

Real Estate Update

July 29, 2005

DISASTER AT BOMBAY HIGH

A major fire broke out on Bombay High North ("**BHN**") one of the Oil and Natural Gas Corporation's ("**ONGC**") offshore oil-drilling platforms at Bombay High, on Wednesday, July 27, 2005. Bombay High, India's largest offshore oil field discovered in the Gulf of Cambay in 1965, produces 14 per cent of India's oil requirements and accounts for 38 per cent of all domestic production amounting to approximately 260,000 barrels of oil every day.

The disaster occurred when ONGC's multi-purpose vessel Samudra Suraksha (the "**MPV**") lost control while engaging in a medical evacuation operation. The MPV collided with BHN and instantly damaged the oil and gas lines setting off an inferno. The MPV and BHN were consumed by the conflagration in less than two hours. As of the time of this update, up to 14 personnel are feared dead even as search and rescue operations are underway.

The resultant oil spill from BHN has extended to 10 nautical miles in the easterly direction towards Mumbai. The oil spill, aggravated by rough seas caused by unprecedented torrential rains in the region, is in danger of spreading fast. Measures to neutralize the spill are presently in progress.

BHN is insured for a sum of \$ 195 million and the MPV is insured for \$60 million. A detailed damage assessment has estimated that restoring a new platform in place of BHN would cost about \$ 300 million. The Government of India has set up a three-member committee headed by former ONGC Chairman, S.K. Manglik, to probe the cause of the fire. According to the Government, the aforementioned committee would be assisted in its investigation by Royal Dutch Shell.

The immediate impact of the disaster is the loss of crude oil production of 110, 000 barrels per day. According to the Union Minister for Petroleum, Mani Shankar Aiyar, 70% of the production loss due to the disaster should be restored within the next four weeks.

- Roshan Thomas & Vikram K Raj

Source: The Hindu, dated July 29, 2005
The Deccan Herald, dated July 29, 2005

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Littlel International Guide (India) 2024

November 08, 2024

Unmasking Deepfakes

October 25, 2024

Are we ready for Designer Babies

October 24, 2024

Research Articles

The Bitcoin Effect

November 14, 2024

Acquirers Beware: Indian Merger Control Regime Revamped!

September 15, 2024

Navigating the Boom: Rise of M&A in Healthcare

August 23, 2024

Audio

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part II

August 26, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part III

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

“Investment return is not enough” Nishith Desai with Nikunj Dalmia (ET Now) at FI8 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper on Simplification of registration for FPIs

September 26, 2024

