

Gearing Up for the Future Challenge!

India's hydrocarbon potential remains vastly unexplored, with only 22 percent of its sedimentary basin area being well explored. The dgh have institutionalized a very systematic licensing round and the eight successful nelp rounds have increased the intensity of domestic exploration activities and also the participation of Indian private sector and select international players in exploration activities in India. This has in turn led to increased private investment in the sector in recent years. Although a number of significant discoveries have been made during the past six - seven years, increased efforts are required to unlock India's untapped Hydrocarbon potential.

To increase the intensity of exploration activities and attract global and private risk capital into India's exploration sector, it will be critical to both provide access to prospective acreage and, balance fiscal terms with prospectively. We must appreciate that competition for both international and domestic oil Companies' risk capital takes place on a global basis. The excessive fiscal Terms required to secure acreage in India has resulted in the major IOCS Overlooking India and pursuing exploration in competing regions. In order To attract more investment, policy makers should recognize the needs of Industry participants to create an environment for mutual success, ie greater focus on 'finding resources' rather than 'profit sharing' and the trms in future nelp rounds should reflect this priority

India is not only highly dependent on oil imports but is overwhelmingly dependent on the Middle East. This calls for diversification of our sources of oil imports. Perhaps the most cost effective way to achieve this is through acquiring overseas oil equity.

Indian companies currently hold assets in more than 16 countries and Efforts are being made to expand our portfolio of overseas assets through



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both public and privately owned Indian companies. These efforts need to be intensified. India's overseas equity oil production is currently about 4 percent of its total oil consumption, compared to china's 20 percent. Competition for the best overseas assets is high and we need to step up efforts from our public and private companies as well as our Government, from an economic and diplomatic point of view, to increase our Success rates when we bid for overseas assets. This will require a Coordinated effort of both public and private Indian companies working with the support of our government.

We should look at tapping alternate modes of energy, such as renewable energy, Coal Bed Methane (CBM), Underground Coal Gasification (UGC), Gas hydrates, Oil shale, Coal to Liquid (CTL), Coal. While the government is initiating steps at the national level, as individual citizens and consumers, we influence the overall size of the carbon footprint of the nation through our pattern of energy consumption in our daily lives, conserve energy and do it now for our future generations. To sum up, concerted efforts from all the stakeholders, the government, the industry players and consumers would be required to ensure that we succeed in our common objective of securing our energy requirements. It is difficult but achievable and we will be able to join hands for a better tomorrow. Our government needs to be applauded for encouraging private sector investment in the hydrogen exploration business. ■