

Launch of “Discovered Small Fields Bid Round – 2016”
Hotel Taj Land’s End, Mumbai / 6th June, 2016

Senior officials from the Government of India;

Diplomats of different countries;

Captains of the hydrocarbon industry;

Friends from the media;

Ladies and gentlemen;

My warm greetings to all of you in Mumbai, the business capital of India. Besides being the business capital of the country, Mumbai has the distinction of being the pioneer of hosting most modern infrastructure of Indian hydrocarbon industry. Starting from hosting the first two refineries of post-independent India to leading mighty Mumbai High oil and gas production and processing facilities, Mumbai has remained in the frontline of providing energy security to India.

It is a very proud moment for me to address you all in this 1st road show on “**Discovered Small Fields Bid Round 2016**”. We had an initial launch ceremony in New Delhi earlier on 25th May which saw enthusiastic participation by various companies and stakeholders as well as by our media friends. I am happy to see that today’s event in Mumbai has been equally well received.

It is also satisfying that this is happening during Vikas Parv, when Ministers of the Union Government are visiting various parts of the country to report to people and get their feedback on performance of the Government. We believe that the last two years of the Government under the visionary and dynamic leadership of Hon’ble

Prime Minister Shri Narendra Modi has been watershed years. This period has seen new standards of transparency, hassle free and proactive governance and many impactful reforms. This has improved the overall investment friendly scenario for the country.

According to a recent poll, India is **first among 110 global Investment Destinations becoming the world's topmost Greenfield FDI destination during January-June 2015**. FDI inflows into India during January-June 2015 stood at US\$ 31 billion, ahead of China's US\$ 28 billion and the United State's US\$ 27 billion. This has helped India to be in centre stage in the investment league in the world.

Last two days, I was travelling in Andhra Pradesh and Telengana. I was happy to see that two small towns of Rajamundry and Kakinada are upbeat about the future of oil industry post recent reforms by government in recent months. You would be happy to know that the KG basin in eastern offshore is going to receive investment over US\$ 20 billion for development of oil and gas in next couple of years.

In line with the Prime Minister's vision of **'Minimum Government Maximum Governance'** the government has implemented comprehensive regulatory reforms across almost all socio-economic sectors to facilitate a high-growth in India. India is already the world's fastest growing large economy today clocking a GDP growth of 7.6% in 2015-16. In fact with the forecast of good monsoon this year, I am confident that India may even touch 8% growth rate in 2016-17 fiscal.

At present, **India is the 4th largest consumer of oil and petroleum products in the world.** According to the International Energy Agency, India is likely to contribute the most to the rise in global energy demand over the coming decades with a CAGR of over 3.5%. It is therefore, no surprise that our nation has become a magnet for the oil & gas sector players. Today, **the oil and gas sector ranks 6th among the core industries in India and** is a critical component of **‘Make in India’** initiative.

We realised that despite liberalizing its E&P sector almost two decades ago, India has not completely unlocked its hydrocarbon potential. This is evident from the fact that out of the total oil and gas consumption of 226 Million Metric Tonnes, only 70 Million Metric Tonnes is produced domestically.

Last year, Hon'ble Prime Minister posed a challenge before the oil industry of India to reduce import dependence of oil and gas by 10% by 2022. We realised that without addressing the fundamental challenges facing our domestic E&P industry, we won't be able to ramp up the domestic oil and gas production volumes. We are also convinced that a simplified and transparent administrative and regulatory setup has a huge role in fast-tracking developmental activities in hydrocarbon sector.

Government introduced the “Discovered Small Field” policy with the objective of monetizing of hydrocarbon resources locked for years. The important thing is that we are offering 67 fields for bidding, which are all located in existing oil and gas producing basins, where oil or gas has already been discovered. Of these 67 fields, 36 are located in offshore while the balance 31 fields are in onland basins.

Together, these 67 fields are estimated to hold in-place Oil plus Oil equivalent Gas reserves of 89 Million Metric Tonnes. The estimated recoverable reserves are of the order of 30 Million Metric Tonnes.

Speaking earlier, my colleagues from the Ministry and DGH have dwelt on the features of this policy at length. The portals on Discovered Small Fields are now functioning and details of the blocks offered are available in public domain. So, I am not going to repeat those features. I would rather like to utilize this opportunity to offer my views on this current bidding round for Discovered Small Fields.

As India's petroleum minister, I keep meeting industry stalwarts from India and abroad. One constant refrain that I used to hear was : what after NELP-IX? When will the next bidding round happen? And with what features? On our part, we were convinced that we shall launch the next bidding round only after a thorough examination and review of the performance under previous PSCs and after discussing with all stakeholders. I am happy to share with you that the current Discovered Small Fields Bid Round 2016, as also the recently announced Hydrocarbon Exploration and Licensing Policy(HELP), are both significant improvements over the previous NELP regime.

The spirit behind the journey from NELP to HELP is to create administrative and fiscal systems which are a lot simpler and transparent than previous ones. We have also tried to provide as much incentives and encouragement as possible within the mandate of the Government.

Given India's nearly 78% dependence on energy imports, I strongly believe that all quantities of hydrocarbon - big or small - are crucial

for the country. And therefore, we feel that this new bid round is a timely step in the right direction.

It is of paramount importance that we focus on this sector, and not only for investment, but also for innovation, technology and better management; and it is precisely these areas that require your participation and collaboration. The idea is to leverage national and international expertise to maximize the exploitation of new hydrocarbon finds. I wish that some of you end up expanding the hydrocarbon resource base multiple times from the current estimated level.

The new buzzword among the youth now is ‘START UP’. The youth of today is fired up by their aspirations, and belief in their entrepreneurial skills. I am hopeful that their innovative streak will find an apt opportunity in the current Bid Round to venture in the Indian Oil & Gas sector.

We are also taking care to ensure that the interested bidders for this bidding round are facilitated, to the largest extent possible, for making and submitting a comprehensive bid based on the best available data. DGH is setting up physical data centers with interpretation facility in Noida and various others international locations where prospective bidders can access the technical data of various contract areas on offer. DGH has set up a facilitation desk for this round.

To all prospective bidders, **I would like to emphasize that this is probably the last time that the discovered small fields are being offered under a liberal regime – without any signature bonus and mandatory work program for exploration and development.**

With these thoughts, I sincerely call upon all industry stakeholders to participate in the Discovered Small Fields bid rounds and be a part of the new energy revolution in India. We are optimistic that this policy will increase crude oil and natural gas production in the country as well as investment flow in oil & gas sector.

Before I conclude I want to reassure you that you will get all possible support from my Ministry, DGH and the Government of India in participating in this bidding round. The DGH facilitation cell is created with this purpose. I will be personally monitoring the progress in this and my doors will remain open all the time, especially in case you face any difficulty. I am of firm belief that you will have a different experience of investment in Indian upstream sector this time.

I look forward to an encouraging participation in the bidding from you all.

Thank you. Jai Hind!!!