
OVL earmarks INR 9,000 crore CAPEX for FY 2010

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Zee News reported that ONGC Videsh Limited has earmarked capital expenditure of INR 9,000 crore for the current fiscal during which it plans to drill exploratory wells and develop blocks in Vietnam, Syria, Nigeria, Egypt and Brazil

Mr RS Butola MD of ONGC Videsh Limited said "We've got INR 45,000 crore for the 11 Five Year Plan. So, our expenditure for this year comes to about INR 9,000 crore slightly less than USD 2 billion." He said OVL has already expended INR 20,000 crore in the past couple of years.

Mr Butola said that the overseas arm of state run Oil and Natural Gas Corporation has already spudded 4 wells in the North Ramadan block in Egypt and plans to drill an additional well in the field. OVL holds a 70% participating interest in the block, while the rest is held by IPR Energy Red Sea.

He said "Exploration work is going on in our Syrian property. We have to establish the commerciability. We are planning to drill 1 more well in Nigeria in the H2 of 2009. We hope, if we succeed in appraisal of the reserves, then both blocks can be put on production in the current year maybe in the last quarter of this financial year."

He said it plans to drill wells in offshore deepwater blocks 127 and 128 in Vietnam and blocks BM-S-73 and BM-ES-42 in Brazil where it holds the operatorship with 100 percent interest. He added that there will be new production from oilfields in Brazil this year. It will be a small quantity, but it shall be incremental oil.

He said that "In Iran, we have made the discovery. Now, in order for us to go into the next phase of development, we have to enter into a Development Service Contract."

Mr Butola further added that "We have requested the Government of Iran to initiate negotiations with us for a Development Service Contract. So, once this contract is signed, this property will also be put on production."

(Sourced from zeenews.com)

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