



PHD Chamber of Commerce and Industry

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Ask Varun and Avni

Avni: Varun, I have heard about Biodiesel. Can you explain that?

Varun: Biodiesel refers to a vegetable oil- or animal fat-based diesel fuel consisting of long-chain alkyl (methyl, propyl or ethyl) esters. Biodiesel is typically made by chemically reacting lipids (e.g., vegetable oil, animal fat (tallow)) with an alcohol.

Biodiesel is meant to be used in standard diesel engines and is thus distinct from the vegetable and waste oils used to fuel converted diesel engines. Biodiesel can be used alone, or blended with petrodiesel. Biodiesel can also be used as a heating fuel in domestic and commercial boilers, a mix of heating oil and biofuel which is standardized and used for transportation. Biodiesel is commonly produced by the transesterification of the vegetable oil or animal fat feedstock. There are several methods for carrying out this transesterification reaction including the common batch process, supercritical processes, ultrasonic methods, and even microwave methods. The surge of interest in biodiesels has highlighted a number of environmental effects associated with its use. These potentially include reductions in greenhouse gas emissions, deforestation, pollution and the rate of biodegradation.

(Ask Varun and Avni on Hydrocarbons)

New Sources of Hydrocarbons in the Country

The Minister of State for Petroleum and Natural Gas Shri Jitin Prasada informed the Rajya Sabha in

a written reply today that during the year 2009-10 and 2010-11(till date), Oil and Natural Gas Corporation Limited (ONGC), Oil India Limited (OIL) and Private JV Companies have made 51 hydrocarbons discoveries located in the states of Assam, Gujarat, Tamil Nadu, Andhra Pradesh, Tripura and Eastern and Western Offshore of the country. Out of these discoveries, oil discoveries are 21, gas discoveries are 19 and remaining 11 are oil and gas discoveries.

The Minister further said that during 2009-10, oil production was 0.257 Million Metric Tonne(MMT) and gas production was 82.645 Million Standard Cubic Meter (MMSCM) from new discoveries of ONGC. Further, during 2009-10, oil production was 0.008 MMT from new discoveries of OIL

[Press Information Bureau – August 17, 2010](#)

Govt gets ambitious on shale gas

Taking a cue from the US and China, the government is finalising a roadmap for large-scale commercial exploitation of shale gas — natural gas trapped in rocks — in the country's sedimentary basins. "This (shale gas) non-conventional and green fuel is the future and can be a game changer for the economy of India, which spends over \$90 billion every year on oil imports," said a petroleum ministry official. Mapping of shales in four basins — Cambay, Assam-Arakan, Ganga and Damodar Basins — is underway and like in the case of petroleum and coal bed methane, the government is planning to offer shale blocks for commercial exploration by August, 2011.

[Hindustan Times- August 19, 2010](#)

BPCL arm to buy shale assets in Oz

Mumbai: Bharat Petroleum Corp (BPCL) said on Friday that its subsidiary for upstream activities Bharat Petro Resources (BPRL) has entered into an agreement with Australia's Norwest Energy to buy a stake in two shale gas blocks in the Perth basin in Australia. BPRL is going to invest up to \$13.5 million for exploration in these projects

[Times of India- August 21, 2010](#)

Remove uncertainty over tax regime, say hydrocarbon COS

Companies into hydrocarbon exploration and production business have asked the Government to remove uncertainties over tax and marketing regime before the ninth round of bidding for oil and gas areas is launched later this year. According to the industry, tax benefits for oil and gas exploration blocks should be clearly mentioned in the production sharing contract.

“Concerns have been raised by operators that under the given circumstances what kind of fiscal benefits will the exploration and production sector enjoy is not known. It makes it difficult for the operators to work out their fiscal packages while bidding,” an industry official said. The Petroleum Ministry is looking at end-September to launch NELP-IX and on offer will be 35-40 blocks.

[Business Line- August 23, 2010](#)

747-km gas pipeline will be laid in Karnataka state

Gas Authority of India Ltd will soon start laying a 747-km gas pipeline between Bangalore and Dabhol.

The pipeline would pass through Belgaum, Dharwad, Gadag, Bellary, Davanagere, Chitradurga, Tumkur, Bangalore and Ramanagaram. GAIL would use steel pipes which would be laid five-foot below the surface. The

project would help solve the fuel problem and supply of LPG and manufacturing fertilizer, he said, and appealed to farmers to co-operate with GAIL in this regard

[Times of India – August 22, 2010](#)

India is top exporter of petro products in Asia

According to the data compiled by oil and metal information provider Platts, India's gross exports currently average 1 million barrels a day, inching past South Korea which exports 0.9 million barrels a day. With the commissioning of a new refinery by Reliance Industries at Jamnagar and Essar Oil increasing refinery output at Vadinar, India overtook South Korea by mid-2009 and has since then consistently maintained the lead position.

Export show		
	(million b/d)	
	Gross export	Refining Capacity
India	1	3.69
S Korea	0.9	2.86
China	0.6	9.6
Japan	0.5	4.64

Source: Platts

[Business Line- August 27, 201](#)

ONGC to start gas production from KG Basin block in 2016-17

State-owned Oil and Natural Gas Corp (ONGC) will start producing natural gas from a block that sits next to Reliance Industries' prolific KG-D6 fields in the Bay of Bengal in 2016-17. Gas reserves of 3.42 trillion cubic feet have been established in block KG-DWN-98/2, in the Krishna-Godavari basin. Of this, 1.904 trillion



cubic feet (Tcf) is recoverable. The state-owned company had a few months back put an investment requirement of \$4.05 billion for producing natural gas from the ultra deep sea UD-1 discovery in the southern part of the KG-DWN-98/2 block.

[Business Standard- August 27, 2010](#)

OIL in talks with US-based shale gas cos for JV

State-run Oil India Limited is likely to form a joint venture with a US-based shale gas company to acquire shale gas assets globally.

"We are negotiating with a couple of US-based shale gas companies to form a JV. This will enable us in terms of technology in shale gas exploration and also help us in acquiring shale gas assets globally," OIL's Chairman and Managing Director, N M Borah, told PTI

In India, OIL is looking at shale exploration opportunities in regions such as the Assam-Arakan region and Cambay basin, Borah said, adding OIL also intends to explore opportunities in shale gas exploration in the US and Australia. Presently, OIL, a Navaratna company, has over 1-lakh sq kilometer of area for its exploration and production activities, most of it in the north-east, which accounts for its entire crude oil production and majority of gas production

[Economic Times- August 29, 2010](#)

International prices

PETROLEUM (\$/bbl)	PRICE
Nymex Crude Future	75.21
Dated Brent Spot	76.08
NATURAL GAS (\$/MMBtu)	
Nymex Henry Hub Future	3.75
Henry Hub Spot	3.74

Source- Bloomberg (August 30, ,2010)

For more information on newsletter/contents please call:

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