

**Date:** 15-Jul-2013

**HeadLine :** Essar fast-tracks CBM gas project

**Newspaper :** The Asian Age

**Language :** English

**Journalist :** Age Correspondent

**Edition :** Mumbai

**Page No :** 14 **Position :** Middle

**Height :** 10 **Column :** 4

# Essar fast-tracks CBM gas project

**AGE CORRESPONDENT**  
MUMBAI, JULY 14

Even as the oil secretary Vivek Rae said the government will allow Coal India Ltd (CIL) to produce natural gas under the government's new coal-bed methane policy, Essar's coal-bed methane block in Raniganj is expected to commence commercial production by the end of 2014.

It is already producing 100,000 scmd of gas per day, which is being distributed to nearby industrial units in Durgapur. This is expected to rise to



3 million metric standard cubic metres per day by the end of 2014.

The other four blocks are in early stages of exploration and would commence exploratory activities after it receives production exploration

licences starting with Rajmahal in Jharkand, said an Essar Oil spokesperson. Essar has the largest acreage of CBM among those companies that have been awarded a total of 33CBM blocks. Among the others are ONGC, Great Eastern Energy Corp Ltd and Reliance ADAG group.

The country presently produces just about 0.15 mmscmd of CBM even though it has the fourth largest coal deposits in the world. Much of the delay in producing CBM, though blocks were allotted over five to six years

ago is due to delays in decision making according to industry sources.

Mr Rae has now said that the government would unveil a new policy on CBM and shale gas in the coming weeks to boost natural gas output. The government's recent decision to hike the gas price from \$4.2 per mmBtu to \$8.4 mmBtu is expected to boost CBM production as E&P becomes a more attractive proposition. However sources said that they expect a smoother process for receiving approvals including environmental clearances.