
RIL drops out of consortium for bidding for Venezuelan fields

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Reliance Industries has dropped out of the grand alliance with Oil and Natural Gas Corp and Indian Oil Corp for jointly bidding for a USD 16 to USD 18 billion oilfields in Venezuela.

A top ONGC official said that "Reliance has communicated to us that it is no longer interested in the project."

The official said that "Venezuela has delayed bidding for the project and this could be one of the reasons why Reliance has lost interest adding that Reliance has given no official reason."

ONGC Videsh Ltd the overseas arm of the state explorer, Reliance, IOC and Oil India Ltd had in April this year come together to consider jointly bidding for a 40% stake in a field in the vast Orinoco heavy crude oil belt.

To make up for the loss of Reliance, OVL has opened talks with global energy firms and is even willing to take a smaller role in case a major company joins the consortium.

OVL is keen on getting at least one of the three massive fields in the Carabobo region of the Orinoco belt that Venezuela may put on offer. Venezuelan state run Petroleos de Venezuela SA will retain the remaining 60%.

The official said the fields would produce tar like oil, which would need to be upgraded to higher quality synthetic crude. He said that "The investment required is massive. The crude upgrade facility alone will cost USD 6 billion to 8 billion and so we are looking at partnership with other companies."

(Sourced from Zeenews.com)

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