

News Flash

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Cabinet Approves the Policy Framework to Promote and Incentivise Enhanced Recovery Methods for Oil and Gas

The Union Cabinet has approved a Policy Framework to promote and incentivise enhanced recovery methods for oil and gas. The policy has been well received by the industry with many agreeing that the challenging nature of exploration of unconventional sources of energy require fiscal incentive and enabling environment.

The policy envisages fiscal incentives, including lower royalty and cess, for enhanced oil and gas recovery from mature and ageing fields as well as new energy sources such as shale, hydrates and heavy oil.

This policy intervention is likely to raise the production of oil by 120 million tonnes and gas by 52 billion cubic metres over the next 20 years, and attract substantial investments and cutting-edge technology into the sector.

The new policy will benefit all fields whether they were allotted to state firms without competition or operated by private parties after an auction. Under the policy, every field will be assessed for its potential for enhanced recovery, the technology required and the fiscal incentives needed to make it viable.

Please follow the below link for more details

http://dghindia.gov.in/index.php/story_details?story=122&heading=Cabinet%20approves%20Policy%20Framework%20to%20Promote%20and%20Incentivize%20Enhanced%20Recovery%20Methods%20for%20Oil%20and%20Gas