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## **Total, ONGC and Mittal to spend USD 150 million in Nigeria**

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It is reported that French oil giant Total SA and ONGC-Mittal Energy Ltd will invest USD 150 million in exploration of oil in Nigeria.

ONGC Mittal Energy Limited, the JV of ONGC Videsh Limited and Mittal Investment Sarl had in 2005 won two exploration areas Oil Prospecting Licenses 285 and OPL 279 in Nigeria.

However, the 2 blocs were awarded to the Indian consortium in exchange for the payment of signature bonus of USD 125 million and a USD 6 billion investment in a new 180,000 barrels a day refinery, 2,000 MW of power and an East West railway to be built in the country. It paid a signature bonus of USD 50 million for OPL-285 and USD 75 million for OPL-279.

The spokesperson said OMEL had chosen refinery project as preferred downstream project but details such as cost, capacity and time frame were not yet finalized.

According to the company, for each block, the first exploration period, which ends in 2012, encompasses the commitments of acquisition and processing of 500 square kilometers of 3D seismic and the drilling of one exploration well. In the second 5 year exploration period, which is optional, the work commitments will cover the acquisition of a further 500 square kilometer of 3D seismic and the drilling of 2 wells.

The spokesperson said Total had farmed in OPL-279 and OPL-285 at cost, while operatorship remains with OMEL. Total is the technical advisor to OMEL. Total has reimbursed OMEL with pro rata share of signature bonus and past costs. Total has 25.67% and 14.5% stakes in deep offshore license OPL 285 and OPL 279 respectively. The Nigerian company EMO Exploration and Production is also partner on both of the blocks.

OVL, the overseas investment arm of ONGC holds 49.98% stake in OMEL while Mittal Investments has 48.02. SBI Caps has the remaining 2%.

(Sourced from [www.thisdayonline.com](http://www.thisdayonline.com))

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