
ONGC determined to branch out from oil and gas

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Country's largest energy exploration company Oil and Natural Gas Corporation has allotted INR 500 crore to evaluate opportunities in renewable energy.

Mr RS Sharma CMD of ONGC on the sidelines of a conference at the India Economic Summit said that "ONGC does not wish to continue merely as an oil and gas company. It is our vision to become an energy company. We have identified pilot projects in the solar and nuclear energy sphere."

ONGC has a tie up for uranium exploration under an agreement with the Uranium Corporation of India the only entity allowed undertaking uranium mining in India, with the power to allot mining leases to others, such as ONGC.

Mr Sharma said that "We have created a team at Baroda to undertake the nuclear energy pilot project. The project is expected to begin this year."

Asked whether the company is looking at setting up a nuclear power plant, Mr Sharma said that it will be the logical way forward if the pilot is successful.

Mr Sharma said that international oil prices may not stabilize due to a hyperactive derivatives market which was indulging in speculation to make profits rather than hedging against risk. He added that "I don't see oil prices stabilizing because of the way the derivatives market is heated. I don't think stability is likely, at least in the foreseeable future."

Mr Sharma said that "Stability may not come unless there are regulations, like those by the G20 to put certain restrictions on the derivatives market and there is a limit on the trade, based on the basic natural hedge."

(Sourced from Business Standards)

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