

Cabinet nod for OVL's investment in Venezuela

by [Mickel Godwin](#) on August 12th 2010 and filled under [Power and energy \(General\)](#)

NEW DELHI: The Cabinet Committee on Economic Affairs (CCEA) on Friday approved ONGC Videsh Limited (OVL) and its partners' investment of \$2.181 billion in a giant oilfield in Venezuela bringing the country nearly 3.6 million tonnes a year of crude oil. Under the arrangement, OVL will invest \$1.333 billion between 2010 and 2015 as its share of spending in the four lakh barrels per day (bpd) Carabobo-1 project. Indian Oil Corporation (IOC) and Oil India Limited will invest \$454 million each in the project. The CCEA approved the investment by Indian firms which together hold 18 per cent stake in the Carabobo-1 project, Union Home Minister P. Chidambaram told reporters here after the Cabinet meeting. The Carabobo-1 project of the Orinoco extra-heavy oil belt of Venezuela would involve a total investment of close to \$21 billion over 25 years. The project is expected to go on stream in three years. Mr. Chidambaram said OVL's investment was made up of \$302 million in equity, \$289 million in loan of PdV, \$454 million as contribution to Mixed Company as debt and \$289 million as signature bonus.