

Activist Elliott said to build stake in struggling oil major BP

Fund seeking to boost shareholder value by pushing firm to consider transformative measures

Bloomberg
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Elliott Investment Management has built a significant stake in BP Plc, according to people familiar with the matter, as the British oil major struggles to win back investor confidence and reverse years of underperformance.

The activist fund is seeking to boost shareholder value by pushing the firm to consider transformative measures, the people said, asking not to be identified because the discussions are private. Elliott believes BP is significantly undervalued and its performance is disappointing, they said. The exact size of the stake couldn't be immediately learned. Representatives for Elliott and BP declined to comment.

BP has fallen about 8% over the past five years, while its Big Oil rivals from Shell Plc to Exxon Mobil Corp have risen by at least 30%. The company under former Chief Executive Officer Bernard



BP stock is held by a wide range of institutional investors. BLOOMBERG

Looney embraced net-zero in a failed bet that oil consumption had peaked, and has since struggled to present a clear strategy for a turnaround.

With a market value of about £69 billion (\$86 billion), BP is worth less than

half of Shell today.

CEO Murray Auchincloss, an insider who stepped into the role after Looney was dismissed over his personal conduct, is expected to outline a clearer shift back toward oil and gas when he presents a much-anticipated strategy update on 26 February. However, investors have been growing impatient, including after BP warned in October that its share buy-backs could slow this year.

BP is scheduled to report fourth-quarter financial results on Tuesday, and has already flagged broad weakness across its business for the period. While its biggest rivals also reported lower earnings in the last three months of the year, analysts view those companies as having a clearer direction and stronger balance sheets.

Elliott's move is the latest in a series of high-profile activists taking on Big Oil. Exxon lost an battle to ESG-leaning Engine No. 1 in 2021, while Dan Loeb's Third Point Llc took a stake in Shell in the same year, calling for the company

to break off its liquefied natural gas, renewables and marketing divisions into a standalone business.

Elliott has in recent months successfully pushed for a breakup at Honeywell International, which announced this week it would split into separate publicly traded companies. The fund also disclosed a stake in Anglo American last year during BHP Group's attempt to acquire the London-based miner.

It also has a long history of taking stakes and pushing for changes at energy companies, including campaigns at NRG Energy and Canadian oil producer Suncor Energy in recent years.

BP stock is held by a wide range of institutional investors. The company's prolonged underperformance has prompted some commentators to suggest that its best option could be to find a buyer, pointing in particular to Shell, which could reap significant cost savings and growth in the US and create a British-Dutch champion, or other rivals such as ConocoPhillips or TotalEnergies.

BUDGET BENEFITS

Biogas Industry Hails Increase in MSME Financing

Press Trust of India

New Delhi: Indian Biogas Association (IBA) on Sunday said the proposed increase in MSME financing in the budget is a right step to boost the industry.

With a strong push for manufacturing, green energy, and digital transformation, this budget sets the stage for Aatmanirbhar and Viksit Bharat, an IBA statement said.

From the standpoint of the fledgling biogas/CBG (compressed biogas) industry, the announced increase to MSME Credit Guarantee Scheme will significantly benefit the biogas industry, which often faces a challenge in securing credit with reasonable terms, it noted.

By expanding the credit guarantee cover from ₹5-10 crore, the scheme ensures easier access to collateral-free loans, thus reducing financial barriers for the CBG developers, it pointed out. Additionally, the revised MSME classification criteria allow for almost 2-2.5 times higher investment and turnover limits as compared to earlier regime.

The amendment ensures that now even the larger-capacity CBG projects are eligible for these incentives, it noted.

While the budget takes adequate steps in supporting the MSME sector, inclusion of specific policy measures for CBG industry would have made it even more conducive for the sector, it suggested. So, to foster the growth of biogas and CBG producers, the IBA has requested the government for development of a framework that allows the biogas plant promoters to sell carbon credits on international and domestic platforms, enhancing financial viability and aiding climate targets, it stated.





CPSE dividend receipts reach 91% of FY25 target

FE BUREAU
New Delhi, February 9

THE CENTRE'S DIVIDEND receipts from Central Public Sector Enterprises (CPSEs) and other investments have reached ₹50,000 crore, accounting for 91% of the annual target so far in the current financial year.

In the Union Budget presented on February 1, the government marginally revised its dividend receipt target for CPSEs to ₹55,000 crore,

down from the initial ₹56,260 crore estimated in the Budget.

Strong dividend payouts from CPSEs—excluding those from the Reserve Bank of India (RBI) and state-run financial institutions—have been driven by robust performances across key sectors, including petroleum, energy, mining and commodities.

Top dividend payers to the government include Coal India (₹8,073 crore), Oil and Natural Gas Corporation (₹6,298 crore), Indian Oil Corpo-

ration (₹5,091 crore) and Telecommunications Consultants India (₹3,762 crore).

Higher dividend receipts from CPSEs and the RBI have helped cushion the fiscal deficit in recent years. Notably, the RBI's record dividend payout of ₹2.11 trillion, far exceeding the Budget estimate of ₹80,000–90,000 crore, has enabled the government to revise the FY25 fiscal deficit target to 4.8% of GDP, down from the earlier estimate of 4.9%.

CLOSING THE GAP

Centre's Dividends from CPSEs (₹ cr)



*So far



— | WHITE HOUSE DIARIES | —

Energy Booster from US on Menu in Runup to PM's Visit

Industry, govt in talks to import more oil & gas, consider pricing and other issues

Sanjeev Choudhary

New Delhi: Ahead of Prime Minister Narendra Modi's meeting this week with US President Donald Trump, India is weighing how much more energy it can import from that country.

Oil ministry officials and executives at state-run oil and gas companies have held multiple discussions on current energy imports from the US, the possibility of increasing them significantly and the challenges in doing so, people familiar with the matter said.

The US is the largest producer of oil and gas and exporter of liquefied natural gas (LNG). It is the fifth-largest crude exporter to India, behind Russia, Iraq, Saudi Arabia and the UAE, supplying about 5% of imports. It accounts for some 30% of domestic long-term contracted LNG volumes from overseas.

Indian refiners are open to picking up crude from anywhere, if commercially attractive, industry executives said.

Price, Availability Challenges ▶▶ 20



WHY US IS CRUCIAL

Largest oil & gas producer, LNG exporter

Fifth-largest crude exporter to India



Supplies 5% of India's imports

and 30% of long-term gas contracts



BOOSTING TRADE

India has appetite for more US crude

as sanctions are shrinking Russian supply



Chinese tariffs on US will make more available for other buyers; Trump wants to export more

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Price, Availability Challenges

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Executives cited their sharp and significant shift to Russia following Western sanctions on Moscow after the start of the Ukraine war in 2022, that made Russian oil cheaper.

“The state can influence the pricing decisions in Russia and the Middle East, where national oil companies dominate. In the US, it’s the private producers, and Trump can’t instruct them on how to price their crude,” said a refinery executive, illustrating the complexities involved in government-to-government discussion over crude purchase and emphasising that US crude will have to be competitive.

The US, like Russia, has the disadvantage of distance. Its supplies must co-

me at a price that offsets higher shipping costs.

Indian LNG buyers point out other difficulties in procuring more US gas quickly. There is hardly any US volume available for long-term deals at present, and new contracts can be signed only for supplies that start in 2028 or later, multiple gas industry executives said.

Second, large domestic gas consumers such as power plants and city gas distributors are unwilling to sign any long-term gas purchase deals today as they believe they can get it cheaper later as an anticipated supply glut from 2028 will crush global LNG prices, they said.

All US LNG contracts are linked to Henry Hub, the US natural gas bench-

mark, and Indian industrial consumers feel more comfortable with oil-indexed contracts, they said. Henry Hub reflects only US market dynamics and can swing to extremes based on local weather or other events, an executive said, adding that the oil market is global and more resilient, despite the presence of the Opec producers’ cartel.

Since becoming president a second time, Trump has emphasised increasing oil and gas production in the US and exporting more. Even during his first tenure, Trump had mounted pressure on India, China and Europe to buy more American oil and gas.

The US remains a net importer of crude oil, while its oil and gas exporters have customers across the globe.

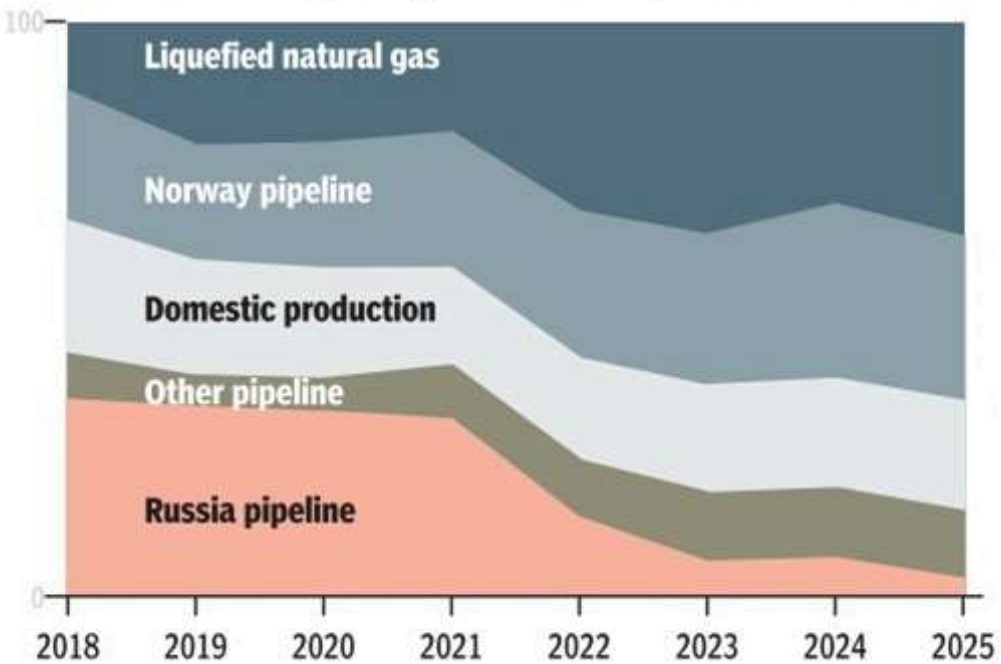


STATISTICS A slice of life in numbers

How Europe Turned Off Russian Gas

After the 2022 invasion of Ukraine, European nations diversified their energy sources, reducing reliance on Russian gas. However, Russia remains a large supplier of liquefied natural gas (LNG), second only to the US in 2024

Sources of natural gas supplies in the European Union and Britain



Source: NYT

IBA: Increase in MSME financing right step to boost biogas industry

MPOST BUREAU

NEW DELHI: Indian Biogas Association (IBA) on Sunday said the proposed increase in MSME financing in the General Budget 2025 is a right step to boost biogas industry.

With a strong push for manufacturing, green energy, and digital transformation, this Budget sets the stage for Aatmanirbhar and Viksit Bharat, an IBA statement said.

From the standpoint of the fledgling biogas/CBG (compressed biogas) industry, the announced increase to the MSME Credit Guarantee Scheme will significantly benefit the biogas industry, which often faces challenge in securing credit with reasonable terms, it noted.

By expanding the credit guarantee cover from Rs 5-10 crore, the scheme ensures easier access to collateral-free loans, thus reducing financial barriers for the CBG developers, it pointed out.

Additionally, the revised MSME classification criteria allow for almost 2-2.5 times higher investment and turnover limits as compared to earlier regime.

The amendment ensures that now even the larger-capacity CBG projects are eligible for these incentives, it noted.

While the recent Budget takes adequate steps in sup-

porting the MSME sector, inclusion of specific policy measures for the CBG industry would have made it even more conducive for the sector, it suggested.

So, to foster the growth of the biogas and CBG producers, the IBA has already requested the Indian government for development of a framework that allows the biogas plant promoters to sell carbon credits in both international and domestic platforms, enhancing financial viability and aiding climate targets, it stated.

The policies further must include funding for collection of agricultural residues, subsidised transportation costs, and expansion of the anti-crop burning scheme as that existing in Haryana to the rest of the country, it suggested.

Investment in CBG production would be stimulated through a corporate tax holiday and, in turn, investment would boost employment and cleaner energy, it also suggested.

Tax incentives would yield losses in the short-term, but with CBG producers, about 100 commercial plants generating Rs 1,200 crore in FY25, there will be long-term benefits.

These steps will greatly enhance sustainability, economic development, and elevate India's clean energy standing, it said.

Increase in MSME financing right step to boost biogas industry: IBA



PTI ■ NEW DELHI

Indian Biogas Association (IBA) on Sunday said the proposed increase in MSME financing in the General Budget 2025 is a right step to boost biogas industry. With a strong push for manufacturing, green energy, and digital transformation, this Budget sets the stage for Aatmanirbhar and Viksit Bharat, an IBA statement said. From the standpoint of the fledgling biogas/CBG (compressed biogas) industry, the announced increase to the MSME Credit Guarantee Scheme will significantly benefit the biogas industry, which often faces challenge in securing credit with reasonable terms, it noted. By expanding the credit guarantee cover from ₹5-10 Crore, the scheme ensures

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Investment in CBG production would be stimulated through a corporate tax holiday and, in turn, investment would boost employment and cleaner energy, it also suggested.

Tax incentives would yield losses in the short-term, but with CBG producers, about 100 commercial plants generating ₹1,200 Crore in FY25, there will be long-term benefits.

These steps will greatly enhance sustainability, economic development, and elevate India's clean energy standing, it said.

Overall, the recently presented Indian Budget is a consumption-driven blueprint that gives the economy a much-needed push by increasing domestic demand, improving credit access, and encouraging entrepreneurship, it added.

DISHONOURED PACT, FAILED PRIVATISATION BIDS

ONGC's Mumbai High sees redemption in BP deal

ONGC, BP last month signed a contract to reverse declining output from the ageing field

MPOST BUREAU

NEW DELHI: US giant Marathon Oil pledging investments and technology to raise output from Mumbai High oil and gas fields, companies such as Occidental Petroleum seeking a stake and at least two privatisation bids have seen final culmination in global energy giant BP signing up to lift output from India's prime field lying off the Mumbai coast.

State-owned Oil and Natural Gas Corporation (ONGC) last month signed a technical service contract with BP to reverse declining output from the ageing field, according to statements by the two firms. BP has pledged to lift oil production by 44 per cent and gas output by 89 per cent from India's largest field in exchange for a fixed fee.

The BP deal is exactly on lines of the one ONGC had in 1998-99 signed with Marathon Oil Corporation, according to company insiders and industry sources.

Just like BP, Marathon wasn't

getting any stake in the field but only a pre-agreed share in the incremental oil and gas production over a defined baseline. But unlike BP, Marathon was to make its own investments in technological changes needed to boost output.

In the BP deal, ONGC will make all investments and the London-headquartered firm is only to give technical advice. For the first two years, BP will get a fixed fee for its advice and thereafter a share of the incremental oil and gas.

"BP has no skin in the game. Marathon was not to be reimbursed the amount it invested if the production did not increase," a source with knowledge of the matter said.

ONGC had signed a memorandum of understanding with Marathon but the US energy giant walked out of it when baseline was changed in the documents submitted to the Ministry of Petroleum and Natural Gas for approval.

"ONGC never achieved the baseline production indicated



REPRESENTATIONAL IMAGE

in the revised documents," the source said.

Other than Marathon, few other global energy giants too were interested in Mumbai High but they wanted a stake which the law did not provide for.

Those that eyed a stake in the production sharing contract (PSC) included Shell and

Occidental Petroleum, industry sources said.

With the field seeing a steady decline in output, a stake sale had been considered on at least two occasions in recent years but it could not go through because of stiff opposition from ONGC management.

A high-level committee headed by the then Niti Aayog

Key Points

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- » In the BP deal, ONGC will make all investments and the London-headquartered firm is only to give technical advice
- » For the first two years, BP will get a fixed fee for its advice and thereafter a share of the incremental oil and gas

High and Bassein fields to foreign companies.

ONGC had in June last year floated a tender seeking advanced recovery technologies and expertise from foreign firms to reverse declining output at its flagship Mumbai High fields, offering a share of revenue from incremental production plus a fixed fee but not any equity stake.

BP and Royal Dutch Shell put in an expression of interest (EoI) at the close of the tender in September 2024. The tender called for bids from companies that had a minimum revenue of USD 75 billion.

Shell, however, did not put in the final price bid, which was to detail the incremental production and the revenue share sought from it. BP was the only firm that put in the bid.

ONGC last month said it selected BP as its technical service provider to assist in boosting output from a baseline crude production of 45.47 million tonnes and 70.40 billion cubic metres of gas.

U.S. SANCTIONS ON RUSSIA'S OIL TO AFFECT INDIA

SANGEETHA G.
CHENNAI, FEB. 9

US sanctions on Russia's oil industry and rupee depreciation could see India's crude oil import bill going up by 8-9 per cent in coming months.

On January 10, the US imposed severe sanctions on Russia's oil industry, particularly on petroleum companies, 183 vessels, insurance companies and energy officials. Of these 183 vessels, 30 per cent carry oil to India and till Nov. 2024, 37 per cent of India's oil import was from Russia.

Crude prices have surged following the sanctions fearing that Russia may not be able to replace the sanctioned vessels. Additionally, tanker rates have surged, leading to an increase in delivered costs of crude. Now, companies need to buy crude at market price. Besides, the rupee too has witnessed steep depreciation.

The twin impact of market priced crude and depreciation of rupee would adversely impact the profitability of downstream oil companies.

दिल्ली के वायु प्रदूषण से निपटने में कंप्रेस्ड बायोगैस निभा सकती है महत्वपूर्ण भूमिका

नई दिल्ली। दिल्ली दुनिया के उन शहरों में शामिल है, जहां प्रदूषण एक बड़ी समस्या है। इस निपटने के तमाम उपाय नाकाफी साबित हुए हैं। इस बीच, एक रिपोर्ट से पता चला है कि कंप्रेस्ड बायोगैस यानी सीबीजी दिल्ली के प्रदूषण से निपटने में अहम भूमिका निभा सकती है।

नोमुरा रिसर्च इंस्टिट्यूट कंसल्टिंग एंड सोल्यूशंस इंडिया की रिपोर्ट में कहा गया कि दिल्ली में वायु प्रदूषण एक गंभीर समस्या है। इसे हल करने के लिए कृषि अवशेषों (जैसे फसलों की पराली) का बेहतर तरीके से प्रबंधन करना जरूरी है। कंप्रेस्ड बायोगैस पराली जलाने और वाहनों से होने वाले

रिपोर्ट में यह भी कहा गया कि धान की पराली को जलाने से रोककर, हर दिन 10 टन क्षमता वाला एक बायोगैस प्लांट साल में 11,000 से 12,000 किलोग्राम पीएम

12 हजार किलोग्राम पीएम उत्सर्जन खत्म कर सकता है बायोगैस प्लांट

दिल्ली की हवा साफ और स्वस्थ रहेगी। यह सड़कों से लगभग 25,000 उच्च प्रदूषणकारी बीएस-VI से पहले के पुराने वाहनों को हटाने के बराबर है।

उत्सर्जन दोनों से निपटने में एक टिकाऊ समाधान प्रदान करती है। रिपोर्ट के मुताबिक, गर्मियों में दिल्ली के प्रदूषण में वाहनों का योगदान 20 प्रतिशत और पराली जलाने का योगदान 16% है। सर्दियों में यही आंकड़ा बढ़कर क्रमशः 30 प्रतिशत और 23 प्रतिशत हो जाता है।

मिलकर काम करने की जरूरत : रिपोर्ट के मुताबिक, इससे भी बुरी

उत्सर्जन को खत्म कर सकता है। यह 1.5 लाख से 1.75 लाख पेट्रोल कारों को ई-वाहनों से बदलने के बराबर है, जिससे

बात यह है कि पराली जलाने के मौसम के दौरान, बायोमास-जलाने से उत्सर्जन अक्सर 30% से अधिक हो जाता है। हालांकि, दिल्ली की जहरीली हवा कई अन्य स्रोतों, जैसे वाहनों के उत्सर्जन, निर्माण धूल, बायोमास जलाना (जिसमें धान की पराली जलाना भी शामिल है) और औद्योगिक उत्सर्जन से भी खराब होती है। एजेसी

बीपी का मुंबई हाई क्षेत्र से उत्पादन बढ़ाने के लिए ओएनजीसी से करार

एजेंसी ■ नई दिल्ली

अमेरिका की दिग्गज कंपनी मैराथन ऑयल के मुंबई हाई तेल और गैस क्षेत्रों से उत्पादन बढ़ाने के लिए निवेश और प्रौद्योगिकी के वादे, ऑक्सिडेंटल पेट्रोलियम जैसी कंपनियों की हिस्सेदारी की चाह और कम से कम दो निजीकरण बोलियां लगने की अब वैश्विक ऊर्जा दिग्गज कंपनी बीपी द्वारा मुंबई तट पर स्थित भारत के प्रमुख क्षेत्र से उत्पादन बढ़ाने के लिए समझौते पर हस्ताक्षर के रूप में हुई है। सार्वजनिक क्षेत्र की ऑयल एंड नैचुरल गैस कॉर्पोरेशन लिमिटेड (ओएनजीसी) ने पिछले महीने बीपी के साथ एक तकनीकी सेवा अनुबंध पर हस्ताक्षर किए हैं, ताकि पुराने क्षेत्र से घटते उत्पादन को रोका जा सके। दोनों कंपनियों के बयानों के अनुसार, बीपी ने एक निश्चित शुल्क के बदले भारत



के सबसे बड़े क्षेत्र से तेल उत्पादन में 44 प्रतिशत और गैस उत्पादन में 89 प्रतिशत की वृद्धि करने की प्रतिबद्धता जताई है। कंपनी के अंदरूनी सूत्रों और उद्योग सूत्रों के अनुसार, बीपी से सौदा बिल्कुल उसी तरह का है जैसा ओएनजीसी ने 1998-99 में मैराथन ऑयल कॉर्पोरेशन के साथ किया था। बीपी की तरह ही मैराथन को भी इस क्षेत्र में कोई हिस्सेदारी नहीं मिल रही थी, बल्कि उसे एक निश्चित औसत के आधार पर तेल और गैस उत्पादन के बढ़े हुए हिस्से में केवल पूर्व-सहमत हिस्सा ही मिल रहा था।