



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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ONGC/CS/SE/2014

8th December, 2014

Mr. Amit Phatak, Asst. Manager
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Sub: News Clarification on the news item captioned “ONGC to start KG-D5 production by mid 2018” published in Financial Chronicle on December 2, 2014.

This has reference to your email dated 2nd December, 2014 with respect to news item appearing in Financial Chronicle dated 2.12.2014. Our clarification is reproduced below:

ONGC has initiated the process of development of fields in the KG- D5 Block (KG-DWN-98/2). This block is divided into the Northern Discovery Area (NDA) and Southern Discovery Area (SDA). Estimated Reserves {as per Declaration of Commerciality (DOC) document} of NDA are 121 MMT of Oil in Place & 78 BCM of initial gas in place and that of SDA are 80.8 BCM of initial gas in place. Considering the vast area for development, it is planned to develop the block in clusters. Details are as under:

- (a) **Cluster 1 (Gas cluster):** D&E (part of NDA of KG-DWN-98/2 NELP Block) and G-4 (Nomination Block) fields; As per DOC, it is envisaged to drill 8 wells in G4 field, 2 wells in D field and 1 (one) well in E field. Peak production rate of 14.5 MMSCMD is expected from these wells with field life of 15 years.
 - (b) **Cluster 2A (Oil cluster) :** A2, G2-P1, M3, M1, G-2-2 fields (part of NDA of KG-DWN-98/2 NELP Block); It is envisaged to drill 14 oil wells and 10 water injectors in this cluster and is expected to produce approx. 31.5 MMT of oil in 15 years with peak production rate of 91,000 BOPD.
 - (c) **Cluster 2B (Gas Cluster) :** R, U3, U1, A1 fields (part of NDA of KG-DWN-98/2 NELP Block); It is envisaged to drill 8 free gas wells in this cluster with expected peak production rate of 12.5 MMSCMD, with envisaged cumulative production of 32.5 BCM of gas in 14 years.
- Efforts to achieve 1st gas by mid-2018 and 1st oil by mid-2019 from above clusters are ongoing. Parallel execution of number of project activities are in progress to ensure fast track development of these fields. Exercise to identify associated risks and appropriate mitigation measures are also being planned.
- (d) **Cluster 3 (Gas cluster):** UD-1 discovery area (part of SDA of KG-DWN-98/2 NELP Block). Considering the water depth (2400-3200 M) and the constrained techno-economic solutions, execution of this Cluster 3 is presently not being pursued for development. Scouting for suitable technology / solutions for field development is in progress

Thanking you,

Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.


(N K Sinha)
Company Secretary