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Latest

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Plain Facts

Long Story

Mark To Market

Primer

Videos

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### Govt in talks for long-term Namibian crude contracts

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Utpal Bhaskar



India's energy-sourcing diversification comes against the backdrop of TotalEnergies and Shell Plc making 'giant' oil discoveries. AP

#### SYNOPSIS

- World's third biggest oil importer is scouring new regions to meet its rising energy needs

**NEW DELHI :** India, the world's third biggest oil importer, is looking to secure a long-term crude oil supply deal from Namibia, which is being hailed for one of the world's largest oil finds in recent years, said two people aware of the development.

finds in recent years, said two people aware of the development.

This is part of India's aggressive energy-sourcing diversification playbook.

India's plan of charting new geography to meet its energy needs comes against the backdrop of French energy majors TotalEnergies and Shell Plc making "giant" oil discoveries.

India has been trying to diversify its energy supplies with Indian Oil Corp. recently signing a long-term contract to procure crude oil from Colombia's state-run **Ecopetrol** SA and Brazil's state-run **Petroleo** Brasileiro SA (Petrobras).

"There has been a huge find in Namibia in February this year. We get some oil from Namibia but not in a large quantity. This is a long-term contract that we are looking for as it sequesters us

from the vagaries of the global energy markets,” said a senior Indian government official, one of the two people mentioned above, requesting anonymity.

TotalEnergies is the operator with a 40% working interest in Block 2913B that covers around 8,215 sq km in Namibia’s deep offshore. The other partners are QatarEnergy (30%), Impact Oil and Gas (20%), and state-run National Petroleum Corporation of Namibia or NAMCOR (10%). With 45% working interest, Shell is the operator of PEL 0039 that covers around 12,000 sq km in Namibian deep offshore and has QatarEnergy (45%) and NAMCOR (10%) as partners. The Namibian discoveries may contain recoverable reserves of around 6.5 billion barrels of oil equivalent, according to the research firm Wood Mackenzie.

“The shareholding as quoted by you is correct. However, there are contracts in place as the commercial appraisals of the wells are yet to take place. The project is still at exploratory stage,” said a National Petroleum Corporation of Namibia spokesperson in an emailed response.

This comes against the backdrop of a sharp output cut by the Organization of the Petroleum Exporting Countries (Opec) Plus of 2 million barrels per day amid record high prices of petroleum products in India and plans of a US-led global coalition to impose a price cap on Russian oil that has sparked a Russian threat to cut oil supplies to any country that becomes a party to the price cap plan.

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India is averse to be part of the plan, Mint reported earlier.

A Shell spokesperson said, “Results from our exploration wells are encouraging, establishing the presence of a working petroleum system with light oil. We’ll continue evaluating the data and conduct further exploration activity to determine the extent of the system and how much of the hydrocarbons can be recovered. We look forward to continued close collaboration with our partners NAMCOR, QatarEnergy and the government of Namibia.”

India is a key Asian refining hub, with an installed capacity of more than 249.36 million tonnes per annum (mtpa) through 23 refineries. It has 23 refineries and plans to grow its refining capacity to 400 mtpa by 2025.

As reported by Mint earlier, Indian state-run firms have increased efforts to acquire equity energy amid an uncertain global energy market. These include an Indian consortium led by ONGC Videsh Ltd, with Indian Oil Corp. Ltd, Bharat Petroresources Ltd and Oil India Ltd as members aiming to acquire a stake in a hydrocarbon producing asset of UAE's Abu Dhabi National Oil Co.

#### ABOUT THE AUTHOR



#### Utpal Bhaskar

"Utpal Bhaskar leads Mint's policy and economy coverage. He is part of Mint's launch team, which he joined as a staff writer in 2006. Widely cited by authors and think-tanks, he..."

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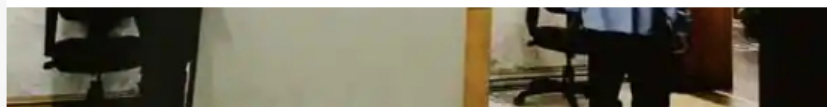
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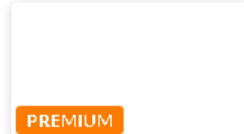
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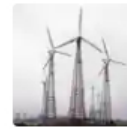


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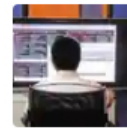


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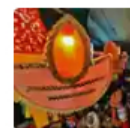
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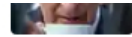
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