

# INDUSTRY INSIGHT: INDIAN OIL AND GAS INDUSTRY

India is the sixth largest consumer of oil. There is a huge demand-supply gap in oil and gas in India. The country imports more than 70% of its crude oil requirement. In 2005, oil and gas accounted for 38% of primary energy consumption in India, followed by coal at 55%. Oil and gas industry is broadly classified into Upstream and Downstream segments and comprises 18 refineries, with total refining capacity of 132.47mmt/yr as of April 1, 2006. Consumption of crude oil was estimated at 130.11mmt, whereas consumption for natural gas was estimated to be 31.02bcm in the same year. The production and consumption of petroleum products was estimated at 119.75mmt/yr and 111.92mmt respectively. Recently, India has emerged as net exporter of petroleum products.

## SCOPE OF THE REPORT

In this value-for-money report, it covers basic Oil and Gas manufacturing processes, industry value chain with a special reference to major industry trends and investment opportunities.

- An unbiased and frank assessment of growth expectations.
- Examining present scenario of both upstream and downstream in terms of reserves, consumption, production, refineries and capacities, distribution etc.
- An assessment of growth drivers and govt initiatives along with the trends in foreign trade.
- Investment opportunities in industry and technology perspective covering both upstream and downstream.
- Covers the upstream and downstream regulations mentioning the FDI limit into it.
- Issues & challenges ,
- Profiling major players with company, operating, financial and management strategy details.
- Emerging opportunities in the backdrop of demand-supply gap of crude oil and natural gas.
- It presents a future outlook of oil and gas industry.

## COMPANIES COVERED IN THE REPORT

The Oil and Gas industry is largely commanded by public sector units (PSUs) and a few private sector giants like Reliance Industries Limited (RIL). Profiles of these companies and their operational and financial performance over the three years' period (FY04 - FY06) have also been covered in the report.

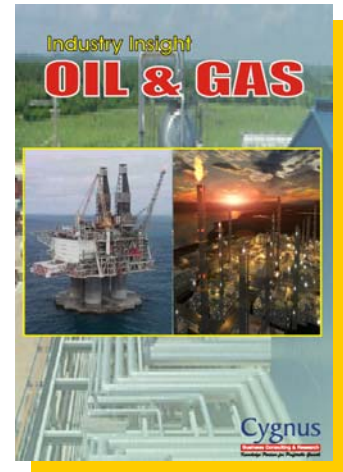
The companies covered are:

Oil India Ltd, ONGC, Indian Oil Corp Ltd, Hindustan Petroleum Corp Ltd, Bharat Petroleum Corporation Ltd, GAIL (India) Ltd, Reliance Industries Ltd, Petronet LNG

## FOR WHOM

- Industry analyst
- Oil and Gas PSU's
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**This report includes Highlights, Industry Overview, Industry Trends, Growth drivers, Trends in Foreign Trade, Investment Opportunities and current status of Projects, Issues & Challenges, Regulations, Major Players, Future outlook for Oil and Gas Industry.**

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# Industry Insight

## OIL AND GAS

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## PREFACE

India is the sixth largest consumer of oil. There is a huge demand-supply gap in oil and gas in India. The country imports more than 70% of its crude oil requirement. In 2005, oil and gas accounted for 38% of primary energy consumption in India, followed by coal at 55%. Oil and gas industry is broadly classified into Upstream and Downstream segments and comprises 18 refineries, with total refining capacity of 132.47mmtpa as of April 1, 2006. According to Ministry of Petroleum and Natural Gas, India's crude oil reserves have increased from 726mmt in FY02 to an estimated 786mmt in FY06, whereas natural gas reserves have increased from 763 billion cubic metres (bcm) to 1,101bcm between FY02 and FY06. Crude oil production was estimated at 32.19mmt and natural gas at 32.20bcm in FY06. Consumption of crude oil was estimated at 130.11mmt, whereas consumption for natural gas was estimated to be 31.02bcm in the same year. The production and consumption of petroleum products was estimated at 119.75mmtpa and 111.92mmt respectively. Recently, India has emerged as net exporter of petroleum products.

This report provides an insight into the Indian oil and gas industry. An attempt has been made to provide a glimpse of the emerging opportunities in the backdrop of demand-supply gap of crude oil and natural gas. Important projects in calibrating the gap have been mentioned and overall industry scenario has been discussed in the light of global investments. Significant usage of natural gas perpetuating through a gas infrastructure, coming up in a big way in India, has also been highlighted. The industry is largely commanded by public sector units (PSUs) and a few private sector giants like Reliance Industries Limited (RIL). Profiles of these companies and their operational and financial performance over the three years' period (FY04 - FY06) have also been given.

This report will be of interest to the industry analysts, oil and gas PSUs, private parties involved or interested in oil and gas sector, and other allied industries. Students, entrepreneurs and consultants can also get a comprehensive understanding of the happenings in industry.

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