

Govt to finalise gas pricing formula soon

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Petroleum Minister Dharmendra Pradhan on Friday said that though pricing of gas was a big challenge, the government would soon finalise a formula to calculate the premium on gas pricing for difficult blocks.

He said that the government wants to increase the share of natural gas in its energy consumption basket by tying up more supplies globally.

"When we declared the last gas pricing formula, we had committed to give some additional premium for 'gas pro-

duced in difficult areas (ultra-deep water and deep water). We will be publishing the premium formula shortly," Pradhan told reporters on the sidelines of 'Fourth National Convention: Oil & Gas India 2015' organised by India-Tech foundation.

The premium will be given in new gas discoveries, he said adding that the government was considering new bidding rounds for oil and gas discoveries.

Pradhan said the government has identified a few priority areas including getting more overseas investment in the sector, getting equity oil



Dharmendra Pradhan, Minister of State for Petroleum and Natural Gas

from overseas assets and focusing on energy conservation.

"At a time when oil prices are going down, we need to come out with an appropriate policy for oil and gas explora-

tion and production. By the end of the current financial year, we will prepare documents for the next round of major assets bidding process for discovered marginal fields," he said.

Commenting on falling oil prices, Pradhan said, "Gone are the days when only OPEC countries could dictate the prices of crude. Now, with developments in science, technology and innovations, non-OPEC countries are also emerging strongly. There are views that crude prices could stay below \$40. India needs to convert this challenge into an opportunity."