



CII
CONFERENCE ON NATURAL GAS

Andhra Pradesh Perspective

Dr.Sreedhar Cherukuri
Executive Director
APIIC

Advantage Andhra Pradesh

- **Existence of large offshore area**
 - **Upcoming huge oil and gas production**
 - **Geo-Scientific R&D centers**
 - **Knowledge building Institutes**
 - **Long coastal line with ports**
 - **Availability of Infrastructure**
 - **IT modeling and support Services**
 - **Support offshore industry**
-

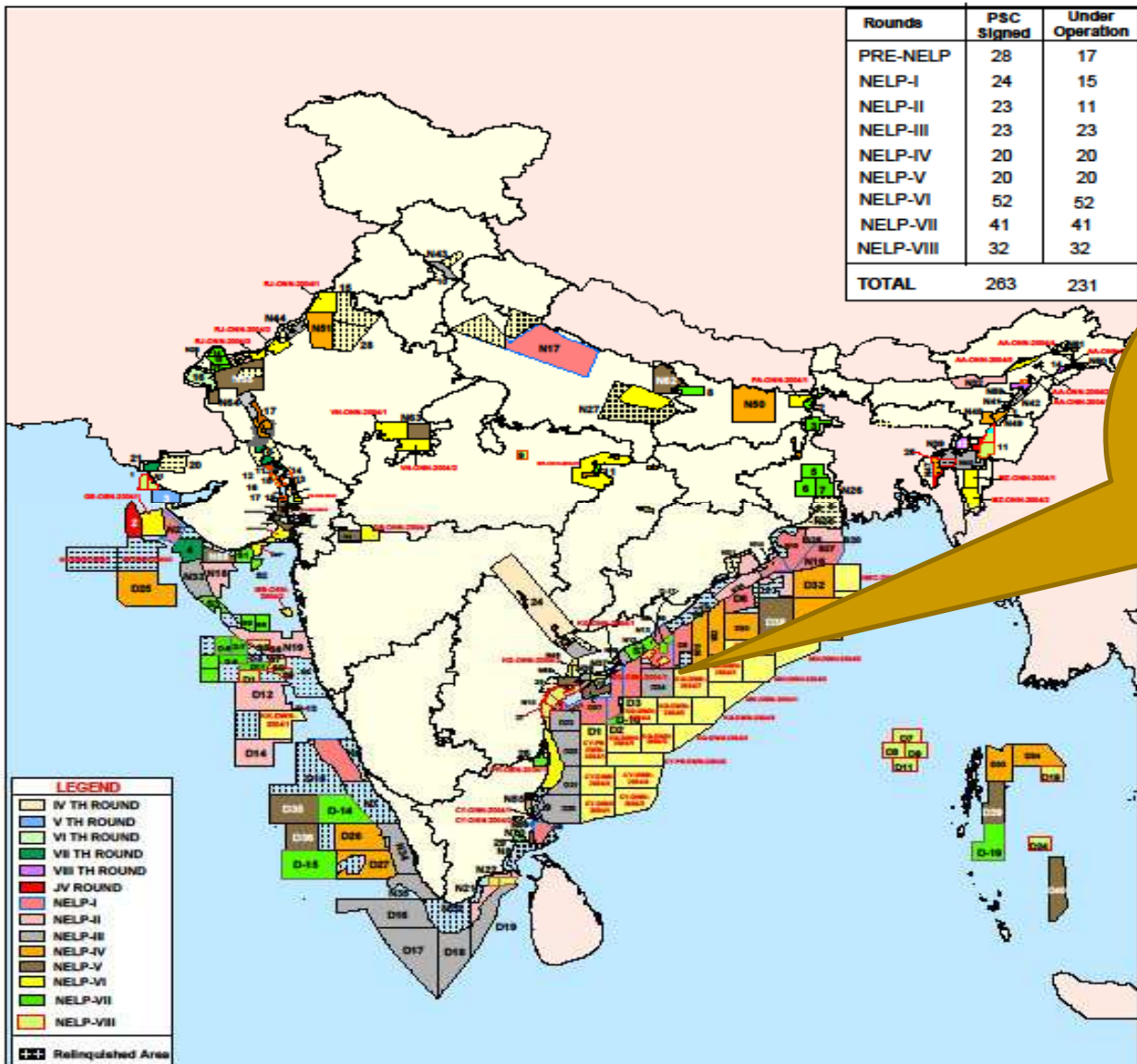
Hydrocarbon Resource Base - AP

- **Resources** : **6550 MMT (Approx.)**
- **In Place Reserves** : **747 MMT (as on 01.04.09)**
- **Wells Drilled** : **> 600**
- **Discoveries** : **86**
- **Resources** : **99 BCM**
- **Yet to find resources** : **89%**

Source: DGH, GoI

**PRE-NELP & NELP EXPLORATION BLOCKS UNDER OPERATION
BY NOC'S & Pvt/JV COMPANIES**

Rounds	PSC Signed	Under Operation
PRE-NELP	28	17
NELP-I	24	15
NELP-II	23	11
NELP-III	23	23
NELP-IV	20	20
NELP-V	20	20
NELP-VI	52	52
NELP-VII	41	41
NELP-VIII	32	32
TOTAL	263	231



Hub for Exploration and Production Activity

* Effective dates of operation of NELP-VIII Blocks fall in 2009-10

(AS ON 01-04-2010)

Blocks on Operation

Operator	ON LAND	Off Shore	
		Shallow water	Deep water
ONGC	1 + 1*	5* + 2	9
OIL	1	2	6
RIL	-	2	6
GSPC	1	1	
CAIRN	1		
TOTAL	5	12	21

* Nomination PEL Blocks of ONGC

Source: DGH, GoI

Area under License

Andhra Pradesh (including offshore)

	PEL Area (Sq.Km)	ML Area (Sq.Km)	Total
ONGC	91453	1285	92,738
OIL	550	0	550
RIL	95708	2005	97,713
Cairn	1697	331	2028
GSPC	2990	0	2990
Total	192,398	3,621	196,019

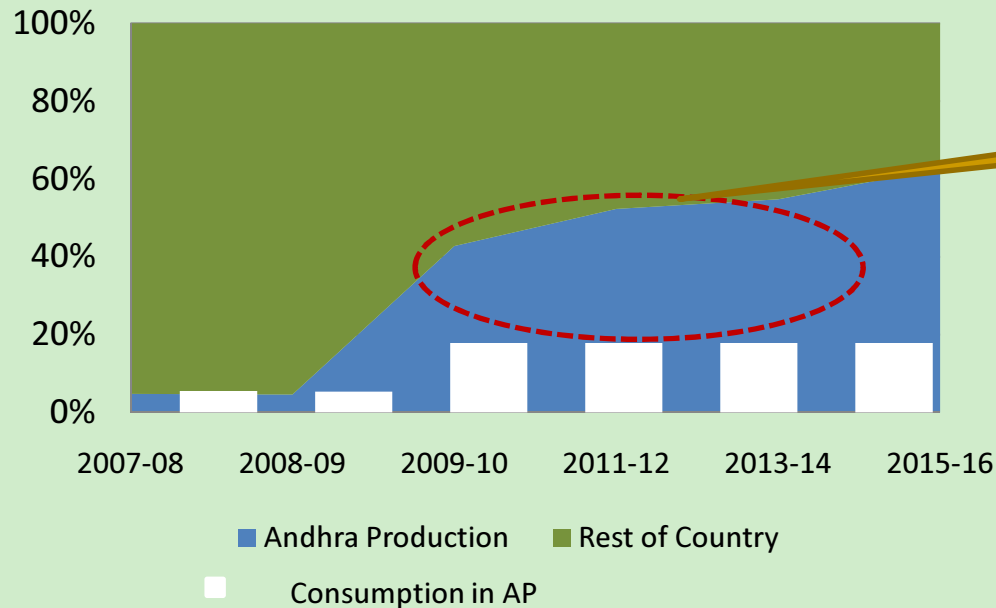
Source: DGH, GoI

Available Opportunities

Supply chain – Unlimited Opportunities :

- Exploration and Production (Upstream)
 - Pipeline gas transportation (Mid stream)
 - E&P service Industry (Service Sector)
 - R&D center and Geo-scientific center
 - Software Development for Oil & Gas
 - Infrastructure Development
-

Gas Production vs Consumption



Supply consumption gap

- Approx. 5% of total production was from AP till March 2009.
- 43% of total production post April 2009
- Projected share is 62% in 2016 with RIL, GSPC, ONGC production

	2007-08	2008-09	2009-10	2013 (Projected)	2014 (Projected)	Figs in MMSCMD 2016 (Projected)
Andhra Production	4.3	4.2	64.2	94.2	104.2	144.2
Total Production	88.8	90.0	150.0	180.0	190.0	230.0
Remarks			RIL started production	Production from GSPC Block	Production from ONGC Block	Additional Production in RIL Block

Utilization of Gas in AP

- Present consumption of Gas in AP approx. 12-14 MMSCMD.
- Opportunity for additional Gas based industries to be set up in the State
- Major demand centers are
 - Gas based power plants
 - Fertilizer Plants
 - Ceramic/Glass Industries
 - Steel Industries
 - CGD Network

Major Gas Consumption

Power Sector

Andhra Fuels, AP Gas Power Corp
GVK Industries, Lanco Kondapally
Reliance Infra, Spectrum Power

Fertiliser Sector

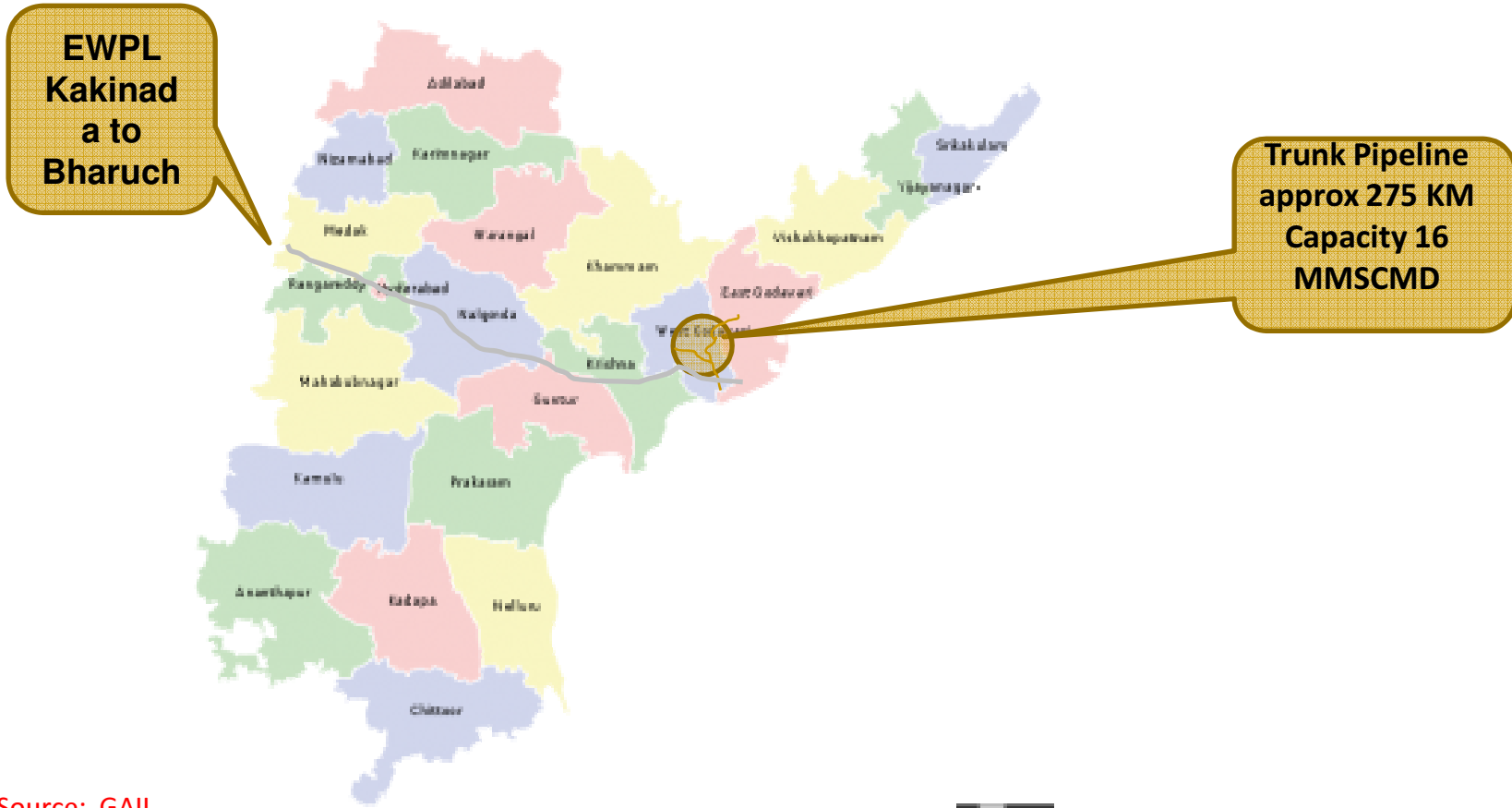
Coromandel Fertiliser, Nagarjuna
Fertiliser

CGD Distribution

Bhagyanagar Gas Ltd

Government of AP Geared up
to create Gas Infrastructure for
maximum utilization of Gas

Natural Gas Infrastructure in AP



Adequate Transportation Infrastructure is not there. Hence Gas Utilisation is limited.

ANDHRA PRADESH

Initiatives

- E&P Activities
 - CGD Network development
 - Trunk Infrastructure
 - Enabling Environment
 - Investor Friendly Policies
-



- Incorporated on 2nd September, 2009 by APIIC & APGENCO as a joint venture company for exploration of Oil and Gas.
 - APIIC& APGENCO are holding 51% and 49% equity respectively.
 - Participated in the NELP –VIII bidding process, with ONGC consortium of OIL India Ltd, NTPC, British Gas and won three shallow water and one deep water block in the KG basin.
-

Exploration and Production

Details of KG Basin Blocks

	Block No	Consortium	Area(in SqKms)	Total Investment \$ Mn	
Deep Water Block	KG-DWN - 2009/1 (A&B)	ONGC, BRITISH GAS, OIL INDIA & APGIC	800	140 Mn	
Shallow Water Block 1	KG-OSN-2009/1	ONGC,APGIC & NTPC	1,472	265 Mn	
Shallow Water Block 2	KG-OSN-2009/2	ONGC & APGIC	1,471		
Shallow Water Block 4	KG-OSN-2009/4	ONGC, OIL INDIA, APGIC & NTPC	835		
Total			4578	405 Mn	

KG Basin: Upstream Activities: Status

- Budget for 2010-11 and 2011-12 prepared by Operators
 - British Gas** : for deep water Block and
 - ONGC** : for Shallow water blocks completed .
- Mapping of Basement level was completed
- Pre Seismic EIA report is submitted

City Gas Distribution and Natural Gas Pipeline Grid

Bids for CGDs for 4 districts announced by PNGRB

- Submitted EOI for 8 districts in the State
 - Of these bids for 4 CGDs announced by PNGRB
 - The CGDs are:
 - Medak District
 - Rangareddy Districts
 - Nalgonda District
 - Khammam District
-

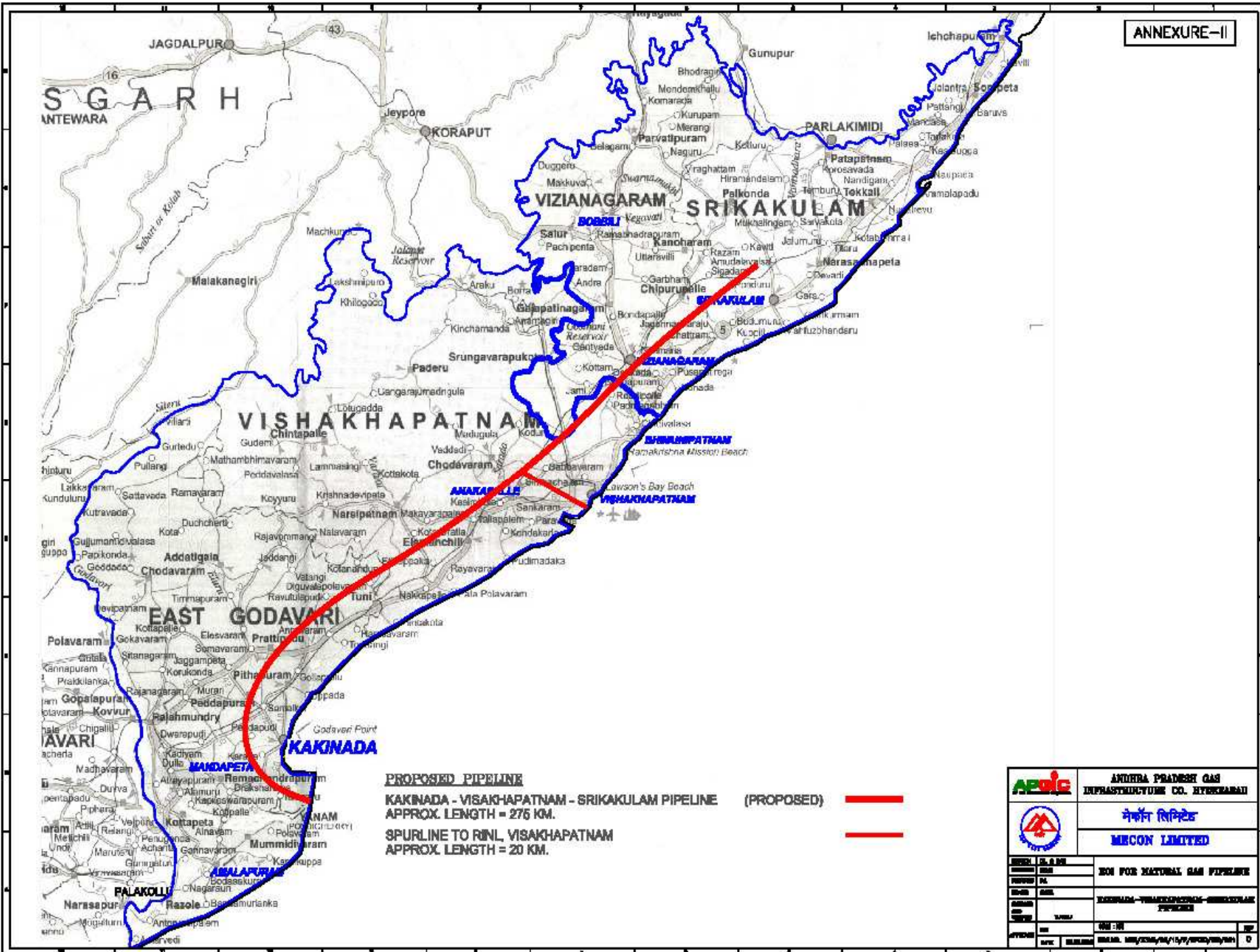
Formation of Downstream Companies

- Two separate companies for
 - Gas Distribution
 - Marketing and Trading

- Andhra Pradesh Gas Distribution Company Ltd (APGDC)
- Andhra Pradesh Gas Trading Company Ltd (APGTC)

Trunk Line Infrastructure

- EOI for Trunk lines submitted to PNGRB:
 - Kakinada – Visakhapatnam – Srikakulam Pipeline
 - Preparation of EOIs for Trunk lines:
 - Ennore- Nellore - Tirupati Pipeline
 - Tumkur- Anantapur – Kadapa – Kurnool
 - Development of regional gas grid:
 - All the industrial parks and major industries being covered under the plan of action
-



PROPOSED PIPELINE
KAKINADA - VISAKHAPATNAM - SRIKAKULAM PIPELINE (PROPOSED) ———
 APPROX. LENGTH = 276 KM.
SPURLINE TO RINL, VISAKHAPATNAM ———
 APPROX. LENGTH = 20 KM.

		ANDHRA PRADESH GAS INFRASTRUCTURE CO. HYDRABAD	
		मेकॉन लिमिटेड	
		MECON LIMITED	
PROJECT NO. & DATE		SOP FOR NATURAL GAS PIPELINE	
ISSUED BY			
ISSUED DATE			
ISSUED FOR		KAKINADA - VISAKHAPATNAM - SRIKAKULAM PIPELINE	
ISSUED TO			
ISSUED BY		DATE: 11/07/2014	BY: D
ISSUED TO		DATE: 11/07/2014	BY: D

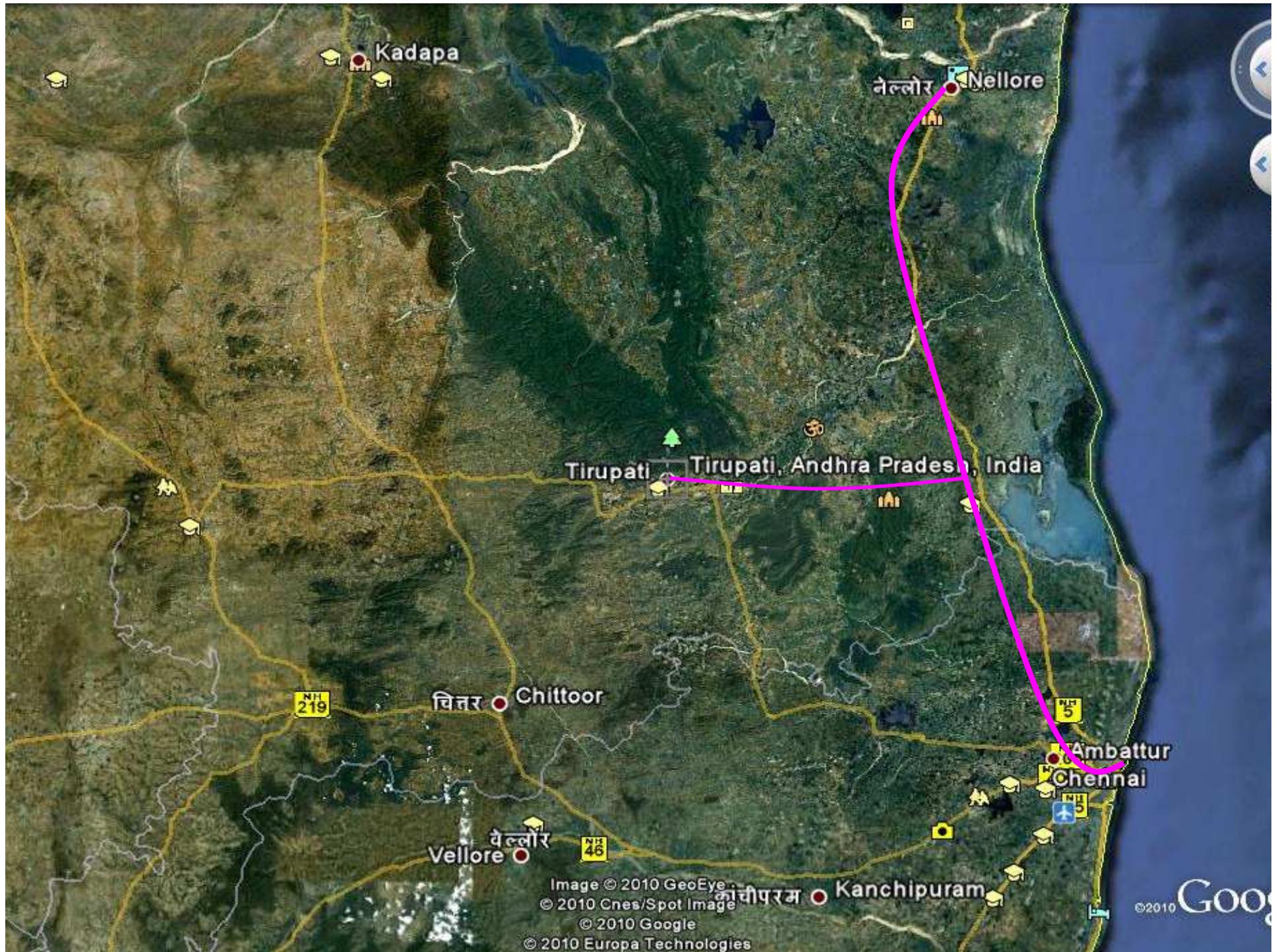
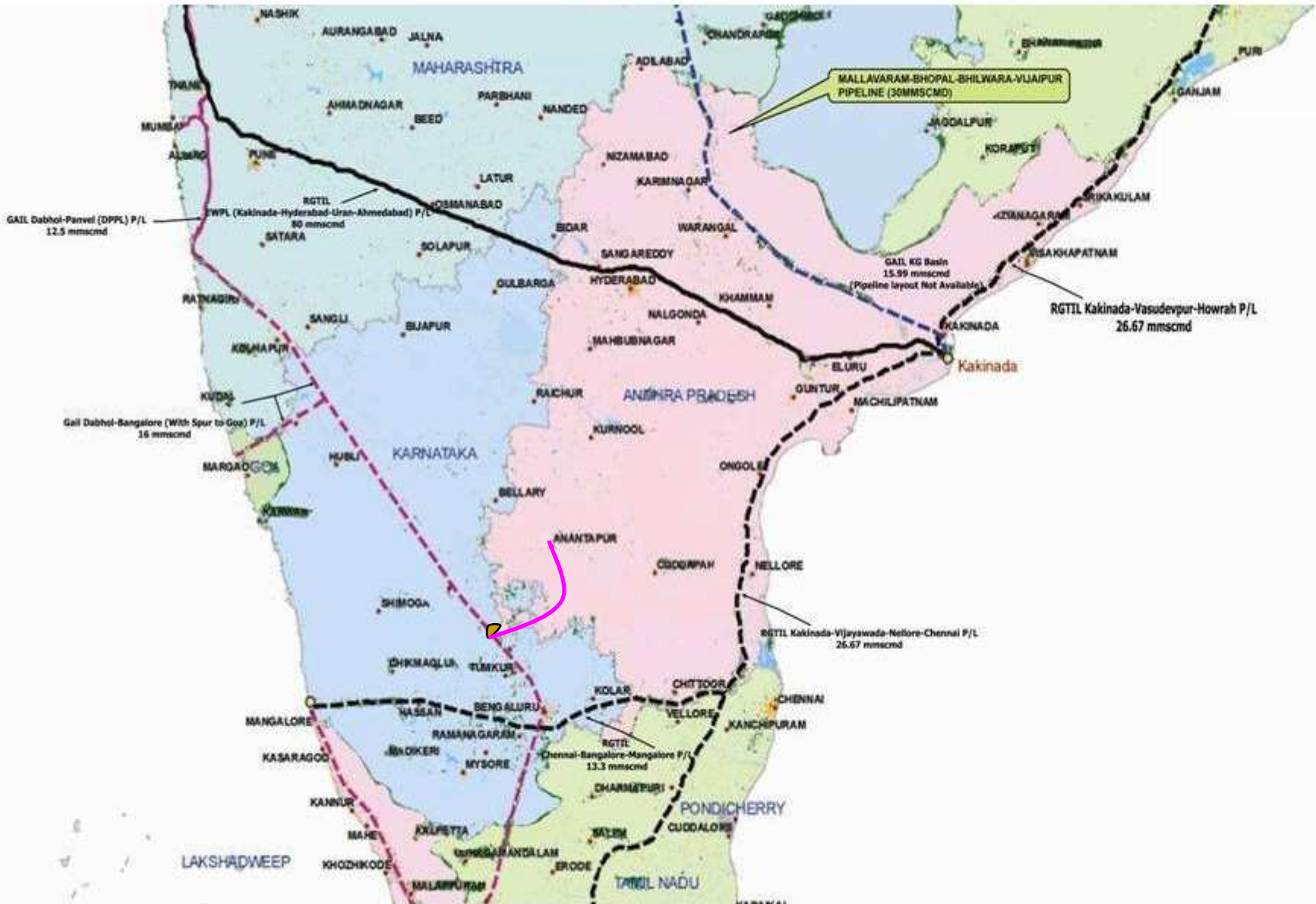
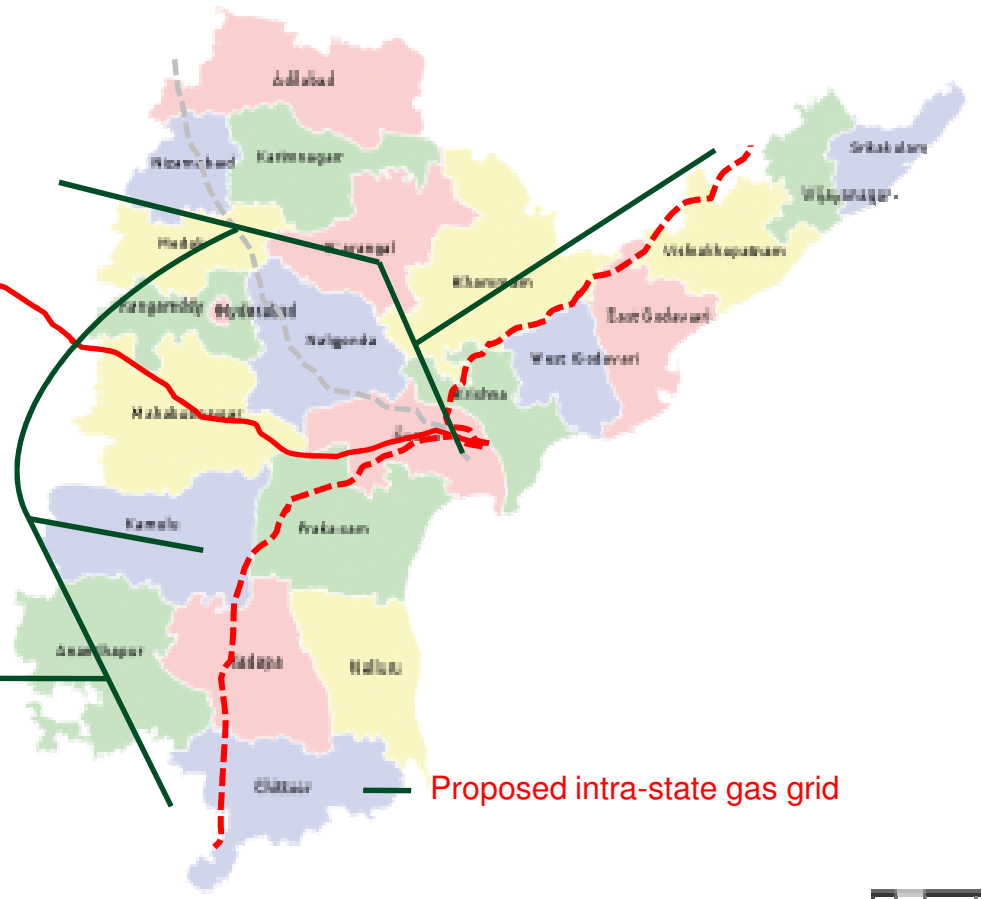
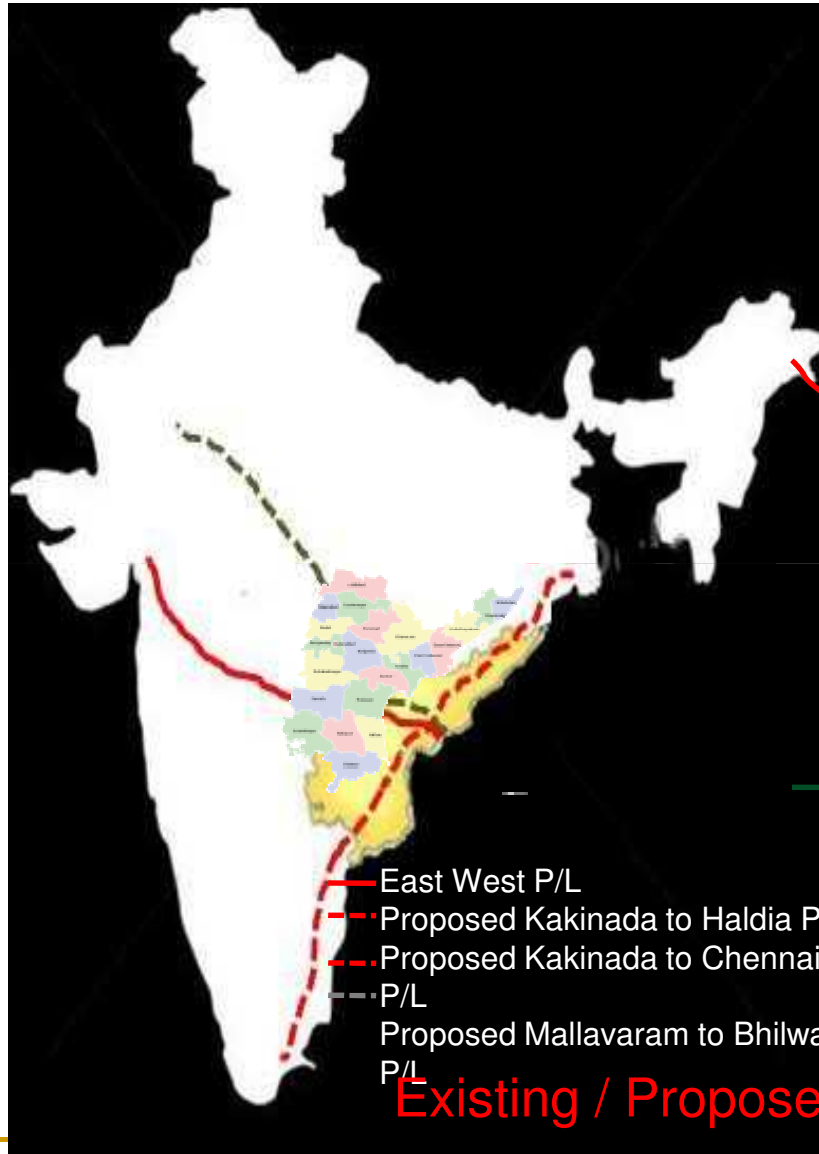


Image © 2010 GeoEye
© 2010 Cnes/Spot Image
© 2010 Google
© 2010 Europa Technologies

©2010 Google





Existing / Proposed trunk pipelines



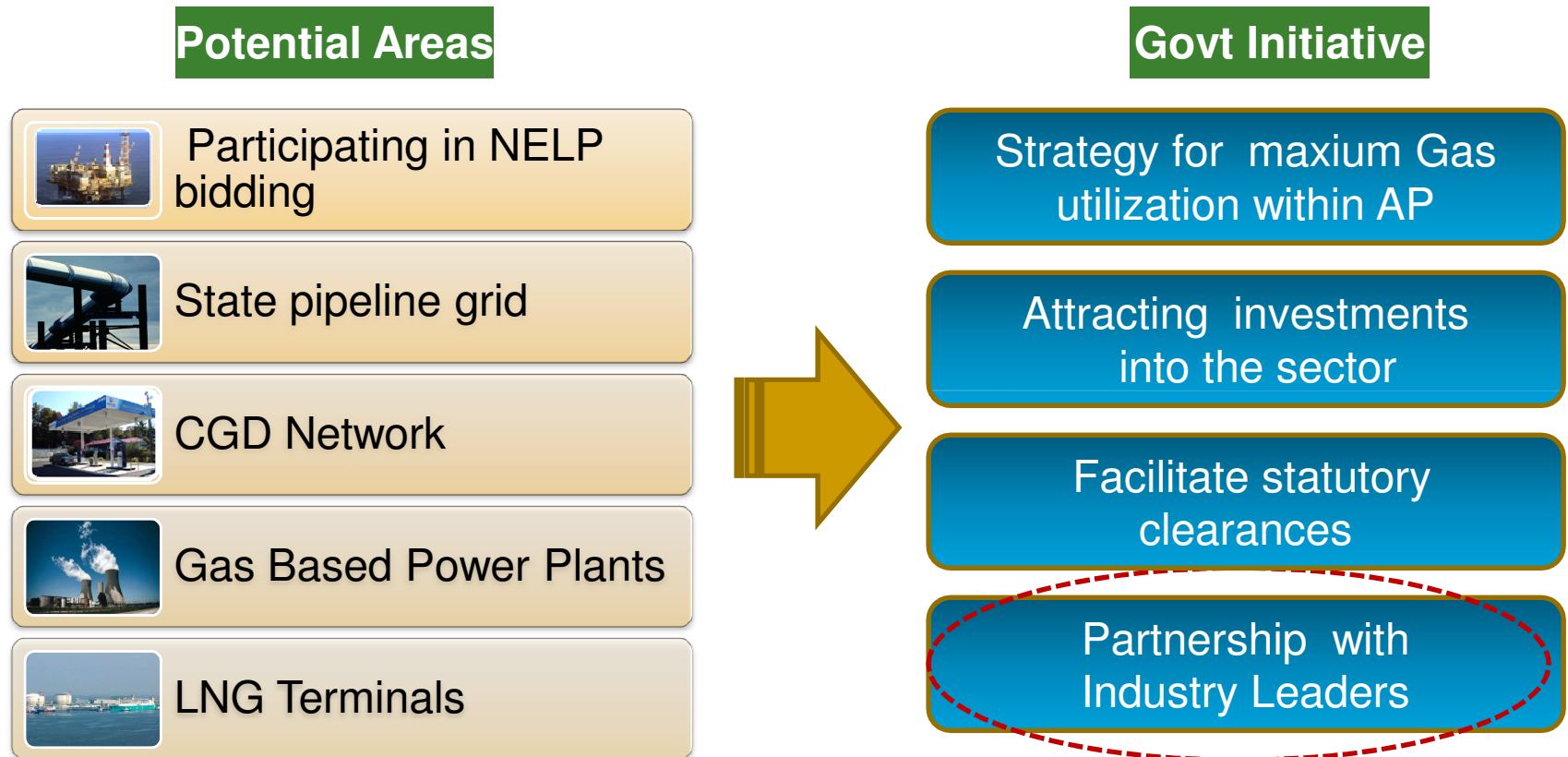
Enabling Environment

- Single Window Clearance for CGD Infrastructure
 - District Level and State Level Empowered Committees for speedy clearances
 - InCAP was appointed as nodal agency to facilitate the Process
-

Investor driven Policies and Infrastructure

- All Industrial Parks to be provided with Gas as alternative source of energy
 - Gas would be cheaper in the State because of lower transportation costs
 - PCPIR – 1st State to get
 - 630 Sq Km of petrochemical corridor between Kakinada- Vishakapatnam
 - Gas – as primary fuel
 - Focus on – Power , Fertilizer , Ceramic , Glass , Petrochemical and CGD
-

Way Forward



E Governance, Skilled Manpower, world class roads & Infrastructures will give secondary support for early project implementation

Thank YOU

You can reach me at :
cherukurisreedhar@apiic.in
