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John Energy's rig commissioned

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The Ahmedabad-based John Energy Ltd, which invested Rs 180 crore this year to create an infrastructure and expand its oil and gas drilling rigs contract service, is set to invest another Rs 400 crore next year.

Today, its 2000 Horse Power (HP) rig, first of its kind in India, was commissioned in an onshore oil and gas field near Neyveli, Tamil Nadu. The \$22 million drilling rig has been hired by a consortium of Jubilant Oil and Gas Ltd, GSPC and GAIL

for a daily rent of around \$35,000, and it can drill up to a depth of 6,000 metres.

FUTURE PLANS

The company, whose last year's turnover of Rs 48 crore is projected to go up exponentially by three times this fiscal, is also contemplating an Initial Public Offer (IPO) to raise more funds for its future expansion, its Managing Director, Mr Mahesh Vyas, told *Business Line*. Well-known stock market investor Rakesh Jhunjhunwala had picked up 30 per cent stake in John Energy Ltd early this year, he

added. At present, John Energy has 16 rigs, between 140 and 2000 HP, which are all engaged, including one in Kazakhstan. Two more are being imported shortly from the US. "By year-end, we will have 20 rigs, and emerge as the second largest driller in India after ONGC, which has 140-odd rigs," Mr Vyas said.

Apart from going public to fund its expansion plans in the next couple of years, John Energy will further disinvest. Besides, it has tied up with the State Bank of India (SBI) for a Rs 115 crore debt to kickstart an aggressive business

strategy overseas. The company has a capacity to manufacture smaller rigs but imports the bigger ones.

CLIENTELE

Its clients for drilling and work-over services include ONGC, Cairn Energy India Pvt Ltd, and Essar Oil Ltd, while its clients for gas compression services include ONGC and Gujarat Gas Company Ltd. Its water-well drilling rigs are being used by Neyveli Lignite Corporation Ltd, a host of other companies, and some 500 contractors across India.