Coal ministry’s nod pending for ONGC’s pilot UCG project

**Vadodara, Apr 7:** ONGC’s pilot underground coal gasification (UCG) project in Gujarat, which was initiated in 2006, is yet to get approval from the Union coal ministry, a top company official said here. SRV Rao, ONGC director (exploration) said the UCG project in Surat is pending on account of the Mining Exploration Licence (MEL). Rao was in the city on Friday for annual review of western onshore basin at its headquarters here.

ONGC had sought mining licence in huge quantity of land in Vasdan mine block located near Surat about three years ago, but it has not been successful in getting it. “The company has been eager to implement the project soon but it has hit a road block. Before moving the concerned ministry for MEL, ONGC had completed all surveys needed for it,” Rao said.

Also, Coal India limited (CIL) and ONGC had inked an MOU in November 2005 and the project was scheduled to be commissioned in 2009-2010. Official sources said that ONGC had joined hands with Russia’s Skochinsky Institute of Mining (SIB) for technology transfer as several UCG projects have been successful there. In UCG procedure, oxygen and steam is injected into coal seams that ignites coal. This converts solid coal into a mix of gases, liquids and ash. The gas can be taken out from coal seams, which comprises of carbon monoxide, hydrogen and methane among others. The natural gas that comes out can be used for power generation as well as feedstock for petrochemical industry.

ONGC intends to take such UCG projects to other parts of Gujarat and Rajasthan provided the pilot project takes off. It is aiming to go commercial by producing about two billion cubic metres of synthetic gas per annum from this Vasdan field which has enough reserves to last for about 30-40 years, sources said. **PTI**
**Nalco (Rs 61)**

After finding ground at around Rs 53, National Aluminium Company Ltd (Nalco) jumped more than 11 per cent with good volumes in the previous week. This rally has breached the stock’s immediate resistance at Rs 59 as well as its 21 and 50-day moving averages. However, the stock is currently testing its 200-day moving average at Rs 63.

The daily relative strength index is on the brink of entering the bullish zone from the neutral region and the weekly RSI is inching higher in the neutral region. Both the daily and weekly price rate of change indicators are featuring in the positive terrain implying buying interest. Strong up move above Rs 63 will push the stock higher to Rs 67 and then to Rs 71 in the short-term.

Only an emphatic rally above Rs 71 will reinforce the stock’s medium-term uptrend which started from December 2011 trough of Rs 48.5. Subsequent medium-term targets will be Rs 77 and Rs 81.

Nevertheless, inability to surmount Rs 67 can pull the counter down to Rs 57 and to Rs 54 in the short-term. Significant long-term support is pegged between Rs 48 and Rs 50.
Romania backs out of mine deal

Romania has backed out of a deal to sell its biggest copper mine to Canada's Roman Copper Corp. Its economy minister said on Saturday, further delaying the country's long-awaited privatization program.

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