

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

M&A In The Indian Technology Sector

February 19, 2025

Unlocking Capital

February 11, 2025

Fintech

January 28, 2025

Research Articles

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Arbitration Amendment Bill 2024: A Few Suggestions | Legally Speaking With Tarun Nangia | NewsX

February 12, 2025

**What India’s Transition to New Data
Protection Law Means for Global
Businesses**

January 23, 2025

**India 2025: The Emerging
Powerhouse for Private Equity and
M&A Deals**

January 16, 2025
