

# Investor Presentation



*A Navratna Company*

February, 2011



# Disclaimer

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This presentation contains certain forward looking statements concerning OIL India's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on projects, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

# Oil India Limited – An Overview



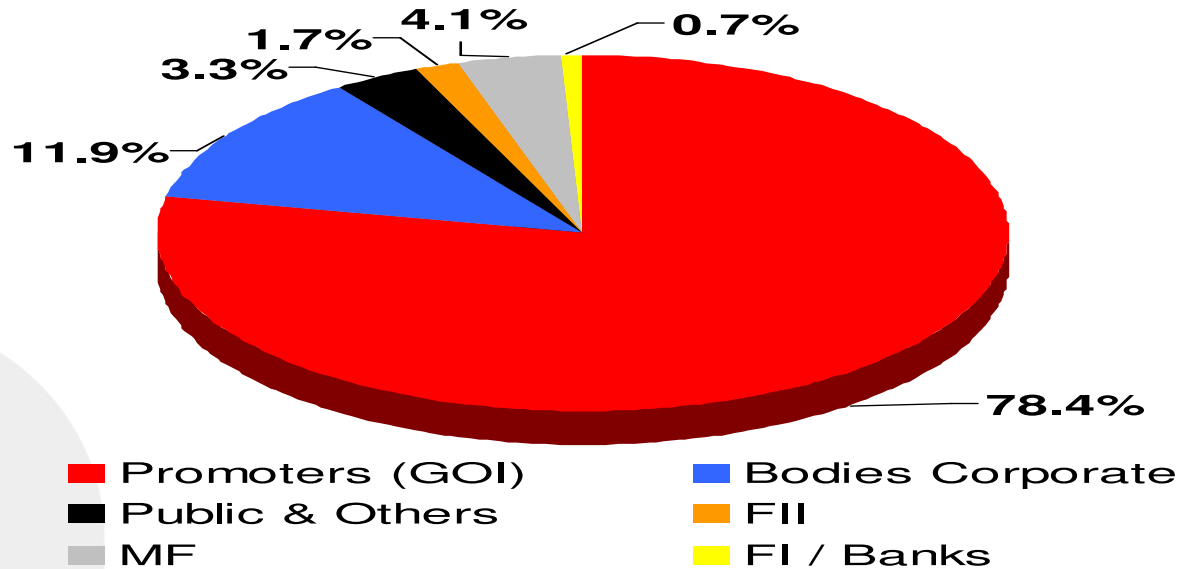
# Oil India: Brief Overview

- ✓ **Rich Heritage**
  - Independent India's first commercial oil discoveries, with the first made in **1953**
- ✓ **Integrated O&G Player**
  - Presence across Oil & Gas Value Chain (E&P, Transportation and Downstream)
  - Infrastructure to support growth
- ✓ **Large Acreage**
  - **Domestic acreage:** 127,879 square kilometers;
  - **International acreage:** 41,656 square kilometers
- ✓ **Strong Reserve Base**
  - Total 2P reserves of over **957 mmboe**; with RR ratio of over **165%** in FY10
- ✓ **Strong Financials**
  - Revenue: USD 1,868 mn (FY10), USD 1577 mn 9M(FY11)
  - PAT : USD 550 mn (FY 10), USD 509 mn 9M(FY11)
  - Market cap : USD 6.74 bn. <sup>1</sup>

India's premier Oil & Gas "Navratna" company engaged in the exploration, development, production and transportation of crude oil and natural gas in India

**Note:**  
1. As of Jan 31, 2011

# Shareholding pattern

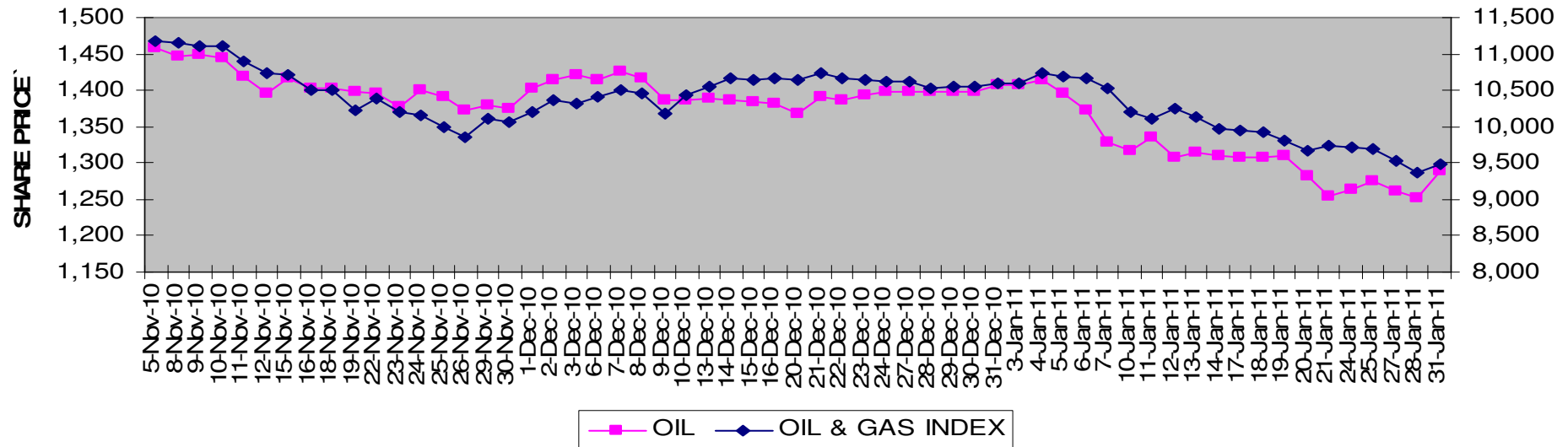


- Listing :Listed on BSE/NSE on 30<sup>th</sup> Sept 2009
- Number of shares : 240.45 mn
- Dividend :FY11 Int dividend/share : ₹18
- Share price (H/L) : ₹1635/ ₹1019
- Market Cap : ₹ 31018 cr / USD 6.74 bn

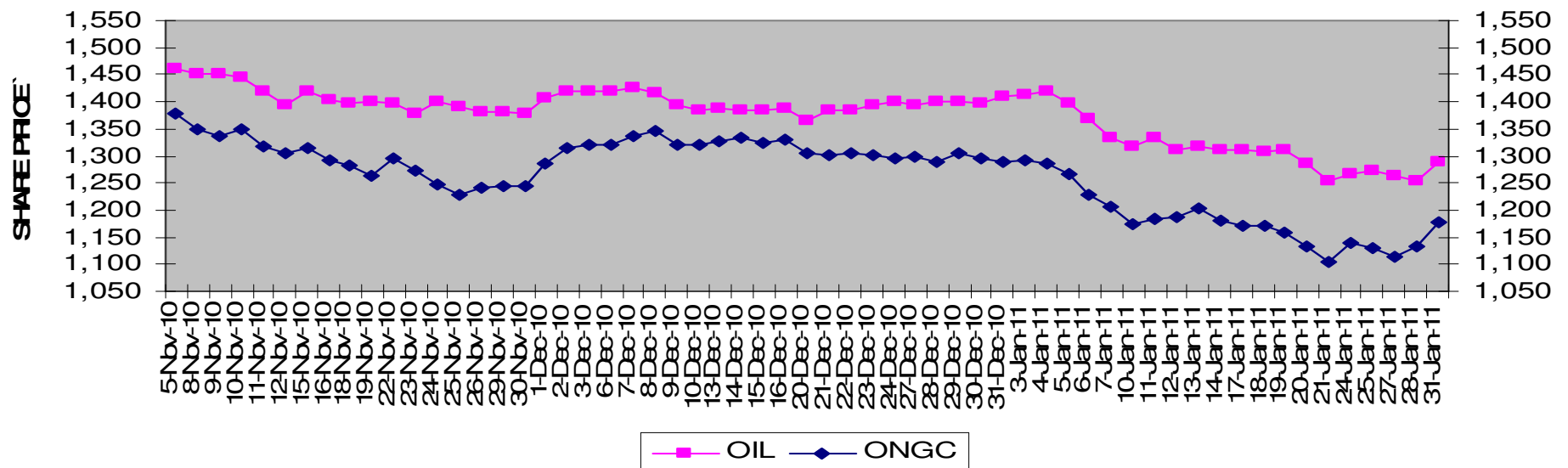
Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
HDFC Standard Life Insurance	1.15%
ICICI Prudential Life Insurance	0.74%
HDFC – Top 200 Fund	0.5%
HDFC – Equity Fund	0.4%

# Performance of OIL's Shares (W.r.t. Sector)

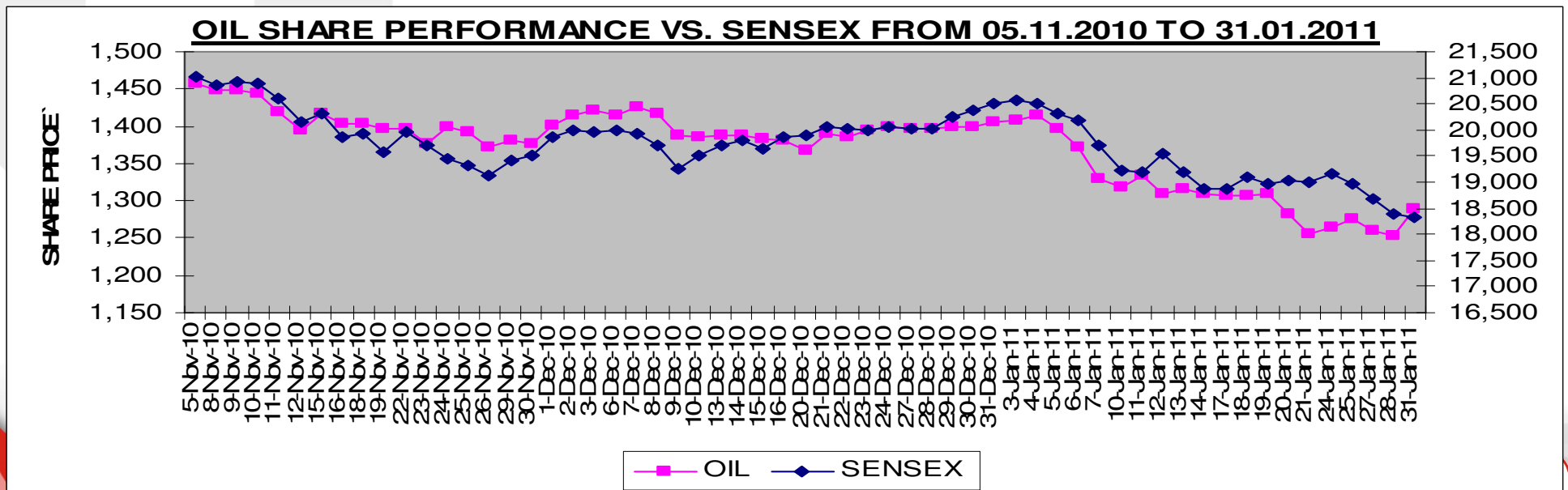
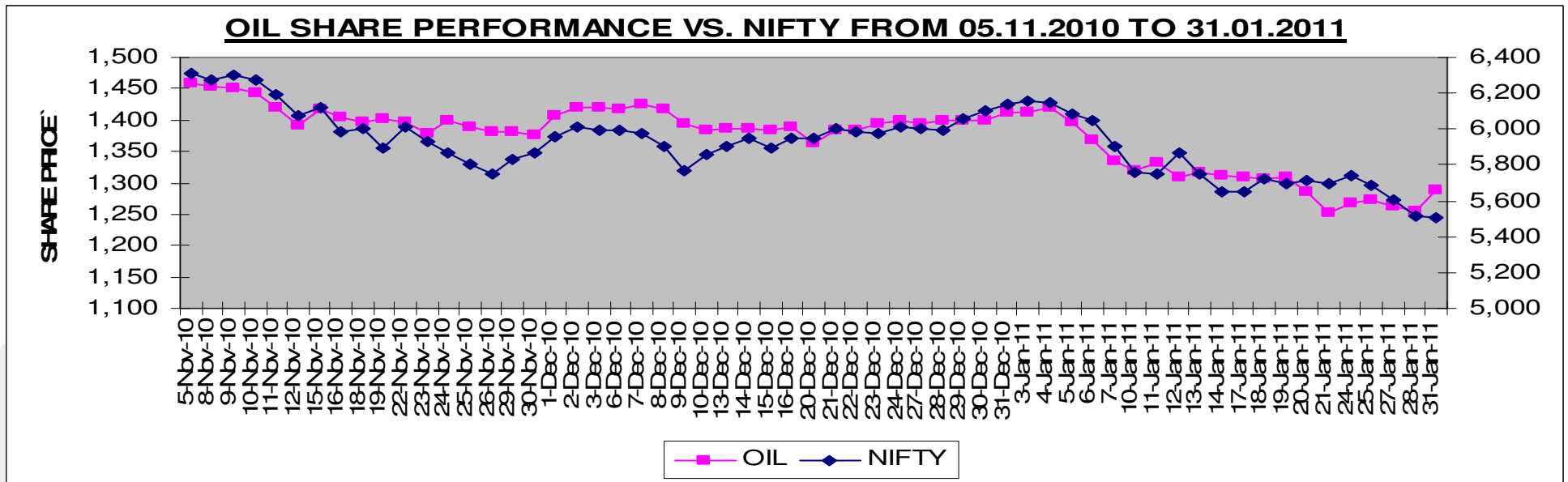
**OIL SHARE PERFORMANCE VS. OIL & GAS INDEX FROM 05.11.2010 TO 31.01.2011**



**OIL SHARE PERFORMANCE VS. ONGC FROM 05.11.2010 TO 31.01.2011**



# Performance of OIL's Shares (w.r.t. SENSEX / NIFTY)



# Our Vision

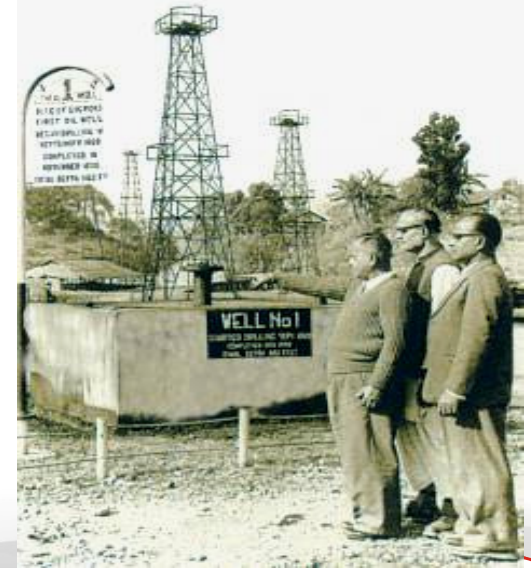
**"The fastest growing energy company with a global presence providing value to the shareholder"**

- **Fastest growing Energy Company with highest profitability.**
- **Delight customers with quality products and services at competitive prices**
- **Learning Organization, nurturing initiatives, innovations and aspirations with best practices**
- **Team, committed to honesty, integrity, transparency and mutual trust creating employee pride**
- **Fully committed to safety, health and environment**
- **Responsible corporate citizen deeply committed to socio-economic development in its areas of operations**

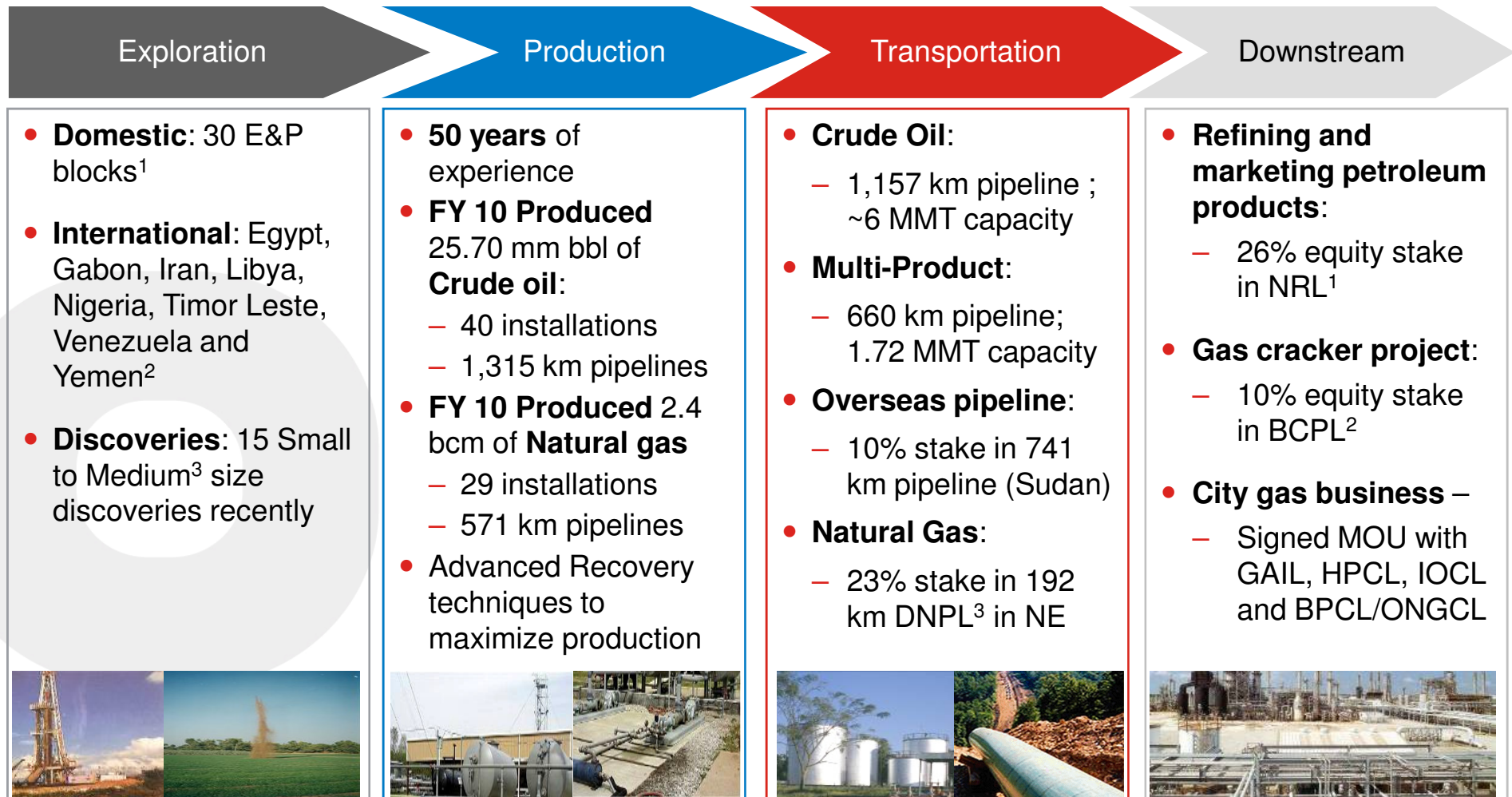


# Rich heritage of building a company

- Independent India's first commercial oil discoveries were made by Assam Oil Company
  - Nahorkatiya, Assam – 1953
  - Moran, Assam – 1956
- Incorporated as Joint Sector Company on 18 February, 1959
  - 2/3<sup>rd</sup> Owned by Assam Oil Company / Burmah Oil Company
  - 1/3<sup>rd</sup> Owned by Government of India
- Became a Public Sector Undertaking, GOI on 14 October, 1981
- Five decades of experience in Exploration & Production
- Second largest national oil and gas company in India
- Achieved overwhelming response in its maiden public issue on 30 September 2009



# Integrated Oil & Gas Player



**Note:**

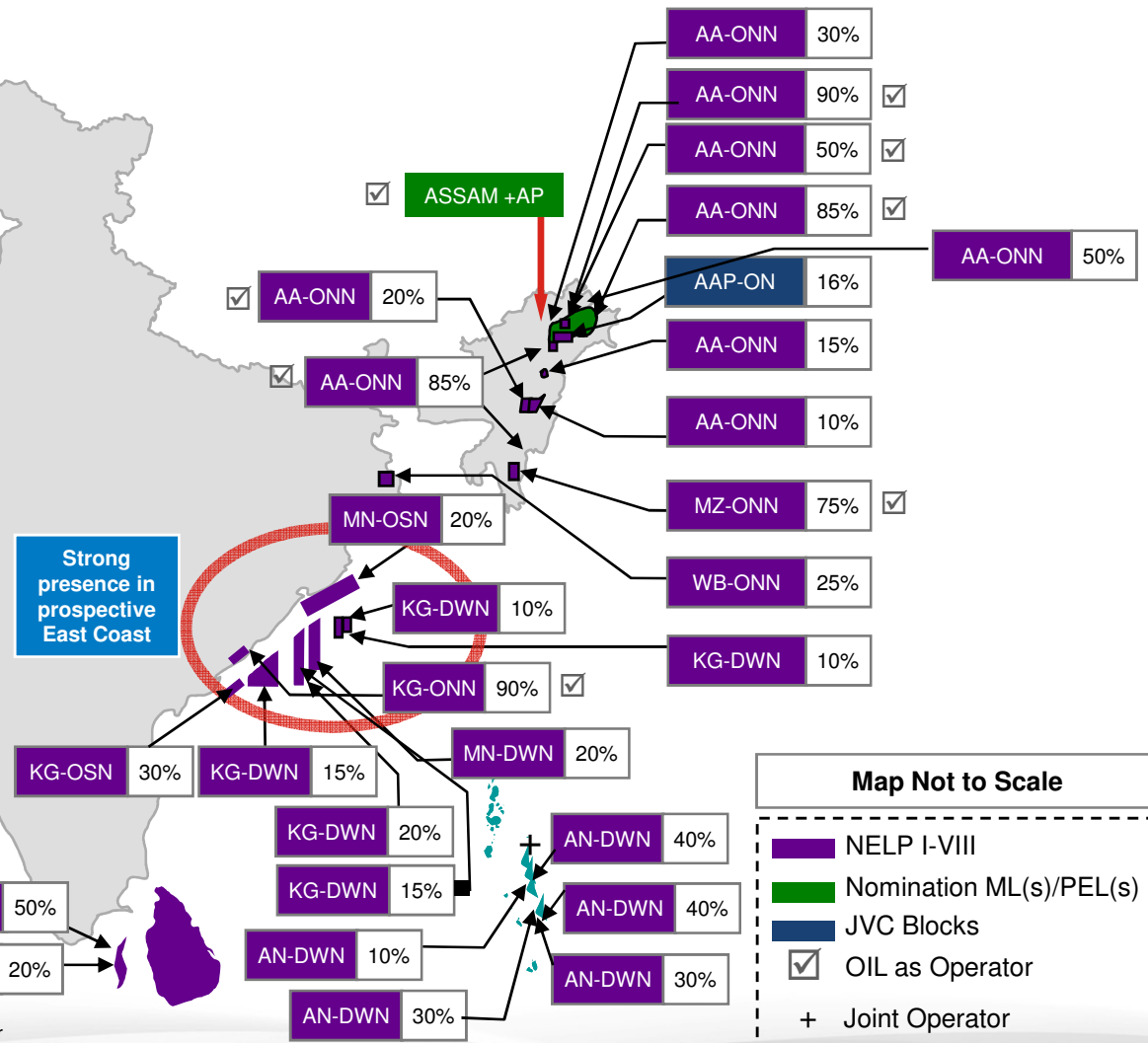
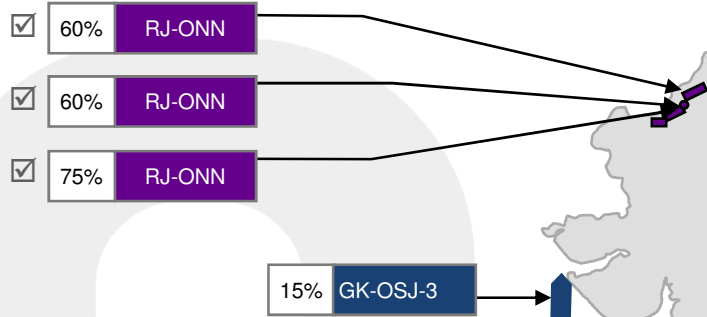
1. 9 blocks have been awarded under NELP VIII.
2. Participating interests in exploration and development blocks.
3. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30 mn barrels of oil and oil equivalent gas
4. MMMBOE – Million Barrels of Oil Equivalent

**Note:**

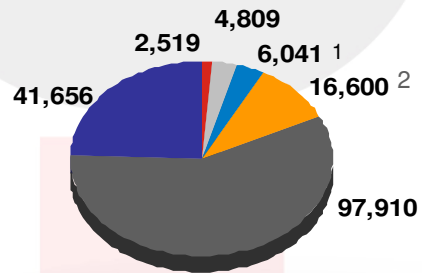
1. NRL – Numaligarh Refinery Limited
2. BCPL – Brahmaputra Cracker and Polymer Limited
3. DNPL – Duliajan-Numaligarh Pipeline Limited

# Strong Domestic Acreage Base

Blocks	Op	N/Op	Total
NELP	12	18	30
Pre-NELPJV	-	3	3
PEL (Nom)	19	-	19
PML	13	-	13
<b>Total</b>	<b>44</b>	<b>21</b>	<b>65</b>



Summary of Acreage (sq. km.)



- PEL Nomination
- JV/PSC (NO)
- NELP (NO)
- PML Nomination
- NELP (Operator)
- Overseas (PI)

Total Area – 169,535 Sq. Km

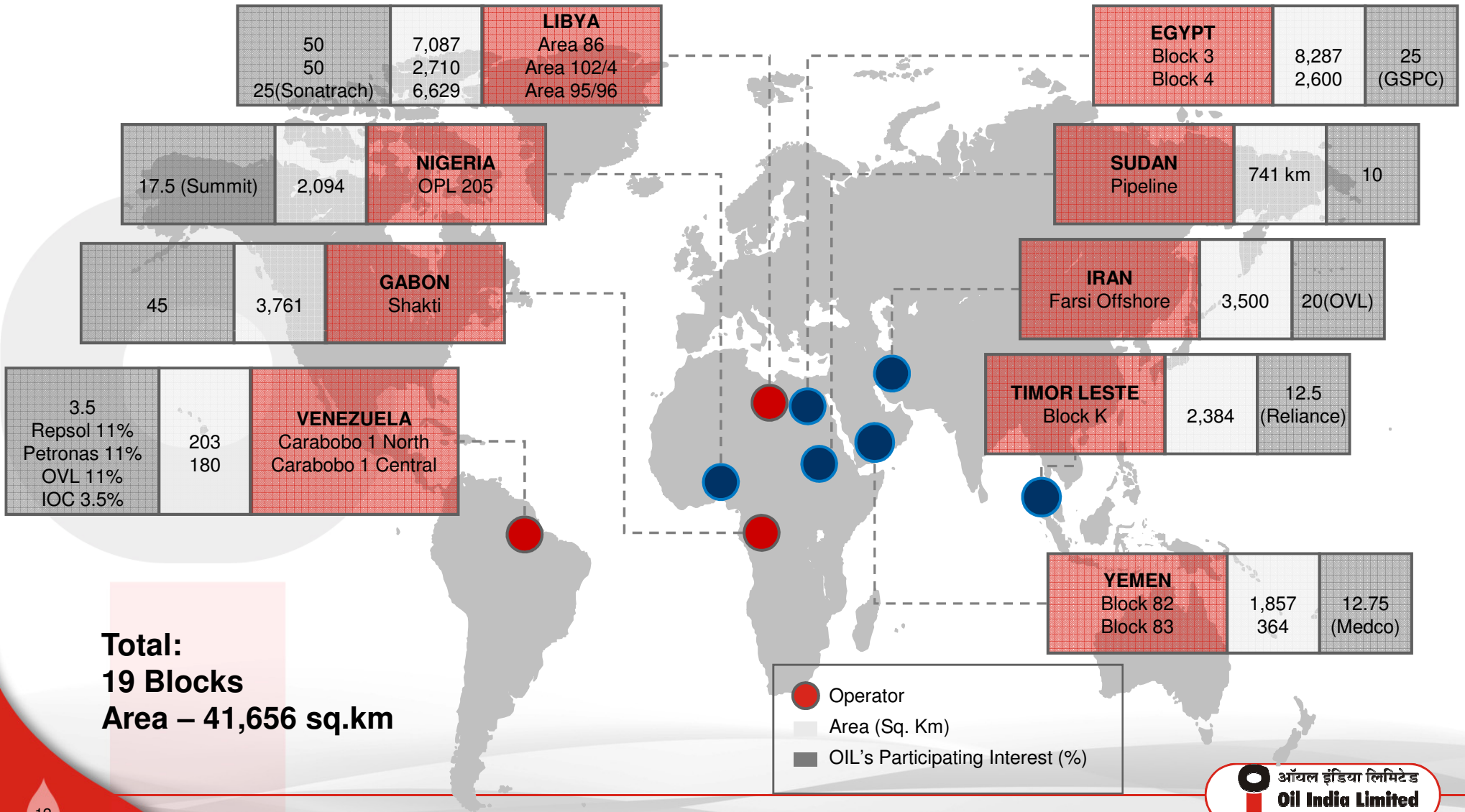
Note:

- NO – Non-operator
- PI – Participatory Interests
- 1. Includes a 40% PI in the Kharsang fields of area 11 sq. km.
- 2. Includes 3,992 Sq Km of Joint Operatorship

Map Not to Scale

- NELP I-VIII
- Nomination ML(s)/PEL(s)
- JVC Blocks
- ✓ OIL as Operator
- + Joint Operator

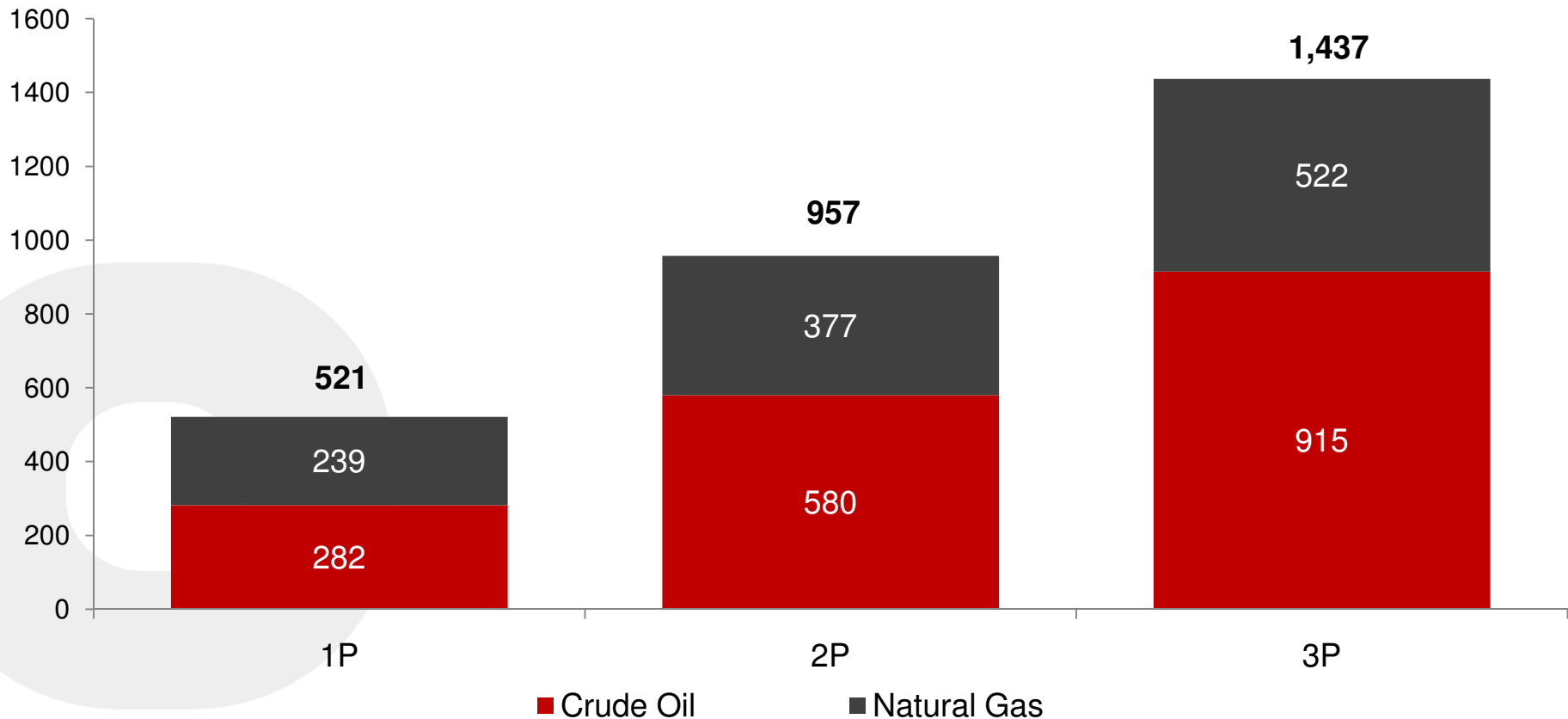
# With Dominant International Footprint



# Strong Reserve Base with Significant Growth Potential

In MMBBL

As on 01/04/2010



## 1P Reserves represent:

- ≥ 11 Years current production of Crude Oil
- ≥ 15 Years current production of Natural Gas
- ≥ 12 Years current production of O+OEG

# Healthy and Consistent Reserve Replacement Ratio

## Reserve Replacement Ratio (x)

1.59

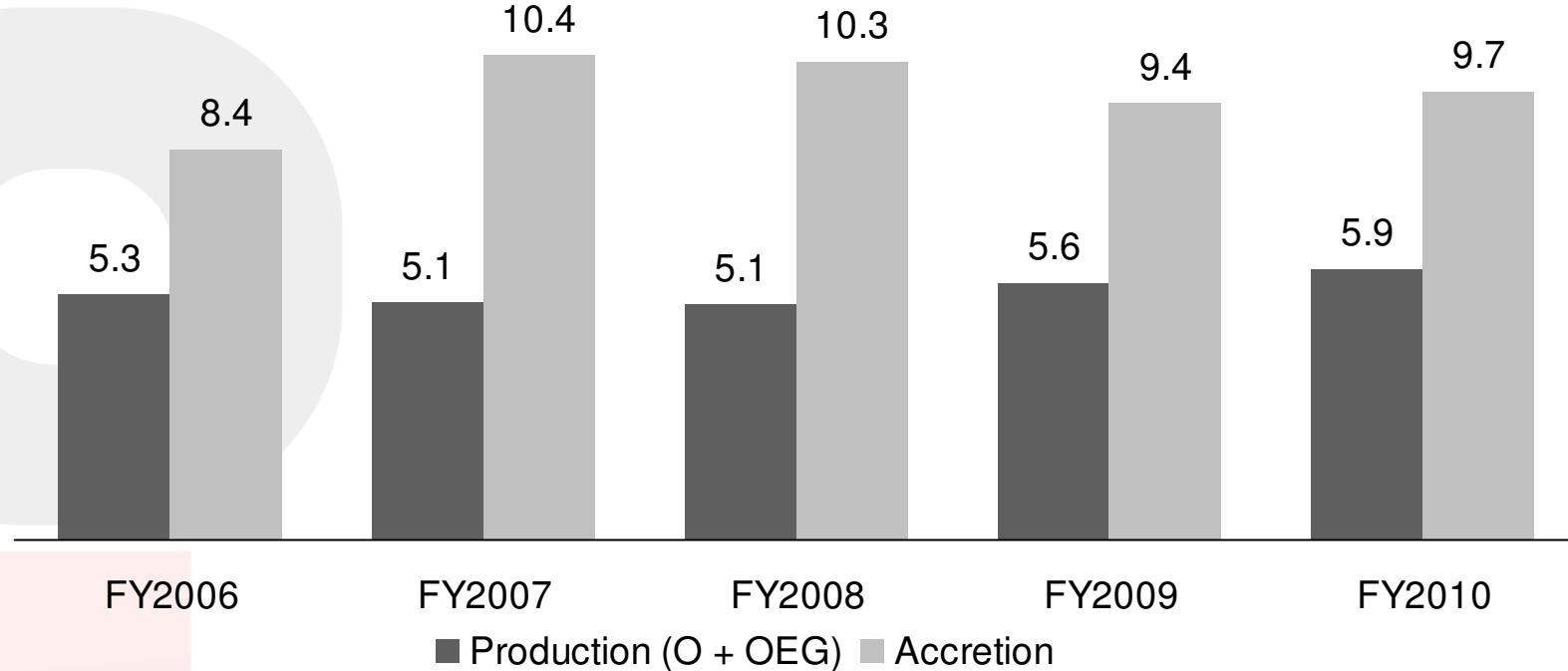
2.04

2.04

1.69

1.65

## Crude Oil and Natural Gas (O+OEG) Production and Reserve Accretion (in MMTOE)



**Adequate reserve replenishment**

H1 FY2011 – Reserve Accretion – 3.5944 MMTOE

# Integrated In-house E&P Infrastructure To Support Growth

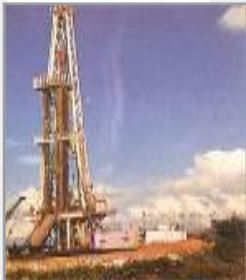
## Infrastructure to Support E&P Activities



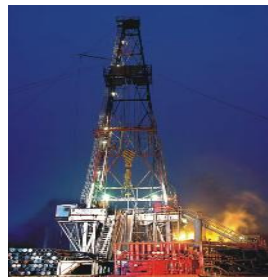
Two 2D and  
One 3D  
Seismic Crew



Six Logging  
Trucks



14 W/over  
Rigs



11 Drilling  
Rigs

## Production & Storage Facilities



72  
Production  
Installations



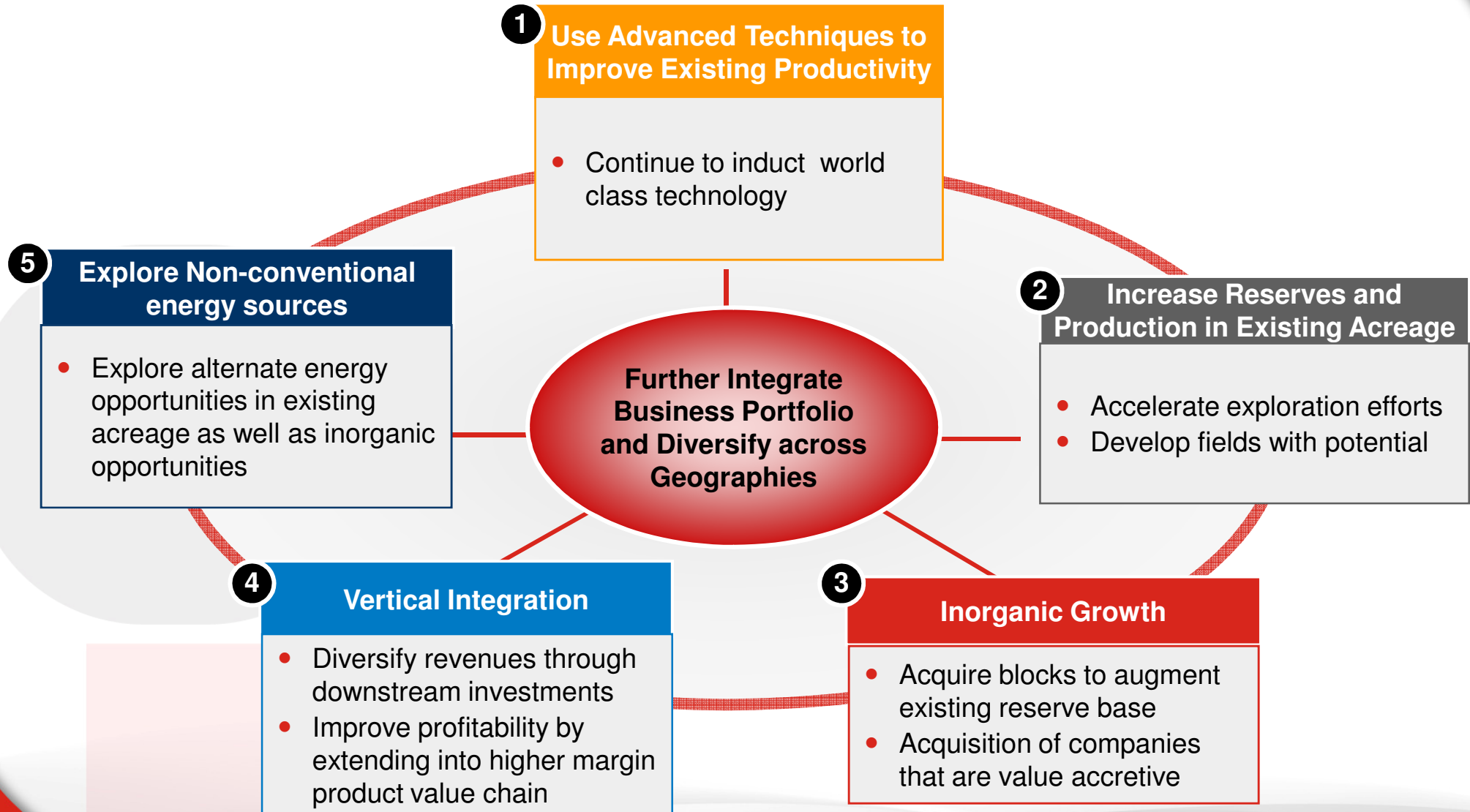
5,000 Km  
O&G  
Pipelines



~150k KL  
Crude  
Storage

In house Expertise and Integration across Energy Infrastructure

# Strategy to Deliver Long Term Growth and Shareholder Value

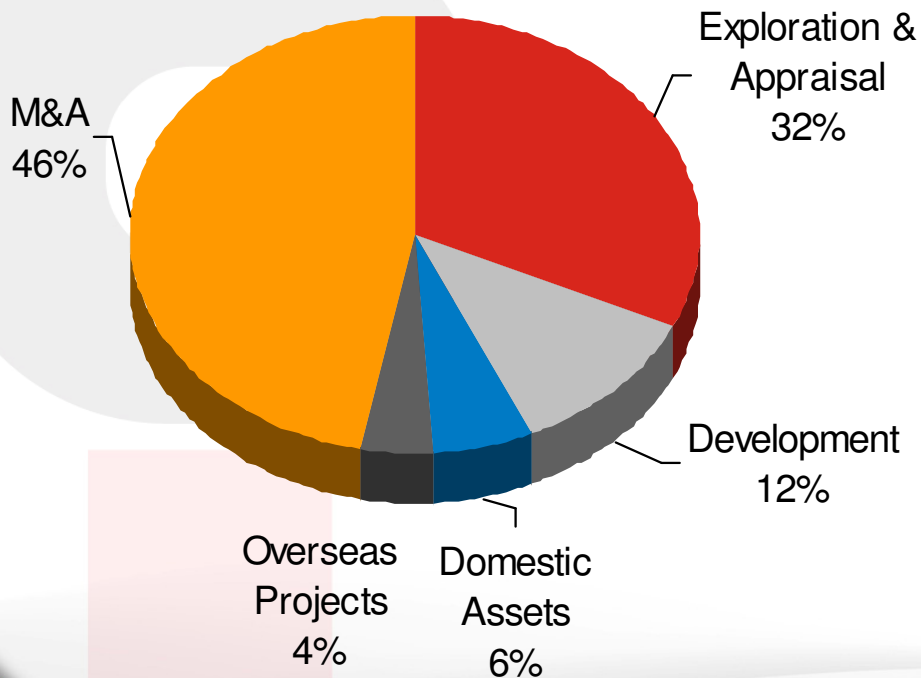




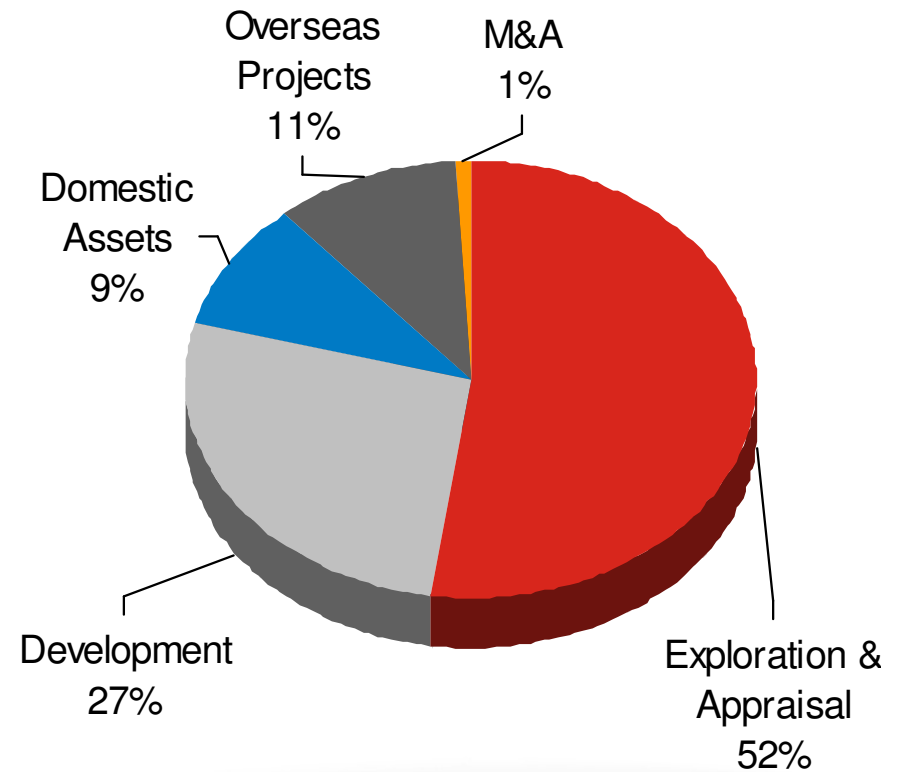
# Significant Investment Lined Up in Next 2 Years

- ✓ USD 1.6 bn of investment plans in the next two fiscal years
- ✓ Significant focus on Exploration and Development of existing acreage potential and M&A

2010-2011: ₹ 42,130 mn

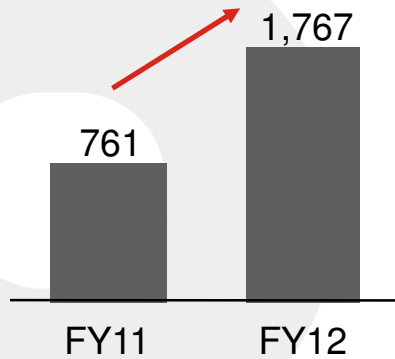


2011-2012: ₹ 31,803 mn

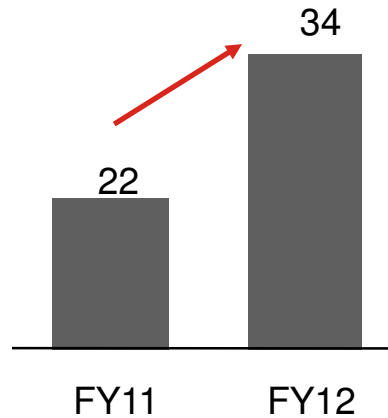


# Planned Activities in FY12

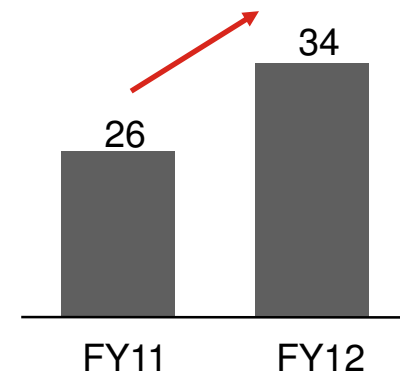
## 3D Seismic Surveys



## Exploratory Drilling



## Development Drilling



Substantial Increase in 3D Surveys, Exploratory and Development Drilling Planned.

# Recent Developments



## Select Highlights

- OIL's shares listed on NSE/BSE on 30.09.2009.
- Achieved the highest daily rate of crude oil production of 3.725 MTPA (> 26.5 mmbbls/Year)
- Achieved the highest daily rate of natural gas production of 6.67 MMSCMD in North East and potential of 0.93 MMSCMD in Rajasthan
- **Navratna** status awarded in April' 2010, allowing it enhanced autonomy
- Performance up to 31/12/2010 :

Parameter	Unit	2009-10 (31/12/10)	2010-11
Crude Oil Production	MMT	2.691	2.659 *
Natural Gas Production	BCM	1.831	1.752 **

\* **A total loss of 0.127 MMT due to NRL shut-down. However, Highest ever quarterly production of 0.951 MMT achieved in Q2, 2010 .**

\*\* **Low upliftment by customers of NE & Rajasthan, non-withdrawal by NRL (1 MMSCMD).**

\*\* **Against total commitment of 7.17 MMSCMD, the actual off take upto January'2011 is averaging at 6.42 MMSCMD.**

- Award of Block in Venezuela on 10th Feb' 2010, Mixed Company Contract signed on 12th May' 2010

## Select Highlights (Contd.)

- Hydrocarbon discoveries in Assam - 03 Nos. so far in FY'11.
- FY'10 - Reserve Accretion was 9.65 MMTOE (101.6% of target).
- Entry in Offshore as Operator and Deep Water Block as Joint Operator.
- Entry in CBM Block (Assam)
- Examining Shale Gas potential of Assam-Arakan Basin.
- OIL & GAIL( India) Ltd are jointly evaluating US shale gas assets buys.
- Duliajan – Numaligarh Gas Pipeline (DNPL) Project likely to be completed by Feb, 2011.
- Completed Preliminary Activities in order to Develop CNG Network in Assam.
- MOUs with BPCL, IOCL & ONGCL executed for CGD.
- Received **Greentech HR Excellence Gold Award 2010**.
- Received **Golden Peacock Award & Greentech Gold Award** for Environment Management.
- "OIL's Assam Asset won **OISD Award** in the Oil & Gas Assets (onshore) for the year 2009-10
- Employees Relations Department Accredited with ISO Certification

## Select Highlights (Contd.)

Parameter	Unit	Q3 FY2011	Q3 FY2010	Variance (%)	9M FY2011	9M FY2010	Variance (%)
Drilling	m	26956	42031	-35.87	96360	107323	-10.21
Crude Oil Production	MMT	0.928	0.904	2.65	2.659	2.691	-1.19
Crude Oil Sales	MMT	0.912	0.904	1.00	2.642	2.709	-2.47
Natural Gas Production	BCM	0.616	0.625	-1.44	1.752	1.831	-4.31
Natural Gas Sales	BCM	0.479	0.485	-1.24	1.344	1.416	-5.08

# Overseas Update

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- **Libya** –3 wells drilled. Commerciality of Hydrocarbon could not be established
- **Gabon** – 100 Sq. Km of 3D Acquisition to be completed by Jan, 2011. Commenced from 22.10.2010.
- **Venezuela** – Mixed Company Contract signed on 12<sup>th</sup> May, 2010. Action initiated for approval of Budget and early production from Venezuelan Government
- **Nigeria** – OML awarded by Nigerian Government
- **Yemen** – Action initiated to commence Seismic Survey
- **Timor Leste** – Drilling of well completed, no success
- **Egypt** – Signing of PSC awaited
- **Iran (Farsi block)** – Awaiting acceptance of Master Development Plan by NIOC

# NELP Update

- **Block MN-OSN-2002/2 (Operator – ONGCL)**

Discovery made and Appraisal plan approved. Four (4) wells drilled including the first appraisal well. Estimated In-place Reserves – 56.91 BCM.

- **AAP-ON-94/1 (Operator – HOEC)**

Discovery made and Appraisal plan approved. Initial testing results indicate gas flow potential of around 6.2 MMSCFD, 1.91 MMSCFD & 23.5 MMSCFD against three (3) zones. Estimated In-place Reserves – 98.51 MMTOE (701 mmbbl oe)

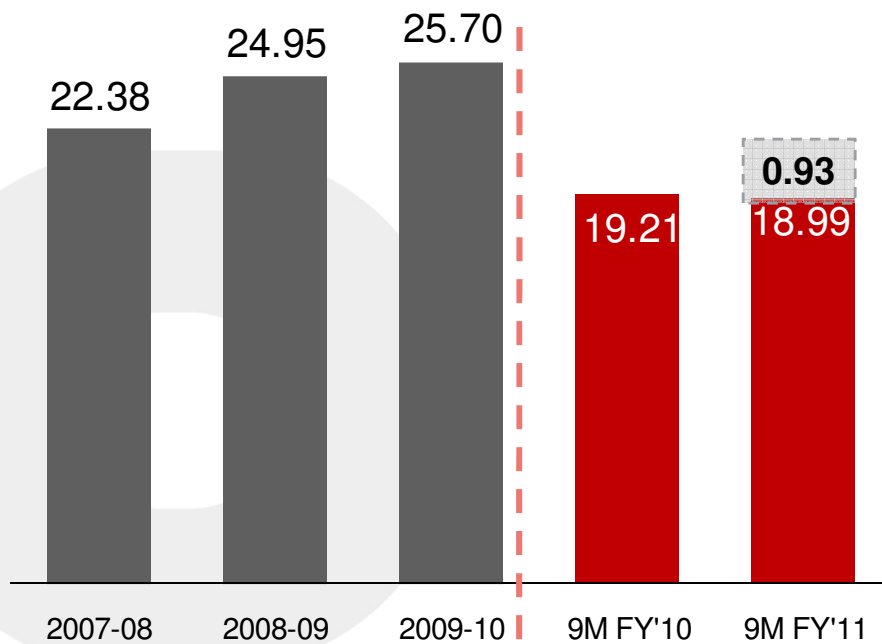


# Operating Performance

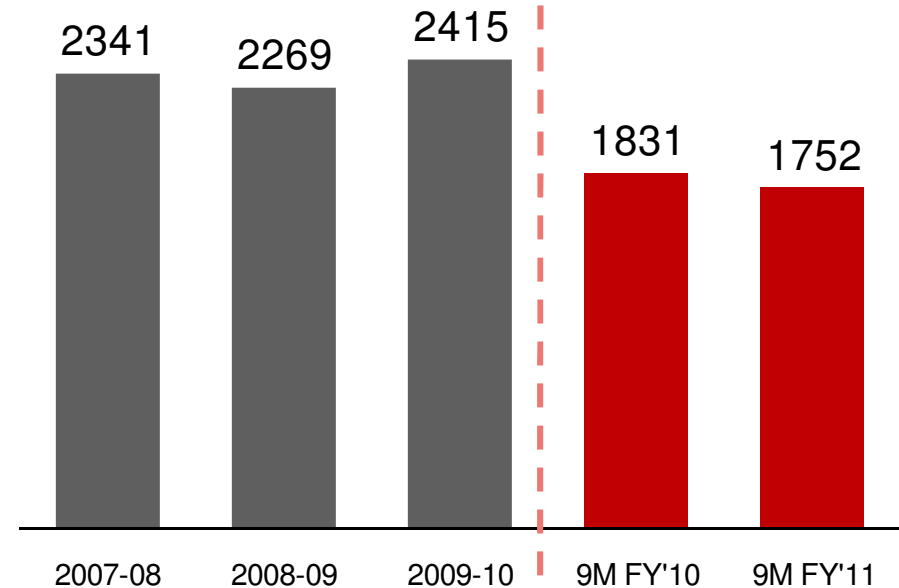


# Crude Oil and Natural Gas Production

Crude Oil Production (mm bbl)



Natural Gas Production (mm scm)

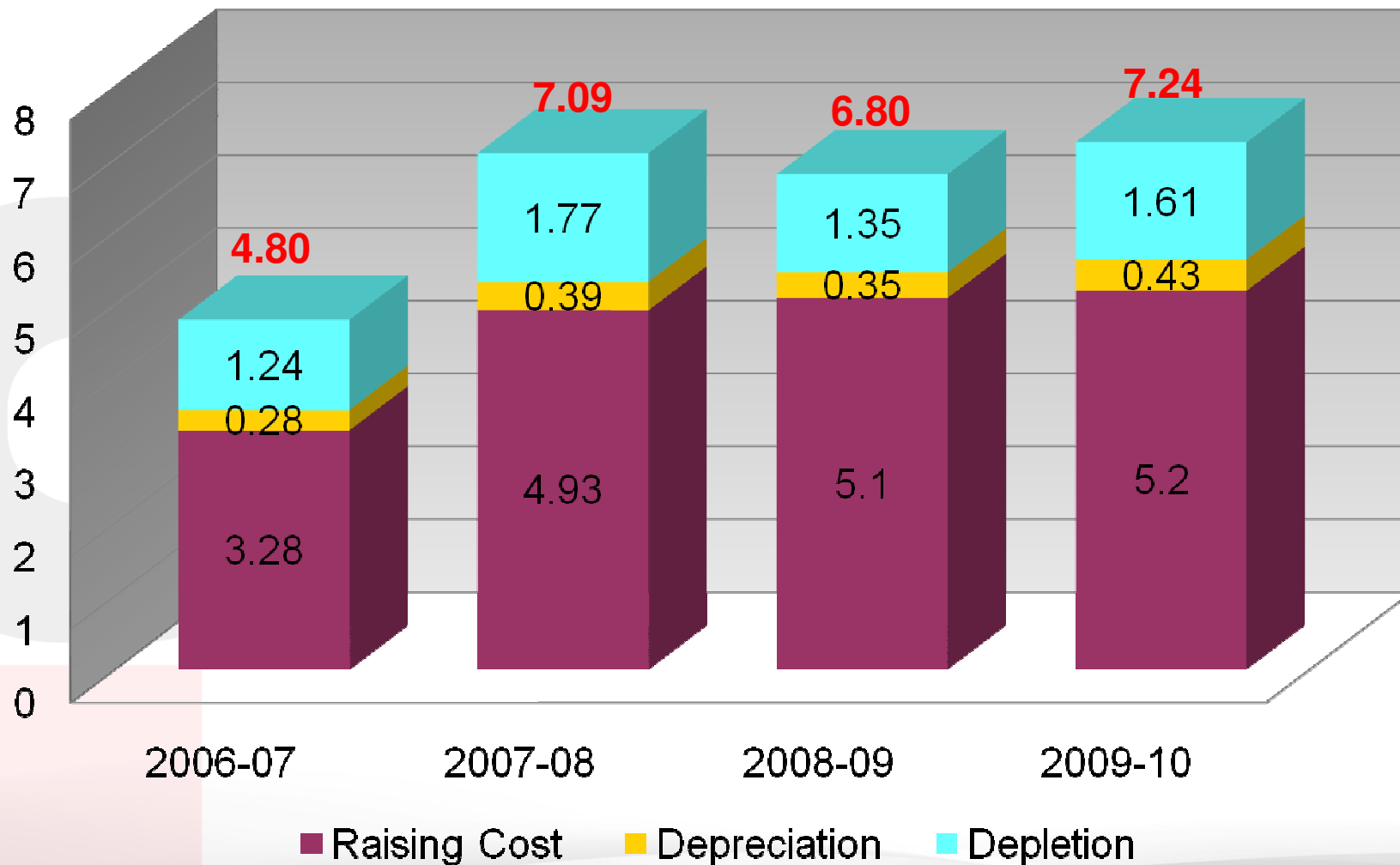


- NRL shutdown impact in Q1 FY11 – 0.93 mm bbl
- **All time highest production in Q2**

- The shortfall in Crude Oil and NG Production at the end of Q1,FY10 were 12.8% & 8.6% compared to same period of previous year. The same has been made up and the shortfall by end of 9M FY'11 are only 1.2% & 4.3% for Crude Oil and NG compared to the corresponding period of previous year.

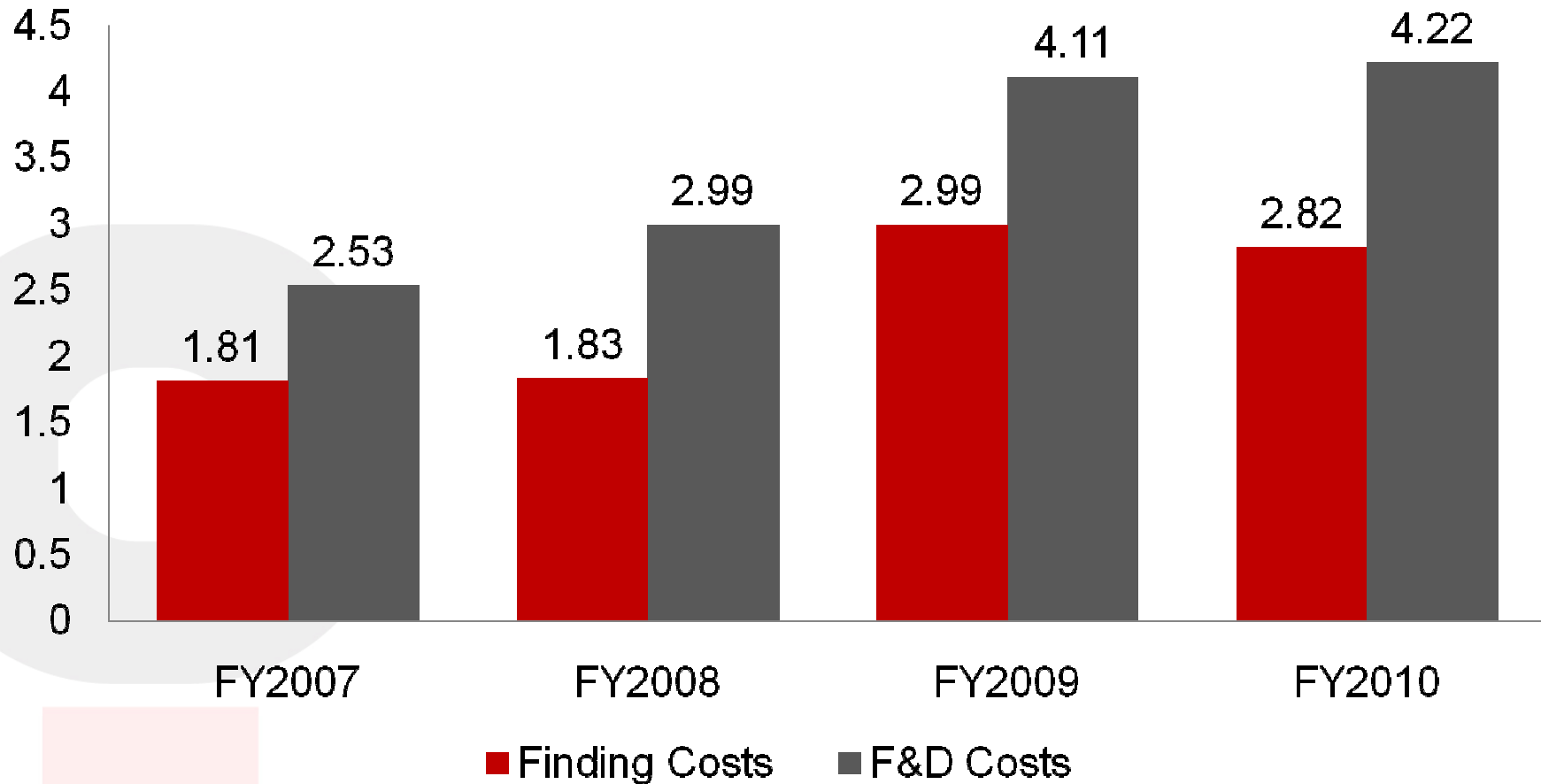
# Crude Oil Production Cost (Assam & AP)

USD/ Barrel



# Low Finding & Development Costs

Finding and Development Costs (USD / bbl)



OIL has the Advantage of Low Finding & Development costs.

# Financial Performance



# Sharing of Subsidy by Upstream Companies

USD mn

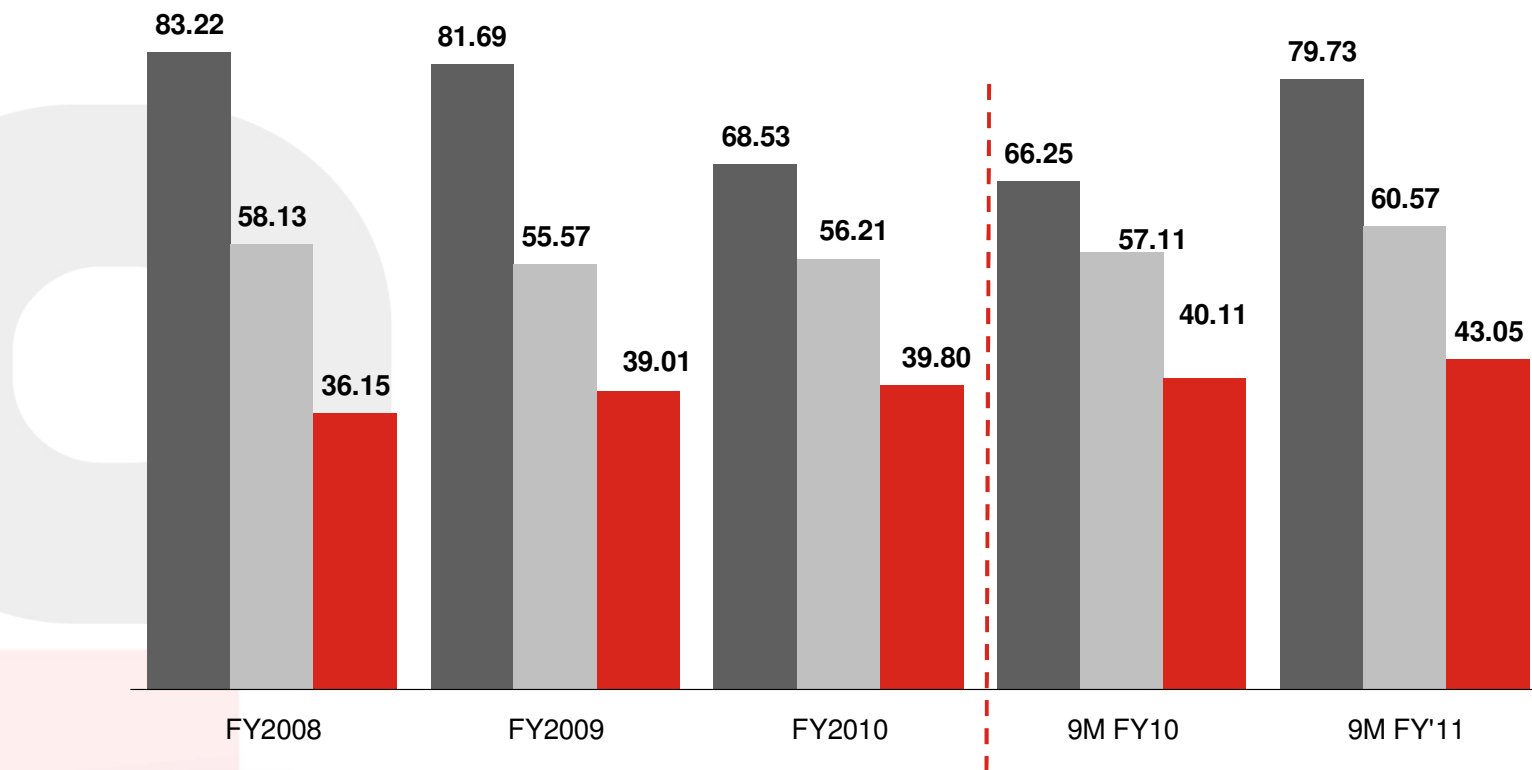
	2006-07	2007-08	2008-09	2009-10	9M-FY10	9M-FY11
ONGC	3762	5465	6137	2435	1367	2794
<b>OIL</b>	<b>441</b>	<b>573</b>	<b>657</b>	<b>327</b>	<b>183</b>	<b>370</b>
GAIL	329	348	368	280	194	265
<b>Total</b>	<b>4532</b>	<b>6386</b>	<b>7163</b>	<b>3042</b>	<b>1744</b>	<b>3428</b>

% SHARING

	2006-07	2007-08	2008-09	2009-10	9M-FY10	9M-FY11
ONGC	83%	86%	86%	80%	78%	81%
<b>OIL</b>	<b>10%</b>	<b>9%</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>
GAIL	7%	5%	5%	9%	10%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Realized Price

(USD/barrel)

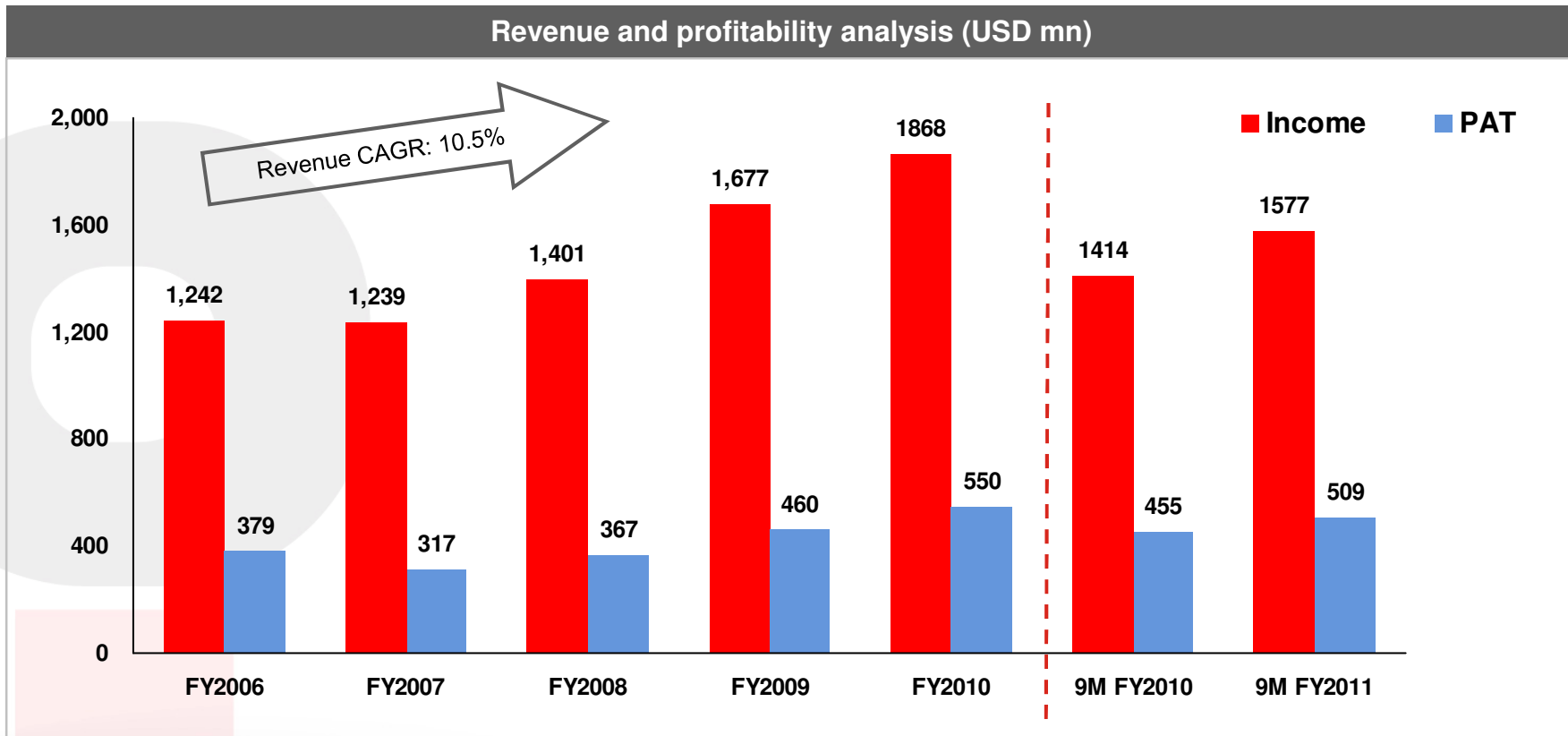


■ Gross Realized Price

■ Realized Price after Subsidy/Discount

■ Net Realized Price

# Revenue and profitability

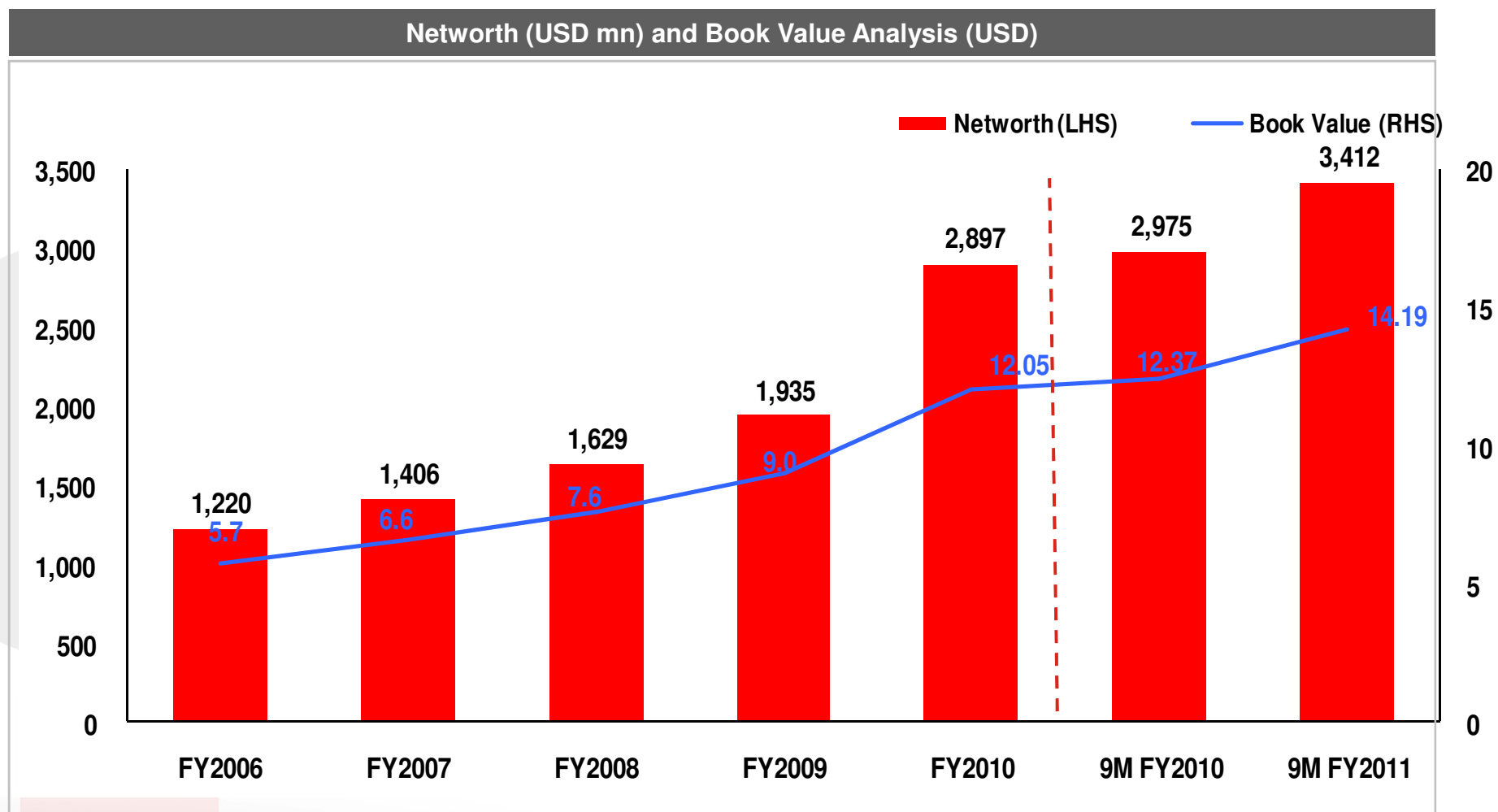


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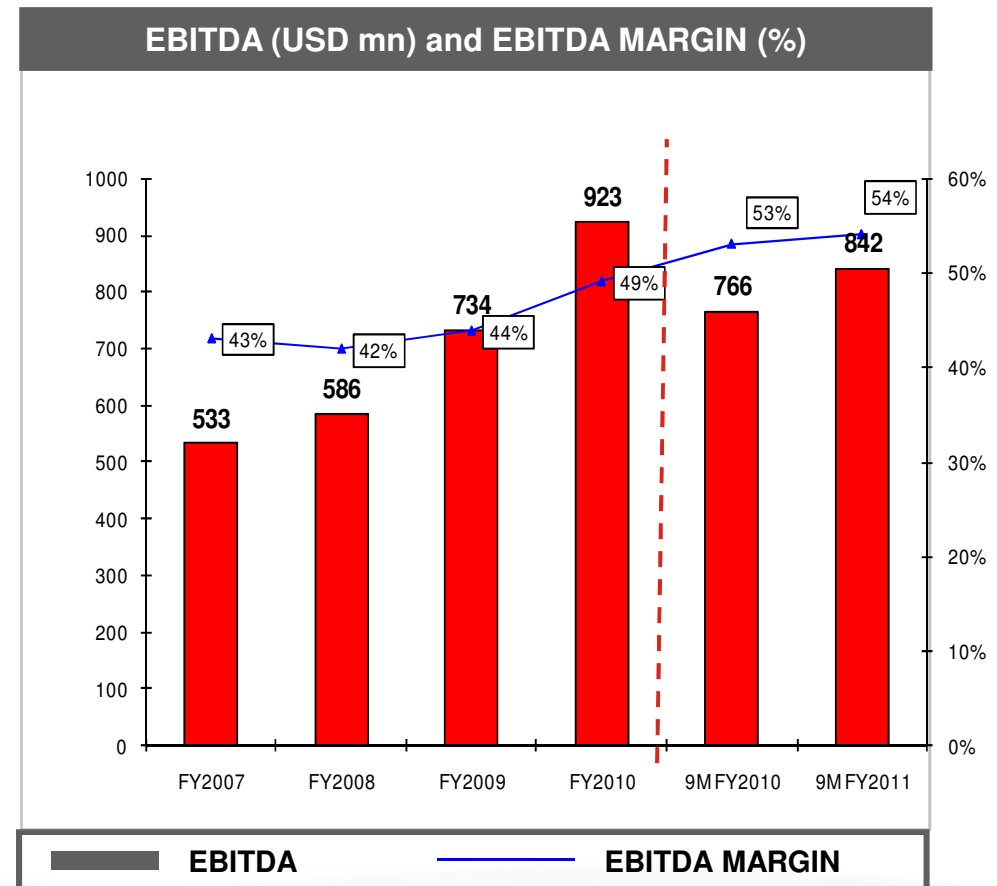
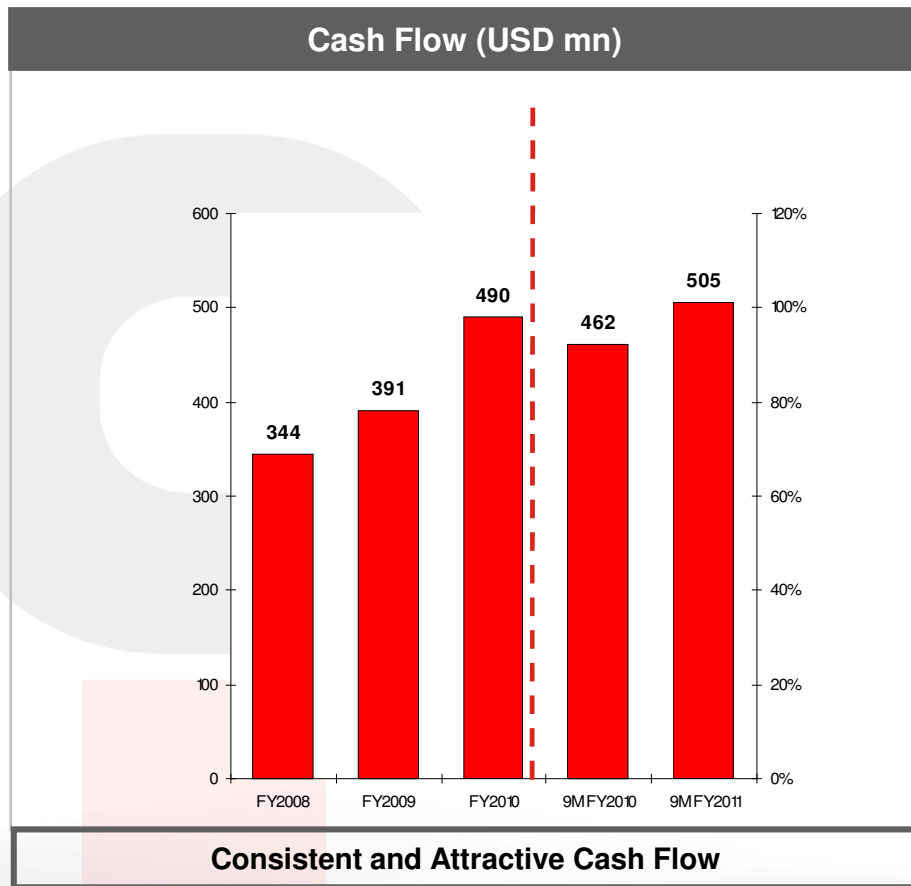
- Exchange rate 1 USD = 48.52 INR used for figures upto FY2009; for 9MFY2009 and 9MFY2010, actual exchange rates have been used.



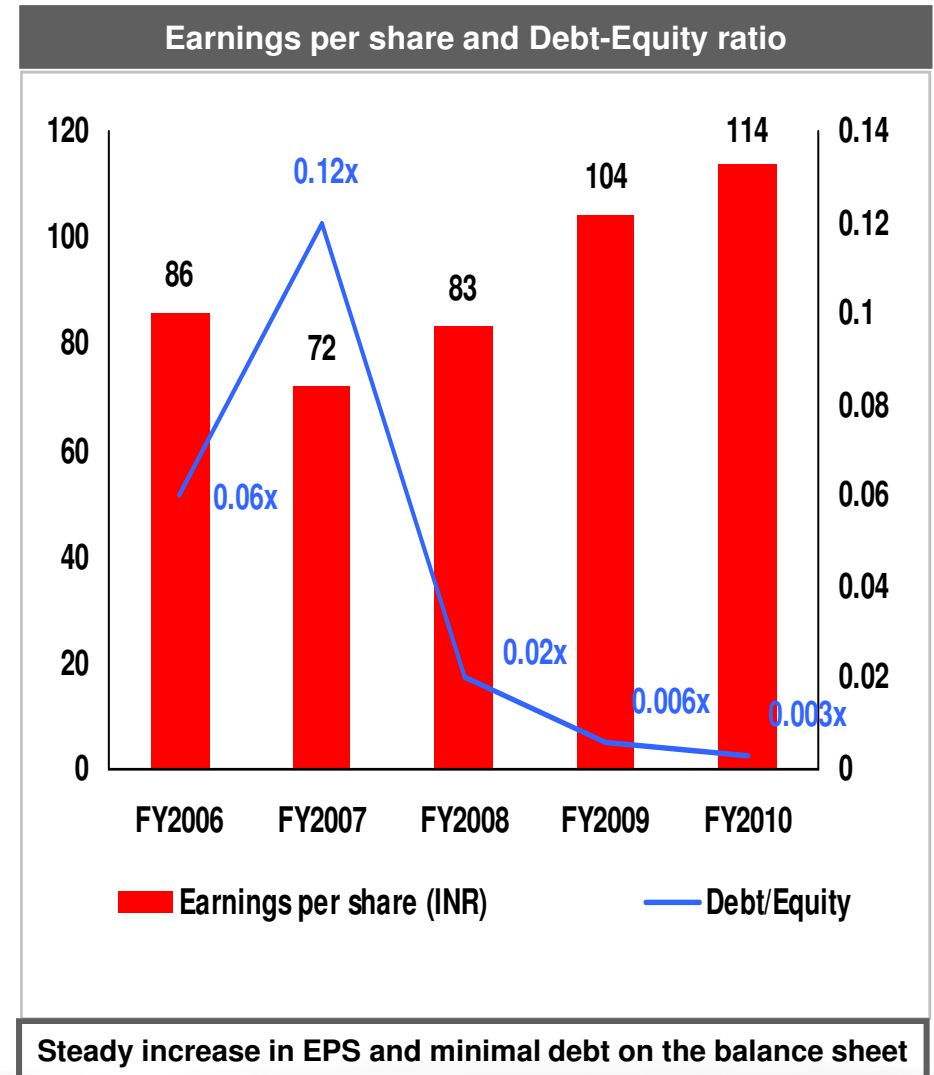
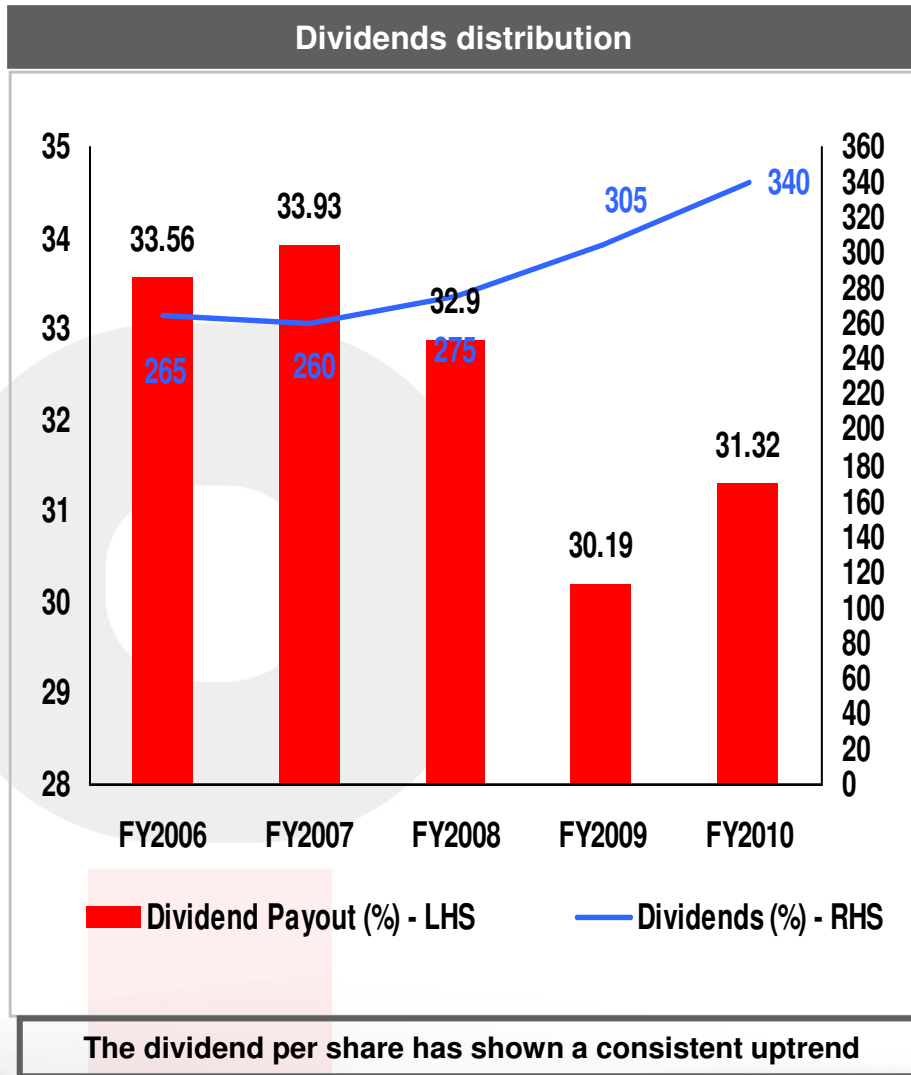
# Networth and Book Value



# Cash Flow and EBITDA Margin



# Dividends distribution and Earnings per share highlights



## Guidance: FY11 & FY'12

	2009-10	2010-11 (Target)	2011-12 (Target)
Crude oil production	3.57 mmt	3.70 MMT	3.76 MMT
Natural gas production	2,415 mmscm	2,405 mmscm	2,633 mmscm

- ✓ Increase in Exploratory and Development Drilling Meterage
- ✓ Increase in Work Overs
- ✓ Enhanced Water Injection
- ✓ Endeavour to Enhance LPG production through NGL Recycling
- ✓ Endeavour to Reduce Gas Flaring by Inducting LNG Technology

# Conclusion

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- ✓ Stable Operations, Looking for Growth
- ✓ Company with Good Operating Track Record
- ✓ Sound Financial Health
- ✓ Company with more than 5 Decades of E&P Expertise
- ✓ Large Prospective E&P Acreage
- ✓ Entry into Deepwater/Offshore Blocks as Operator
- ✓ Entry into discovered assets in Venezuela, Acquisition Thrust continues
- ✓ Spreading its Wings : NE → Pan India → Global
- ✓ Diversifying into New Areas

# Thank You



ऑयल इंडिया लिमिटेड  
Oil India Limited

