



ONGC to pay \$1.2b to GSPC

New Delhi, Dec. 25: State-run ONGC will pay over \$1.2 billion for buying debt-laden GSPC's entire 80 per cent stake in KG-basin natural gas block, which is struggling to start commercial production despite trial outputs starting nearly two-and-half years back.

Oil and Natural Gas Corp (ONGC) will pay \$995.26 million for the three discoveries in the KG-OSN-2001/3 block that are under trial production since August 2014. Another \$200 million will be paid as advance consideration of six other discoveries, for which GSPC has been finalising an investment plan from bringing them to production. "Once the field development plan (FDP), which details the producible gas reserves, is approved by the regulator DGH, we will arrive at a valuation and pay GSPC," a top ONGC official said.

Besides the payout to GSPC, ONGC will have to pay for the entire development cost of the six discoveries which may run into at least a couple of billion dollars.

GSPC, which had a debt of ₹19,716.27 crore as on March 31, 2015, has so far made nine gas discoveries in the Bay of Bengal block. Of these, three - KG-08, KG-17, KG-15 have been approved for development. — PTI