
| ➤ Calcined Petroleum Coke Project                                    |
| ➤ Dharma Container Freight Station                                   |
| ➤ Durgapur-Kolkata Gas Pipeline                                      |
| ➤ Guwahati Petroleum Refinery Modernisation                          |
| ➤ Haldia LPG Storage & Bottling plant                                |
| ➤ Kattupalli Container Freight Station                               |
| ➤ Koyali Refinery Expansion  |
| ➤ Langtala-Mahesana Natural Gas Pipeline                             |
| ➤ Mahape-Dombivali Looping Natural Gas Transmission Pipeline Project |
| ➤ Manali Lubricating Oils – Expansion                                |
| ➤ NELP-V CB-ONN-2003-2 Oil Exploration                               |
| ➤ Piplav Gas Terminal Project  |
| ➤ RJ-ON-90 - 1 Oil Exploration NELP-IV                               |
| ➤ Thane Bhiwandi Looping Natural Gas Transmission Pipeline Project   |
| ➤ Vadinar Oil Refinery Expansion                                     |



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## INTERNATIONAL PRICES

### Energy Prices – Petroleum (\$/bbl) [Revised daily]

	Price	Change
Nymex Crude	52.02	-0.07
Dated Brent	64.39	-0.17
WTI Cushing	58.02	-0.07

### NYMEX price for Crude, Gasoline and Natural Gas Futures[Revised daily]

NYMEX Light Sweet Crude	0.3	\$57.46
ICE Brent	0.39	\$63.80
RBOB Gasoline NY Harbor	0.0241	\$1.6966
Heating Oil NY Harbor	0.0147	\$1.9399
NYMEX Natural Gas	-0.053	\$2.69

### US Stock –27/10/17 (million barrels)

Product	Stock: 03/11/17	Change vs. week	Change vs. year
Crude oil	454.9	-2.4	-27.7
Gasoline	212.8	-4	-11
Distillate	128.9	-0.3	-21.6
Propane	78.345	0.725	-22.568

### Base Oil – US (FOB)

SN 150	610	620
SN 500	630	645
Bright Stock	810	840

### Base Oil – Iran (FOB)

SN 150	625	635
SN 500	640	665
Bright Stock	730	745
Reclaimed Oil (Kuwait)	585	600

### US working gas in underground storage (bcf) Data Released 03 NOV, 2017

Region	27/10/17	20/10/17	Change
East	926	915	11
West	1,107	1,082	25
Producing	1,199	1,174	25
Total	3,775	3,710	65

### Product Prices USD Arab Gulf [Revised daily]

HSFO 180 CST (\$/mt)	410.50	425.00
HSFO 380CST (\$/mt)	368.50	380.00

### Naphtha Prices

CIF ARA Cargoes	326.00	327.00
CIF MED Cargoes	288.50	291.50

### LPG Price

	Propane	Butane
North West Europe FOB Seagoing	211.00	225.00
FOB ARA	233.50	239.75
Arab Gulf	311.00	312.70

..... [Revised fortnightly] Week Ending Quotations of OPEC Reference Basket Price			
Month	Week	Ending	Basket
July 2017	30	(28/07)	\$ 47.99
August 2017	31	(04/08)	\$ 49.91
	32	(11/08)	\$50.22
	33	(18/08)	\$48.71
	34	(25/08)	\$ 49.70
September 2017	35	(01/09)	\$ 49.53
	36	(08/09)	\$ 51.68
	37	(15/09)	\$ 52.82
	38	(22/09)	\$ 54.22
	39	(29/09)	\$ 55.78
October 2017	40	(06/10)	\$ 54.38
	41	(13/10)	\$ 54.41
	42	(20/10)	\$ 55.72
	43	(27/10)	\$ 56.34
November 2017	44	(03/11)	\$ 58.73
	45	(10/11)	\$ 61.66
	46	(17/11)	\$ 60.29
	47	(24/11)	\$ 60.94
December 2017	48	(01/12)	\$ 61.35
	49	(08/12)	\$ 60.84
	50	(15/12)	\$ 61.71
Monthly Average:	October 2017		\$ 55.50
	November 2017		\$ 60.74
Month to Date Average	December 2017		\$ 61.31
Quarterly Average	3Q17		\$ 49.98
Quarterly to Date Average	4Q17		\$ 58.76
Yearly Average	2016		\$ 40.76
Yearly to Date Average	2017		\$ 52.05

..REVISED WEEKLY

#### CRUDE OIL STOCKS [Revised WEEKLY]

	Year Ago	Most Recent				
	11/11/16	10/11/17	03/11/17	27/10/17	20/10/17	13/10/17
U.S.	490.3	459	457.1	454.9	457.3	456.5
East Coast (PADD I)	17.3	14	14.1	14.8	13.3	13.4
Midwest (PADD II)	141	150.6	150.6	150.8	149.7	151.1
Cushing, Oklahoma	59.2	63.1	64.6	63.8	63.7	64
Gulf Coast (PADD III)	255.4	221.6	218.7	217	223.8	223.2
Rocky Mountain (PADD IV)	24.4	20.6	21.3	20.6	20.3	20.2
West Coast (PADD V)	52.2	52.1	52.5	51.6	50.2	48.6

# Domestic Refiners Base Oil Prices

HPCL Prices ex Mumbai	Rs./Ltr	Diff Prev Mth	USD/MT	Change	Density
SN 70 (Alprol 12) - Density 0.849 to 0.851	55.37	1.5	965	26	0.851
SN 150 (Alprol 32) - Density 0.859 to 0.861	53.17	1.5	916	26	0.861
SN 500 (Alprol 100) - Density 0.88 to 0.881	58.98	-1.6	993	-27	0.881
Bright Stock - 460 Density 0.891 to 0.893	80.76	-5.4	1342	-90	0.893
IOC Product Price ex Chennai (CPCL)*	Rs./Ltr	Diff Prev Mth	USD/MT	Change	Density
SN-70	58.65	1.5	1023	26	0.851
SN-150	54.75	1.5	943	26	0.861
SN-500	62.75	-1.6	1057	-27	0.881
BS-150	82.2	-5.4	1366	-90	0.893
Rubber Process Oil - Heavy	NA	NA	NA	NA	NA
Rubber Process Oil - Light	NA	NA	NA	NA	NA
IOC Product Price ex Mumbai	Rs./Ltr	Diff Prev Mth	USD/MT	Change	Density
SN-70	56.65	1.5	988	26	0.851
SN-150	52.75	1.5	909	26	0.861
SN-500	58.25	-1.6	981	-27	0.881
BS-150	80.65	-5.4	1340	-90	0.893
H -70 ( Group II)	60.95	1.5	1070	26	0.845
H-150 (Group II)	53.55	1.5	939	26	0.846
H-500 (Group II)	59.45	-1.6	1024	-28	0.861
BPCL Group II+ Product Price ex Mumbai	Rs./Ltr	Diff Prev Mth	USD/MT	Change	Density
MAK Base N 65	56.65	1.5	997	26	0.843
MAK Base N -150	53.75	1.5	943	26	0.846
MAK Base N 500	58.37	-1.6	1006	-28	0.861
Transformer Oil & White Oils Tech. & IP Prices	Rs./Ltr	Diff Prev Mth	USD/MT	Change	Density
Transformer Oil (Drum)	45.9	0.2	801	3	0.85
White Oil N 70 (Bulk)	37.7	0.3	686	5	0.815
White Oil N 150 (Bulk)	39.7	0.5	715	9	0.824
White Oil N 500 (Bulk)	46	0.4	825	7	0.8275
Light Liquid Paraffin IP Grade	39.6	0.3	718	5	0.818
Heavy Liquid Paraffin IP Grade	52.3	0.2	933	4	0.832

## DAILY SHARE PRICES

As on close of 20-12-2017	Today's Closing	Change absolute	Today's High	Today's Low	52 week High	52 week Low
Aban Offshore Ltd.	193.95	-3.30	197.45	193.25	265.60	161.10
Balmer Lawrie & Co. Ltd	267.95	-1.95	276.40	266.00	302.00	201.00
Bharat Petroleum	532.05	1.45	535.00	526.60	550.00	400.37
Cairn Ind. Ltd.	285.40	2.55	287.40	279.95	287.40	279.95
Castrol India Ltd.	419.10	-3.70	424.50	418.50	453.80	353.15
Chennai Petroleum	429.10	9.45	435.00	420.15	477.10	252.10
Engineers India	191.40	0.40	194.10	190.70	203.90	140.95
Essar Oil	262.60	-0.40	263.30	260.50	263.00	260.50
GAIL India Ltd.	499.95	3.30	509.00	497.00	509.00	313.50
Gujarat Gas	745.60	-16.10	775.00	740.00	871.75	366.00
Gujarat State Petronet	204.30	1.30	205.05	203.15	223.05	119.00
Gulf Oil Corp. Ltd.	522.05	-8.30	532.15	514.00	592.95	240.10
Gulf Oil Lubricants India Ltd	977.00	-16.55	990.00	970.55	1,098.50	577.00
Hindustan Oil Exploration	136.35	1.40	139.50	135.10	141.60	60.70
Hindustan Petroleum	431.45	-4.85	436.75	428.40	493.00	273.47
Indian Oil Corp. Ltd.	409.70	-0.20	413.25	408.15	462.60	300.70
Mangalore Refineries	124.25	0.75	126.00	123.55	146.25	85.80
Nagarjuna Oil Refinery Ltd.	3.65	-0.11	3.90	3.61	6.08	2.56
Oil India Ltd.	353.65	0.25	357.95	352.75	383.40	258.00
Oil and Natural Gas	187.90	2.70	191.00	187.40	212.00	155.30
Petronet LNG	250.90	-3.25	255.50	250.55	275.20	171.75
Reliance Industries Ltd.	918.75	-5.25	927.00	917.00	907.90	501.55
Tide Water Oil India	6579.20	76.00	6669.95	6669.95	7,513.60	5,390.00

## MARKET WATCH

## CURRENCY WATCH

BSE Sensex	33,777.38	-59.36	Rs - 1 \$	64.0577
NIFTY	10444.20	-19.00	Rs. - 1 Euro	75.8251
DJIA	24,290.05	58.46	Rs. - 100 Jap. Yen	56.7000
NASDAQ	6,775.37	-72.22	Rs. - 1 Pound	85.7604
MIDCAP	16,565.32	185.74	Bank Rate	7.00%
Repo Rate		6.50%	Reverse Repo Rate	6.00%



## Centre willing to bring petrol under GST ambit, but after consensus with states

The government favours including petroleum products under the Goods and Services Tax (GST) ambit, but wants a consensus with all the states prior to the final decision, Union Finance Minister Arun Jaitley has said.

During the Question Hour in Rajya Sabha, former Finance Minister P Chidambaram sought clarification on the government's position on bringing petrol and diesel under the GST.

Responding to the question, Jaitley said, "UPA in its draft GST Bill had kept petrol out of its ambit as it knew that the issue would be a deal-breaker between the Centre and the states. Now, you are in the opposition and have a greater flexibility in changing your position."

However, the finance minister said that the government favoured bringing petrol in the ambit of GST and is consulting state governments. It would be done only after a consensus among states and centre, he added.

Earlier, during his tour to the US, the finance minister had hinted at the government's intentions to bring petrol under the GST regime, but never confirmed it.

Earlier in November, Congress had demanded that petroleum products, real estate and electricity be brought under the GST's ambit.

In Rajya Sabha, Chidambaram also raised concerns over higher petrol and diesel prices when the global crude prices are falling.

Jaitley responded that the government lowered taxes on petrol and diesel and requested states to do the same as a large number of duties on these products were imposed by the states.

"A large number of states ruled by NDA had brought down these taxes but the UPA (Congress and its allies) states did not do so," Jaitley countered.

On the drop in GST collection, Jaitley said that steady progress was being made and the states were being paid in accordance with the norms laid out in the legislation.

## Petrol, Diesel Rates In Top Cities On December 20

Petrol rates were hiked by 8 paise per litre and diesel prices were increased by 10-16 paise per litre in Delhi, Mumbai, Chennai and Kolkata today (December 20). With Wednesday's revision, effective 6 am December 20, petrol price is at Rs. 69.35 per litre in Delhi, Rs. 72.11 per litre in Kolkata, Rs. 77.25 per litre in Mumbai and Rs. 71.87 per litre in Chennai, according to Indian Oil Corporation's website - iocl.com. Diesel rates were at Rs. 58.75 per litre, Rs. 61.41 per litre, Rs. 62.03 per litre and Rs. 61.88 per litre, respectively.

petrol diesel ioc website

(Petrol retailed at Rs. 69.35 per litre in Delhi and diesel at Rs. 58.75 per litre, effective 6 am December 20, according to the Indian Oil website)

With this increase, petrol rates in the four metros - Delhi, Kolkata, Mumbai and Chennai - are up 11-73 paise per litre so far this month. Diesel rates have increased by 36-98 paise per litre during this period. On November 30, 2017, petrol retailed at Rs. 69.24 per litre in Delhi, Rs. 72 per litre in Kolkata, Rs. 76.52 per litre in Mumbai and Rs. 71.76 per litre in Chennai, according to Indian Oil Corporation, the country's largest fuel retailer. Diesel retailed at Rs. 58.39 per litre, Rs. 61.05 per litre, Rs. 61.05 per litre and Rs. 61.5 per litre, respectively, on the last day of November 2017.

Oil market companies Indian Oil Corporation (IOCL), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL) switched to a daily revision system for petrol and diesel prices on June 16, 2017. Previously, the rates were changed every fortnight. The move to daily revision was in their bid to immediately pass on any movement in international oil prices to consumers and avoid sharp spikes by spreading them in small doses.

Since the shift to daily revisions, petrol price has risen by Rs. 2.44 per litre in Delhi, Rs. 2.59 per litre in Kolkata and Rs. 1.94 per litre in Chennai. Diesel price has increased by Rs. 2.81 per litre in Delhi, Rs. 3.13 per litre in Kolkata, Rs. 0.36 per litre in Mumbai and Rs. 2.66 per litre in Chennai, according to Indian Oil. In Mumbai, petrol price has fallen by Rs. 1.19 per litre during this period.

The government favours bringing petroleum products under the ambit of Goods and Services Tax (GST) but only after building a consensus with states, Finance Minister Arun Jaitley said on Tuesday. "As far as the Central government is concerned, we are in favour of bringing petroleum products under the GST, let me categorically put it. But we will wait for the consensus of the states. And I do hope that at some stage sooner than later the states would agree to it," Mr Jaitley told the Rajya Sabha in response to a question.

Petrol and diesel don't come under the ambit of GST (Goods and Services Tax). Besides, global prices, excise duty and VAT determine the domestic price of petrol and diesel. India relies on imports to meet 80 per cent of its needs and so domestic fuel rates have been aligned to movement of equivalent product prices in the international market.

## ENERGY – OPEC consolidates oil while India shakes petcoke, coal high

OPEC decided to prolong the production cuts until end-2018, with an evaluation meeting in June 2018. This came as no surprise to the oil market, with prices rising to US\$63. Saudi Arabia's mention of a preferred price around US\$60 confirmed the recent level of US\$58-64. A higher price would add more US shale production,

which OPEC is trying to avoid, finding the "Goldilocks level" instead. US WTI oil now has a US\$5 spread to Brent, due to forward hedging from US producers. Resistance is at US\$64 with a major level at US\$67. Support is found at US\$61 and major at US\$58. Stochastic is neutral.

#### Coal

At the Cemprospects-17 conference the trading range of the front-quarter (FQ) price in 2018 was forecast at US\$75-90 with an average of US\$80. Cemreview was wrong in its call for a pullback in prices in November. While measures from the Chinese NDRC did indeed lower the Chinese domestic price with 10 per cent, strikes in Australia, weather conditions in Indonesia and loading issues in South Africa kept the market tight and the rally in API 2 and API 4 continued, reaching major resistance levels. Cemreview maintains its forecasts for 2018 average.

Some relief has been brought to the markets with the ending of the strikes in Australia and the avoidance of a potential one in South Africa. However, two bullish factors are still supporting the markets. Winter forecasts are cold for both China and Europe. French nuclear power production is also lower than expected and low hydro reserves in Spain in particular are raising demand. A possible petcoke ban in India has created a surge in coal demand from domestic cement producers and power companies. The final outcome is due in December.

The API4 is consolidating at US\$90/US\$95 but will likely stay high during December-January. Resistance at US\$96 and major at US\$100. Support is found at US\$90 and major at US\$85. For the API4 front-year (FY) resistance is seen at US\$92 and support at US\$85. The stochastic indicator is "neutral". Forecast: FQ – US\$90-96, FY – US\$86-92.

At Cemprospects-17 the trading range for USGC 6.5 per cent sulphur FOB was estimated between US\$57-75 with a 2018 average of US\$65.

The impact from Hurricane Harvey, which created price spikes, was fully overshadowed by surprising news from India's Supreme Court banning the use of petcoke in the capital and three neighbouring states. Furthermore, Gujarat introduced a ban of >7 per cent sulphur petcoke. The Supreme Court indicated that a potentially-nationwide or an import ban would still allow domestic petcoke to be used as feedstock on refineries for gasification. Either ban would severely impact the market with more than 12Mt of petcoke in import. The market reacted with prices for the 6.5 per cent sulphur type falling sharply from US\$70 to US\$60 and even lower offers. However, a new hearing is to take place 11-13 December, indicating the Court's further review of a cement sector exemption.

The discount for FOB USGC 6.5 per cent 40HGI to API4 coal rose to 48 per cent, which is seen as the top range for the neutral price zone. Due to rising freight rates from USGC to ARA currently seen at US\$20, the ARA CFR discount of petcoke to ARA coal rose from 20 to 28 per cent, remaining below the long-term average.

The spread from 6.5 and 4.5 per cent petcoke also widened from US\$10 to almost US\$20 as the latter is not widely used in India. The spread is expected to decrease towards an average US\$12-15, as the 4.5 per cent is dragged lower.

Cemreview estimates the price for FOB USGC 6.5 per cent to be volatile in a range of US\$55-65 and the freight rate of ARA to be around US\$20. Direction for the coming months will be set by the outcome in India.

**BPCL, IOC and HPCL respond to petrol pump chip scam with e-keys in fuel tankers and full automation of pumps**

Ola acquires Foodpanda to take on UberEATS in India; will invest another \$200 million Government ready to include petrol, diesel under GST, says FM Arun Jaitley  
MORE FROM THE AUTHOR

Uber loses lawsuit against taxi operators, to face stricter laws across Europe Watch: Nokia 9 leaked, Insta's new Alpha, Xiaomi sale and more

June this year was the hottest one in four years in North India, but it wasn't the soaring temperatures that caused frayed tempers. Instead India was reeling under the news of a petrol pump chip scam-fuel dispensing units at petrol pumps across the country had been fitted with a special remote-controlled chip that would release 20-50 ml less for every litre of petrol/diesel that a customer purchased.

But since the electronic display would show the correct measure of fuel, customers had no way of knowing that they were being short-changed by 7-10% of fuel. As of December 1, over 100 retail outlets across India have been shut down on account of electronic chip manipulation in dispensing units.

Lesson learnt the hard way, all the government-owned oil marketing companies (OMCs) are reportedly focussing on complete automation and real-time monitoring of all their outlets. Indian Oil Corporation (IOC), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL) are now planning to introduce an "e-key" facility for tankers carrying fuel from depots to retail outlets.

According to the Business Standard, tankers carrying fuel from terminals to dealer outlets would not just have global positioning system (GPS) tracking but also an electronic key (e-key). The tanker can then only be opened through a one-time password (OTP) at retail outlets. "Even if we have centralized GPS tracking, people can manipulate it and divert routes. In this case, if a particular tanker takes more time to reach the particular destination from a terminal, the dealer will need special permission from the companies other than the OTP," said an official close to the development to the daily. He added that the end-to-end automation involves tracking

of fuel gone through nozzles and tanks and will also transfer data to the central system. The ministry of petroleum and natural gas is hopeful that this strategy will reduce adulteration and diversion of fuel.

The e-key facility is already in place in 40-odd BPCL retail outlets in Delhi, and a tender to extend the facility to another 500 BPCL outlets will reportedly be floated early next year. The aim is to ensure real-time monitoring of all the retail outlets of government-owned OMCs-numbering 55,325 as of October-by December 2018. The OMCs will reportedly have to spend about Rs 4-5 lakh on automating each outlet, which will attract an overall investment of about Rs 2,000 crore in the marketing infrastructure. Currently, only around 20,000 retail outlets are automated.

According to a written answer by petroleum minister Dharmendra Pradhan in the Lok Sabha on Monday, a total of 5,732 cases of short delivery of fuel had been registered in the last three financial years and the current year till September-end. Given that each retail outlet sells an average 170 kilolitres of fuel a month, this drive towards automation and real-time monitoring will save the OMCs a pretty penny.

#### **GAIL seeks reworking of US LNG contract**

New Delhi, Dec 20 () State-owned gas utility GAIL India Ltd has sought renegotiating the price of LNG contracted from the US, Oil Minister Dharmendra Pradhan said today.

GAIL, India's biggest gas transporter, has deals to buy 5.8 million tonnes of US LNG per annum for 20 years.

In a written reply to a question in the Rajya Sabha, Pradhan said the company has held multiple discussions with the liquefied natural gas (LNG) supplier, the most recent being last month.

"GAIL has held a number of discussions with Cheniere Energy and Dominion Cove Point LNG LP for renegotiation of the contracts," he said. "The discussions have been held at the working level as well as management level."

The most recent discussion, he said, was held in November.

GAIL has a deal to buy 3.5 million tonnes per annum of LNG for 20 years from Cheniere Energy and has also booked capacity for another 2.3 million tonnes at Dominion Energy's Cove Point liquefaction plant.

This follows Petronet LNG Ltd successfully reopening the August 2009 deal for import of 1.44 million tonnes per annum of LNG for 20 years from Australia's Gorgon project.

"Petronet has been under active discussions with the LNG supplier regarding certain commercial aspects under its agreement and has reached an understanding related to the subject with ExxonMobil," Pradhan said.

He did not elaborate.

Sources said GAIL wants to renegotiate the 2011 sales and purchase agreement (SPA) with Cheniere Energy for import of 182.5 trillion British thermal units of LNG (equivalent to approximately 3.5 million tonnes) annually, with yearly fixed fees of USD 548 million and a term of 20 years.

It had agreed to pay Cheniere a price of USD 3 per million British thermal unit (mmBtu) plus 115 per cent of the final settlement price for the New York Mercantile Exchange Henry Hub natural gas futures contract for the month in which the relevant cargo is scheduled.

Also, 15 per cent of the fixed portion of the contract sales price will be subject to annual adjustment for inflation.

The source said GAIL wants the fixed portion to be lowered to bring down landed cost of LNG to around USD 7 per mmBtu as against the present USD 9.

LNG in the spot or current market is available for less than USD 6 per mmBtu.

US supplies are scheduled to begin from the next year.

Cheniere, currently the only US company exporting LNG, is reportedly not in favour of reopening the signed contracts as it expects the signed 'take-or-pay' agreements to be honoured.

The LNG contracted from ExxonMobil in Australia was indexed at 14.5 per cent of prevailing oil rate. The indexation agreed was one of the highest in the world.

Gorgon LNG at an oil price of USD 50 per barrel would cost USD 7.25 per mmBtu at the loading port. Added to that will be shipping cost and import duty as also the cost of converting the super-cooled liquid gas back into its gaseous state, taking the price to USD 9.5.

#### **Petrol pump chip scam: A password to fill up tanks at retail outlets soon**

After a wake-up call from Uttar Pradesh's petrol pump chip scam, government-owned oil marketing companies Indian Oil Corporation (IOC), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL) are tightening end-to-end monitoring of product movement and dispensing. They now plan to introduce "e-key" facility as part of their strategy to have complete automation and real-time monitoring of their 55,000-odd outlets in the country by December 2018.

According to the plan, the tankers carrying fuel from terminals to dealer outlets would not just have global positioning system (GPS) tracking but also an electronic key (e-key). The tanker can be opened through a one-time password (OTP) only at retail outlets. Around 40 BPCL retail outlets in Delhi are availing this facility. This, the ministry of petroleum and natural gas, believes would reduce adulteration and diversion of fuel.

“Even if we have centralized GPS tracking, people can manipulate it and divert routes. In this case, if a particular tanker takes more time to reach the particular destination from a terminal, the dealer will need special permission from the companies other than the OTP,” said an official close to the development.

The government had decided to go for real-time monitoring of petrol and diesel sales after a special task force in Uttar Pradesh found out that fuel filling machines at some outlets in the state were tampered and chips were inserted into the machine so that 10 per cent less fuel is dispensed. As per the strategy of real-time monitoring, the company would come to know about sales of petrol and diesel from an outlet immediately. For real-time monitoring, companies will spend about Rs 4-5 lakh on automating each outlet, which will attract an overall investment of about Rs 2,000 crore in the marketing infrastructure.

“We are inviting a tender early next year to extend the facility of “e-key” to another 500 BPCL outlets. The end-to-end automation involves tracking of fuel gone through nozzles and tanks too and will also transfer data to the central system,” he added. As of October, 2,500 outlets of IOC, 4,800 outlets of HPCL and some of BPCL were automated. Out of the total 60,799 fuel retail outlets in India, state-run companies have 55,325 outlets. This includes 26,489 fuel stations by IOC, 14,161 by BPCL and 14,675 by HPCL. The remaining 5,474 outlets are run by private sector including Essar, Reliance Industries and Shell. On a monthly basis, each outlet sell an average 170 kl of fuel.

#### **From Russia With Love: India Guzzles Oil After \$13 Billion Deal**

Bloomberg) – It isn’t hard to understand why Russia took part in the \$13 billion acquisition of an Indian refinery last year. In just seven months, Indian refiners have processed four times more Russian crude than they did in the whole of the previous fiscal year.

The record crude purchase, mostly of Urals grade, shows how Russia is growing competitive to the Middle East’s grip in the world’s fastest growing oil market. Russia is now the 11th biggest exporter to India, overtaking Qatar and up from 21st place last year.

“Urals is becoming more and more favorable for Indian refiners because of its competitiveness to Middle Eastern crudes,” said R. Ramachandran, refineries head of state-run Bharat Petroleum Corp., which resumed purchases of the Russian grade after a three-year gap.

Indian refiners purchased 2.5 million tons of Russian oil during April-October, compared with 600,000 tons bought during the 12 months ended March 31, according to data provided by Indian Oil Minister Dharmendra Pradhan in parliament this week. India, which imports more than 80 percent of its crude requirements, still gets close to two-thirds of supplies from the region led by Iraq and Saudi Arabia.

“There’ll be good demand for Urals going ahead, as it will be a good fit in new refining capacities such as Kochi and Paradip,” Ramachandran said. Indian refiners have also purchased other Russian grades such as ESPO, Sokol and Sakhalin Blend.

#### **Indian Firm Interested in Iran Crude Storage Venture**

December 20, 2017 [Financial Tribune] - A private Indian company is looking to invest in Iran's infrastructure for the storage of crude oil and byproducts.

India's IMC Group is interested in the construction and maintenance of depots for petroleum products at Iran's southern terminals in the Persian Gulf, the news portal of the National Iranian Oil Company reported on Monday.

Based in Chennai in eastern India, IMC is engaged in the development, construction, operation and management of port-based infrastructure projects. It is also a trader of agricultural products and fuels.

India has been engaged in talks over developing gas liquefaction and export facilities south of Iran to meet its demand at home. Iran exports all of its gas through pipelines, lacking the equipment to produce liquefied natural gas that is exported via tanker ships.

ONGC Videsh Ltd, the overseas arm of state-owned Oil and Natural Gas Corp, has offered to invest about \$5.8 billion in developing the Farzad-B Gas Field in the Persian Gulf and another \$5 billion to build a liquefied natural gas export facility.

But the investment plan is in doubt, as the two countries are at loggerheads over awarding the offshore Iranian gas project, with Indian refiners having cut back crude oil imports from Iran in retaliation. But the world's third biggest oil consumer continues to remain a key buyer of Iranian crude. India shipped in about 467,000 barrels a day of crude from Iran in October, second to China with 685,150 barrels.

Iran, the third-biggest producer of the Organization of Petroleum Exporting Countries, aims to build new oil storage and loading infrastructure along its southern coast. The bulk of Iran's crude exports are made from Kharg, an island terminal off the Persian Gulf.



Iran pumps close to 3.8 million barrels of crude oil and condensate, a type of ultra light crude, with export at more than 2.5 million bpd.

#### Mr Pradhan lays foundation stone for Dhamra-Angul gas pipeline in Odisha

gas-pipeline\_12594.jpg Image Source: newindianexpress.com IANS reported that Petroleum and Natural Gas Minister Mr Dharmendra Pradhan laid the foundation stone for new Dhamra-Angul gas pipeline and Bhubaneswar-Cuttack-Paradip natural gas spurline in Odisha. The foundation stone was laid at Haripur in Jajpur district. Mr Pradhan said that this 600-km-long natural gas pipeline project is a new year gift for the people of coastal districts of Odisha from the Narendra Modi-led central government.

Mr Pradhan said that foundation stone for the LNG Terminal at Dhamra at an investment of INR 6,000 crore has already been laid recently. And gas will be imported from countries like Australia and Qatar and supplied to Uttar Pradesh's Allahabad through a 2,500 km long pipeline.

Out of this, 600 km of the pipeline will be constructed in Odisha covering 13 districts -Bhadrak, Jajpur, Dhenkanal, Angul, Sundergarh, Sambalpur, Jharsuguda, Debagarh, Jagatsinghpur, Cuttack, Khordha, Puri and Kendrapara, and connecting major industrial clusters of Khurdha, Jharsuguda, Rourkela, Sambalpur, Bhubaneswar, Cuttack, Angul, Dhenkanal, Kalinganagar, Jajpur and Paradip.

He said that "This longest pipeline project is a major step towards the fulfillment of Prime Minister's dream of developing a gas-based economy and linking eastern India to the country's Natural Gas Grid. It will pave the way for development of high-quality manufacturing in Odisha."

He added that this will add more values to the minerals of the mineral-rich state like Odisha.

He further added that as of now, steel produced in Odisha was limited to the construction of houses and angle making. But now the steel and aluminium which will be produced in Odisha using gas will be of high quality and lead to manufacturing of automobiles and Odisha can be a centre of high-quality steel production.

#### Dominion Energy denies LNG contract renegotiations

New Delhi: Dominion Energy Inc said on Tuesday it had no plans to renegotiate any of its liquefied natural gas sales contracts, a day after India's oil minister said state-owned gas processor GAIL (India) Ltd was renegotiating deals with Dominion and another U.S. producer.

"The characterization of contract renegotiations is false ... and Dominion Energy does not intend to renegotiate contract terms in the future," the company said in a statement.

India's oil minister Dharmendra Pradhan told lawmakers on Monday that GAIL was renegotiating purchase contracts with Dominion Energy and Cheniere Energy Inc, which owns the Sabine Pass export terminal in Louisiana.

The Indian company has contracts to buy up to 5.8 million tonnes per annum (Mtpa) of LNG from the United States.

LNG spot prices have plunged in recent years due to a glut of supply, and Indian companies have had some success renegotiating long-term purchase contracts.

Dominion Energy said while it had no plans to renegotiate contracts, it continued to talk with customers ahead of the launch of commercial operations at its \$4 billion Cove Point LNG export terminal in Maryland.

The company nudged back the expected start of commercial operations at the 5.25 Mtpa plant to early next year from year-end 2017.

Once it enters service, Cove Point will be the second LNG export terminal in the lower 48 U.S. states, after Cheniere's Sabine Pass, which exported its first cargo in February 2016.

With Sabine Pass, Cove Point and a few other export terminals under construction, the United States is expected to have the third-biggest LNG export capacity in the world by the end of 2018.

#### Government to promote methanol as alternative fuel to cut oil import bill

Government to promote methanol as alternative fuel to cut oil import billNEW DELHI: In a bid to lower crude oil import bill, the government will promote coal gasification to convert high ash coal into methanol that can be used as cooking gas and transportation fuels, Niti Aayog member V K Saraswat said today.

He also said that methanol is a good substitute for transportation fuels and cooking fuel and there is a merit in India also looking at methanol economy.

"We can reduce high crude oil import bill, which is pegged at Rs 6 lakh crore per annum by producing methanol from high ash coal.

"...In the rural areas, there are a number of people who still use cow dung, so we want to give methanol stove to them. Methanol gas is always cheap, safe and pollution free," he told reporters here.

The former Defence Research and Development Organisation (DRDO) chief said the government has proposed

using methanol fuels powered boats in inland waterways. 5

Saraswat also pitched for setting up of Rs 5,000 crore Methanol Economy Fund.

"We are evaluating a Rs 4,000-5,000 crore fund for developing methanol as a fuel in India. We want to set up 3 to 4 methanol processing plants, out of which we expect at least one plant running in the next 3 years.

"For this, we will want to have a methanol economy hub to be ready by mid next year," he said.

The Niti Aayog member also said that the Bureau of Indian Standards have certified methanol as a fuel.

Saraswat said that the world's largest coal miner, Coal India Ltd (CIL), will set up a coal-based methanol plant in West Bengal.

Saraswat, who is also chairman of Methanol Committee, is in talks with companies like NTPC and Oil India to encourage methanol economy.

According to the latest estimate, methanol production could cut India's huge crude oil imports bill, which is pegged at Rs 6 lakh crore per annum.

Methanol is a clear and colourless liquid produced from natural gas, coal and a wide range of renewable feedstock. Also known as wood alcohol, methanol is naturally occurring and biodegradable.

India has already introduced blending of petrol with ethanol.

According to the Methanol Institute, USA – an industry consortium – China is using 15-20 per cent of its fuel mixed with methanol.

#### **LPG subsidy diversion: Airtel promises to return Rs 190 crore to original bank accounts**

NEW DELHI: Within days of getting a rap on its knuckles, Airtel on Tuesday offered to return Rs 190 crore subsidy that had flown into the 'unsolicited' Payments Bank accounts of its 31 lakh mobile phone subscribers, sources said.

Airtel wrote to National Payments Corporation of India (NPCI) on Monday promising to return Rs 190 crore (along with interest) to the consumers' original bank accounts that were linked to the Direct Benefit Transfer (DBT), the sources familiar with the development told PTI. NPCI is an umbrella organisation for all retail payments in India. Both Airtel and Airtel Payments bank came under fire after Airtel allegedly opened accounts of its mobile phone subscribers without seeking their "informed consent", and LPG subsidy worth crores was being deposited to these accounts.

The government acted swiftly in the matter and the Unique Identification Authority of India, late last week, temporarily barred the company from conducting Aadhaar-based SIM verification of mobile customers using eKYC process and e-KYC of payments bank clients.

Suspending the 'e-KYC licence key', the Aadhaar issuing body UIDAI also ordered PricewaterhouseCoopers to conduct an audit of Bharti Airtel and Airtel Payments Bank to ascertain if their systems and processes are in compliance with the Aadhaar Act.

"The government has taken a stern view of the entire issue and Airtel has been forced to return the amount to original bank account of these customers," said a government source who did not wish to be named. The mechanism of the DBT benefits floating into the accounts is also being tightened, to bring in greater accountability, he noted.

Mounting pressure on Airtel, the state-run oil companies had begun writing to the billionaire Sunil Mittal-led firm asking it to transfer back the LPG subsidy that got credited to its payment bank accounts.

The subsidy that government pays to households for buying cooking gas LPG has got credited to these payments bank accounts, leading to inconvenience to users many of whom did not know that their entitlement was not coming to their regular bank account but going an account which they had not applied for.

Taking a lead, Hindustan Petroleum Corp Ltd (HPCL) wrote to Airtel asking it to revert the subsidy to the customers' earlier bank account or transfer them same to the oil companies.

In a statement earlier in the day, HPCL said oil marketing companies and the oil ministry has been getting a large number of complaints from LPG consumers on not receiving LPG subsidy amounts into their earlier bank accounts for the past few weeks.

"In many cases across the three oil marketing companies (Indian Oil Corp, Bharat Petroleum Corp Ltd and HPCL) where the Aadhaar linking of LPG consumers has got changed in the NPCI mapper to Airtel Payments Bank and hence the LPG subsidy is getting sent to the new bank account in the Airtel Payments Bank," it had said.

In order to check diversions, the government pays subsidy equivalent to buying 12 LPG cylinders of 14.2-kg each in a year, directly into the bank accounts of beneficiaries.

Unlike in the past, LPG now is only available at market price. Beneficiaries get subsidy for one cylinder in advance and are replenished the moment they use it up to buying LPG refill.

A detailed email sent to Bharti Airtel on Sunday (December 17) on the the impact of UIDAI's latest move on the SIM verification process, and the alternate mechanism being worked out by the company, remained unanswered.

#### **CNG fuel stations in city not ready: BMTC's shocker**

Despite having three CNG fuel stations in its bus depots, the BMTC has told the southern bench of the National Green Tribunal that the fuel stations are not available.

"The Gas Authority of India (GAIL) has not made CNG (Compressed Natural Gas) available for vehicles in the city," the BMTC told the tribunal in its November 13 affidavit, a copy of which is available with DH.

"Even in the three places allotted by the BMTC in its bus depots to install CNG filling facilities, the said facility has not been made operational by GAIL," the transport corporation has said.

Contrary to the claims, GAIL had, in 2016, made CNG fuel stations operational in three BMTC depots - Sumanahalli, Peenya and Hennur. The fourth station is functioning at Beggars' Colony, off Magadi Road.

The three CNG stations also have dispensers for buses. A senior GAIL official said the PSU had permission from the Petroleum and Explosives Safety Organisation to operate the stations.

When DH visited the fuel station at the Peenya BMTC depot, an employee said it was ready for use. "The BMTC must invest in CNG buses," the official said, adding the pump there can cater to 200 buses a day.

GAIL is also working on plans to make 10 more fuel stations operational in the city, contrary to claims by the BMTC at the green tribunal.

The BMTC further mentioned in the affidavit: "The ecosystem required to run buses on CNG is humongous, and under the circumstances, the question of operating CNG vehicles in Bengaluru will not arise at all."

BMTC managing director V Ponnuraj defended the affidavit, saying the fuel stations in question were not operational. He also revealed that the use of CNG would add an additional travel cost of Rs 12 per kilometre. "Most of the spare parts for CNG vehicles need to be imported since they are not available locally," he said.

He continued: "CNG may be eco-friendly and is good for the vehicle engine, but CNG buses are expensive. The Government Of India has announced the early implementation of the BS VI standard, for which diesel will be as good as CNG."

Delhi, Pune, Mumbai, Thane, Ahmedabad, Gwalior, Lucknow, Hyderabad and Indore are some of the cities where CNG buses are in use.

#### **Banks Can't Swap Customer Accounts For Gas Subsidy Without Consent: UIDAI**

The UIDAI directive comes after multiple complaints that they had stopped receiving cooking gas subsidy

NEW DELHI: Hoping to clamp down on the possible misuse of the rule to link Aadhaar to bank accounts, UIDAI, the agency that governs Aadhaar, has ordered banks to get explicit consent from every customer before they swap the bank account in which cooking gas subsidy and other benefits were deposited by the government.

The directive comes weeks after multiple complaints from people that they had stopped receiving cooking gas subsidies in their specified bank account after they linked their Aadhaar number to a second bank account or an Airtel mobile number.

Inquiries by the Aadhaar body revealed that when customers went to banks to link their Aadhaar number to their accounts, the banks also passed on details of the Aadhaar-linked bank account to the government's central database of bank accounts for transferring subsidies under various schemes.

The system had been designed in a way that the central database would replace the old bank account with the new. "So if a person was getting his cooking gas subsidy in one bank account and went to update a different bank account, he would get the subsidy in the account linked with Aadhaar last," a government official explained.

Except that the customer did not know that he had 'requested' for updating his account details for government subsidy.

But this wasn't a technical glitch. Many banks, the official said, used this design to shore up deposits.

Airtel had also recently got into trouble with UIDAI, or the Unique Identification Agency of India, for similar reasons.

"There have been complaints that, when an Aadhaar holder visits the telecom service provider for verifying his mobile number with Aadhaar, Airtel is opening his payment bank account and putting that bank account on

NPCI's APB mapper overriding the existing bank account mapping without the informed consent of the Aadhaar holder," the UIDAI order on the new rules issued on Tuesday said.

This means the consent can't be part of the fine print on a form that nobody reads, or understands.

UIDAI also told the National Payments Corporation of India, or NPCI, which manages the central depository of bank account for government subsidies, to stop updating new bank account details sent by banks unless it declares that it had the "explicit informed consent" of the customer to switch its bank account.

And just to make sure that no one pulls a fast one on the customer again, banks will also have to give the last four digits of the customer's older bank account that was registered for receiving the subsidy.

Banks have also been told to "inform each account holder through SMS and email within 24 hours that such a request had been made.

The message shall also contain details of how customers can get his account details removed. For people who don't have a phone or mobile number, the consent has to be taken on paper.

As an additional safeguard, banks and NPCI will have to retain the record of all the consents for the seven years to enable the UIDAI to carry out an audit at any point, the order by UIDAI chief executive officer Ajay Bhushan Pandey said.

## 20 years after 'ban', petrol pump still runs

NEW DELHI: Petrol pumps arbitrarily allotted as largesse by then petroleum minister Satish Sharma was cancelled in 1997 by the courts, but 20 years later, the Supreme Court was surprised to find a woman in Uttar Pradesh, who was president of Youth Congress earlier, continuing to operate her petrol pump despite cancellation.

Miffed by IndianOil Corporation's failure to take over the dealership from the woman because of a faulty public auction advertisement, a bench of Justices N V Ramana and Amitava Roy ordered inquiry and action against the IOC officials responsible for non-compliance of the court order for 20 years.

The Delhi high court on August 29, 1997 cancelled allotment of Shashi Prabha Shukla, who had got the petrol pump allotted on a stretch of national highway in Basti district from the minister's discretionary quota through an undated application saying she was an unemployed graduate with keen interest in rural development activities and welfare of women but had no regular source of livelihood.

The HC recorded in its order, "From the application, it appears that the applicant is a resident of district Sultanpur (then constituency of Satish Sharma) in UP. The allotment in her favour has been made in a casual manner as is the case in respect of allotments in other cases. We were told by her counsel that she is president of Youth Congress."

The HC had ordered government-owned corporations dealing with petrol, diesel and LPG to auction the cancelled retail dealerships before December 1, 1997. Out of the auction money received, price of the land was to be refunded to the person whose dealership was cancelled and the rest of the money was to be paid to the Prime Minister's relief fund, the HC had said.

When the IOC served a notice on Shukla for closure of the retail outlet, she asked the corporation to return the land after taking out the fueldispensing machines installed on the plot. Without responding to it, the corporation advertised for auction of the outlet. She challenged the advertisement before the Allahabad HC in October 1998 alleging that her land was not returned.

The Allahabad HC stayed the auction and directed IOC to allow her to continue with the dealership. In 2004, the same HC asked IOC to award a fresh dealership to her as per its new policy framed in 2004. IOC through advocate ADN Rao challenged this before the SC.

## IOC Jharsuguda Oil Terminal Dedicated To Nation

The districts which will benefit from the oil terminal include Bargarh, Balangir, Deogarh, Jharsuguda, Keonjhar, Kalahandi, Sundargarh, Sambalpur, Sonepur and Nuapada. The Union Minister said plans are afoot for setting up another oil terminal jointly by HPCL and BPCL in the district. He appealed to the State Government to provide land for the proposed project, Reports Bureau in Governance Democracy&Politics (GDP), December Issue

Minister for Petroleum and Natural Gas, Skill Development and Entrepreneurship Dharmendra Pradhan dedicated state of the art oil terminals of Indian Oil Corporation Ltd. at Jharsuguda and Jatni to the nation in presence of Dr Prabhas Kumar Singh, MP, Bargarh, Sri Naba Kishore Das, MLA, Jharsuguda, Smt Radha Rani Panda, HMLA Brajarajnaragar, Shri Sanjiv Singh, Chairman, IndianOil, Sri B S Canth Director (M) and other dignitaries.

On the occasion, Pradhan said, "Accelerated development of the Eastern States is a focus area of Narendra Modi Government. The biggest oil terminal of Odisha at Jharsuguda is yet another important milestone for uninterrupted delivery of fuel supply to at least 10 districts of Western Odisha".

The districts which will benefit from the oil terminal include Bargarh, Balangir, Deogarh, Jharsuguda, Keonjhar, Kalahandi, Sundargarh, Sambalpur, Sonepur and Nuapada.



The Union Minister said plans are afoot for setting up another oil terminal jointly by HPCL and BPCL in the district. He appealed to the State Government to provide land for the proposed project. Dedicating an augmented oil terminal at Jatni and Paradip-Raipur-Ranchi pipeline project at the function, Pradhan said the integration of Paradip refinery with Jatni and Jharsuguda in Odisha, Ranchi oil terminal in Jharkhand and Korba and Raipur terminals in Chhattisgarh will be an enabler for faster evacuation of petroleum products and economic growth of the region.

The fully automated terminal at Jharsuguda with an investment of Rs 140 crore will generate enormous indirect employment for local people, he said. Similarly, the renovation of Jatni oil depot at a cost of ₹ 70 crore will cater to the needs of 13 districts namely Angul, Boudh, Cuttack, Dhenkanal, Ganjam, Gajapati, Khurda, Nayagarh, Puri, Phulbani, Rayagada, Malkangiri and Kalahandi.

Of the 1,069 km Paradip-Raipur-Ranchi pipeline, 634 km of the pipeline has been laid in Odisha with an investment of Rs 1,100 crore. Bargarh MP Prabhas Kumar Singh, Jharsuguda MLA Naba Kishore Das, Brajrajnagar MLA Radha Rani Panda, Indian Oil Chairman Sanjiv Singh and other IOCL officials were present.

Pradhan praised the projects, referring to the contribution to the success of the economic development plans of Eastern India of Prime Minister Mr Narendra Modi. He said "These new facilities will further strengthen storage and distribution of petroleum products in the states of Odisha, Jharkhand and Chattisgarh". Sri Pradhan said more than 22000 LPG gas connections distributed to BPL families in Jharsuguda district under Pradhan Mantri Ujjwala Yojana. He proposed for availability of natural gas in Jharsuguda district through pipeline which will be connecting to Dhamra Natural Gas Regasification plant.

Accelerated development of the Eastern States has been the focus area for the Government of India. Prime Minister, Shri Narendra Modi, while dedicating the 15-MMTPA Paradip Refinery to the nation, termed it the Vikasdeep of Eastern India. The integration of the Paradip refinery with Jatni and Jharsuguda Oil Terminals through Paradip-Raipur-Ranchi Pipeline in Odisha will be an enabler for faster evacuation of petroleum products from Paradip Refinery. The Paradip-Raipur-Ranchi Pipeline is further connected to Ranchi Oil Terminal of Jharkhand and Korba and Raipur Oil Terminals of Chattisgarh. The total project cost for these projects is about Rs.2800 crores. These facilities will aid in meeting the growing demand of Petroleum products leading to faster development of the region. Sri Sanjiv Singh Chairman Indian Oil had welcome and addressed the gathering. He said the biggest and smart automated oil terminal of Odisha at Jharsuguda is yet another important milestone for uninterrupted, automated delivery of fuel supply to 10 District of West Odisha – Bargarh, Bolangir, Deogarh, Jharsuguda, Keonjhar, Kalahandi, Sundergarh, Sambalpur, Sonepur & Nuapada. The terminal at Jharsuguda is part of the Government's continuing endeavour to build a world-class & automated oil terminal in the Odisha.

#### **RBI Policy Minutes: Urjit Patel Concerned Over Rising Oil Prices**

RBI Policy Minutes: Urjit Patel Concerned Over Rising Oil Prices

Two other members in the monetary policy panel flagged the issue of inflation in petroleum products.

Mumbai: RBI Governor Urjit Patel flagged concerns over rising global oil prices and uncertainties on fiscal and external fronts in the meeting of Monetary Policy Committee (MPC) that left key policy rates unchanged earlier this month.

Two other members in the panel, Deputy Governor Viral Acharya and Executive Director Michael Debabrata Patra, flagged the issue of inflation in petroleum products, according to the minutes of the MPC meeting held on December 5 and 6 released by the RBI on Wednesday.

In its December monetary policy review, the RBI had kept the interest rate unchanged at 6 per cent on concerns of a possible price rise but left the door ajar for a rate cut in future.

The MPC decides on the key lending rate or repo rate.

During the meeting, Patel remarked that the macroeconomic situation has remained broadly unchanged since the last MPC meeting in October 2017.

"However, the recent upturn in crude oil prices has emerged as a source of concern. Several uncertainties, especially on the fiscal and external fronts, persist," the governor said while voting in favour of status quo in the policy rate.

The central bank, for the second time in a row, did not change the key interest rate (repo), which stands at 6 per cent.

Acharya, who too voted in favour of status-quo in policy rate, said the global commodity cycle now seems to have turned with oil prices having also rebounded recently.

"This has created significant input cost pressures in the economy, which at some stage may get passed on to retail prices," he said.

In Patra's opinion, price pressures are no more confined to vegetables alone, as in previous readings.

They are getting diffused across petroleum products, services, and into underlying inflation.

"The risks of inflation getting generalised appear to have increased to a point where they could potentially overwhelm the softening effects of winter arrivals of vegetables and fruits. Projections indicate that inflation prints are likely to stay above target from here on," he said.

Of the six members in the MPC, only Ravindra H Dholakia had voted for 0.25 per cent reduction in policy rates.

The other two members of the MPC are Chetan Ghate and Pumi Dua.

#### **ONGC Best Bet Among Asian Oil Explorers For Macquarie**

Rising crude prices have made Oil and Natural Gas Corporation Ltd. the best bet among oil explorers in Asia.

That's Macquarie Research's forecast for India's largest energy company. It set a target price of Rs 290 for ONGC—the most bullish estimate in the street. The brokerage also has a bull case target price of Rs 345 apiece if oil prices go as high as \$75 a barrel.

ONGC is the most preferred stock among peers with only one of the 38 analysts tracked by Bloomberg having a 'Sell' rating.

Macquarie expects the explorer to benefit from the surge in Brent, predicting the long-term oil price at \$65 a barrel. Brent rose nearly 39 percent in the last six months compared to a 12 percent rise in ONGC shares. The current stock price reflects oil at \$52 a barrel, the brokerage said. Costlier oil improves realisations and margins for the company, it said.

Macquarie also expects ONGC's gas realisations to rise \$4.3 per million British thermal unit on the back of an expected increase in administered prices.

#### **Output Growth**

ONGC's oil and gas output is likely to rise after five years of lacklustre performance as 14 new projects with final investment plans are commissioned, Macquarie wrote. Its production is expected to grow at an annualised rate of 6 percent—from 47 million tonne of oil equivalent to 63 million—in five years to March 2022. The proportion of gas is expected to rise from 45 percent to 58 percent during the period, according to the brokerage.

#### **HPCL Overhang**

ONGC's shares have underperformed partly because of lack of clarity in the acquisition price of government's stake in oil refiner Hindustan Petroleum Corporation Ltd. ONGC's balance sheet can easily absorb HPCL, Macquarie said. The deal would add to the explorer's profit growth even if it pays a 50 percent premium to the market price, the brokerage said.

#### **Other Highlights**

Expect 5 percent free cash flow yield over financial year 2017-18 to 2019-20.

Beyond the year ending March 2020, free cash flow yield to rise to 14 percent on completion of planned projects.

Expect favourable dividend yield of 6 percent in five years to March 2022.

#### **Oil And Gas PSU Mergers Exempt From CCI Approval For Five Years**

Merger and acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission approval, says a notification.

The corporate affairs ministry's decision to exempt such deals from the ambit of the Competition Commission of India comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies.

In July, the Cabinet Committee on Economic Affairs approved sale of the government's 51.11 percent stake in oil refiner Hindustan Petroleum Corporation Ltd. to the country's largest oil producer Oil and Natural Gas Corporation Ltd.

The ministry has said all cases of combinations involving the central public sector enterprises operating in oil and gas sectors under the Petroleum Act 1934, have been exempted from the CCI approval requirement for five years.

#### **Also Read: ONGC Aims To Complete HPCL Acquisition By March**

The exemption will also be applicable to their wholly or partly owned subsidiaries operating in the oil and gas sectors, from the application of the provisions of Sections 5 and 6 of the (Competition) Act, for a period of five years, the notification issued on Nov. 22 said.

Sections 5 and 6 pertain to combinations. Under the norms, combinations or deals beyond a certain threshold compulsorily require approval from the CCI.

Earlier this year, the ministry exempted mergers of nationalised banks from seeking CCI's approval. The regulator keeps a tab on anti-competitive ways across sectors to ensure fair practices are followed.

## Saudi PetroRabigh II to start operations in Q1 next year -energy minister

Saudi Arabian Energy Minister Khalid al-Falih said on Wednesday that PetroRabigh II, the expansion of the petrochemical complex of PetroRabigh, would start operations in the first quarter of 2018.

Falih was speaking at a news conference in Riyadh. Phase II of the joint venture between Saudi Aramco and Sumitomo Chemical will be able to produce 5 million tonnes of petrochemicals and 15 million tonnes of petroleum products annually.

## Wintershall start production at the Maria field

wintershall\_25380.png Image Source: Wikimedia Wintershall, and its licence partners Petoro and Spirit Energy, have started production at the Maria field one year ahead of schedule. Costs have been reduced by more than 20% compared to plan. Oil production has now begun, whereas originally start-up was intended for the fourth quarter of 2018. At an expected final investment cost of around 12 billion NOK, the project will stay more than 3 billion NOK below the original budget. Maria is the first own-operated field in Norway, which Wintershall takes all the way from exploration, through development and to production. Following a solid growth course on the Norwegian Continental Shelf, Wintershall Norge has increased its daily production from 3,000 boepd (barrel of oil equivalent per day) in 2009 to around 100,000 boepd today.

Mr Martin Bachmann, Wintershall Executive Board Member for Exploration and Production in Europe and Middle East, said that "Ahead of schedule and below budget: Maria is a major achievement for Wintershall, our partners and our suppliers. In challenging times, we have kept a clear focus on smart engineering and sharp project management. The fact that we have achieved this so quickly without incidents is a real credit to the whole team that worked so hard to make this happen. The experience gained in the Maria project will serve as a blue-print, for our Nova development, previously known as Skarfjell, and worldwide."

### Exceeding expectations

Wintershall and its partners submitted the Plan for Development and Operation (PDO) to the Norwegian Ministry of Petroleum and Energy in 2015. For Hugo Dijkgraaf, Wintershall Norge Managing Director and until recently Maria Project Director, Maria's early production kick-off is also a signal: "Delivering a production start-up 2 years and 3 months after PDO approval by the ministry for such a complex offshore project is a testament to Wintershall's capability to deliver on development projects. Construction and installation of the subsea equipment and pipelines was completed without any major problems or delays, and this summer we drilled some of the most efficient wells in the history of the Haltenbanken area. This excellent progress would not have been possible without the cooperation of Statoil as operator on the host platforms. Maria is a role model for an outstanding cooperation between operators and suppliers." In combination with an innovative procurement approach, Wintershall awarded more than 90% of all Maria contracts to companies based in Norway culminating in an expected work amount of 34,000 man years over the Maria lifetime.

### Smart synergies

The subsea Maria field in the Haltenbanken area of the Norwegian Sea is connected via subsea tiebacks to the Statoil-operated Kristin, Heidrun and Åsgard B production platforms, making it one of the most complex underwater projects in the world. By tying into local infrastructure and with a planned 25-year life span, Maria could also help prolong the production horizon of surrounding fields. "It is a complex plan, but we focused on simple execution. By using tried and tested components, and working closely with excellent suppliers, we have delivered a field that will continue to return value to us, our partners, and the whole of Norway, for many years to come," said Jens Balmer, Head of Maria Project. The Maria well-stream will go to the Kristin platform for processing while supply of water for injection into the reservoir will come from the Heidrun platform and lift gas will be provided from Åsgard B via the Tyrihans subsea template. Processed oil will be shipped to the Åsgard field for storage and offloading to shuttle tankers. Gas will be exported via the Åsgard Transport System to Kårstø.

The Maria field is located approximately 20 kilometers east of the Kristin field and about 45 kilometers south of the Heidrun field. Wintershall Norge is the operator of the license with a 50% share. Petoro has a 30% share and Spirit Energy owns the remaining 20%. Recoverable reserves of the field are estimated around 180 million barrels of oil equivalent (boe), of which the majority is oil.

Wintershall Holding GmbH, based in Kassel, Germany, is a wholly owned subsidiary of BASF in Ludwigshafen. The company has been active in the extraction of natural resources for 120 years, and in the exploration and production of crude oil and natural gas for over 80 years. Wintershall focuses on selected core regions where the company has built up a high level of regional and technological expertise. These are Europe, Russia, North Africa, South America, and increasingly the Middle East region. The company wants to expand its business further with exploration and production, selected partnerships, innovation and technological competence. Wintershall employs about 2,000 staff worldwide from 50 nations and is now Germany's largest, internationally active crude oil and natural gas producer.

## Why One Giant Gas Field Is a Big Deal for Egypt: QuickTake Q&A

The gas imports which once helped Egypt avert power blackouts may soon be a thing of the past. Eni SpA's massive "Zohr" natural gas field, the Mediterranean Sea's largest offshore field, started production earlier this month. Its huge reserves could prove a permanent remedy to the most populous Arab nation's power needs and bring Egypt closer to its goal of energy self-sufficiency.

### 1. How giant is 'Supergiant Zohr'?

Discovered in August 2015, Zohr is often described as a "supergiant" field because it has estimated reserves of about 30 trillion cubic feet, equal to the reserves of Israel and Oman combined, making it the largest gas discovery in the Mediterranean Sea. The field covers an area of about 100 square kilometers. On Dec. 16, gas from Zohr began to flow to a facility in Port Said city, with initial production of 350 million cubic feet per day.

Daily output is expected to rise to about 1 billion cubic feet in June, and then to 2.7 billion by the end of 2019. President Abdel-Fattah El-Sisi has vowed to tackle the energy shortage as a priority. The project could also eventually enable Egypt to return to exporting gas.

## 2. Why did Egypt end up short of gas?

Previously, Egypt had sufficient supplies to export gas by pipeline to Jordan and Israel. Gas shortages began after the 2011 uprising against then president Hosni Mubarak. The ensuing political struggles scared off tourists and investors, provoking a drop in foreign currency reserves. The North African nation had to give up gas exports in 2014 to meet local demand. Sporadic sabotage of its pipeline in the Sinai Desert by Islamist militants also throttled exports. Repeated power cuts, especially during the summer months, fueled anger against Muslim Brotherhood President Mohamed Mursi, who was toppled by the army in July 2013.

## 3. How will Zohr help?

Zohr's output is enough to cover the gap between Egypt's total gas consumption, which stood at 4.9 billion cubic feet per day in 2016, and its total daily production of 4 billion cubic feet, according to data from the BP statistical review. Consumption outstripped production in 2015 reversing a trend of more than a decade. Egypt now imports liquefied natural gas, or LNG, at high costs to meet its energy needs. It first purchased the fuel in 2013. It bought a total of 89 LNG cargoes from international suppliers in fiscal year 2015/2016 at the cost of \$2.2 billion, according to the oil ministry.

## 4. What will happen to LNG shipments?

Egypt's government will issue another tender for LNG purchases in early 2018 to cover needs for the second quarter. It plans to stop importing the fuel by the end of next year because of gas from Zohr, Tarek El-Molla, Egypt's oil minister, said in a November interview. Initial production from the field has raised Egypt's gas production to 5.5 billion cubic feet a day, according to oil ministry data.

## 5. What's the effect on the imports bill?

Initial production from Zohr is equivalent to three LNG import cargoes a month at the cost of \$60 million, according to a Dec. 13 oil ministry statement. It will save the country double that amount, or \$180 million a month later on when output will exceed 1 billion cubic feet a day, it said. "Zohr is a game changer for Egypt's energy outlook," said Hany Farahat, a senior economist at Cairo-based CI Capital Holding. Zohr, along with BP Plc's West Nile Delta field, which started earlier in 2017, will allow the cheaper locally produced gas to substitute for the much more expensive LNG, he said. "Those two fields can improve Egypt's balance of payments by narrowing the current account by approximately \$4 billion and encourage" more foreign investment in Egypt's energy sector.

## 6. Could this spur other energy investments?

Development of Zohr shows big projects can be "brought on stream in a relatively very short period of time," El-Molla said in the interview. Eni was joined in the field by BP and then Rosneft PJSC. Egypt is planning to seek bids for more oil and gas exploration rounds, El-Molla told an oil conference in Cairo Dec. 18. The government has taken other steps to encourage energy investment. Under a law signed in August, private businesses will be allowed to transport and trade gas using the country's pipeline network and infrastructure, moving away from a state monopoly. The country has also adopted a flexible gas-pricing formula to encourage investment and boost supply.

## 7. Is Zohr enough to turn the tide for Egypt's economy?

No. The government cannot rely on gas production alone and has to take more measures, including renewable energy projects and the removal of fuel subsidies, according to Mohamed Abu Basha, Cairo-based economist at investment bank EFG-Hermes. Over the past year, Egypt has enacted sweeping reforms, backed by the International Monetary Fund, that have included floating the Egyptian pound, cutting subsidies and approving legislation to attract foreign currency. Foreign-currency reserves rebounded to a record high of \$36.723 billion in November 2017 from as low as \$13.42 billion in March 2013.

## 8. What else is Egypt doing to provide more energy?

Earlier this month, the electricity ministry held its first competitive solar energy auction, part of Egypt's plan to generate a fifth of its electricity from clean sources by 2022. It currently has a feed-in tariff system and is in the process of building more than 1 gigawatts of solar power, largely in the southeastern Benban region.

## Turkey intends to increase import of oil and gas from Azerbaijan and Iran

Azerbaijan and Iran are important countries in terms of energy resources, said Turkish Foreign Minister Mevlut Cavusoglu.

He made the remarks at a joint press conference with his Iranian and Turkish counterparts in Baku on Wednesday, APA reports.

According to him, Turkey purchases gas and oil from both countries.

'We want to increase the import of oil and gas', he said, 'TANAP will be completed next year. We are trying for transportation of Iranian gas to the international markets. We think we'll be able to develop relations in energy field'.

## Offshore oil searches are coming back to

Surveying the ocean floor for oil and natural gas reserves is gradually emerging from a multi-year slump, everywhere apart from Asia.



That's despite Asia being the world's biggest consumer of oil, having by far the strongest demand growth while seeing its production fall faster than anywhere else.

The reasons for Asia's dearth in offshore exploration and production (E&P) include high costs in Australia's promising waters, declining reserves in production hotspots Malaysia and Indonesia, as well as territorial disputes in the oil- and gas-rich waters of the South China Sea.

"We only have two 3D vessels in Asia-Pacific, since there are fewer opportunities and less activity in that region," said Bard Stenberg, vice president at Norwegian offshore survey company PGS (OL:PGS), adding that most of his company's vessels were in the Atlantic.

#### MISSING OUT

A 2017 and 2018 activity map by geophysical surveillance firm TGS (OL:TGS) shows the most activity in the North Atlantic.

A similar map by Bernstein Research showed the Asia-Pacific basin to have only four minor offshore developments of under 50,000 barrels per day (bpd). That compares to five major developments (above 50,000 bpd) and 11 minor ones in the Atlantic.

In one of the most promising regions, Australia, the main problem is cost, in part due to a requirement for rigs to pay for Australian crew once in Australian waters.

"Once any foreign-flagged vessel is in Australian waters, the ship operator has to pick up Australian workers... They work 12 hours a day, 7 days a week for 4 weeks, then get 4 weeks off," said Christy Cain of the Maritime Union of Australia.

When oil prices were high, this was not a big problem, drillers said. But in times of cheaper oil and low profit margins, the added cost deters explorers, several said.

In another promising area, the South China Sea, conflicting territorial claims, especially between China and Vietnam, have hindered E&P activity.

Meanwhile, in Asia's most established offshore oil and gas production basins of Malaysia and Indonesia, recoverable reserves are depleting.

Malaysia's state-owned Petronas, Southeast Asia's biggest oil producer, is increasingly focusing on downstream projects like the Pengerang Integrated Complex (PIC) in the southern state of Johor.

From 2019, PIC will refine crude oil into fuel and petrochemical products. Significant amounts of its crude will come from Saudi Arabia.

With little E&P activity, Asia's oil import bill - which has already more than doubled since 2000 to over \$420 billion a year - will rise further, likely above \$500 billion in 2017, leaving other regions to cash in on Asia's oil thirst.

#### COUNTING HELICOPTERS

Gauging the health of the secretive offshore industry is difficult. But dozens of mothballed rigs and support vessels sit idle in southern Malaysia's Johor river delta, waiting to be used or scrapped.

"Activity to support new development projects may increase slightly (between 2018 and 2020), but is unlikely to approach historical high levels (2013/14)," Petronas said in an outlook this month.

Douglas Westwood, which monitors helicopter activity to and from offshore vessels, has a similar view.

"The offshore helicopter market has finally started to recover following three years of decline," Westwood said, although it added that average annual growth between 2018 and 2022 will still only be 1 percent.

"Global utilization will average 59 percent over the forecast," it said, up from a paltry 54 percent in 2017.

At the root of the industry malaise lies rampant overproduction in the years running up to 2014, which crashed crude prices (LCOc1) from over \$100 per barrel in 2014 to below \$30 in 2016.

E&P companies were among the first to feel the bite of aggressive industry cost slashing.

Firms in the seismic oil surveillance sector, including Polarcus (OL:PLCS), PGS, and Electromagnetic Geoservices (OL:EMGS) have seen their share prices crash since 2015, in some cases by over 90 percent.

Only a production cut led by the Organization of the Petroleum Exporting Countries (OPEC) has stabilized Brent above \$50 a barrel since mid-2017.

With oil demand healthy, the offshore industry hopes companies will start spending on future output again.

"We're hoping that it's going to pick up next year," said Cain of the Maritime Union of Australia.

In a sign that even in Asia-Pacific there may be some more activity, the geothermal surveillance ship Polarcus Naila left Singapore in early December for a seismic mission in the Bonaparte Basin, off Australia's northwest coast.

Speaking to Reuters during a visit to Singapore by the ship, one of the Naila's senior crew members said he hoped things would go from "worst to bad."

#### **BP and Kosmos partner on five Ivory Coast offshore oil blocks**

Ivory Coast has awarded partners BP and Kosmos Energy five new offshore oil blocks under an agreement with state oil company Petroci, government spokesman Bruno Kone said on Wednesday.

Petroci will maintain a 10 percent stake in blocks CI-526, CI-602, CI-603, CI-707 and CI-708. Kone did not give a breakdown of Kosmos' and BP's stakes.

Elsewhere in West Africa, BP and New York-listed Kosmos are partners on oil and gas blocks off the coast of Senegal and Mauritania. Natural gas discoveries there contain sufficient reserves to warrant two LNG projects, they said.

Ivory Coast, located in the centre of Africa's oil and gas-rich Gulf of Guinea, has granted a number of licences following a roadshow in October in Cape Town, South Africa.

Africa-focused Tullow Oil has picked up six blocks in recent weeks. SECI, a local unit of French industrial group Bouygues, has signed contracts for two blocks.

In September, an international tribunal ruled in favour of Ghana in a dispute with Ivory Coast over the two countries' maritime boundary that had slowed exploration.

#### **Statoil acquires 25pct of the Roncador field in Brazil**

Wikimedia Statoil ASA and Petróleo Brasileiro S.A. - Petrobras have agreed that Statoil will acquire a 25% interest in Roncador, a large oil field in the Campos Basin in Brazil. The transaction nearly triples Statoil's production in Brazil, with attractive break-evens and potential for additional value creation for both parties through the application of Statoil's expertise in improved oil recovery (IOR). The total consideration comprises an initial payment of USD 2.35 billion, plus additional contingent payments of up to USD 550 million.

Mr Eldar Sætre, president and chief executive officer of Statoil, said that "This transaction adds material and attractive long-term production to our international portfolio, further strengthening the position of Brazil as a core area for Statoil. We are also pleased to advance our strategic partnership with Petrobras by expanding our technical collaboration, sharing technology, competence and experience to increase oil and gas recovery."

Roncador was the largest discovery offshore Brazil in the 1990s and is currently the third largest producing field in Petrobras' portfolio with around 10 billion barrels of oil equivalent (boe) in place and an expected remaining recoverable volume of more than 1 billion boe. The ambition is to increase the recovery factor by at least 5 percentage points, bringing the total remaining recoverable volumes to more than 1,500 million boe.

The field has been in production since 1999 with output, during November 2017, of around 240,000 barrels of oil per day plus around 40,000 boe per day of associated gas. The transaction increases Statoil's equity production in Brazil by around 175% to around 110,000 boe per day from around 40,000 boe per day. Petrobras retains operatorship and a 75% interest.

In conjunction with the transaction, the two companies are entering into an agreement with the aim of maximising value creation and the longevity of the Roncador field. Statoil will leverage its IOR technology, competence and experience from the Norwegian Continental Shelf (NCS) and elsewhere, and Petrobras its experience as the largest deep-water operator and pre-salt developer in the world. Several specific opportunities for increased recovery and value creation have already been identified.

Mr Pedro Parente, chief executive officer of Petrobras, said that "Strategic partnerships are an important part of our business plan and Statoil's knowledge and experience in increasing the level of oil recovery in mature fields will add value not only to our joint operations in Roncador, but to other mature fields in the Campos Basin, with huge potential to positively impact future production in the area."

Petrobras and Statoil are partners in 13 areas in either the exploration or production phase, ten of which are located in Brazil and three abroad. The acquisition will strengthen Statoil as one of the biggest oil producers in Brazil, operating the Peregrino field and block BM-C-33, both in the Campos Basin, and the BM-S-8 block in the Santos Basin.

Mr Anders Opedal, Brazil's country manager, said that "We look forward to working with our partners to

maximise the upside potential from the Roncador field. The combination of Statoil's experience in improved oil recovery and Petrobras' deep-water and pre-salt expertise will enable us to extend and increase production, and therefore value and cash flows, to the benefit of Brazil, both companies and the supplier industry."

Statoil has been deploying its IOR expertise across its global portfolio and has achieved an average recovery rate on the NCS well above the worldwide industry average, with the ambition to increase further. Around 3,000 Statoil employees worldwide work on initiatives related to IOR. The projects for IOR collaboration between Statoil and Petrobras will be overseen by representatives from both companies.

Statoil and Petrobras have also agreed that Statoil will have the option to utilise part of the capacity at Petrobras' Cabiúnas natural gas terminal to allow for the future development of BM-C-33, where both companies are partners and which contains the world class Pão de Açúcar discovery.

This marks an important next step in developing Statoil's position in the Brazilian natural gas market which is on the verge of major transformation. Statoil has more than 35 years of experience in building gas value chains, as the second largest natural gas supplier in Europe and an operator of premium shale gas plays in the US onshore with mid- and downstream positions.

#### **Saudi Arabia Sees Higher Oil Revenue as OPEC Cuts Boost Prices**

Saudi Arabia expects oil revenue to jump 12 percent next year in a sign the world's biggest crude exporter expects prices to keep rising in 2018.

The top OPEC producer expects to collect 492 billion riyals (\$131 billion) from oil sales in 2018, compared with 440 billion riyals this year, the Finance Ministry said on Tuesday in a budget statement. Non-oil revenue will climb to 291 billion riyals from 256 billion riyals in 2017.

Oil is on course for a second annual gain after the Organization of Petroleum Exporting Countries and its allies agreed to extend production curbs through the end of 2018. Compliance with OPEC cuts rose to 115 percent in November, the highest since the agreement took effect in January, according to the International Energy Agency. Brent crude was trading at \$63.98 a barrel at 10:57 a.m. in Dubai, up 13 percent this year.

"Assuming Saudi Arabia will continue to comply with the OPEC production cuts throughout 2018, the budgeted increase in oil revenue reflects an expectation of higher export prices," said Ziad Daoud, chief Middle East economist for Bloomberg Economics. Higher exports or an increase in oil prices can help to balance the budget, he said.

The 2018 budget is based on an oil price of about \$63 a barrel, Bloomberg Economics estimated. Iraq, OPEC's second-biggest producer, is assuming \$46 a barrel for its 2018 budget, pending parliament approval, up from \$42 a barrel for this year. Qatar's 2018 budget assumes \$45 a barrel while Iran expects to earn \$33 billion from oil sales at \$50 a barrel.

The Saudi government relies heavily on oil sales for revenue, and its finances have taken a blow since prices started tumbling in 2014. The country's oil exports dropped to 6.8 million barrels a day in October from 8 million at the end of last year. Saudi Arabia stands to now benefit from the rise in oil prices. Total projected revenue next year is at 783 billion riyals, up from 696 billion riyals in 2017. The government intends to spend 978 billion riyals in 2018 compared with 926 billion this year, the Finance Ministry said.

The kingdom implemented austerity measures in 2016 to weather the downturn. In April, Crown Prince Mohammed bin Salman rolled out the Saudi Vision 2030, an economic plan to end the country's "addiction" to oil. The country intends to sell a stake of about five percent in state energy producer Saudi Arabian Oil Co., the world's biggest oil exporter.

The Finance Ministry's budget statement showed on Tuesday that Saudi Arabia is extending its timeline to cut energy subsidies as the government seeks to offset the impact of austerity measures on the stagnating economy. Domestic gasoline prices will now reach parity with international levels gradually between 2018 and 2025 – compared to the previous target of 2020, according to the 2018 budget statement.

The plan is subject to change according to fiscal developments, according to the ministry. The government is planning to raise local gasoline prices by about 80 percent in January, a person with knowledge of the matter said earlier this month.

#### **Baghdad could take oil in new direction — away from Turkey**

The Kurds in Iraq are suffering from their loss of the lucrative Kirkuk oil fields, which the central government retook by force recently. What some people might not realize is, Turkey also has a lot to lose because of the change.

Since the British first discovered oil in Iraq at Kirkuk in the late 1920s, the struggle for its ownership has never ceased, although the players involved have changed. This lucrative oil source — whose ownership is claimed outright by both Kurds and Arabs, and partially by Turkey — is back in the news.

During the Islamic State (IS) offensive, the Kurdistan Regional Government (KRG) in Iraq recaptured Kirkuk in 2014. For three years, the KRG sold oil from Kirkuk via a pipeline running from there to the Turkish Mediterranean port of Ceyhan. But tension recently mounted in the region when the KRG held an independence referendum in September. In response, the Iraqi army marched on Kirkuk and with the support of the mostly

Shiite, Iran-backed Popular Mobilization Units, captured the oil fields.

Turkey was pleased that Kirkuk was once again under Baghdad's control, particularly because of the 600-mile-long Kirkuk-Ceyhan pipeline. This line, with a daily capacity of 150,000 barrels, was being used only sporadically, and the flow halted altogether after the September referendum. After Baghdad took over Kirkuk, Turkey hoped the flow would resume and serve Turkey's economic interests — but it hasn't.

Iraq feels it owes Iran a debt of gratitude for Tehran's support against IS. On Dec. 9, Iraqi Oil Minister Jaber al-Luaibi announced that Baghdad had signed an agreement to move the Kirkuk oil through Iran — which came as a major blow to Turkey. The agreement calls for pumping 30,000-60,000 barrels of oil daily to Kermanshah, Iran.

The deal could change many equations in the region.

Arez Abdullah, a senior member of the Patriotic Union of Kurdistan (PUK) party in the Iraqi parliament, and also chairman of the parliamentary Oil and Gas Committee, said Iraq is keen to develop its oil and trade relations with Iran. Abdullah noted that with this agreement, the existing Kirkuk-Ceyhan pipeline could become irrelevant and inoperative.

"This is going to affect Turkey badly. The Kirkuk-Ceyhan pipeline will remain for the time being. Iraq will assess its profits and may well abandon the Ceyhan line," he told Al-Monitor.

Abdullah said the United States will not be pleased with the Iraq-Iran agreement. "But I don't think it will openly come out against it, as the United States knows well the close economic, social and religious ties between the two countries," he added.

Arzu Yilmaz, the chairman of the Department of International Relations at the American University of Kurdistan in Dahuk, said the agreement has diverse dimensions.

"Kirkuk is also the economic heart of Kurdistan. Iran, while dominating the Baghdad region economically, militarily and politically, could not extend its dominance to Kurdistan. With this agreement we can say that Iran has added Kurdistan to its sphere of influence, by controlling Kirkuk [through Iraq]. This deal will have repercussions also in the domestic politics of Kurdistan," Yilmaz told Al-Monitor.

She said, "The Kirkuk-Ceyhan pipeline has played a key role in economically strengthening the Kurdistan Democratic Party [KDP] rule. This pipeline had a significant role in developing economic and political relations with Turkey. Transiting the pipeline through KDP-controlled terrain profited the Kurdish authority. Now the [route could instead] traverse the areas controlled by the Gorran and PUK parties and may provide similar benefits to Yekiti-Gorran factions."

Yilmaz thinks that if a political settlement is reached in Syria's conflict, an oil route from Kirkuk to the Syrian port of Baniyas can be discussed, which would further marginalize Turkey in the regional economic structure. "Recent developments suggest that this is a likely option" that would isolate Turkey economically from Iraq, and Ankara is already isolated from Baghdad politically, she said. "After the 2014 IS offensive, Turkey was sidelined from the Iraqi political scene. An Iraq-Iran oil accord will mean some economic hardships for Turkey, but if a Kirkuk-Baniyas line is activated, Turkey would be totally isolated," she added.

How will the United States react to Iran's growing influence in the region? Yilmaz noted that the United States and Iran have been quietly cooperating for a long time to combat IS. "Although the US president keeps making anti-Iran statements, US-Iran cooperation [against IS] in the Iraqi scene is obvious. The United States — which has serious issues with Turkey — is having problems abandoning Iran. While Turkey flirts with Russia, the United States discreetly continues to work with Iran," she said.

In the tension that arose with the Kurdish referendum, Turkey chose to side with Baghdad instead of mediating. Turkey, which at one time had kept its distance from the Iraqi Kurdish market because of the Kurds' nationalist sentiments, had been slowly coming to dominate this market, particularly its oil segment. Iran's latest move has at least partially challenged Turkey's market domination.

If this becomes reality, then Turkey will be totally sidelined. Turkey, along with the United States, is slowly abandoning Iraq's political and economic scenes, leaving Baghdad to Iran. The biggest loser will again be the Kurds.

#### Fall in U.S. crude stocks, North Sea outage supports prices

Crude prices firmed on Wednesday, supported by a larger-than-expected drop in U.S. inventories and the continued outage of the North Sea Forties pipeline system.

A driver looks at the price as he fills the tank of his car at a gas station in Shanghai, China November 17, 2017. REUTERS/Aly Song

U.S. crude stocks fell by 6.5 million barrels, more than expected, in the week to Dec. 15, while gasoline stocks rose 1.2 million barrels, less than anticipated, the Energy Information Administration said on Wednesday.

West Texas Intermediate crude futures were up 38 cents at \$57.95 a barrel as of 12:47 p.m. EST (1747 GMT), while Brent crude was up 41 cents at \$64.22 a barrel.



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Crude stocks, excluding the U.S. Strategic Petroleum Reserve, are at 436.5 million barrels, the lowest since October 2015.

“That bodes well to support crude oil prices into 2018 as I expect inventories to continue to decline with robust crude exports being supplied by increases in production,” said Andrew Lipow, president of Lipow Oil Associates in Houston.

Inventories have been steadily declining in the United States due to strong export demand and efforts by major oil producers to restrict supply.

OPEC and 10 other producers led by Russia last month extended an agreement to cut oil production by 1.8 million bpd until the end of next year.

The alliance is targeting the elimination of an oil glut to bring inventories in the developed world back to the five-year moving average.

Some producers, including Russia, had raised concerns over whether the deal should continue through the end of 2018. On Wednesday, Saudi Arabian energy minister Khalid al-Falih said it would be premature to discuss changes to OPEC's policy. He said the drawdown of inventories would likely take through the second half of 2018.

On Wednesday, Kuwait's oil minister Bakhit al-Rashidi said compliance among both OPEC and non-OPEC members currently stands at 122 percent, the highest since the deal was implemented in January.

Traders said rising U.S. crude production, which has soared by 16 percent since mid-2016 to 9.8 million bpd, was capping prices. The all-time U.S. production record of more than 10 million bpd was set in the early 1970s and is based on monthly EIA figures.

Most analysts expect U.S. output to break through 10 million bpd soon, which would be a new record and take it to levels on a par with top exporter Saudi Arabia and close to top producer Russia, which pumps around 11 million bpd.

Goldman Sachs said on Wednesday that it expects global oil inventories will have rebalanced by mid-2018, “leading to a gradual exit from the cuts and increases in OPEC and Russia production through second half 2018”.

The bank added that a ramp-up in OPEC production and rising non-OPEC output “will leave risks skewed to lower prices” in the second half of next year.

Prices have been supported by the continuing outage of Britain's Forties pipeline in the North Sea, which delivers crude underpinning Brent futures.

Operator Ineos said repairs were under way on Wednesday after a crack was found that closed the pipeline on Dec. 11. Repairs are expected to take two to four weeks

## LNG imports expected to surge

China, already the third-largest LNG buyer worldwide after South Korea and Japan, is about to become an even bigger player in the market as the country's demand for natural gas continues rising sharply.

S&P Global Platts Analytics forecasts that China-which is increasingly replacing coal with cleaner burning gas to reduce air pollution-will rival South Korea to become the world's second-largest LNG importer by the end of this year, and that it will far surpass South Korea in 2018.

China's LNG imports are forecast at nearly 50 million metric tons next year, whereas South Korean LNG demand will remain at less than 40 million tons, according to Marc Howson, director of the LNG market of S&P Global Platts.

The country imported more than 25 million tons of LNG in 2016.

From January to November this year, China imported 15.2 million tons of LNG from Australia, 6.5 million tons from Qatar, 3.6 million tons from Malaysia, 2.5 million tons from Indonesia and 1.7 million tons from Papua New Guinea, S&P Global Platts said.

China has also stepped up efforts in recent years to import more LNG from Russia, Central Asian nations, the Arctic region and the United States.

China National Petroleum Corp, the country's largest oil and gas producer by annual output, has been increasing its presence in the Arctic region's natural gas sector by participating in the Yamal LNG project with Novatek, Russia's independent natural gas producer, which will ensure that China gets more than four million tons of LNG

each year when the project is in full operation.

China will also import up to 38 billion cubic meters (27.3 million tons) of gas from Russia to China each year through its China-Russia East-Route Natural Gas Pipeline by the end of 2020, when the pipeline is completed.

The China-Central Asia natural gas pipeline built by CNPC, which runs through China, Turkmenistan, Kazakhstan and Uzbekistan, has transported a total of 200 billion cu m of natural gas from 2009 through the end of November-equivalent to the total consumption of the country in 2016 or 11 years of natural gas supply for Beijing.

Li Li, energy research director at consulting company ICIS China, said China will also likely continue purchasing LNG from the United States, as the latter is willing to increase LNG exports.

China is already an importer of U.S.-sourced LNG, having received 212,000 tons in 2016 and 910,000 tons so far in 2017 through a combination of spot deals and long-term contracts with portfolio suppliers, according to Platts Analytics

The imported LNG accounted for some 36 percent of the country's total natural gas consumption in 2016 and the proportion is expected to rise to 43 percent by 2040, according to an International Energy Agency report published in December.

According to the National Development and Reform Commission, domestic natural gas production in the first 11 months of this year amounted to 133.8 billion cu m, a year-on-year increase of 10.5 percent, whereas natural gas imports reached 81.7 billion cu m during the same period, up 28.9 percent year-on-year.

It's necessary to upgrade the country's capacity bottlenecks and logistics constraints to ensure gas supply, including pipelines, storage facilities and transportation networks, she said.

#### Chinese companies' overseas equity oil yield to top 200 mln tonnes in 2018

Chinese companies' overseas equity oil yield is expected to exceed 200 million tonnes in 2018, almost equaling China's domestic annual oil output, an executive with the China National Petroleum Corporation (CNPC) said Wednesday.

"China's oil and gas companies have increasingly expanded presence in Belt and Road countries, making progress in resource exploitation, oil-gas pipeline construction and industrial chain layout," said Qian Xingkun, deputy head of the Economic and Technology Research Institute under the CNPC, at the 2017 China Oil and Gas Reform Summit.

According to a report released by the China Petroleum Enterprise Association, investment and output of Chinese oil and gas companies in Belt and Road countries accounted for over 50 percent of their total overseas investment and production respectively.

"China is expected to increase its dependence on oil and gas imports for a considerable time to come, thus cooperation in the field will remain important between China and the Belt and Road countries," said Zang Jianjun, executive director of the China CEFC Energy Company.

#### Saudi Arabia sees higher oil revenue as OPEC cuts boost prices

Saudi Arabia expects oil revenue to jump 12% next year in a sign the world's biggest crude exporter expects prices to keep rising in 2018.

The top OPEC producer expects to collect 492 billion riyals (\$131 billion) from oil sales in 2018, compared with 440 billion riyals this year, the Finance Ministry said on Tuesday in a budget statement. Non-oil revenue will climb to 291 billion riyals from 256 billion riyals in 2017.

Oil is on course for a second annual gain after the Organization of Petroleum Exporting Countries and its allies agreed to extend production curbs through the end of 2018. In a sign domestic prices are heading higher, Saudi Arabia plans to raise domestic gasoline prices by about 80% in January, according to a person with knowledge of the matter.

"Assuming Saudi Arabia will continue to comply with the OPEC production cuts throughout 2018, the budgeted increase in oil revenue reflects an expectation of higher export prices," said Ziad Daoud, chief Middle East economist for Bloomberg Economics. Higher exports or an increase in oil prices can help to balance the budget, he said.

Saudi Arabia wouldn't be the only OPEC nation looking for higher oil prices next year. Iraq, OPEC's second-biggest producer, is assuming \$46/bbl for its 2018 budget, pending parliament approval, up from \$42/bbl for this year. Qatar's 2018 budget assumes \$45/bbl, while Iran expects to earn \$33 billion from oil sales at \$50/bbl.

The Saudi government relies heavily on oil sales for revenue, and its finances have taken a blow since prices started tumbling in 2014. Total projected revenue next year is at 783 billion riyals, up from 696 billion riyals in 2017. The government intends to spend 978 billion riyals in 2018 compared with 926 billion this year, the Finance Ministry said.

The kingdom implemented austerity measures in 2016 to weather the downturn. In April, Crown Prince

Mohammed bin Salman rolled out the Saudi Vision 2030, an economic plan to end the country's "addiction" to oil. The country intends to sell a stake of about five percent in state energy producer Saudi Arabian Oil Co., the world's biggest oil exporter.

## OPEC, IEA agree to disagree on crude

netdna-cdn.com Dawn reported that the Organisation of the Petroleum Exporting Countries (Opec) and International Energy Agency (IEA) were formed with separate political agendas, representing two distinct sides of the coin. But over the last decade or so, with professionals taking over, the two entities had begun to concur on issues more than ever before. But for a change it seems, they are diverging again on the moot issue: is the oil market glut finally going to be cleared? And if yes, when? An absorbing debate is on.

The Opec data is pointing to markets rebalancing in 2018, while the IEA insists that the goal is still elusive. As per the Opec estimates, its production curbs are helping neutralise the excess oil inventories that have depressed crude prices for more than three years now, while, the OECD energy watchdog IEA is of the view that despite the output cuts, the surplus will stay and barely budge in 2018.

As a Bloomberg report puts it, both the IEA and Opec are converging on the fact the output cuts are working. The surplus oil inventories in developed nations fell to 111 million barrels in October, from 291m last November.

However, it is here that they begin to diverge. The Opec is of the view that the markets would be totally rebalanced by late next year as the inventory plunges further plunge by about 130m barrels. However, in contrast, the IEA sees inventories remaining steady as new supply growth surpasses gains in demand. In its December Monthly Oil Report, the IEA almost warned the Opec, that new supply growth may deprive it of a "Happy New Year."

The two agree that the call on Opec crude will be somewhere around 32.3m barrels per day (bpd) on average in the first half of 2018. However, by mid next year, the Opec and the IEA begin drifting apart in their projections. Opec is insisting that the call on its crude in H218 would be around 34m bpd, while the IEA sees a requirement of just 32.7m bpd.

The emerging divergence in positions is because of two major reasons. While Opec expects rival supplies to expand by 1m bpd next year, the IEA forecasts non-Opec output to grow by 1.6m bpd. The US shale oil output projections are partly to be blamed for this. The Opec concedes that the US crude production would go up by 720,000 bpd next year, while the IEA's forecast for the US output is higher by about 20 per cent.

## SAUDI AMERICA BRINGS OPEC TO ITS KNEES

The recent U.S. shale-oil revolution did not subside in 2017. The surging crude production this year earned the nation the industry nickname Saudi America, as it's surpassing the Middle Eastern oil kingdom as the world's second-largest producer of Texas Tea. And most analysts concur: 2018 will just be more of the same.

Indeed, one of the biggest global news stories of 2017 was America's rise to both energy independence and international energy leader.

With prices stabilizing well above \$50 per barrel, U.S. companies are recovering from the bloodbath a few years ago, adding tens of thousands of jobs, and bringing the Organization of the Petroleum Exporting Countries (OPEC) to its knees. Could the oil cartel become obsolete in the next decade? At the very least, OPEC will have lost its stranglehold on the world.

Should the oil industry thank Presidents George W. Bush, Barack Obama, and Donald Trump? Hardly.

Thanks to private sector investment, research and development, and technological innovation, the shale revolution took off because of hydraulic fracturing, otherwise known as fracking. Yes, some Republicans shouted "drill, baby, drill," but the bureaucracy of the state did not enable this exciting time in the sector.

How exactly did the U.S. morph into Saudi America?

Let's examine the critical details in recent history.

### THE ROAD TO SAUDI AMERICA

One of the first tasks you must perform to fathom just how this revolution originated is to go back 10 years, to a time when peak oil was all the rage. A decade ago, the U.S. imported more than half of its petroleum needs. A decade later, it crashed to a meager 20% — the lowest it has been since the late 1960s.

Today, U.S. crude output is inching towards 10 million barrels per day (bpd), spiking as much as 15% in 2017. This comes as OPEC and non-OPEC oil producers have been forced to cap production at 1.8 million bpd until March 2019 to drain the global supply glut and help prices climb above \$60. Some foreign oil companies cannot survive with \$50-\$55 prices, but U.S. oil businesses are profitable in the \$35-\$40 range.

Now, let's rewind the clock to 2005. The U.S. Department of Energy created the Renewable Fuel Standard (RFS) program, an objective to achieve a reduction on reliance on foreign crude with corn-based ethanol. Unfortunately for statists on both sides of the aisle, the central planning measures were not exactly successful. In fact, even with the doubling down of the RFS program in 2007, ethanol has been a crony-based disaster.

Big Ethanol is only around because of government subsidies. It is so unsuccessful that if motorists are coerced

into using ethanol, then they would endure \$13 billion in increased annual fuel costs. In a truly free market, Big Ethanol would fade away into the dustbins of history.

What changed? Fracking and horizontal drilling.

Mark Perry of the American Enterprise Institute (AEI) summed it up nicely in a U.S. News & World Report op-ed in October:

“America’s shale revolution has actually probably done more to achieve the twin goals of the Renewable Fuel Standard program – reducing reliance on foreign oil and carbon dioxide emissions – than has the force-feeding of ethanol to American consumers.

The Renewable Fuel Standard is a perfect example of a government policy that is making America poorer, not richer. If Trump is serious about draining the Washington swamp and making America great, he has to stop caving in to politically powerful swamp inhabitants like Big Ethanol and stand up for the millions of Americans who elected him.”

Simply put: the government attempted to centrally create an energy solution, but it failed. It was through the free market’s incredible breakthroughs in extraction technologies, and society’s freedom to try, to succeed, and to fail, as economist Milton Friedman aptly averred.

#### FRACKING HELPING THE PLANET

The left lost its collective mind when President Trump announced in June that the U.S. would be leaving the Paris Accord. Leftists and globalists shrieked that the planet was doomed, and an apocalypse was imminent because the U.S. exited the agreement.

What is interesting, though, is the nation’s environmental record in the 21st century. The media would have you believe something different, but the U.S. has been doing a tremendous job since 2000 without the government.

Even without the pact, total CO2 emissions have declined to their lowest levels since 1992. Also, the U.S. has seen the most substantial reductions in CO2 emissions in the last 16 years with more than 600 million tons – it surges to 800 million tons over the previous decade.

The left may detest fracking, but it has proven to be one of the most cost-effective, eco-friendly methods of taking natural resources out of the ground. This was even conceded by the Obama administration in August 2016.

Energy Secretary Ernest Moniz said at a field hearing in Seattle:

“The increased production of oil and natural gas in the United States has, obviously, been a major story in terms of our economy, and also our environment.

The natural gas boom, in particular, has led to the displacement of high-carbon coal with low-carbon natural gas producing fewer emissions.”

Consumers can also expect to pay the lowest natural gas prices since 1999, which should please the neo-McCarthyites since natural gas is a major export for Russia.

#### SHALE REVOLUTION MAKING THE U.S. RICHER

Americans are saving money at the pump. Except for the slight bump in gas prices in September, the average gallon of gasoline has plunged to about \$2 over the last two years.

And that isn’t the only benefit for the nation and the globe.

The U.S. is polluting less. The world is not beholden to OPEC. Hollywood can no longer utilize contrived, archaic oil conspiracy plots for its pictures (“Three Days of the Condor,” “The Bourne Supremacy,” “Syriana,” “The Constant Gardener”).

Saudi Arabia is slowly losing its influence on the world stage. Perhaps this is one of the reasons for the series of reforms in Riyadh. Russia, meanwhile, is an energy behemoth – but the U.S. is creeping up on Moscow.

Who knows how long the shale-oil revolution will linger? With oil prices likely edging higher in 2018 and 2019, U.S. firms will take advantage. Barring some unforeseen circumstances – outages, inventories, OPEC compliance – Saudi America will help bring about OPEC’s demise, and the sooner, the better.

On Earth Day 2018, let’s rejoice in the rise of fracking!

**Serica Energy eager to invest in Iran's oil-gas sector**

Tony Walker of Serica Energy says that his company is posed to have more interaction with Iran after the successful venture of the North Sea, Rhum Gas Field.

Tony Walker, the CEO of Serica Energy plc, a UK-based oil and gas company, says that if the project in Rhum Gas Field in North Sea which is partly owned by Iran go well, the company will certainly seek more trade cooperation

with Iran.

“The JCPOA has removed all EU sanctions against Iran and accordingly we are free to have more interaction with Iran which makes us happy,” said the top official of the British company.

Rhum gas field, which cost \$565 million to develop, was shared equally by London-based BP and the Iranian Oil Company, a subsidiary of the state-owned National Iranian Oil Company. BP sold three fields to North Sea producer Serica Energy.

The Company has exploration and development activities in the United Kingdom, Ireland, Namibia and Morocco, and an economic interest in an oilfield offshore Norway. The Company's segments include UK, Ireland and Africa. It holds licenses in the Central North Sea and the East Irish Sea, which includes the Columbus Field.

#### **Rosneft Hasn't Ruled Out Extending Output Cuts Beyond 2018**

The OPEC/non-OPEC production cut deal will impact Rosneft's short- and medium-term production forecasts, and Russia's biggest oil producer doesn't rule out that the pact could be extended beyond the end of 2018, Rosneft's first vice-president Pavel Fedorov said, presenting the strategy through 2022.

“On the whole ... this OPEC agreement obviously will affect our short-term targets, all the more so I don't rule out it could be extended,” said Fedorov.

Russia is leading the group of some dozen non-OPEC producers who are jointly trying to 'stabilize' the oil market and oil prices together with OPEC by removing 1.8 million bpd off the market until the end of 2018.

Last week, OPEC said in its latest Monthly Oil Market Report that it expected “a balanced market by late 2018.”

Rosneft's strategy until 2022 factors in an oil price of \$47 per barrel—a very conservative forecast, Fedorov noted.

In its plan, Rosneft targets to reduce unit operating costs by 2-3 percent annually; boost production and increase the flow rate from new wells; develop the gas business; increase drilling efficiencies; develop the petrochemical business; optimize the investments portfolio; increase digitalization; and start a pilot project in retail.

Related: Nuclear Power's Resurgence In The Middle East

Over the weekend, Rosneft signed a deal with the Venezuelan government for the development of two of its offshore gas fields for a period of 30 years. The Russian state major will have the rights to sell all the gas it extracts from the fields—Patao and Mejillones—for a period of 30 years, including in the form of LNG.

The two fields, according to a Rosneft press release, hold a combined 180 billion cu m of natural gas. The target annual production rate the company's local subsidiary, Grupo Rosneft, is looking at is 6.5 billion cubic meters of gas over a period of 15 years.

#### **Global Crude Oil Supply Outage Is near 2012 Low**

According to the EIA, global crude oil supply outages fell by 10,000 bpd (barrels per day) or 0.7% to 1,555,000 bpd in November 2017—compared to the previous month. Supply outages fell by 729,000 bpd or 32% year-over-year. The global crude oil supply outage was near a six-year low.

Any fall in global crude oil supply outages is bearish for oil (BNO) (DBO) prices. Moves in oil prices impact energy producers (FENY) (IYE) like PDC Energy (PDCE), Viper Energy (VNOM), and Cobalt International Energy (CIE).

Global Crude Oil Supply Outage Is near 2012 Low

Global oil supply outages hit 3.6 MMbpd in May 2016—the highest level since 2011. Brent crude oil (BNO) prices rose 12% in May 2016 from April 2016. On the other hand, supply outages in November 2017 were at the lowest level since January 2012.

OPEC and non-OPEC crude oil supply outages

OPEC producers' oil supply outages fell by 20,000 bpd to 1,205,000 bpd in November 2017—compared to the previous month. Libya, Kuwait, Iraq, Saudi Arabia, and Nigeria had supply outages among OPEC producers.

Non-OPEC oil producers' supply outages rose by 10,000 bpd to 350,000 bpd in November 2017—compared to the previous month. Yemen and Sudan had the highest supply outages among non-OPEC producers.

Impact of global crude oil supply outages

The fall in supply outages could lead to a rise in crude oil supplies. A rise in global supplies would pressure oil (UCO) (SCO) prices. The rise in crude oil supplies from the US, Canada, and Brazil will also add to global supplies, which would pressure oil prices.

#### **Green groups sue Trump administration over delay of methane rule**

WASHINGTON: A coalition of nearly 20 environmental and Native American tribal groups sued the Trump administration on Tuesday, challenging its delay of a rule limiting emissions of the powerful greenhouse gas methane from oil and gas drilling operations on federal lands.



Earlier this month, the Bureau of Land Management, part of the Department of the Interior, suspended implementation of the rule for a year, until Jan. 17, 2019, saying it wanted to avoid compliance costs for energy companies as it revises the regulation.

The delay "is yet another action taken by the Trump administration to benefit the oil and gas industry at the expense of the American public, particularly the millions of Westerners" who use public lands for ranching, hunting, hiking and other purposes, Darin Schroeder, a lawyer with the Clean Air Task Force, said in a statement.

His organization represented the National Wildlife Federation, one of the groups that filed the lawsuit against Interior Secretary Ryan Zinke and his department.

Energy companies say the rule, finalized at the end of the Obama administration in 2016, could cost them tens of thousands of dollars per well.

The Trump administration is expected to announce a new draft rule in coming weeks, in line with its policy of maximizing output of oil, gas and coal and dismantling regulations it says prevent job growth.

The rule targets accidental leaks and intentional venting of methane from drilling operations on public lands, where about 9 percent of the country's natural gas and 5 percent of its oil were produced last fiscal year. Some of its 2017 provisions have already been phased in, but the majority of them have yet to go into effect.

The lawsuit, also filed by the Sierra Club, the Environmental Defense Council, and the Dine Citizens Against Ruining Our Environment, a Navajo group, seeks to stop the delay and force the Interior Department to implement the rule in January. It was filed in the U.S. District Court for the Northern District of California in San Francisco.

The Interior Department did not immediately respond to a request for comment on the lawsuit.

#### **France passes law to ban all oil and gas production by 2040**

France's parliament has approved a law banning all exploration and production of oil and natural gas by 2040 within the country and its overseas territories.

Under that law that passed a final vote on Tuesday, existing drilling permits will not be renewed and no new exploration licenses will be granted.

The French government claims the ban is a world first. However, it is largely symbolic since oil and gas produced in France accounts for just 1 percent of domestic consumption. The rest is imported.

Environment Minister Nicolas Hulot says the law shows "current generations can take care of future generations."

The ban is part of a larger plan to wean the French economy from fossil fuels and to fulfill France's commitments under the Paris climate agreement to curb global warming.

#### **Nigerian oil union begins nationwide strike over laying off of workers**

However, the move could hit the country's crude oil production and dent exports, as was the case in December 2016 during industrial action by the union against Exxon Mobil. Nigeria is Africa's largest crude exporter and oil sales make up two-thirds of government revenue.

Mr Okugbawa said that "PENGASSAN is on industrial action as a result of unfair labour practices by some companies, particularly indigenous oil and gas companies."

The dispute arose after domestic oil and gas companies and marginal field operators laid off members of the union. Marginal fields refer to discoveries made by oil majors during exploration of larger acreage but which have been left for others to develop.

He said that office workers and staff working in distribution were among those taking part in the strike. He did not disclose the estimated number of workers involved and Reuters was not immediately able to ascertain the impact of the strike.

#### **Goldman Says 'Stellar' Demand May Fast-Forward OPEC's Exit**

OPEC's desire to clear the global oil inventory overhang may come sooner than expected, enabling the group to exit from its production cuts early, according to Goldman Sachs Group Inc.

Global stockpiles will remain below seasonal levels and continue to shrink through the second quarter of next year, said the bank. The market will have re-balanced by mid-2018, fast-forwarding OPEC's exit from production cuts to the second half of the year, according to Goldman. It kept its forecast for Brent crude at \$62 a barrel.

Goldman is one of the most bullish banks for oil next year and this month boosted its price forecast for Brent, the benchmark for more than half the world's oil, on the producers' strong commitment to the cuts. Prices are on course for a second yearly gain after the Organization of Petroleum Exporting Countries and its allies last

month agreed to extend supply curbs to the end of 2018 to shrink bloated inventories.

"The oil re-balancing continued its progress through November," driven by factors including "stellar" demand growth, bank analysts including Jeffrey Currie said in a Dec. 19 note. "Global inventories will have re-balanced by mid-2018, leading to a gradual exit from the cuts."

The bank forecast a market structure known as backwardation, which indicates concerns about a short-term scarcity of supplies, to strengthen further in the second quarter as OECD stockpiles reach and remain at five-year average levels. Brent futures rose 0.1 percent to \$63.85 a barrel by 9:22 a.m. London time, up about 12 percent this year.

#### **Saudis Say Aramco IPO 'On Track' as All Options Open for Listing**

Saudi Aramco's IPO is moving ahead and all options are open on where to list shares of the giant oil producer, the country's finance minister said.

The Saudi Arabian Oil Co., the world's top crude exporter known as Aramco, is "on track" for plans to list shares on the local bourse Tadawul and possibly on foreign exchanges, Finance Minister Mohammed Al-Jadaan said in an interview Tuesday in Riyadh. The state-owned company has previously said the initial public offering is scheduled for next year.

"We are still selecting our options, Tadawul is only one of the options, we are not ruling out any of these at this stage," Al-Jadaan said. "We are going through a lot of discussions, a lot of assessment, what is the best for the company, because this is not a normal IPO, this is an IPO of the world. We need to make sure that we don't leave any stone untouched and un-turned to ensure that we are doing what needs to be done to choose the right place."

Saudi Arabia is seeking to sell as much as 5 percent of Aramco as part of a plan by Crown Prince Mohammed bin Salman to set up the world's biggest sovereign wealth fund and reduce the economy's reliance on hydrocarbons. The sale could be the largest ever, based on the government's \$2 trillion valuation of the company.

London and New York exchanges are vying for a role in Aramco's offering, along with Hong Kong, Singapore, Tokyo and Toronto. The head of the local Tadawul stock exchange opened the door to a Saudi-only listing in an interview. Khalid Al Hussan said the Tadawul had the "aspiration" to handle the listing alone. Scenarios of a private share placement or a local listing for Aramco do not achieve the goals initially set by the Saudi authorities, Igor Sechin, chief executive officer for Rosneft PJSC, said in October.

Al-Jadaan was speaking at a ceremony on Tuesday to announce the 2018 state budget which forecast the kingdom's oil revenue will jump 12 percent next year to 492 billion riyals (\$131 billion). Oil is on course for a second annual gain after the Organization of Petroleum Exporting Countries and its allies agreed to extend production curbs through the end of 2018.

If Aramco manages to achieve a valuation that matches the Crown Prince's expectations, the sale would raise about \$100 billion, eclipsing the record \$25 billion Alibaba Group Holding Ltd. raised in its IPO in 2014.

#### **"The American Energy Express" sets new dynamic for ship owners - CR Weber**

According to CR Weber's John M. Kulukundis, "for dry natural gas production the EIA forecasts an average 73.5 Bcf/d in 2017, a 0.7 Bcf/d increase from the 2016 level. In 2018 they forecast that nat gas production will be 6.1 Bcf/d higher than the 2017 level. In 2016 LNG exports averaged 15,323MMcf vs 51,587MMcf Q1?Q3 2017. On the dry side, U.S. coal exports for the first three quarters of 2017 were 69 MMst, 68% (28 MMst) higher than exports for the same period in 2016. This total for the first three quarters of 2017 is already 14% (8 MMst) higher than total annual coal exports in 2016. The EIA expects that exports will total 89 MMst in 2017 and 74 MMst in 2018. After a weak 2H16 (+1% y/y), which curtailed annual 2016 growth to just 2.8%, growth in US refined product exports have been accelerating through 2017 (+7.1% y/y based on trade statistics up to third quarter 2017). The momentum was maintained despite the damage caused by Hurricanes in late August, indeed third quarter growth (+9.2% y/y) was the highest since 2Q16".

Kulukundis added that "naphtha has been by far the best performing product export up 34% y/y. Gasoil/diesel has been the next best performer up 10.5% y/y followed by kerosene/jet fuel (+7% y/y), and gasoline (+5% y/y). Focusing on the top 30 largest trades of 2017 for the year to date, the most important growth trades include gasoil/diesel exports to Brazil (+200% y/y) and gasoil/diesel to Peru (+60% y/y). There are a number of factors underlying the strength of US product exports, not least the discount of WTI to other crude benchmarks and the resurgence of US shale production against improving oil prices. The latest US Total production figures for week two of December hit a new all-time high of 9.78Mmbd, a sixth consecutive week when the record had been broken ? having initially surpassed the previous record set 5 June 2015 of 9.61Mmbd in early November. Strong domestic demand coupled with rising production has seen refinery throughputs hit record levels. The strength of the post hurricane recovery, along with the continued growth in US production ? with the EIA predicting an increase of 700,000 b/d in US production next year - suggests that the acceleration in US product export growth might have further to run and "The American Energy Express" may be gaining momentum", he concluded.

Meanwhile, over the past week, CR Weber noted that "the VLCC market experienced a strengthening of demand in the Middle East market and a surge in West Africa demand to a six-year high. The Middle East market observed 33 fixtures, representing a 27% w/w gain. In the West Africa market, 13 fixtures were reported - the most since late 2011 and ten more than last week's tally. Monday's halting of the Forties crude network due to

the discovery of a crack stoked a firmly open arbitrage window for US crude exports and raised expectations of a surge in USG regional demand; however, these failed to come to fruition with a number of participants noting US tax disincentives to loading crude cargoes before year-end. It is unclear if US export fixtures will rise in the coming week as charterers move further into January loading dates though with Forties operator Ineos declaring force majeure on Thursday, noting that repairs are likely to take weeks, the economics of US crude exports seems to be bolstered. EIA data shows that US crude production rose last week for an eight<sup>th</sup> consecutive week, extending a directional rise that has seen volumes rise by 10% since the start of the year. After surging in October, VLCC demand to service US crude exports pulled back sharply in November but have been expected to normalize towards the YTD trend line in the coming months, which raises prospects for a modest improvement in rates during Q1<sup>st</sup>.

The shipbroker added that “meanwhile, the supply<sup>side</sup> looks equally promising during Q1, when VLCC newbuilding deliveries will offer a temporary respite. We are projecting six deliveries during the quarter (including slippage of remaining 2017 units) before rebounding to 11 and 17 units during Q2 and Q3, respectively. Already, fundamentals have narrowed slightly. The number of surplus Middle East positions we project for the conclusion of the December program has dropped to 18 from 22 a week ago, reflecting draws to West Africa above expectations. On this basis – and provided that demand remains elevated during the upcoming week as charterers seek to cover remaining December and early<sup>st</sup> January cargoes ahead of the holidays – rates could experience further modest gains during the upcoming week”, CR Weber concluded.

## Oil Climbs After Surprise Drop in Industry Tally of U.S. Supply

Crude rose in after-hours trading because an oil-industry assessment was said to show a larger-than-expected contraction in U.S. crude stockpiles.

Futures extended gains from the settlement in New York after the American Petroleum Institute was said to have reported domestic oil inventories slid by 5.2 million barrels last week. That exceeded the 3.15 million-barrel decline forecast in a Bloomberg survey. If the drop is confirmed by the government on Wednesday, it will aggravate tightening supply conditions stemming from the shutdown of a key North Sea pipeline.

“This is continuing the trend of these larger-than-consensus and larger-than-seasonal draws, which is certainly a good sign,” Ashley Petersen, lead oil analyst at Stratas Advisors in New York, said in a telephone interview. “It’s a good bellwether indicator that the demand is still there and the production isn’t overwhelming supplies.”

Oil has held above \$55 a barrel in New York since mid-November as the Organization of Petroleum Exporting Countries and allied suppliers such as Russia curbed output to erode a glut. West Texas Intermediate futures, which as recently as June were down more than 20 percent for the year, now are on track to finish 2017 with a gain of almost 7 percent.

West Texas Intermediate for February delivery traded at \$57.68 a barrel at 4:40 p.m. on the New York Mercantile Exchange after ending the regular session at \$57.56.

See also: Saudi Oil Exports at 7-Month High on Record Products Flow: Chart

Brent for February settlement advanced 39 cents to settle at \$63.80 on the London-based ICE Futures Europe exchange. The global benchmark traded at a premium of \$6.12 to February WTI.

“The global oil market is under-supplied,” Pavel Molchanov, an energy research analyst at Raymond James in Houston, said by telephone. “We envision more upside in oil.”

Repairs are progressing on the Ineos Group-operated Forties Pipeline System that connects North Sea oil fields to the U.K. mainland, according to a company statement. Custom equipment has been fabricated and will be delivered parts within days to repair the hairline crack that forced a shutdown last week.

The Forties system is among the planet’s most important pipelines because the crude it delivers is used to set prices for much of the world’s crude.

Traders are weighing “a slightly tighter physical market at the moment,” Brad Hunnewell, senior equity analyst at Rockefeller & Co., said by telephone.

U.S. crude stockpiles at the key pipeline hub in Cushing, Oklahoma, probably fell by 2.2 million barrels last week, according to a forecast compiled by Bloomberg. That would be the sixth weekly drop, the longest run since July, according to data from the U.S. Energy Information Agency.

The API report was also said to show that gasoline stockpiles climbed by 2 million barrels last week, while distillate supplies shrunk by 2.85 million. The draw in distillates would be the largest decline since early November if the EIA confirms it.

Oil-market news:

Saudi Arabia expects oil revenue to jump 12 percent next year in a sign the world’s biggest crude exporter expects prices to keep rising.

Saudi Arabia said its air defenses intercepted a ballistic missile fired by Yemen rebels at the royal palace in the capital, Riyadh, an attack that threatens to edge the kingdom and its chief nemesis, Iran, closer to confrontation.

Evercore ISI boosted its Brent price forecasts for 2018 and 2019 by \$5 a barrel to \$65 and \$70, respectively. TransCanada Corp. won't be allowed to amend its application to more specifically address the alternative route approved by Nebraska regulators last month for the company's proposed Keystone XL pipeline.

## The Next Oil Price Collapse

There is significant optimism about oil prices for next year, given the return of inventories to something approaching "normal" levels, and a high degree of compliance amongst oil producers who have agreed to cut production. Strong economic growth should see robust demand next year, and there is a relatively strong consensus that the market will be bullish for oil prices, with some talking about a \$70 or \$80 target for Brent. Compared to the swings of the last decade, a \$10 or even \$20 increase seems like a pittance, but would actually put \$100-\$200 billion dollars into the pockets of OPEC countries, and add tens of billions to the oil industry's revenues.

And numerous events could cause prices to move upward, including civil unrest in Venezuela or Libya, increased attacks on Nigerian producing facilities, disputes between the governments in Baghdad and Kurdistan, re-imposition of sanctions on Iran, and technical problems in any number of large facilities around the world.

But market tightness seems unlikely to cause a sharp increase in prices, since a number of producers would presumably take that opportunity to raise production. But one assumes that the Southwestern U.S. has seen new sightings of that 1980s bumper sticker, "God grant me one more boom and I promise not to screw it up," a sticker that's gotten more use than "Clinton for President." Because it's boom and bust, not boom and boom or boom and plateau, a basic fact that the industry and investors seem to forget.

How could it happen again? The four major modern price collapses—1986, 1998, 2008, and 2014—have each had a different cause, and provide some idea of what might cause another collapse next year. The first was the result of a market collapse—OPEC production fell by half from 1980 to 1985—due to excessively high prices. In 1998, the market was not under such strong pressure, but most OPEC nations were exceeding their quotas, led by Venezuela, which proclaimed its defiance to the organization. A combination of short-term economic weakness leading to higher inventories and a determination by Saudi Arabia to rein in the errant producers led to the lowest prices in many years.

The crash in 2008 was directly tied to bubble in oil prices that occurred that year, but combined with financial contagion—equities collapsed signaling a recession and sending investors into cash. The most recent price collapse was somewhat like 1986, in that OPEC's market share appeared to be under threat, though the danger was in the future, not the past.

Thus the likely causes of a new oil price 'collapse' include financial contagion, conflict among OPEC and non-OPEC producers over compliance to output reductions, and pressure on OPEC's market share.

### Financial Contagion

The 2008 oil price crash was somewhat unique, in that it represented both the collapse of a bubble which sent prices to nearly \$150 and the impact of financial contagion. At the time, of course, numerous pundits insisted that the market was not in a bubble, with famed oilman T. Boone Pickens saying, "Eighty-five million barrels of oil a day is all the world can produce, and the demand is 87 million," says T Boone Pickens, a US hedge fund trader specialising in oil. "It's just that simple." He predicted in August of that year, after prices had begun declining, "In two or three years, we're going to be at \$200 a barrel—could be \$300 a barrel for oil."

For its part, The Economist featured peak oil advocate and Houston banker Matthew Simmons in its July 10, 2008 issue in an article titled "The high priest of 'peak oil' thinks world oil output can now only decline". Funny thing, Matt Simmons often twitted The Economist for its 1998 issue with the cover "Drowning in Oil," which appeared just before the price of oil bottomed out. And three days after the date of Matt's 2008 interview, the price peaked and began its long decline. (Perhaps The Economist is the best counter-indicator of market reverses.)

Contrast that with my contrarian view in two columns on marketwatch.com May 30 and June 2, 2008 "Investing for the oil price collapse" where I argued, "Although a number of books and many articles have been written describing how to profit from ever-higher oil prices, not much has been said about what will happen when prices come down, as they are all but certain to do." Commenters were nearly unanimous in their scorn at my lack of intelligence for thinking prices could decline.

Not that my track record is flawless, especially when it comes to short-term price forecasts. Peak oil advocate Chris Nelder actually put together a number of my bad forecasts in 2009, although he somehow missed the 2008 pieces mentioned above. The kind interpretation would be carelessness on his part, not cherry-picking, but I included his list in my book (chapter 9), since my intent is not victory over my critics, but understanding the market economics.

The 2008 collapse from the peak of \$145 to a low of \$34 was obviously not due to a phenomenal shift in market fundamentals. U.S. crude oil inventories rose during the first months of the year as prices were soaring and were at roughly the same level when prices peaked at \$147 in July 2008 as when prices bottomed out at year's end below \$35.

Other factors are involved in analyzing the fundamentals, of course, but the market was clearly responding to what's known as 'trend trading,' as investors ignore anything but the rising price trend. People are buying oil

because it's going up, and it goes up because people are buying it, and you can make money as long as you get out before the 'last fool'. But with the collapse of the mortgage derivatives market and the slump in the broader stock market, the psychology of the oil market turned bearish and prices collapsed by two-thirds before recovering.

Could there be a similar market or asset collapse in the near future that would cause a contagion effect? Three candidates seem most likely to be bubbles at present: Bitcoins, Tesla stock, and the broader U.S. stock market. All appear to be overpriced and have experienced significant growth in value, with Bitcoin the most prominent. The price has risen by from \$800 in mid-December 2016 to near \$20,000 now, and the market capitalization has grown to approximately \$300 billion. While blockchains are novel and complex, this type of price increase usually reflects irrational exuberance and trend trading. Still, the market capitalization does not seem large enough that a collapse in value would affect the economy or other financial assets such as commodities.

Tesla Motors is a different animal altogether, a physical company with revenues of \$7 billion in 2016, and a market value of nearly \$60 billion. Still, while the stock price grew rapidly in the first half of 2017, the one-year gain has been less than 100%, far below the rate for Bitcoin. Rather, the company's stock price raises concerns because it provides a market capitalization for the company similar to other auto manufacturers like GM, which has more than twenty times the revenue of Tesla. Investors are buying in on the company's potential, rather than its current operations, not uncommon for a startup but still relying on rosy assumptions which may prove to be unrealistic.

The stock market is probably the most important case, the 500 pound gorilla (not to be body-shaming). The S&P 500 price to earnings ratio is now about 25, which is well above the historic norm of about 15. Of course, the current tax reform bill and its potential to increase profits is priced into the market, but still, the potential for a 25-50% drop is very real. And given that the market capitalization just for the S&P 500 is over \$20 trillion, a bear market for the stock market would be far more meaningful as a source of contagion on broader markets.

Given that the economic expansion is growing long in the tooth, the potential for a slow-down or recession in the next year is very real, and could see a significant retreat in stock market prices and a sell-off in other assets, from gold to oil. Since economic weakness translates directly into weakness in oil demand, lower oil prices after a stock market retreat followed by a recession appear highly likely. This is reinforced by the fact that oil supply is not affected by demand but prices, meaning the supply response will lag the demand response, initially reinforcing downward pressure on prices.

#### Compliance with Output Reductions

Since 85% of the agreed production cutbacks (just under 1 mb/d) have been made by the big three (Iraq, Russia, and Saudi Arabia), leakage from the smaller countries is of only minor concern. Instead, a conscious decision to reverse production cuts from one or all of those three would probably be necessary to crash prices. (One large producer ending its cuts would almost certainly mean all three doing so; see below.) As of now, adherence is quite good, especially in aggregate, as some, like Mexico, are more than achieving their targets.

The main reason for the success of the most recent OPEC/non-OPEC producers' agreement is that so many countries joined the effort and adherence to the reductions has been fairly high. A portion of the reduction in oil supply has been incidental, most notably in Mexico, Venezuela, Kazakhstan and Angola, where production has dropped primarily for technical reasons. However, the most important contributors—Iraq, Russia, and Saudi Arabia—have also shown a high degree of compliance, which has helped discourage others from cheating.

Still, many of the smaller members are not in compliance, and should the market weaken, attention could be focused on their failure to live up to the agreement and the larger players might see their resolve weaken. The most important case is Kazakhstan, where production is expected to rise as Kashagan production progresses towards its phase 1 plateau. That alone might not be enough to encourage the bigger players to renege, but could contribute to a change in perception amongst the other contributors, putting pressure on the remainder.

The weakest link in the chain is Iraq, which has dire revenue needs and is considered a particular threat by the Saudis because of their aggressive long-term expansion plans. Other countries, like Iran and Venezuela, have minimal ability to expand production and are unlikely to have an impact on overall supply next year (except for continued Venezuelan declines).

At this point, it appears unlikely that non-compliance will be a factor, but as 2018 progresses, if compliance drops especially for Iraq or Russia, then it is possible that the Saudis will choose, as in 2014, to let the price decline.

#### Defense of Market Share

OPEC's market share, loosely defined, remains an important indicator of production and pricing policy for the group members, especially the Gulf producers with their large reserve bases. The IEA projection of non-OPEC production growing more than demand in 2018 implies some loss of market share, albeit a modest one. Certainly, compared to 1985, the threat is minimal, but considering the events of 2014, when the threat was to future not current market share (from shale production), then the possibility of OPEC members such as Saudi Arabia deciding to allow the price to drop increases.

If the weaker demand for OPEC next year is heavily dominated by increased shale oil production in the U.S., the



larger producers might see that as a longer term threat that needs to be addressed. OPEC and the IEA each project U.S. oil production growing by over 1 mb/d in 2018, vs. EIA's forecast of a 0.8 mb/d increase, which would represent the majority of the pressure on OPEC's market share. If this is interpreted by large producers as heralding a longer-term decline, that is, if shale operations are expected to continue expanding rapidly, then a decision to allow prices to slide becomes much more likely.

#### Conclusions

From this vantage point, it appears highly likely that markets next year will continue to tighten and prices remain close to \$60/barrel for WTI, and perhaps slightly above. A number of factors could cause a price spike, but most probably producers would raise production to stabilize them. A price collapse could occur in response to a bearish U.S. stock market, especially presaging a recession; cheating by Iraq or Russia; or U.S. oil shale production appearing so robust as to threaten OPEC's long-term market share.

#### OPEC oil basket price continues to rise

The price of OPEC basket of fourteen crudes stood at \$61.72 a barrel on December 19, compared with \$61.64 the previous day, according to OPEC Secretariat calculations.

The OPEC Reference Basket of Crudes (ORB) is made up of the following: Saharan Blend (Algeria), Girassol (Angola), Oriente (Ecuador), Zafiro (Equatorial Guinea), Rabi Light (Gabon), Iran Heavy (Islamic Republic of Iran), Basra Light (Iraq), Kuwait Export (Kuwait), Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine (Qatar), Arab Light (Saudi Arabia), Murban (UAE) and Merey (Venezuela).

The price for February futures of the North Sea Brent oil mix rose by 0.22 percent – up to \$63.94 per barrel, while the price for February futures of West Texas Intermediate (WTI) oil increased by 0.38 percent – up to \$57.78 per barrel on Dec.20.

Courtesy: Media Reports: PTI / Reuters / Financial Times / BBC Business News / DAWN (Pakistan) / Tehran Times / The Times/ CNN/ BBC News / OPEC Press releases / Africa Intelligence / Australia Daily / Hong Kong Times / Gulf News / Economic Times / Times of India / Business Standard / Business Line / Financial Express / Deccan Chronicle / Tribune / Telegraph / Statesman / Hindustan Times / The Hindu / The Assam Tribune / Parliament House Press releases / Company Press releases / Ministry / Petroleum Bazaar staff reporting. Interoceanic Ship

# INDUSTRIAL SALES PERFORMANCE : MONTHLY

PRODUCT	BPCL		IOCL		HPCL		TOTAL	
	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV
MS – R	497.1	506.1	776.8	785.7	470.7	470.2	1744.6	1761.9
MS-D	1.2	1.1	7.5	7.1	0.9	0.8	9.6	9.0
MS TOTAL	498.3	507.2	784.3	792.8	471.6	471.0	1754.2	1770.9
HSD - R	1459.0	1457.4	2405.3	2372.6	1319.1	1304.0	5183.4	5133.9
HSD-D	114.8	112.9	595.9	583.8	107.9	102.9	818.6	799.6
HSD TOTAL	1573.9	1570.2	3001.2	2956.4	1427.0	1406.9	6002.0	5933.5
SKO TOTAL	48.4	56.9	201.0	243.0	45.3	58.3	294.7	358.2
LDO	7.5	9.5	17.7	12.8	17.3	14.7	42.5	37.0
FO	62.3	67.7	249.7	236.8	110.5	118.3	422.6	422.7
LSHS	1.4	2.7	0.0	0.0	2.6	3.7	3.9	6.5
NAPHTHA	0.0	16.6	33.9	7.0	12.6	37.6	46.5	61.2
BITUMEN	79.8	54.3	284.1	231.9	96.7	101.7	460.6	387.8
ATF	140.2	120.0	342.9	303.4	53.2	56.2	536.2	479.6
LPG	476.5	436.2	871.9	827.0	469.6	442.3	1818.0	1705.4
LUBES	27.1	20.2	36.4	28.3	41.8	42.5	105.4	91.0
OTHERS	231.3	131.5	247.0	224.1	47.4	49.0	525.7	404.6
TOTAL	3146.7	2992.9	6070.0	5863.5	2795.6	2802.2	12012.3	11658.6

# OMC SALES CUMULATIVE

PRODUCT	BPCL	IOCL		HPCL		
	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV
MS - R	497.1	506.1	776.8	785.7	470.7	470.2
MS-D	1.2	1.1	7.5	7.1	0.9	0.8
MS TOTAL	498.3	507.2	784.3	792.8	471.6	471.0
HSD - R	1459.0	1457.4	2405.3	2372.6	1319.1	1304.0
HSD-D	114.8	112.9	595.9	583.8	107.9	102.9
HSD TOTAL	1573.9	1570.2	3001.2	2956.4	1427.0	1406.9
SKO TOTAL	48.4	56.9	201.0	243.0	45.3	58.3
LDO	7.5	9.5	17.7	12.8	17.3	14.7
FO	62.3	67.7	249.7	236.8	110.5	118.3
LSHS	1.4	2.7	0.0	0.0	2.6	3.7
NAPHTHA	0.0	16.6	33.9	7.0	12.6	37.6
BITUMEN	79.8	54.3	284.1	231.9	96.7	101.7
ATF	140.2	120.0	342.9	303.4	53.2	56.2
LPG	476.5	436.2	871.9	827.0	469.6	442.3
LUBES+GR	27.1	20.2	36.4	28.3	41.8	42.5
OTHERS	231.3	131.5	247.0	224.1	47.4	49.0
TOTAL	3146.7	2992.9	6070.0	5863.5	2795.6	2802.2

## PIPELINE TRANSFERS

### MAJOR CRUDE OIL PIPELINES IN INDIA

Pipeline	Length	Annual capacity	Capacity (MMT)	Act. Qty. (MMT)
	in KMs	(MMT)		
CTF (Central Tank Farm) Kalol to CTF Nawagam -	62.5	3.1	3.1	1.0
Nawagam-Koyali	78.4	5.4	5.4	2.2
Nawagam-Koyali	78.4	3.3	3.3	1.4
MHN-NGM (Mehsana-Nawagam) trunk line	77.0	2.3	2.3	2.1
CTF (Central Tank Farm), Ankleshwar to Koyali oil pipeline (AKCL	94.8	2.2	2.2	0.9
CTF (Central Tank Farm), Ankleshwar to PF (Central Processing Facility), Gandhar	44.3	0.4	0.4	0.0
CPF (Central Processing Facility), Gandhar to Saraswani 'T' point	56.7	1.8	1.8	0.7
Akholjuni- Koyali oil pipe line (Commissioned in July 2010). Akholjuni to Laxmipura T' point	65.5	0.5	0.5	0.2
Lakwa-Moran oil line (New)	17.5	1.5	0.2	0.4
Lakwa-Moran oil line (Old)	14.6	1.5	0.1	0.5
Geleki-Jorhat oil line	48.5	1.5	1.5	0.5
Borholla- Jorhat line	42.8	0.6	0.6	0.1
NRM (Narimanam) to CPCL (Chennai Petroleum Corporation Limited)	4.9	0.7	0.7	0.3
KSP-WGGS to TPK Refinery (Kesnapalli-West- Group Gathering Station to Tatipaka)	13.5	0.1	0.1	0.0
GMAA EPT (Gopavaram Early Production Terminal) to S. Yanam Unloading Terminal (3.5 Km long and 4").	3.5	0.1	0.1	0.1
Mumbai High - Uran - Trunk (MUT) 30" pipeline	204.0	15.6	15.6	9.3
Heera - Uran - Trunk (HUT) 24" pipeline	81.0	11.5	11.5	3.6
Bombay-Uran Trunk (BUT) 30" pipeline	203.0	6.4	6.4	0.01
Salaya-Mathura pipeline (SMPL) (1)	2576.0	25.0	23.6	26.1
Paradip-Haldia-Barauni pipeline (PHBPL) (2)	1447.0	15.2	11.0	16.6
Mundra-Panipat pipeline	1194.0	8.4	8.4	8.6
Duliajan-Digboi-Bongaigaon-Barauni pipeline	1193.0	8.4	8.4	6.6
Mangla-Bhogat pipeline	660.0	8.7	8.7	8.1
Mundra- Bathinda pipeline	1017.0	9.0	9.0	10.5
Vadinar-Bina pipeline	937.0	6.0	6.0	6.4
	210	1.7	1.7	0.1

### MAJOR PETROLEUM PRODUCTS PIPELINE IN INDIA

Pipeline	Length in KMs	Annual capacity (MMT)	Capacity (MMT)	Act. Qty. (MMT)
Barauni - Kanpur pipeline	745	3.5	3.5	2.5
Guwahati -Siliguri pipeline	435	1.4	1.4	2.0
Haldia-Barauni pipeline	526	1.25	1.25	1.4
Haldia-Mourigram-Rajbandh pipeline	277	1.35	1.35	1.8
Koyali-Ahmedabad pipeline	116	1.1	1.1	0.8
Koyali-Sanganer pipeline	1288	4.6	4.6	3.5
Koyali-Ratlam pipeline	265	2	2	1.5
Koyali-Dahej pipeline	197	2.6	2.6	0.5
Mathura-Tundla pipeline	56	1.2	1.2	0.4
Mathura-Bharatpur pipeline	21			0.3
Mathura-Delhi pipeline	147	3.7	3.7	2.6
Panipat-Amabala-Jalandhar (Including Kurukshetra-Roorkee- Najibabad branch line)	434	3.5	3.5	3.0
Panipat-Delhi (Including Sonapat-Meerut branch line) pipeline	189	3	3	1.2
Panipat Bijwasan ATF Pipeline (1)	111			
Panipat-Bathinda pipeline	219	1.5	1.5	1.5
Panipat-Rewari pipeline	155	2.1	2.1	1.6
Chennai-Trichy-Madurai pipeline	683	2.3	2.3	2.8
Chennai - Meenambakkam ATF pipeline	95	0.18	0.18	0.2
Chennai-Bengaluru pipeline	290	2.45	2.45	1.5
Digboi - Tinsukia pipeline	75	1	1	0.4
Devangonhi - Devanhalli pipeline	36	0.66	0.66	0.2
Paradip-Raipur-Ranchi pipeline (PRRPL) (2)	857	5	5	0.9
Mumbai-Manmad-Bijwasan pipeline	1389	6.0	6.0	6.7
Bina-Kota pipeline	259	4.4	4.4	3.0
ATF P/L Mumbai Refinery (MR)- Santacruz	15	1.4	1.4	0.9
ATF P/L Kochi Refinery (KR)-Kochi airport	34	0.6	0.6	0.2
Kota - Jobner pipeline (1)	210	1.7	1.7	0.4
Cochin-Coimbatore-Karur (CCK) pipeline	293	3.3	3.3	2.8
Mumbai-Pune-Solapur pipeline	508	4.3	4.3	4.1
Vizag-Vijaywada-Secunderabad pipeline	572	5.4	5.4	5.0
Mundra-Delhi pipeline	1054	5.0	5.0	2.5
Ramanmandi-Bahadurgarh pipeline	243	4.7	4.7	4.7
Ramanmandi-Bathinda pipeline	30	1.1	1.1	0.9
Awa-Salawas pipeline	93	2.3	2.3	0.6
Bahadurgarh-Tikrikalan pipeline	14	0.8	0.8	0.5
Rewari- Kanpur Pipeline (1)	443	8.0	8.0	1.9



ATF pipeline from Mumbai Refinery to Mumbai Airport	19.65	1.1	1.1	0.4
Mangalore-Hassan-Bengaluru (MHB) pipeline (1)	362	2.1	2.1	3.4
Numaligarh-Siliguri pipeline	654	1.7	1.7	1.8
<b>LPG PIPELINES</b>				
Panipat-Jalandhar pipeline	274	0.7	0.7	0.6
Mumbai-Uran pipeline (2)	28	0.8	0.8	0.4
Mangalore-Hassan-Mysore-Solur LPG (2)	356	1.9	1.9	0.1
Jamnagar-Loni pipeline	1414	2.5	2.5	2.4
Vizag-Secunderabad pipeline	618	1.3	1.3	0.9

#### GAS PIPELINE NETWORK AS ON 31.03.2017

Pipeline	Length in KMs	Design capacity (mmscmd)	Pipeline size	Average flow 2016-17 (mmscmd)
Hazira-Vijaipur-Jagdishpur Pipeline	4659.00	53.00	36"	33.16
DVPL-GREP Upgradation	1119.00	54.00	48"	28.26
*Chhainsa-Jhajjar-Hissar Pipeline	265.00	5.00	36" /16"	0.97
Dahej-Uran-Panvel Pipeline	875.00	19.90	30"/18"	12.62
*Dadri-Bawana-Nangal Pipeline	834.80	31.00	36"/30"/24"/18"	4.66
Dabhol-Bengaluru Pipeline	1097.00	16.00	36"/4"	1.17
Kochi-Kootanad-Bengaluru-Mangalore	48.00	6.00	16"/4"	1.03
Assam (Lakwa)	8.00	2.50	24"	0.37
Tripura (Agartala)	61.00	2.30	12"	1.44
Ahmedabad	133.00	2.91	12"	0.26
Rajasthan (Focus Energy)	151.40	2.35	12"	1.44
Bharuch, Vadodara (Undera) including RLNG+RIL	538.00	15.42	24"/16"	4.08
Mumbai	129.00	7.03	26"	6.31
KG Basin (including RLNG+RIL)	881.00	16.00	18"	5.31
Cauvery Basin	278.00	8.66	18"	2.65
East-West Pipeline (RGTEL)	1480.00	80.00	48"	17.00
GSPL network including spur lines	2612.00	43.00	Assorted	25.33
Assam regional network	816.80	3.24	16" and others	2.25
Dadri-Panipat	140.41	9.50	30"/10"	4.34
Uran-Trombay	24.00	6.00	20"	3.80
<b>Total</b>	<b>16150.41</b>	<b>383.81</b>		<b>156.44</b>

# INDUSTRY MARKETING INFRASTRUCTURE AS ON 01.04.2017

PARTICULARS	IOCL	BPCL	HPCL	RIL	ESSAR	Shell	Others	Total
POL terminal/depots	131	83	82	18\$	2	-	6*	322
Aviation fuel stations	104	42	37	27	-	-	1@	211
Retail Outlets (total)	26212	13983	14412	1400	3499	85	4^	59595
LPG distributors (total)	9570	4684	4532	-	-	-	-	18786
SKO/LDO agencies	3904	1001	1638	-	-	-	-	6543
LPG bottling plants	91	50	47	-	-	-	1#	189
LPG bottling capacity	8905	3663	3672	-	-	-	24~	16264
Rural ROs	7051	2492	3056	127	1168	11	-	13905
RGGLVY	2899	1455	1407	-	-	-	-	5761
POL terminal/depots	11.39	5.95	6.12	-	-	-	-	23.5

## BREAK-UP OF CONSUMPTION DATA

Product	2014-15			2015-16			2016-17		
	PSU	Private	Total	PSU	Private	Total	PSU	Private	Total
LPG	17571	429	18000	19134	489	19623	21177	371	21548
MS	18588	487	19075	21079	768	21847	22518	1247	23765
Naphtha	4814	6268	11082	4790	8481	13271	4903	8351	13254
ATF	5319	404	5723	5629	632	6262	6187	832	7019
SKO	7087	0	7087	6826	0	6826	5396	0	5396
HSD	68701	715	69416	72092	2555	74647	71446	4566	76012
LDO	365	0	365	407	0	407	448	0	448
Lubes	1162	2148	3310	1312	2259	3571	1339	2075	3414
FO/LSH S	5167	794	5961	5665	968	6632	6007	1181	7188
Bitumen	4366	707	5073	4819	1118	5938	4721	1168	5889
PetCoke	2391	12167	14557	3483	15815	19297	3952	19636	23589
Others	2085	3785	5870	2299	4053	6352	2803	3889	6692
Total	137616	27904	165520	147535	37139	184674	150897	43317	194214

## NATURAL GAS IMPORT, SALE AND PRODUCTION

IMPORT OF LIQUEFIED NATURAL GAS TO THE DOMESTIC MARKET									
Month	Mar 2017	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sep 2017	Oct 2017	TOTAL
Total LNG Imports in MMT	1.52	1.65	1.46	1.37	1.58	1.57	1.82	1.83	11.15
Total LNG Imports in MMSCM	2019.40	2182.37	1936.36	1810.60	2094.99	2081.08	2414.42	2421.57	14776.95
* Provisional									
TBTU: Trillion British Thermal Unit									
Source: Petronet LNG Limited & Hazira LNG Pvt Ltd.									

SALE OF NATURAL GAS IN THE DOMESTIC MARKET *									
									(in MMSCM)
Month	Mar 2017	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sep 2017	Oct 2017	Total
Natural Gas (Incl. CBM)	2583.56	2454.79	2698.82	2674.20	2795.71	2678.46	2652.53	2738.04	18692.16
LNG Import	2019.40	2182.37	1936.36	1810.60	2094.99	2081.08	2414.42	2421.57	14776.95
Total	4602.96	4637.16	4635.18	4484.80	4890.70	4759.54	5066.95	5159.60	33469.11
* Provisional									
MMSCM: Million Standard Cubic Metre									
Domestic Natural Gas include CBM and net of flare and loss									
Source: ONGC, OIL, DGH, PLL, HLPL, GAIL, GSPC, RILAND IOCL									

STATE-WISE NATURAL GAS PRODUCTION IN INDIA, 2017-18 *									
Month	Mar 2017	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sep 2017	Sep 2017	TOTAL
I) Gross Production :									
A) Onshore:									
(i) Assam/Arunachal Pradesh	243.19	276.49	265.26	269.43	263.03	281.27	293.04	278.89	1651.04
(ii) Rajasthan	94.31	103.87	117.96	117.39	120.44	117.22	119.55	117.29	709.66
(iii) Gujarat	135.52	149.68	139.80	144.74	139.88	141.08	139.80	133.51	839.11
(iv) Tamil Nadu	80.23	88.59	96.64	93.40	99.77	104.04	103.38	100.91	598.32
(v) Andhra Pradesh	71.47	80.85	72.16	72.90	70.90	76.52	77.55	77.88	447.92
(vi) Tripura	124.26	133.35	121.16	130.58	121.15	130.29	96.68	104.25	704.12
(vii) West Bengal, MP, JHARKHAND (CBM)	45.51	44.85	46.26	48.47	50.22	59.64	65.25	63.58	333.41
Onshore Total (A)	748.98	832.83	859.24	828.44	815.18	850.43	830.01	812.74	4950.18
B) Offshore:	1728.03	1872.61	1673.49	1891.95	1890.08	1948.43	1877.69	1846.92	11129.31
Total (A+B)	2522.52	2750.29	2532.73	2768.86	2755.48	2858.50	2772.94	2723.23	16412.90
II) Net Availability <sup>1</sup>									
	2446.65	2668.69	2454.79	2698.82	2674.20	2795.71	2678.46	2652.53	15954.12
* Provisional					MMSCM: Million Standard Cubic Metre				
Source:ONGC,OIL&DGH									
NOTE : <sup>1</sup> Denotes natural gas available for consumption, which is derived by deducting from gross production, the quantity of gas flared by producing companies									

# OMC – MS DIRECT CONSUMPTION

Volume - MTs

STATE	BPCL		IOCL		HPCL		TOTAL	
	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017	2016
Chandigarh	2.1	1.9	4.2	4.0	1.6	1.5	0.0	7.4
Delhi	18.0	20.1	30.2	33.7	16.9	18.3	65.1	72.0
Haryana	13.0	14.3	30.1	34.6	16.0	16.8	59.1	65.8
Himachal Pradesh	3.0	2.9	7.8	8.1	3.8	3.6	14.5	14.7
Jammu & Kashmir	5.5	4.8	8.0	7.3	4.5	4.1	17.9	16.2
Punjab	10.7	12.4	28.0	30.4	15.0	16.8	53.7	59.6
Rajasthan	26.4	29.1	38.4	42.3	28.2	30.1	93.0	101.5
Uttar Pradesh	46.0	46.9	100.9	100.4	40.4	39.3	187.4	186.6
Uttarakhand	4.7	4.9	10.1	10.3	5.0	4.8	19.8	20.0
NORTH	129.4	137.3	257.7	271.1	131.4	135.4	518.4	543.8
Assam	5.5	5.2	15.9	14.8	3.6	3.4	25.0	23.4
Arunachal Pradesh	0.6	0.4	2.2	2.0	0.0	0.0	2.7	2.4
Manipur	0.0	0.2	3.8	1.6	0.0	0.0	3.8	1.8
Meghalaya	1.3	1.0	3.7	3.5	1.0	0.9	6.0	5.4
Mizoram	0.08	0.14	1.7	1.8	0.1	0.2	1.9	2.1
Nagaland	0.5	0.7	1.8	2.0	0.08	0.14	2.4	2.8
Tripura	0.04	0.02	3.3	2.8	0.0	0.0	3.4	2.8
Sikkim	0.4	0.5	0.6	0.5	0.17	0.16	1.2	1.2
Bihar	14.3	14.4	26.8	26.5	9.3	9.2	50.4	50.1
Jharkand	7.8	7.4	13.9	14.4	7.4	7.1	29.0	28.9
Odisha	12.5	11.8	23.8	21.7	9.9	8.9	46.2	42.4
West Bengal	14.9	14.7	28.0	27.2	13.6	13.3	56.5	55.1
Andaman Nicobar	0.0	0.0	1.4	1.2	0.0	0.0	1.4	1.2
EAST	58.1	56.5	126.9	119.9	45.1	43.3	230.0	219.7
Maharashtra	77.1	78.7	65.6	68.2	74.6	75.7	217.3	222.5
Gujarat	30.9	33.7	45.1	52.0	26.1	28.8	102.0	114.4
Madhya Pradesh	27.4	28.0	31.5	31.9	23.6	22.6	82.6	82.5
Chhattisgarh	9.1	8.9	13.9	13.8	11.1	10.7	34.1	33.3
Goa	6.5	6.1	2.9	2.8	4.1	4.0	13.5	12.9
Daman & Diu	0.3	0.4	0.5	0.6	0.5	0.6	1.3	1.6
Dadar & Nagar Haveli	0.4	0.3	0.5	0.6	0.5	0.5	1.3	1.4
WEST	151.8	156.0	159.8	169.8	140.5	142.8	452.1	468.7
Tamil Nadu	54.1	56.9	62.8	66.4	38.5	39.7	155.3	163.0
Kerala	24.3	21.9	46.0	40.4	28.3	26.2	98.6	88.6
Puducherry	2.0	2.1	4.1	4.2	1.9	2.0	8.0	8.3
Karnataka	38.2	37.3	62.6	59.6	31.8	30.1	132.7	127.0
Andhra Pradesh	18.1	16.7	27.9	26.4	26.9	25.7	72.8	68.8
Telangana	21.3	21.2	29.1	28.0	26.2	25.0	76.6	74.2
SOUTH	157.9	156.2	232.5	224.8	153.7	148.7	544.1	529.7
TOTAL	497.1	506.1	776.8	785.7	470.7	470.2	1744.6	1761.9

# OMC – HSD CONSUMPTION

STATE	BPCL		IOCL		HPCL		TOTAL	
	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017	2016
Chandigarh	2.5	1.8	4.9	3.3	1.8	1.2	0.0	6.3
Delhi	21.7	25.4	34.0	38.0	20.3	21.9	75.9	85.3
Haryana	80.3	83.5	192.0	188.8	94.4	96.0	366.6	368.3
Himachal Pradesh	7.1	7.2	21.2	21.7	10.0	9.3	38.3	38.1
Jammu & Kashmir	13.6	10.5	21.9	17.4	10.4	8.1	45.8	35.9
Punjab	52.2	56.7	133.1	142.0	69.8	74.9	255.0	273.6
Rajasthan	101.7	114.7	155.0	165.4	104.5	114.5	361.3	394.6
Uttar Pradesh	159.5	158.3	353.9	356.7	137.2	132.6	650.6	647.6
Uttarakhand	10.5	11.7	23.9	24.7	12.0	12.4	46.4	48.7
NORTH	448.9	469.7	939.9	957.9	460.3	470.9	1849.2	1898.6
Assam	11.7	11.6	34.6	34.2	7.5	7.5	53.8	53.3
Arunachal Pradesh	1.6	1.3	7.1	6.7	0.0	0.0	8.7	8.0
Manipur	0.5	0.4	7.4	3.8	0.0	0.0	7.8	4.2
Meghalaya	5.9	5.4	13.9	15.0	2.1	2.6	22.0	23.0
Mizoram	0.4	0.3	4.2	3.7	0.3	0.5	4.8	4.5
Nagaland	1.6	1.3	3.2	3.1	0.2	0.2	5.0	4.5
Tripura	0.3	0.2	7.5	6.2	0.0	0.0	7.7	6.4
Sikkim	1.5	1.4	2.0	1.7	0.38	0.39	3.9	3.5
Bihar	51.2	51.3	102.6	102.1	36.0	33.7	189.8	187.1
Jharkand	29.8	26.3	48.7	48.2	23.5	20.3	102.0	94.8
Odisha	35.4	35.7	70.6	65.4	26.4	25.8	132.4	126.9
West Bengal	55.00	54.96	117.7	112.4	50.7	47.4	223.4	214.7
Andaman Nicobar	0.0	0.0	1.7	1.7	0.0	0.0	1.7	1.7
EAST	194.9	190.2	421.0	404.0	147.1	138.3	763.0	732.5
Maharashtra	195.1	181.5	169.3	157.2	168.1	156.8	532.4	495.5
Gujarat	89.8	97.5	134.9	141.8	69.6	76.9	294.4	316.2
Madhya Pradesh	82.4	79.5	103.8	99.2	68.7	66.6	254.9	245.2
Chhattisgarh	30.6	28.1	46.4	40.3	37.2	34.5	114.2	102.8
Goa	6.1	7.0	4.1	4.1	4.8	5.0	15.0	16.1
Daman & Diu	1.9	2.1	1.5	2.0	1.4	1.9	4.8	6.0
Dadar & Nagar Haveli	2.1	2.3	5.7	6.4	3.9	4.9	11.6	13.5
WEST	407.9	397.9	465.6	450.9	353.8	346.6	1227.3	1195.4
Tamil Nadu	127.0	138.8	147.9	158.5	77.8	83.5	352.7	380.8
Kerala	43.5	42.4	77.6	71.6	46.9	45.9	168.0	159.8
Puducherry	4.0	4.6	11.0	12.3	4.3	4.4	19.3	21.3
Karnataka	116.5	98.5	184.2	168.3	89.4	81.7	390.1	348.4
Andhra Pradesh	56.4	55.6	77.6	74.3	67.4	64.4	201.4	194.3
Telangana	59.9	59.7	80.5	74.9	72.1	68.2	212.4	202.7
SOUTH	407.3	399.5	578.8	559.8	357.8	348.1	1344.0	1307.4
TOTAL	1459.0	1457.4	2405.3	2372.6	1319.1	1304.0	5183.4	5133.9



# **OMC – HSD DIRECT CONSUMPTION**

STATE	BPCL		IOCL		HPCL		TOTAL	
	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017 NOV	2016 NOV	2017	2016
Chandigarh	0.40	0.37	1.2	1.1	0.0	0.0	0.0	1.4
Delhi	0.12	0.10	9.0	8.4	0.10	0.12	9.2	8.6
Haryana	1.8	1.6	15.1	14.5	2.1	1.7	19.0	17.8
Himachal Pradesh	0.23	0.19	5.7	5.9	0.5	0.4	6.5	6.5
Jammu & Kashmir	1.0	0.9	7.4	6.9	2.4	1.5	10.8	9.3
Punjab	1.4	1.7	13.5	12.5	2.2	2.1	17.2	16.3
Rajasthan	4.4	2.6	30.2	28.0	11.5	11.0	46.1	41.6
Uttar Pradesh	4.5	2.9	66.9	62.8	1.9	1.3	73.4	67.0
Uttarakhand	1.0	1.4	4.5	3.8	0.6	0.9	6.0	6.0
NORTH	14.8	11.8	153.5	143.7	21.4	19.0	189.7	174.5
Assam	1.0	0.8	12.0	11.7	0.04	0.02	13.0	12.5
Arunachal Pradesh	0.35	0.27	3.0	3.4	0.0	0.0	3.4	3.7
Manipur	0.0	0.0	0.6	0.7	0.0	0.0	0.6	0.7
Meghalaya	0.020	0.017	0.9	2.3	0.0	0.0	1.0	2.3
Mizoram	0.0	0.0	1.0	0.4	0.0	0.0	1.0	0.4
Nagaland	0.0	0.01	0.5	0.5	0.0	0.0	0.5	0.5
Tripura	0.0	0.0	1.1	0.6	0.0	0.0	1.1	0.6
Sikkim	0.3	0.1	0.9	0.7	0.0	0.0	1.3	0.9
Bihar	3.7	3.5	9.2	8.0	3.0	0.1	15.9	11.6
Jharkand	3.4	4.1	20.3	21.2	0.7	0.5	24.4	25.7
Odisha	4.5	4.7	27.8	29.2	6.2	5.8	38.5	39.6
West Bengal	2.2	1.6	21.4	22.0	1.7	3.8	25.2	27.4
Andaman Nicobar	0.0	0.0	9.6	7.9	0.0	0.0	9.6	7.9
EAST	15.4	15.1	108.4	108.5	11.5	10.2	135.3	133.8
Maharashtra	10.9	12.8	66.0	64.8	11.4	14.9	88.3	92.5
Gujarat	1.5	3.1	34.1	35.9	9.4	9.3	45.0	48.4
Madhya Pradesh	2.6	1.9	31.2	32.4	1.8	2.3	35.6	36.5
Chhattisgarh	2.5	2.8	9.9	9.7	3.7	1.4	16.1	13.8
Goa	0.6	1.7	8.0	9.8	0.6	0.9	9.2	12.4
Daman & Diu	0.0	0.2	1.2	0.5	0.0	0.1	1.2	0.7
Dadar & Nagar Haveli	0.06	0.03	0.1	0.2	0.0	0.0	0.2	0.2
WEST	18.2	22.4	150.3	153.3	27.1	28.9	195.6	204.6
Tamil Nadu	10.0	9.5	54.2	58.6	3.9	4.1	68.1	72.2
Kerala	3.0	2.1	23.4	20.5	1.6	1.6	28.0	24.2
Puducherry	0.7	0.6	0.7	0.8	0.0	0.0	1.4	1.4
Karnataka	41.3	40.6	39.2	38.7	3.9	3.6	84.3	82.9
Andhra Pradesh	3.8	2.8	39.6	41.8	12.3	11.7	55.7	56.3
Telangana	7.6	8.0	26.5	17.8	26.2	23.9	60.4	49.6
SOUTH	66.4	63.6	183.7	178.3	47.9	44.8	298.0	286.7
TOTAL	114.8	112.9	595.9	583.8	107.9	102.9	818.6	799.6

## CRUDE OIL PRODUCTION

Crude Oil Production (Figs in TMT) during the month of OCT , 2017					
Name of the	Production During the..			Cumulative Production	
PSU /Private CO	Month under review*	Corresponding month last year	Preceding month of current year	during the month under review over last year's production in corresponding month	during the month under review over planned production during the corresponding month
Undertaking / Unit	OCT	OCT	OCT	APR- OCT	APR- OCT
	2017	2016	2017	2016-2017	2017-2018
Production of Crude Oil					
<b>1. ONGC</b>	1889.673	1872.317	1844.253	12901.216	13191.663
<b>ONSHORE</b>	509.58	502.451	494.959	3444.636	3526.647
ANDHRA PRADESH	27.742	24.823	27.653	155.566	194.951
ASSAM ^	80.421	82.955	80.048	552.178	572.935
GUJARAT	378.943	375.713	365.178	2602.778	2603.429
TAMIL NADU	22.474	18.96	22.08	134.114	155.332
<b>OFFSHORE</b>	1380.093	1369.866	1349.294	9456.58	9665.016
EASTERN OFFSHORE	0.754	1.337	0.602	9.011	5.054
WESTERN OFFSHORE	1247.687	1251.968	1223.007	8660.763	8813.194
<b>CONDENSATES</b>	131.652	116.561	125.685	786.806	846.768
<b>2. OIL (ONSHORE)</b>	286.896	275.619	276.794	1880.403	1980.497
ASSAM	286.148	274.98	276.125	1875.861	1975.511
ARUNACHAL PRADESH	0.639	0.639	0.621	4.542	4.413
RAJASTHAN (HEAVY OIL)	0.109	0	0.048	0	0.573
<b>3. DGH (PRIVATE / JVC)</b>	861.68	902.94	799.094	6332.896	5890.831
<b>ONSHORE</b>	700.332	728.121	640.379	5052.755	4757.569
ARUNACHAL PRADESH	3.682	4.414	3.509	28.098	25.988
ASSAM	0.132	0	0.32	0	0.491
GUJARAT	11.965	11.583	11.611	80.993	79.171
RAJASTHAN	677.343	706.76	617.903	4924.309	4602.335
TAMIL NADU	7.21	5.364	7.036	19.355	49.584
<b>OFFSHORE</b>	161.348	174.819	158.715	1280.141	1133.262
EASTERN OFFSHORE	70.069	81.291	68.85	570.338	501.435
GUJARAT OFFSHORE	32.805	31.813	31.21	230.015	222.666
WESTERN OFFSHORE	58.474	61.715	58.655	479.788	409.161
<b>GRAND TOTAL (1+2+3)</b>	3038.249	3050.876	2920.141	21114.515	21062.991
<b>ONSHORE</b>	1496.808	1506.191	1412.132	10377.794	4543.706
<b>OFFSHORE</b>	1541.441	1544.685	1508.009	10736.721	4614.199

# NATURAL GAS PRODUCTION

Natural Gas Production (Figs in TMT) during the month of OCT, 2017					
Name of the	Production During the..			Cumulative Production	
PSU /Private CO	Month under review*	Corresponding month last year	Preceding month of current year	during the month under review over last year's production in corresponding month	during the month under review over planned production during the corresponding month
Undertaking / Unit	OCT	OCT	OCT	APR- OCT	APR- OCT
	2017	2016	2017	2016-2017	2017-2018
<b>Production of Natural Gas</b>					
<b>1. ONGC</b>	2017.972	1943.040	1937.621	12626.577	13693.212
<b>ONSHORE</b>	486.019	455.002	452.607	2925.824	3286.547
ANDHRA PRADESH	81.078	76.442	77.883	483.400	529.001
ASSAM	44.721	35.634	42.828	253.735	299.947
GUJARAT	131.446	131.882	127.270	821.116	930.617
RAJASTHAN	0.102	0.477	0.622	2.096	2.348
TAMIL NADU	102.234	85.723	99.751	548.857	694.077
TRIPURA	126.438	124.844	104.253	816.620	830.557
<b>OFFSHORE</b>	1531.953	1488.038	1485.014	9700.753	10406.665
EASTERN OFFSHORE	46.984	54.760	44.587	195.903	339.858
WESTERN OFFSHORE	1484.969	1433.278	1440.427	9504.850	10066.807
<b>2. OIL</b>	243.249	245.779	246.046	1720.151	1724.513
ASSAM	222.498	225.961	227.849	1574.961	1597.905
ARUNACHAL PRADESH	0.969	1.014	0.930	6.961	6.852
RAJASTHAN	19.782	18.804	17.267	138.229	119.756
<b>3. DGH (PRIVATE / JVC)</b>	547.603	566.322	539.568	4131.944	3804.002
<b>ONSHORE</b>	119.407	93.686	114.088	710.294	787.798
ARUNACHAL PRADESH ASSAM	1.224	1.363	1.192	8.425	9.049
Assam	3.895	0.000	6.095	0.000	10.597
GUJARAT	6.530	7.557	6.236	54.039	46.477
RAJASTHAN	106.561	84.078	99.402	645.735	714.000
TAMIL NADU	1.197	0.688	1.163	2.095	7.675
<b>CBM</b>	68.026	50.761	63.576	317.225	401.440
JHARKHAND (CBM)	0.363	0.309	0.342	1.716	2.449
MADHYA PRADESH (CBM)	20.359	0.415	17.424	2.751	75.039
WEST BENGAL (CBM)	47.304	50.037	45.810	312.758	323.952
<b>OFFSHORE</b>	360.170	421.875	361.904	3104.425	2614.764
EASTERN OFFSHORE	187.716	259.642	187.859	1940.593	1442.677
GUJARAT OFFSHORE	9.920	7.260	8.806	48.235	59.181
WESTERN OFFSHORE	162.534	154.973	165.239	1115.597	1112.906
<b>TOTAL (1+2+3)</b>	2808.824	2755.141	2723.235	18478.672	19221.727
<b>CBM</b>	68.026	50.761	63.576	317.225	401.440
<b>ONSHORE</b>	848.675	794.467	812.741	5356.269	5798.858
<b>OFFSHORE</b>	1892.123	1909.913	1846.918	12805.178	13021.429

**REFINERY PRODUCTION (CRUDE THROUGHPUT)**

Refinery Production (Crude Throughput) during the month of OCT 2017					
Name of the	Production During the..			Cumulative Production	
PSU /Private CO	Month under review*	Corresponding month last year	Preceding month of current year	during the month under review over last year's production in corresponding month	during the month under review over planned production during the corresponding month
Undertaking / Unit	OCT	OCT	OCT	APR- OCT	APR- OCT
Refinery Production	2017	2016	2017	2016-2017	2017-2018
(In terms of crude)					
<b>Public Sector</b>	<b>12618.529</b>	<b>11845.719</b>	<b>11290.853</b>	<b>79214.087</b>	<b>82788.46</b>
1. IOC, Guwahati	95.297	72.224	84.663	508.391	590.983
2. IOC, Barauni	518.85	481.318	433.816	3824.313	3016.713
3. IOC, Gujrati	1232.886	1134.242	1137.691	8409.403	7574.553
4. IOC, Haldia	689.955	678.899	665.752	4720.859	4755.872
5. IOC, Mathura	839.393	804.47	303.816	5417.032	5116.351
6. IOC, Digboi	56.434	50.998	55.977	301.816	390.703
7. IOC, Panipat	1412.008	1301.799	1333.635	9042.837	8899.7
8. IOC Bongaigaon	198.505	211.973	193.221	1447.875	1376.027
<b>9 IOC, Pradip Total IOC</b>	<b>1071.962</b>	<b>806.829</b>	<b>1216.717</b>	<b>3603.392</b>	<b>8011.399</b>
10. BPCL, Mumbai	6115.29	5542.752	5425.288	37275.918	39732.301
11. BPCL, Kochi Total BPCL	995.898	1244.669	1163.644	8312.75	7685.704
<b>12 HPCL Mumbai</b>	<b>1200.055</b>	<b>975.462</b>	<b>1195.607</b>	<b>6484.958</b>	<b>7735.864</b>
13 Vishakh Total HPCL	2195.953	2220.131	2359.251	14797.708	15421.568
14 CPCL, Manali	731.322	720.124	649.992	4839.194	4994.039
<b>15 CPCL CBR Total CPCL</b>	<b>859.574</b>	<b>803.629</b>	<b>821.418</b>	<b>5201.771</b>	<b>5725.25</b>
16. NRL, Numaligarh	1590.896	1523.753	1471.41	10040.965	10719.289
17. MRPL, Mangalore	921.072	939.417	691.123	6236.474	5917.269
<b>18 ONGC, Tatipaka</b>	<b>43.14</b>	<b>46.384</b>	<b>33.384</b>	<b>321.873</b>	<b>279.269</b>
<b>Total CPCL</b>	<b>964.212</b>	<b>985.801</b>	<b>724.507</b>	<b>6558.347</b>	<b>6196.538</b>
<b>Joint Venture Sub Total</b>	<b>241.372</b>	<b>197.121</b>	<b>232.881</b>	<b>1440.676</b>	<b>1651.011</b>
18. BORL, Bina	1503.672	1368.885	1070.075	9051.423	9022.04
19. HMEL, Bhatinda	7.134	7.276	7.441	49.051	45.712
<b>20 Private Sector \$</b>	<b>1611.287</b>	<b>1426.618</b>	<b>1620.797</b>	<b>10201.67</b>	<b>8096.781</b>
21. RIL, Jamnagar	585.257	610.126	620.731	3883.413	4210.818
22. RIL, SEZ Total RIL	1026.03	816.492	1000.066	6318.257	3885.963
<b>23 EOL, Vadinar</b>	<b>7878.171</b>	<b>7757.526</b>	<b>7676.342</b>	<b>53116.627</b>	<b>53719.774</b>
	2891.654	2756.656	2796.951	19321.918	19315.09
	3282.689	3223.7	3193.118	21507.951	22338.547
	6174.343	5980.356	5990.069	40829.869	41653.637
	1703.828	1777.17	1686.273	12286.758	12066.137
<b>Total</b>	<b>22107.987</b>	<b>21029.863</b>	<b>20587.992</b>	<b>142532.384</b>	<b>144605.014</b>

# IMPORT / EXPORT – CRUDE & PETROLEUM PRODUCTS

(FIGS. IN TMT)

IMPORT/EXPORT	April 2017-Mar.2018/(000 MT)				April 2017-Mar 2018 (Rs. Crore)			
	AUGUST	SEPTEMBER	OCTOBER	TOTAL	AUGUST	SEPTEMBER	OCTOBER	TOTAL
<b>TOTAL CRUDE OIL</b>	18113	17644	19037	125810	41072	42136	48616	290493
<b>PRODUCTS</b>								
LPG	1101	881	1198	6388	3243	2901	4640	19583
MS/ PETROL	0	0	0	174	0	0	0	581
NAPHTHA/ NGL	168	165	219	962	606	638	786	3357
AFT/ AVIATION FUEL	24	26	26	161	87	102	99	591
SKO/ KEROSENE	0	0	0	0	0	0	0	0
HSD/ DIESEL	10	5	5	1250	34	22	22	3820
LOBS/ LUBE OIL	223	169	169	1323	848	823	799	5936
FUEL OIL/LSHS	44	95	141	601	97	230	373	1433
Petcoke	50	75	75	473	89	149	148	881
BITUMEN	1450	1040	1040	7988	1188	1002	1000	6440
OTHERS	238	143	234	1591	693	445	705	4495
<b>TOTAL PRODUCT IMPORT</b>	3309	2599	3107	20911	6884	6311	8571	47117
<b>TOTAL IMPORT</b>	21422	20243	22144	146721	47956	48446	57187	337611
<b>EXPORT</b>								
LPG	26	31	30	197	81	113	120	753
MS/ PETROL	1060	1152	1030	8194	3925	4460	3991	29444
NAPHTHA/ NGL	628	642	851	5250	1807	2023	2859	15385
ATF	573	578	647	3953	1795	1958	2261	12580
SKO/ KEROSENE	1	1	1	10	4	5	5	38
HSD/ DIESEL	2792	3040	2912	17125	8398	9956	9771	52796
LDO	0	0	4	14	0	0	10	27
LOBS/ LUBE OIL	4	1	1	9	20	7	7	68
FUEL OIL/LSHS	321	418	272	1713	610	853	579	3359
BITUMEN	25	6	12	53	37	12	20	87
Petcoke / CBFS	89	116		294	97	187		336
Others	352	277	228	1996	873	695	764	5457
<b>TOTAL PRODUCT EXPORT</b>	5872	6263	5989	38809	17649	20270	20387	120331
<b>NET IMPORT</b>	15549	13980	16154	107913	30307	28176	36801	217280

**POSITION OF PETROLEUM TANKERS AT MAJOR PORTS- 19 DEC 2017**

PORT	VESSEL	SPLR/BYR	ARRIVED	CARGO	APROX. QTY: Figs. in MT	COMMENT
VADINAR	NEW PROSPERITY		18DEC17	CRUDE	270000	ANCHORAGE
VAD (ESSAR)	NIBAN		17DEC17	CRUDE	270000	ETC 20/12
	SALINA		15DEC17	CRUDE	147000	ANCHORAGE
	JAG PRANAM		19DEC17	GASOIL/ MOGAS/ NAPHTHA	40000LDG	ANCHORAGE
JAMNAGAR	OLYMPIC TRUST		14DEC17	CRUDE	270000	ETC 19/12
	BUNGA KASTURI	TIGA	10DEC17	CRUDE	280000	ETC 19/12
	TORM SUPREME	TRAFIGURA	16DEC17	MOGAS/ TAME	32000LDG	ETC 19/12
	OCEAN QUEST	VITOL	17DEC17	GASOIL	99000LDG	ETC 19/12
	JAG PAHEL		17DEC17	GASOIL	40000LDG	ETC 19/12
	ATHIRI	TOTSA	15DEC17	ATF	62000LDG	ETC 19/12
	OLYMPIC SEA		14DEC17	CRUDE	270000	ANCHORAGE
	SUMMIT AFRICA		17DEC17	ALKYLATE	55000LDG	ANCHORAGE
	DHT CONDOR		18DEC17	CRUDE	262000	ANCHORAGE
	NEW ANDORS		15DEC17	CRUDE	282618	ANCHORAGE
	ALPINE PENELOPE	OTI	16DEC17	MOGAS	60000	ANCHORAGE
	MARAN CORONA		16DEC17	CRUDE	270000	ANCHORAGE
	FRONT LION	TRAFIGURA	17DEC17	GASOIL	98000LDG	ANCHORAGE
	DENSA ALLIGATOR		16DEC17	GASOIL	95000LDG	ANCHORAGE
	GULF VALOUR		18DEC17	GASOIL/ MOGAS	95000LDG	ANCHORAGE
	PFMC C INTELLIGENCE		18DEC17	CRUDE	290000	ANCHORAGE
	ENERGY CENTURIOIN	PETRODIAMO ND	18DEC17	ATF	63000LDG	ANCHORAGE
MUNDRA	WINDSOR		17DEC17	GASOIL	40000	ETC 20/12
	NEW DISCOVERY		13DEC17	CRUDE	269623	ETS PM18/12
KANDLA	SANMAR STANZA		17DEC17	GASOIL	29592	ANCHORAGE
	DAWN MADURAI		18DEC17	GASOIL	31000LDG	ANCHORAGE
DAHEJ	MARITIME RIYAL		14DEC17	NAPHTHA	13000	ANCHORAGE
HAZIRA	JAG PRANAV		16DEC17	NAPHTHA	29000LDG	ANCHORAGE
MUMBAI	OCEAN COSMOS	IDEMITUS	18DEC17	NAPHTHA	30000LDG	ETC 20/12
	UNITED FORTITUDE	PETRONAS	16DEC17	CRUDE	80121	ANCHORAGE
	SWARNA GANGA		06DEC17	CRUDE	50000LDG	ANCHORAGE
	SRI VISHNU	ARAMCO	15DEC17	CRUDE	95000	ANCHORAGE
	SWARNA GODAVARI		15DEC17	CRUDE	50000LDG	ANCHORAGE
	SWARNA BRAHMAPUTRA		15DEC17	CRUDE	50000LDG	ANCHORAGE
	SWARNA KRISHNA		15DEC17	CRUDE	50000LDG	ANCHORAGE
DAB	NIL					
JNPT	HUA CHI	GUNVOR	18DEC17	NAPHTHA	35000LDG	ANCHORAGE
GOA	GALISSAS		15DEC17	ATF/ SKO	4000/ 200	ETC 17/12
KARWAR	NIL					
MANGALORE	TORM MAREN	TRAFIGURA	17DEC17	GASOIL	80000LDG	ETC 20/12
	RIBE MAERSK	PETROCHINA	16DEC17	F.OIL	15000	ETS PM18/12
KOCHI	KYMOLOS		12DEC17	CRUDE	200000	ETC 18/12
	AGILITY		16DEC17	MOGAS/GASOIL	35000	ETC 17/12
TUTICORIN	NIL					



CHENNAI	SUVARNA SWARAJYA	13DEC17	MOGAS	8456	ETS PM16/12	
	JAG LATEEF	13DEC17	CRUDE	136419	ETC 17/12	
	LOURDES	15DEC17	F.OIL	6000LDG	ANCHORAGE	
	JAG PANKHI	16DEC17	GASOIL	10000	ANCHORAGE	
ENNORE	JAG AANCHAL	14DEC17	MOGAS/GASOIL	24000	ANCHORAGE	
	STAR EAGLE	15DEC17	GASOIL/MOGAS	22000	ANCHORAGE	
KAKINADA	NIL					
VIZAG	VEDIKA PREM	10DEC17	GAOSIL/MOGAS	32384	ETS PM16/12	
	SANMAR SOPRANO	14DEC17	GASOIL	20000	ETC 17/12	
PARADIP	ALPINE VENTURE	12DEC17	REFORMATE/ MOGAS	12000LDG/ 4000LDG	ETS PM16/12	
	C PROGRESS	15DEC17	CRUDE	267194	ETC 17/12	
	JAG PADMA	12DEC17	GASOIL/ MOGAS	19800/ 13200	ANCHORAGE	
	VICTORY	15DEC17	MOGAS	10500LDG	ANCHORAGE	
	EBN BATUTA	15DEC17	CRUDE	84928	ANCHORAGE	
	STI EXCELLENCE	15DEC17	MOGAS	45000LDG	ANCHORAGE	
	JAG PRABHA	15DEC17	GASOIL/ MOGAS	18000LDG/ 20000LDG	ANCHORAGE	
	NEW TINOS	16DEC17	CRUDE	275567	ANCHORAGE	
HALDIA	SWARNA KALASH	13DEC17	GASOIL/ ATF	16733	ETC 17/12	
	SANMAR SANGEET	12DEC17	GASOIL/ MOGAS	30000	ETC 17/12	
	SWARNA PUSHP	12DEC17	GASOIL/ MOGAS	13836/ 1825	ETC 17/12	
	GENESSA	15DEC17	GASOIL	12927	ANCHORAGE	
	HARI SAGAR	16DEC17	GASOIL/ MOGAS/ ATF/ SKO	6500LDG	ANCHORAGE	
	BANI YAS	ADNOC	16DEC17	NAPHTHA	26103	ANCHORAGE
	SANMAR SONNET	16DEC17	NAPHTHA	28761	ANCHORAGE	
	ASPHALT ALLIANCE	16DEC17	BITUMEN	4224	ANCHORAGE	
	ALPINE VENTURE	16DEC17	MOGAS	TBA	ANCHORAGE	
BBJ	TULIP	16DEC17	GASOIL	5500	ANCHORAGE	

**POSITION OF LPG TANKERS AT MAJOR INDIAN PORTS; - 19\_12\_2017**
**Figs. in MT**

PORT	VESSEL	ARRIVAL	QTY(mts)	LOAD PORT	SUPPLIER RCVRS	REMARKS
<b>KANDLA</b>	MANITOBA	12/12	12000	RASTANURA	ARAMCO	IOCL ANCHORAGE
	BERLIN EQUATOR	18/12	19500	RUWAIS	ADNOC	IOCL ANCHORAGE
	SABRIMALA GAS	19/12	21000	RASLAFFAN	QATAR INT'L	IOCL ANCHORAGE
<b>MAGDALLA</b>	NIL					
<b>DAHEJ</b>	NAVIGATOR MEGELLAN	12/12	7500	RUWAIS	ADNOC	BPCL ANCHORAGE
<b>SIKKA</b>	NIL					
<b>MUMBAI</b>	WARINSART	13/12	12900	RASTANURA	SHV GAS	AEGIS ETS19/12
	KRUIBEKE	18/12	10000	YANBU	SHV GAS	AEGIS ANCHORAGE
<b>JNPT</b>	BW ENERGY	15/12	10500	RASLAFFAN	QATAR INT'L	BPCL ETS19/12
	ECO FROST	21/12	9500	YANBU	ARAMCO	BPCL ANCHORAGE
<b>MANGALORE</b>	PERSEVERANCE	04/12	29700	RASLAFFAN	QATAR INT'L	IOC/BPC ETC20/12
	NANDA DEVI	07/12	20000	RASTANURA	ARAMCO	IOC/HPC/BPC ANCHORAGE
	JAG VIDHI	08/12	16000	RASTANURA	ARAMCO	IOC/BPC ANCHORAGE
	CAPT. JOHN P	18/12	5100	RASLAFFAN	QATAR INT'L	IOC/BPC ANCHORAGE
	PACIFIC GAS	19/12	5000	RUWAIS	ADNOC	TOTAL EXPECTED
	QUEBEC	19/12	20000	RASTANURA	ARAMCO	IOC/BPC EXPECTED
	GAS ARIES	24/12	6400	RUWAIS	ADNOC	HPCL EXPECTED
<b>GOA</b>	NIL					
<b>KOCHI</b>	NIL					
<b>TUTICORIN</b>	NIL					
<b>CHENNAI</b>	NIL					
<b>KAKINADA</b>	NIL					
<b>ENNORE</b>	BW ELM	18/12	17800	MINA AL AHMEDI	KPC	IOPL ANCHORAGE
	JAG VISHNU	02/12	17500	RASLAFFAN	QATAR INT'L	IOPL ANCHORAGE
	THETIS GLORY	09/12	27899	MINA AL AHMEDI	KPC	IOPL ANCHORAGE
<b>VIZAG</b>	GAS ARIES	08/12	26400	RASTANURA	ARAMCO	IOC/HPC/BPC ETC19/12
	GAS COMMERCE	03/12	25000	RASLAFFAN	QATAR INT'L	IOC/HPC ANCHORAGE
<b>HALDIA</b>	BW BOSS	13/12	21170	RASTANURA	ARAMCO	IOPL ETS19/12
	COPERNICUS	10/12	19316	RUWAIS	ADNOC	IOPL ANCHORAGE
	PROGRESS	13/12	17757	RASLAFFAN	QATAR INT'L	IOPL ANCHORAGE
	BW BOSS	13/12	21170	RASTANURA	ARAMCO	IOPL EXPECTED
	ARCTIC GAS	19/12	5000	RASLAFFAN	QATAR INT'L	IOPL EXPECTED
	M.VISHWAMITRA	19/12	23400	RASLAFFAN	QATAR INT'L	IOPL EXPECTED
	JAG VISHNU	19/12	18500	RASLAFFAN	QATAR INT'L	IOPL EXPECTED
	GAS COMMERCE	19/12	18000	RASLAFFAN	QATAR INT'L	IOPL EXPECTED

**PRICE OF PETROLEUM PRODUCTS [Revised fortnightly]**

BASIC PRICE in INR W. E. F. 16.12.2017			
No.	Product	Selling Unit	Mumbai (w/o state surcharge)
1	HSD FDZ	KL	47873.96
2	MS FDZ	KL	52133.36
3	SKO (IND)	KL	39,590.00
4	FO (GEN)	MT	27,760.00
5	FO (Guj)	MT	28072.20
6	HVFO	MT	23600.00
7	LDO	KL	35777.50
8	LSHS(GEN)	MT	30,010.00
9	NAPHTHA (GEN)	MT	43,450.00
10	SCN (REF.NAP)	MT	36590.00
11	LABFS	KL	34,220.00
12	SBP	KL	61,500.00
13	HEXANE	KL	49,500.00
14	MTO	KL	53,200.00
15	BENZENE	MT	58,250.00
16	TOLUENE	MT	51,500.00
17	MOLT SULPHUR	MT	13,300.00
18	BITUMEN PACKED – 80/100	MT	25,630.00
19	BITUMEN BULK – 80/100	MT	29,630.00
20	BITUMEN PACKED – 60/70	MT	27,960.00
21	BITUMEN BULK – 60/70	MT	29180.00
22	BITUMEN PACKED – 30/40	MT	28,520.00
23	BITUMEN BULK – 30/40	MT	24,520.00
24	BIODIESEL	KL	44,220.00

Location	NAPHTHA	LSHS	FURNACE OIL	ATF	KEROSENE
	(W.E.F.)	(W.E.F.)	(W.E.F.)	(W.E.F.)	W.R.F
	16.12.2017	16.12.2017	16.12.2017	01.12.2017	16.09.2017
Delhi	44,160.00	30,620.00	28,470.00	57,348.82	Declared as Kerosene-free city
Kolkata	43,770.00	30,460.00	28,210.00	61,698.56	24.17
Mumbai	43,450.00	30,010.00	27,760.00	56,635.87	21.89*
Chennai	43,650.00	30,290.00	28,040.00	60,257.92	13.6

**RETAIL SELLING PRICES OF MS HSD [Revised fortnightly]**

(Prices in Rs./Litre)

Location	HSD	MS	LPG (Non-subsidised)	LPG	LPG	Auto Gas
	(W.E.F.)	(W.E.F.)	Per 14.2 kg. Cylinder	Per 14.2 kg. Cylinder	Per 19.0 kg. Cylinder	(W.E.F.)
	21.12.2017	21.12.2017	01.12.2017	01.12.2017	01.12.2017	01.12.2017
Delhi	58.85	69.42	747	495.69	1318.5	44.81
Kolkata	61.51	72.18	766	498.43	1354	43.90
Mumbai	62.16	77.32	719	493.38	1269.5	47.00
Chennai	61.99	71.95	756	483.69	1399	43.42

Location	HSD	MS
	(W.E.F.)	(W.E.F.)
	21.12.2017	21.12.2017
Agartala	57.08	65.44
Aizwal	56.41	65.58
Ambala	58.75	68.98
Bangalore	59.83	70.5
Bhopal	61.29	74.13
Bhubhaneswar	63.1	68.3
Chandigarh	57.12	66.77
Dehradun	60.06	72.24
Gandhinagar	62.79	68.46
Gangtok	60.65	72.4
Guwahati	61.36	71.34
Hyderabad	63.93	73.5
Imphal	57.09	67.63
Itanagar	56.44	65.68
Jaipur	62.88	72.03
Jammu	59.87	71.11
Jullunder	58.92	74.42
Kohima	57.36	67.96
Lucknow	59.9	71.73
Panjim	59.82	63.94
Patna	62.52	73.76
Pondichery	60.83	68.36
Port Blair	55.38	59.99
Raipur	63.62	69.95
Ranchi	62.24	70.9
Shillong	58.71	68.93
Shimla	59.07	70.14
Srinagar	62.1	73.81
Trivandrum	63.96	73.2
Silvasa	59.59	67.56
Daman	59.52	67.49

**BITUMEN PRICES- INTERNATIONAL Grade 60/70 & 85/100 in USD**

Bitumen FOB Price (Intl.) Revised Monthly (10-11-17)		
Country	Bulk	Drum
Iran	220	295
Bahrain	230	*
Thailand	200	*
Singapore	225	300
Japan	235	*
Taiwan	215	*

**BITUMEN PRICES – NATIONAL Revised Monthly**

Bitumen FOB Price (Intl.) Revised Monthly (16-12-17)		
BITUMEN (BULK)	GRADES	
PORT REF(Mumbai)	28450	29250
KOCHI	29250	
KOYALI	28450	29940
MATHURA	28150	29840
PANIPAT	28150	29840
HALDIA	27750	29240
CHENNAI	28550	30240
BARAUNI	28780	29580

BITUMEN (Packed)	GRADES	
KOCHI	32350	
KOYALI	31550	32350
MATHURA	31250	32050
PANIPAT	31250	32050
HALDIA	30850	31650
CHENNAI	31650	32450

Prices of Emulsion (16-12-17)			
RAPID	MEDIUM	SLOW(SS2)	SLOW(SS1)
HALDIA	23640		
CHENNAI	23550	24980	
EMULSION (PACKED)			
CHENNAI	27500	28930	41640

## BHAV COPY – MULTI COMMODITY EXCHANGE (MCX)

Date: 20-12-2017

	Contract Month	Open (Rs)	Today's High	Today's Low	Close	PCP (Rs)	Volume (MT)/bbl	Value (Rs.Lakhs)	Open interest '000
CRUDEOIL	18-Dec-17	3684	3747	3670	3687	3678	16401.500 BBL	608599	12596
CRUDEOIL	19-Jan-18	3721	3760	3689	3704	3694	323.200 BBL	12033.9	1120
CRUDEOIL	16-Feb-18	3735	3760	3732	3747	3716	0.400 BBL	14.99	67
CRUDEOIL	19-Mar-18	3727	3727	3721	3724	3723	0.200 BBL	7.45	48
CRUDEOIL	19-Apr-18	3743	3750	3743	3747	3739	0.200 BBL	7.49	29
CRUDEOIL	21-May-18	0	0	0	3768	3755	0.000 BBL	0	58
NATURALGAS	Contract Month	Open (Rs)	Today's High	Today's Low	Close	PCP (Rs)	Volume (MT)/bbl	Value (Rs.Lakhs)	Open interest '000
NATURALGAS	26-Dec-17	205.1	206.7	196.2	197.1	205.2	97261.250 mmBtu	194896	9194
NATURALGAS	25-Jan-18	207.1	207.4	197.7	198.6	205.9	4366.250 mmBtu	8806.07	1324
NATURALGAS	23-Feb-18	205.6	205.6	196.9	197.5	204.7	168.750 mmBtu	337.99	175



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**Petroleum Bazaar Activities:**

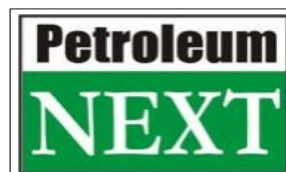
Setting up the Franchisee Network  
Import / Export of Petroleum Product  
Marketing of Petroleum Product

**Publications:**

PetroMag – e-zine Daily  
Petroleum Bazaar – Monthly Magazine  
Petroleum Next – Bio-Diesel, Alternate Fuels  
DataMag – Data base on oil industry – Monthly

**Consultancy:**

Jatropha Plantation / Bio-Diesel Marketing  
Conservation / Energy Audits / Total Lubes Management  
Setting up / Operation / Improving Sales of Petrol Pump  
Setting up CNG Stations  
Training / Events / Seminar



**Activities:**

Jatropha Plantation  
Bio-diesel Production from Jatropha, Palm Oil  
Bio-diesel Marketing  
Customer tie-ups, trial runs,  
Petroleum Next – An alternate Fuels-weekly Magazine  
Organizing Seminar / Event on Bio-Diesel