

## India to invest \$400 mn in Venezuela oil project

India will invest about \$400 million in Venezuela over the next five years following an accord signed here Tuesday for the joint exploitation of an oil and natural gas deposit in the petroleum-rich Andean nation's Orinoco belt region.

The pact calls for the creation of a joint venture company - Petrolera IndoVenezolana S.A. - with 60 percent of its shares held by Venezuela's state-run Petroleos de Venezuela S.A. (PDVSA) and the remainder by India's ONGC Videsh Ltd, EFE news agency reported.

The company will operate in the San Cristobal area and undertake the exploration, extraction, transportation and storage of crude and natural gas.

India's Petroleum and Natural Gas Minister Murli Deora said that the signing of the accord was 'the beginning of activities and relations between the two nations that we want to strengthen'.

Deora, who is the first Indian cabinet minister to visit Venezuela, described the forming of the joint Indo-Venezuelan company as a 'historic landmark for growth and cooperation' between the two countries.

Venezuelan Energy Minister Rafael Ramirez said during the signing of the agreement that the San Cristobal field 'could increase its daily output from the current 30,000 barrels to 60,000 in the next few years'.

According to the minister, who is also president of PDVSA, the reserves to be developed in the area over the next 25 years amount to some 232 million barrels.

Ramirez underscored the importance of the accord, which he described as the 'beginning of relations between the two countries that will keep getting stronger'.

'These are two economies of two countries that complement each other almost perfectly from an energy point of view...India is one of the world's fastest growing and developing economies with an impressive capacity for refining crude,' he said.

The minister bet on a 'long-term alliance', praised the 'extraordinary technical capability' of ONGC, and said that the San Cristobal field was only 'the first step'.

Both ministers described the visit of Venezuelan President Hugo Chavez to India in March 2005 as the starting point of their current bilateral relations.

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