

Company Presentation



ऑयल इंडिया लिमिटेड
Oil India Limited

A Navratna Company

July 2, 2010



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Disclaimer

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.

Our Vision

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

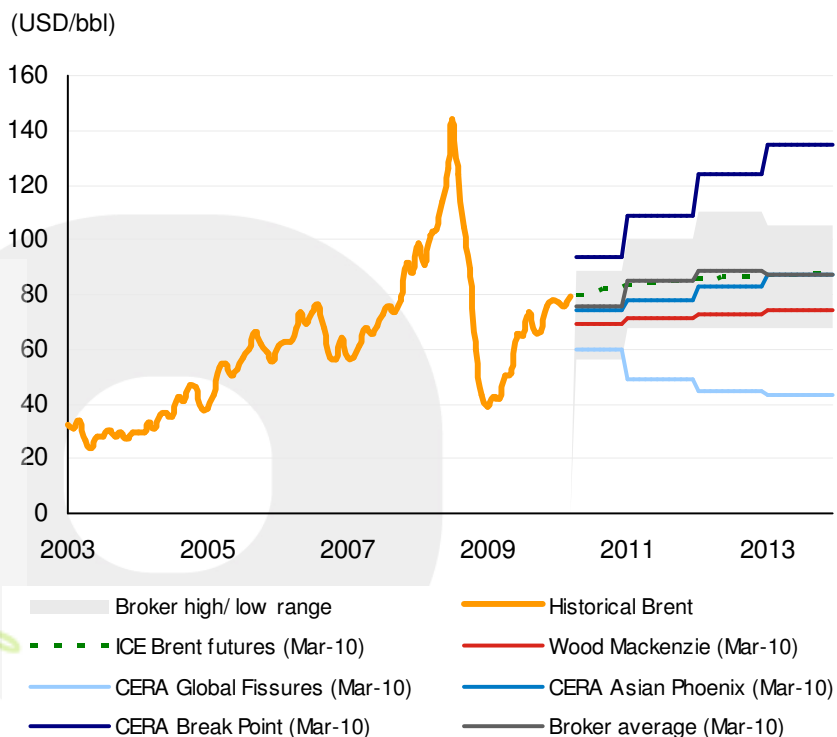
- **Fastest growing Energy Company with highest profitability.**
- **Delight customers with quality products and services at competitive prices**
- **Learning Organization, nurturing initiatives, innovations and aspirations with best practices**
- **Team, committed to honesty, integrity, transparency 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**

Sector Fundamentals



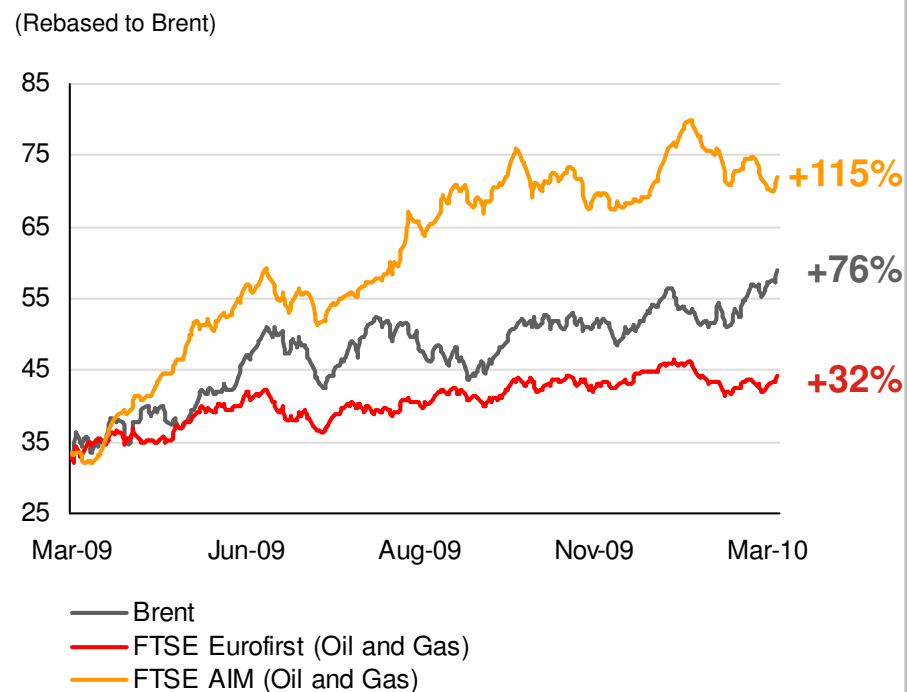
Global Oil and Gas Trends

Brent oil price futures/forwards and forecasts



Source: Broker reports, Bloomberg, Wood Mackenzie, CERA

LTM oil price and equity market performance

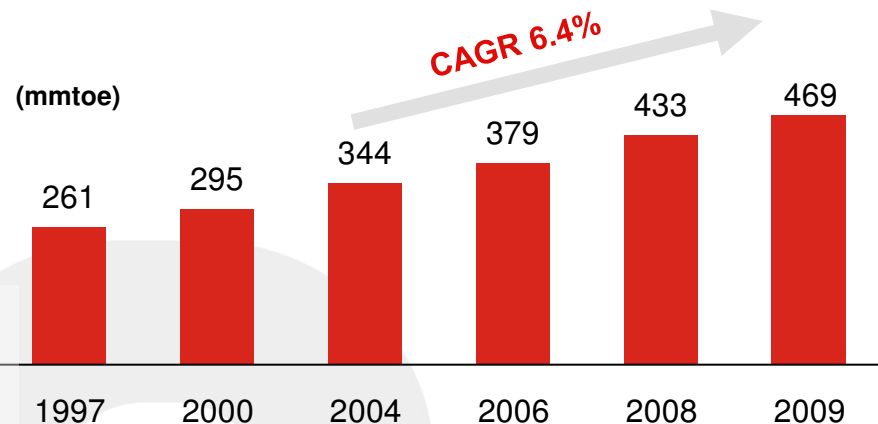


Source: Datastream, FactSet market data as at March 2010

Most analyst reports point to a long term increase in the prices of crude oil as reflected in the Brent oil price futures and the recovery in the Oil-related indices

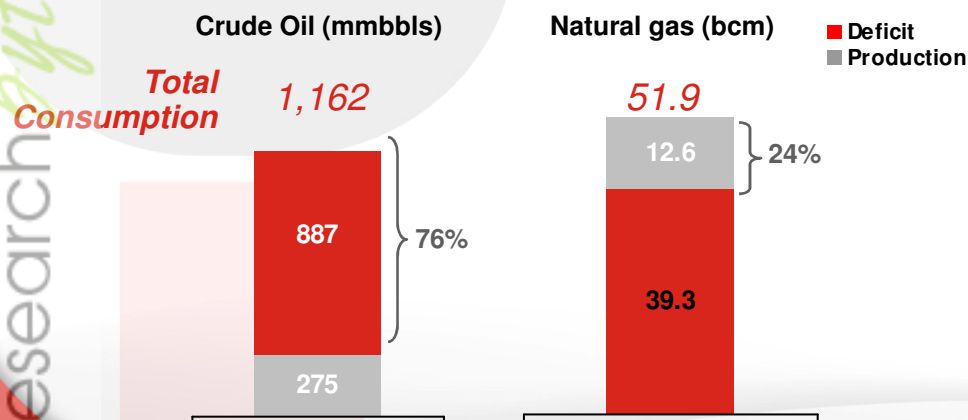
Domestic Industry Environment

Steady growth in domestic energy consumption driven by India's economic growth story¹



Note:
1. As of 31st December 2009 (BP Statistical Review of World Energy, 2010)

Significant supply deficit in the domestic market¹

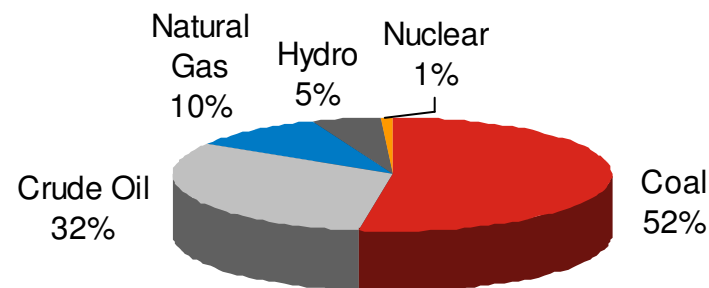


1. As of 31st December 2009 (BP Statistical Review of World Energy, 2010)

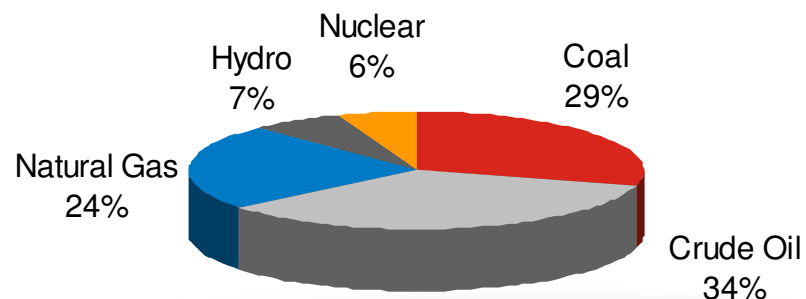
Energy sources (%)

Crude oil and natural gas sources would tend to grow in significance as the Indian economy develops

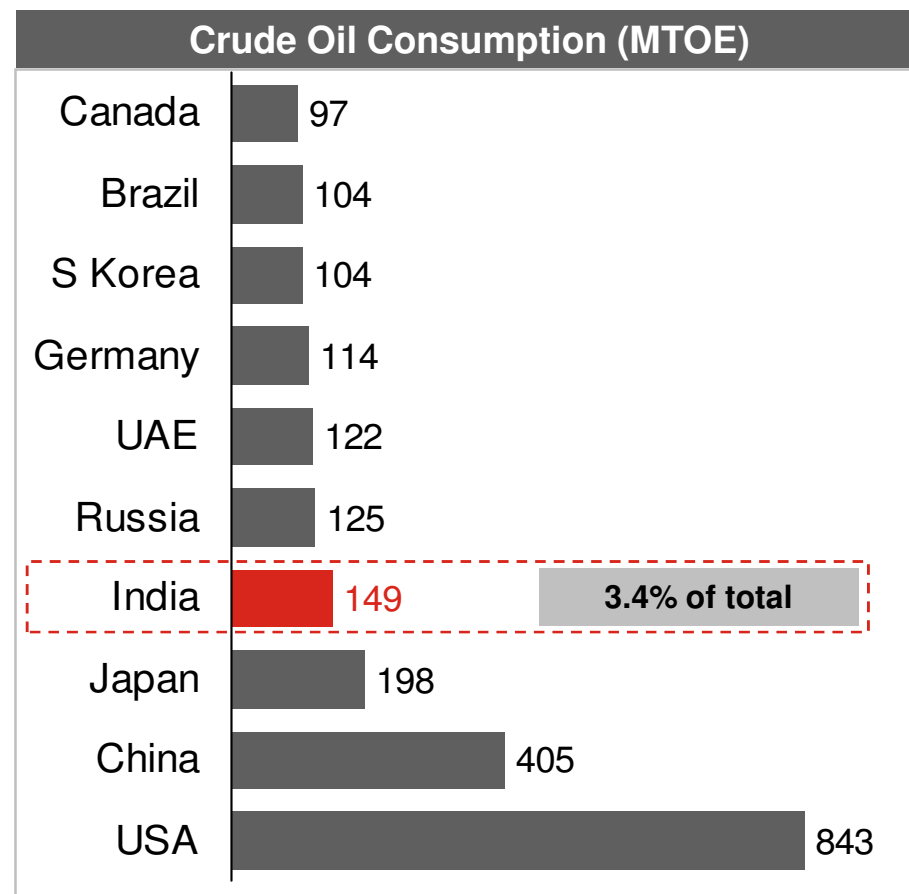
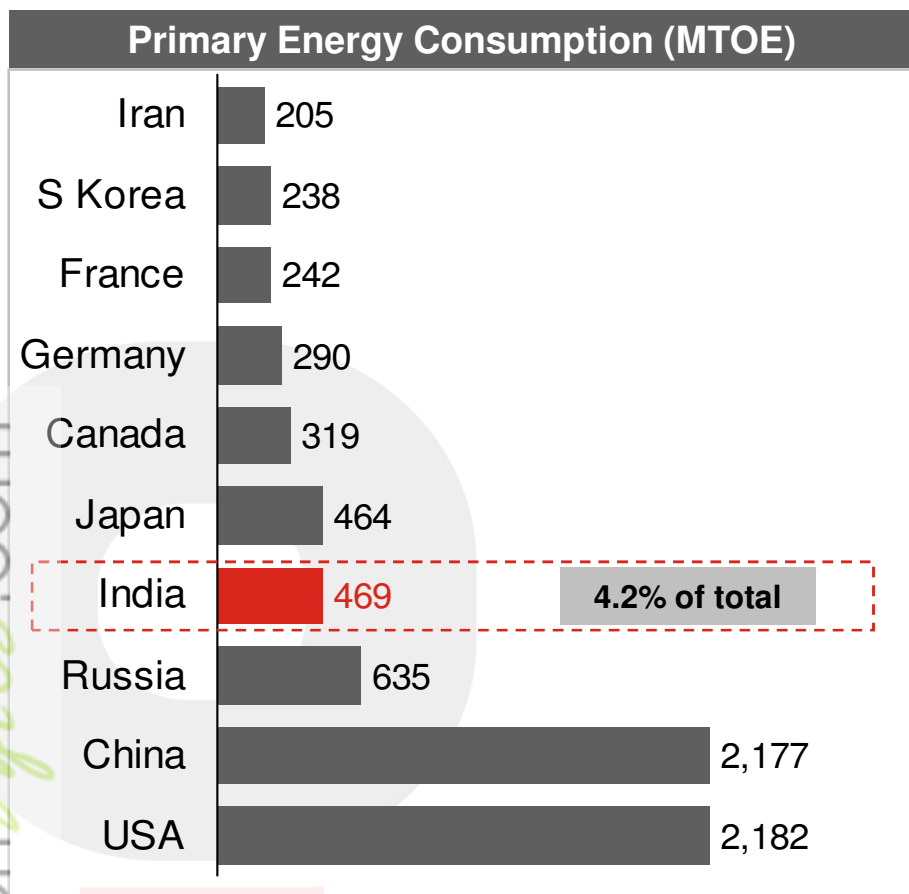
Energy Sources - India



Energy Sources - Global



India: Energy Scenario



- 53% of primary energy consumed by 5 countries
- Total Energy Consumption - 11164.3 MTOE
- India is the 4th largest consumer of Primary Energy

- World oil consumption (2008): 3,882.1 MTOE
- India is the 4th largest consumer of Oil comprising 3.4% of total

Note:

1. As of 31st December 2009 (BP Statistical Review of World Energy, 2010)

OIL India – An Overview



Oil India: Brief Overview

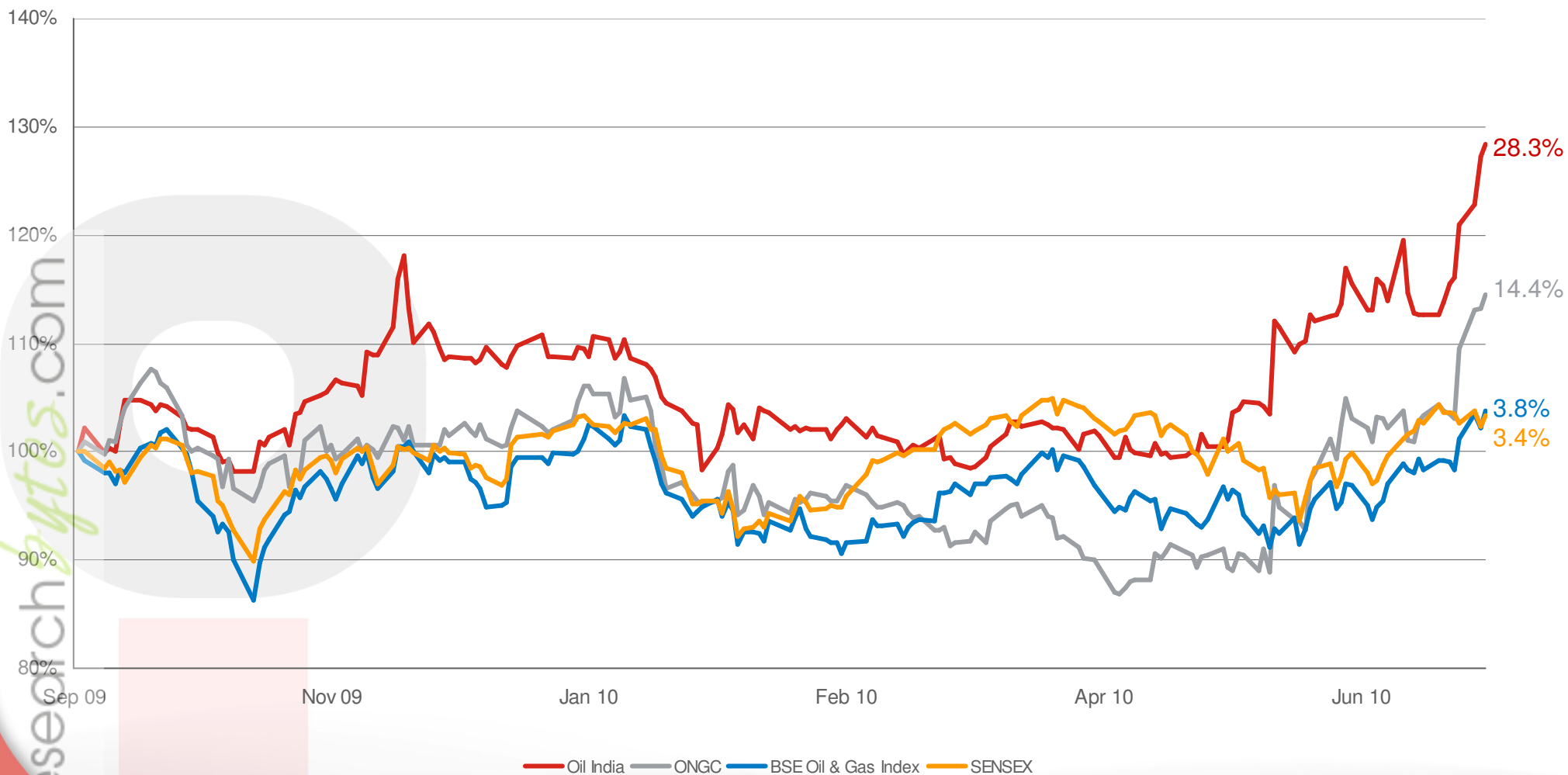
✓	Rich Heritage	<ul style="list-style-type: none"> Independent India's first commercial oil discoveries, with the first made in 1953
✓	Integrated O&G Player	<ul style="list-style-type: none"> Presence across Oil & Gas Value Chain (E&P, Transportation and Downstream) Infrastructure to support growth
✓	Large Acreage	<ul style="list-style-type: none"> Domestic acreage: 127,879 square kilometers; International acreage: 41,656 square kilometers
✓	Strong Reserve Base	<ul style="list-style-type: none"> Total 2P reserves of over 957 mmboe; with RR ratio of over 165% in FY10
✓	Strong Financials	<ul style="list-style-type: none"> Revenue: INR 8,860 Cr. (FY10) PAT : INR 2,610 Cr. (FY 10) Market cap : USD 7.47 bn¹

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 June 30, 2010

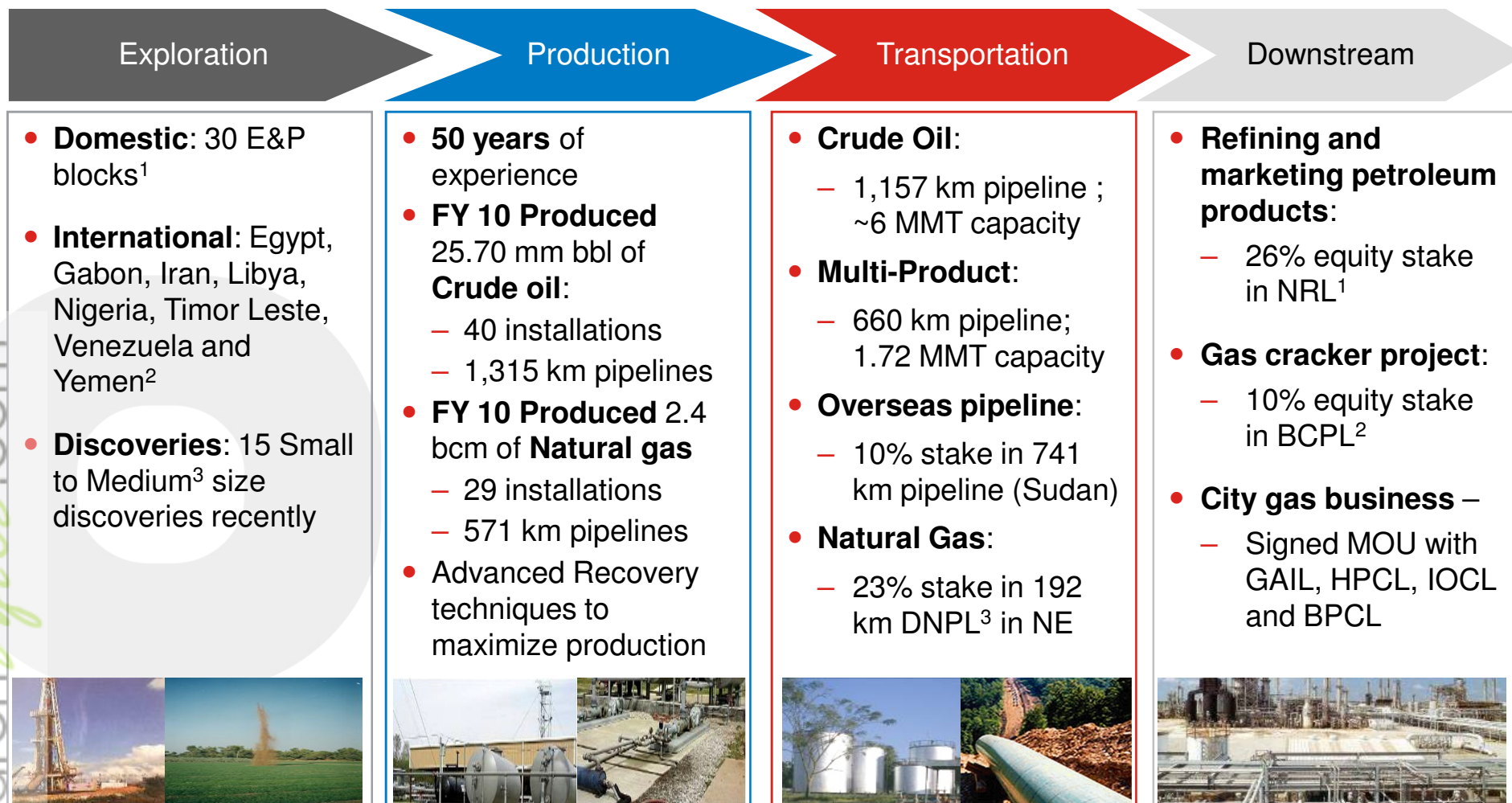
OIL has Outperformed the Benchmark Indices Since Listing



Source: Bloomberg as on June 30, 2010

Oil India ONGC BSE Oil & Gas Index SENSEX

Integrated Oil & Gas Player



Note:

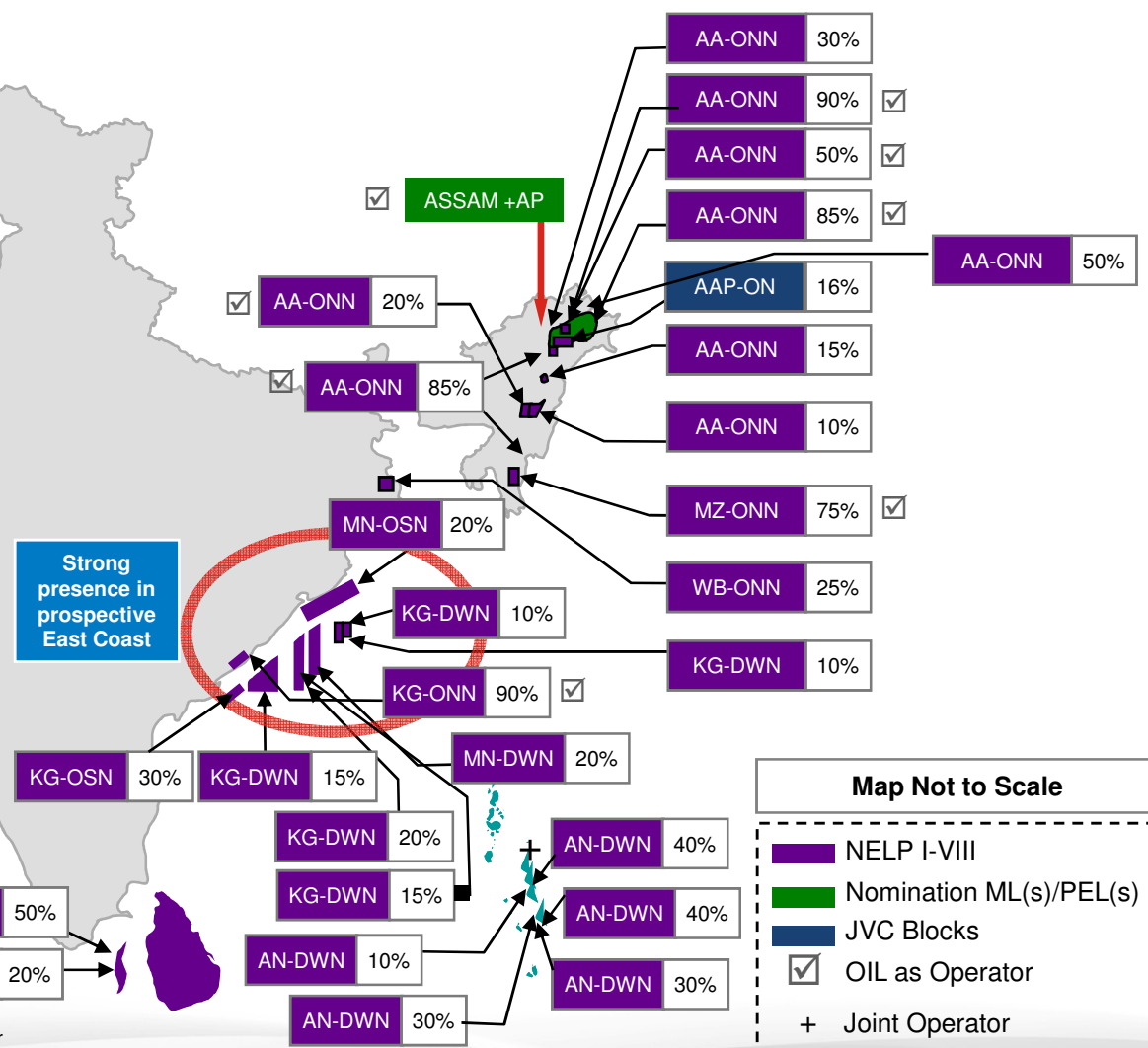
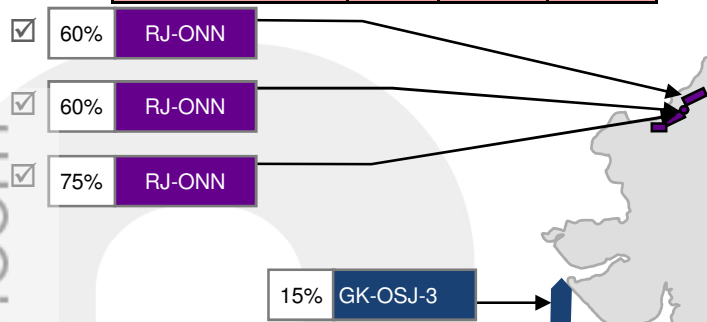
1. 9 blocks have been awarded under NELP VIII.
2. Participating interests in exploration and development blocks.
3. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30 mn barrels of oil and oil equivalent gas
4. MMBOE – Million Barrels of Oil Equivalent

Note:

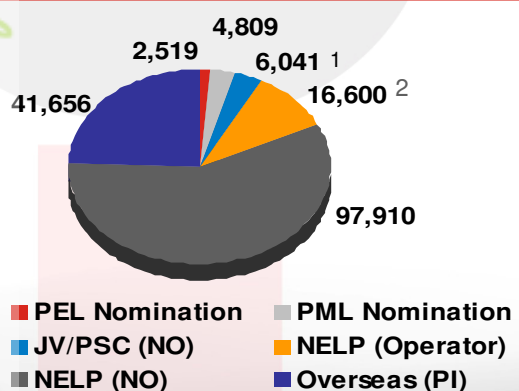
1. NRL – Numaligarh Refinery Limited
2. BCPL – Brahmaputra Cracker and Polymer Limited
3. DNPL – Duliajan-Numaligarh Pipeline Limited

Strong Domestic Acreage Base

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



Summary of Acreage (sq. km.)



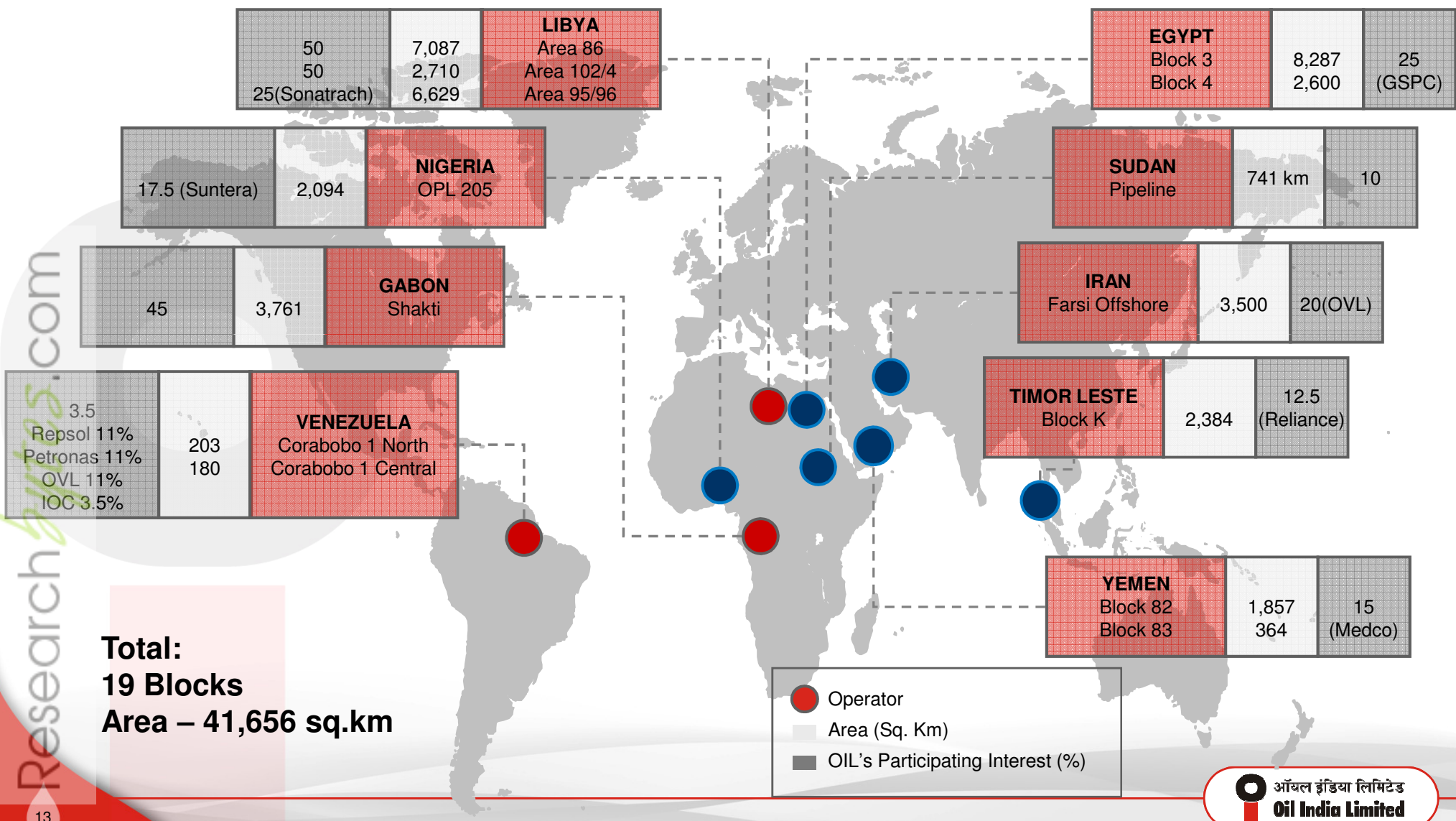
Total Area – 169,535 Sq. Km

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



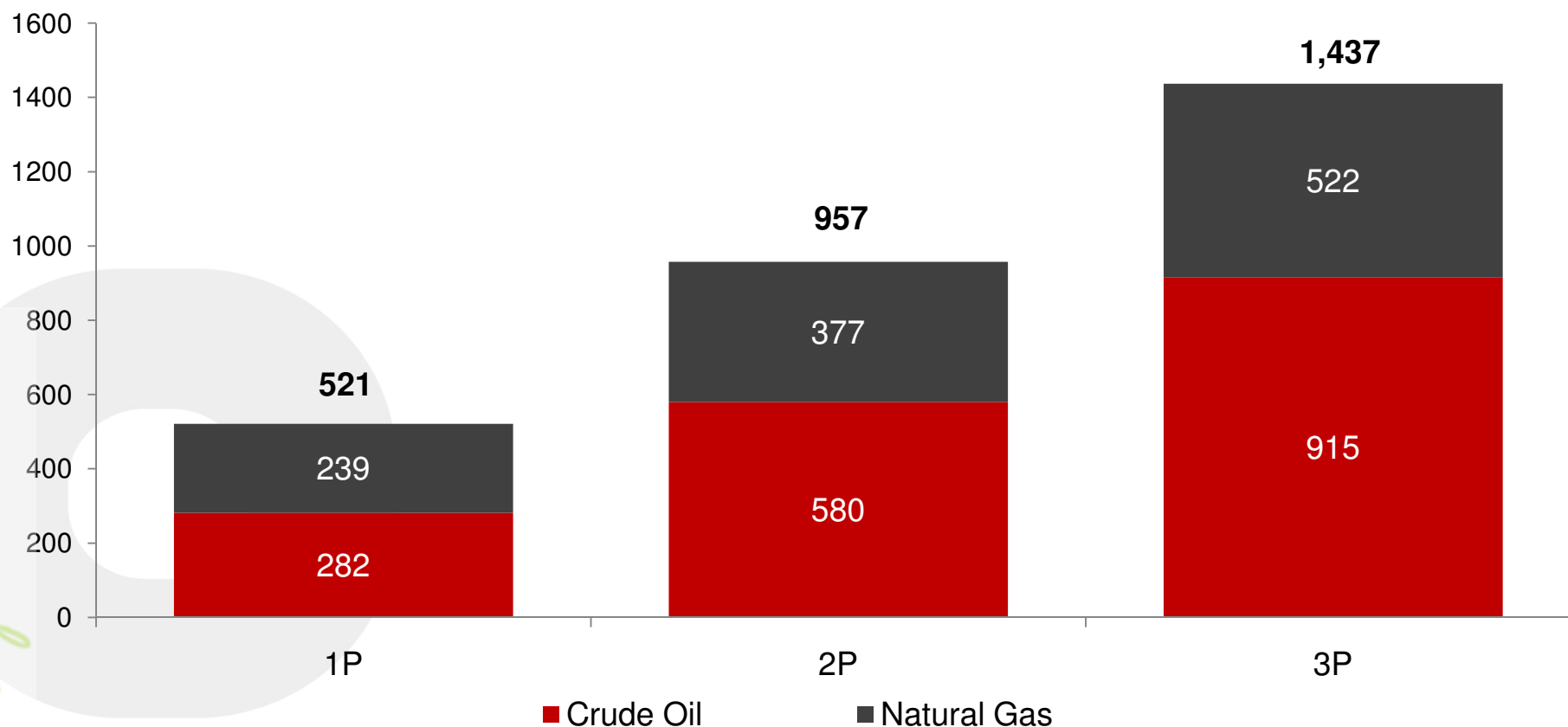
Venezuela - Project Carabobo

- Contains two Blocks – North and Central
- OIL's PI – 3.5% [PdVSA-60%, REPSOL, PETRONAS, OVL – 11% each, IOC-3.5%]
- Contract Period – 25 Years, Possible Extension – 15 Years
- Estd Oil In Place – 27.3 billion barrels
- Recoverable Reserve (in 25 Years) - 3 billion barrels
- Expected Daily Production – 400,000 bbl
- Expected Annual Production – 146 Mn bbl
- Estd. Investment for OIL - \$ 424 Mn [Debt: Equity – 1.5:1]

Strong Reserve Base with Significant Growth Potential

In MMBBL

As on 01/04/2010



1P Reserves represent:

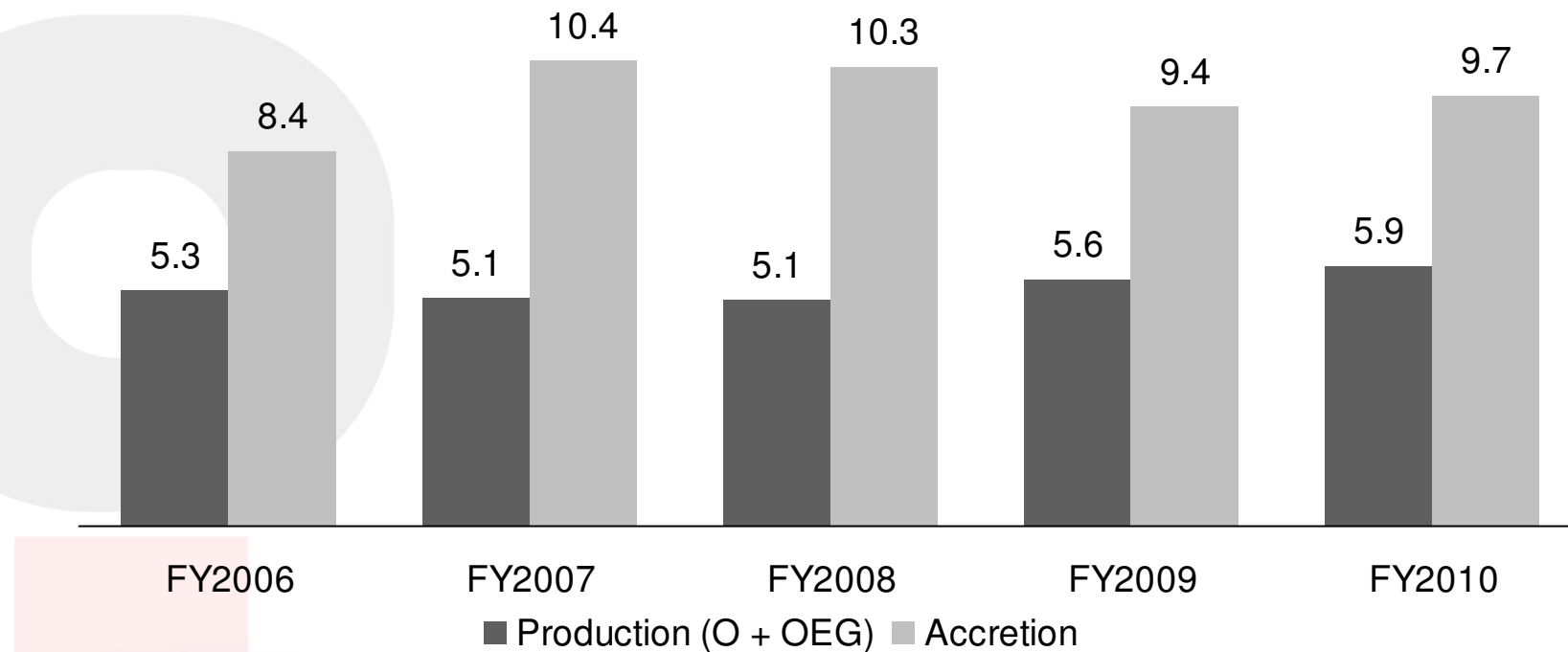
- ≥ 11 Years current production of Crude Oil
- ≥ 15 Years current production of Natural Gas
- ≥ 12 Years current production of O+OEG

Healthy and Consistent Reserve Replacement Ratio

Reserve Replacement Ratio (x)



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



Adequate reserve replenishment

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Integrated In-house E&P Infrastructure To Support Growth

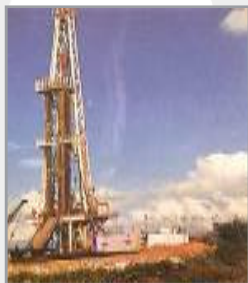
Infrastructure to Support E&P Activities



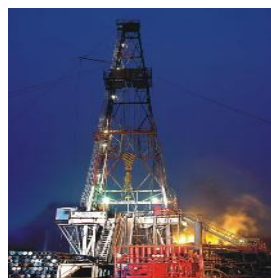
Two 2D and
One 3D
Seismic Crew



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

Trunk Pipeline Network



During its operation for nearly five decades, OIL's Pipeline System has achieved new milestones and broken many records only for its efficient management

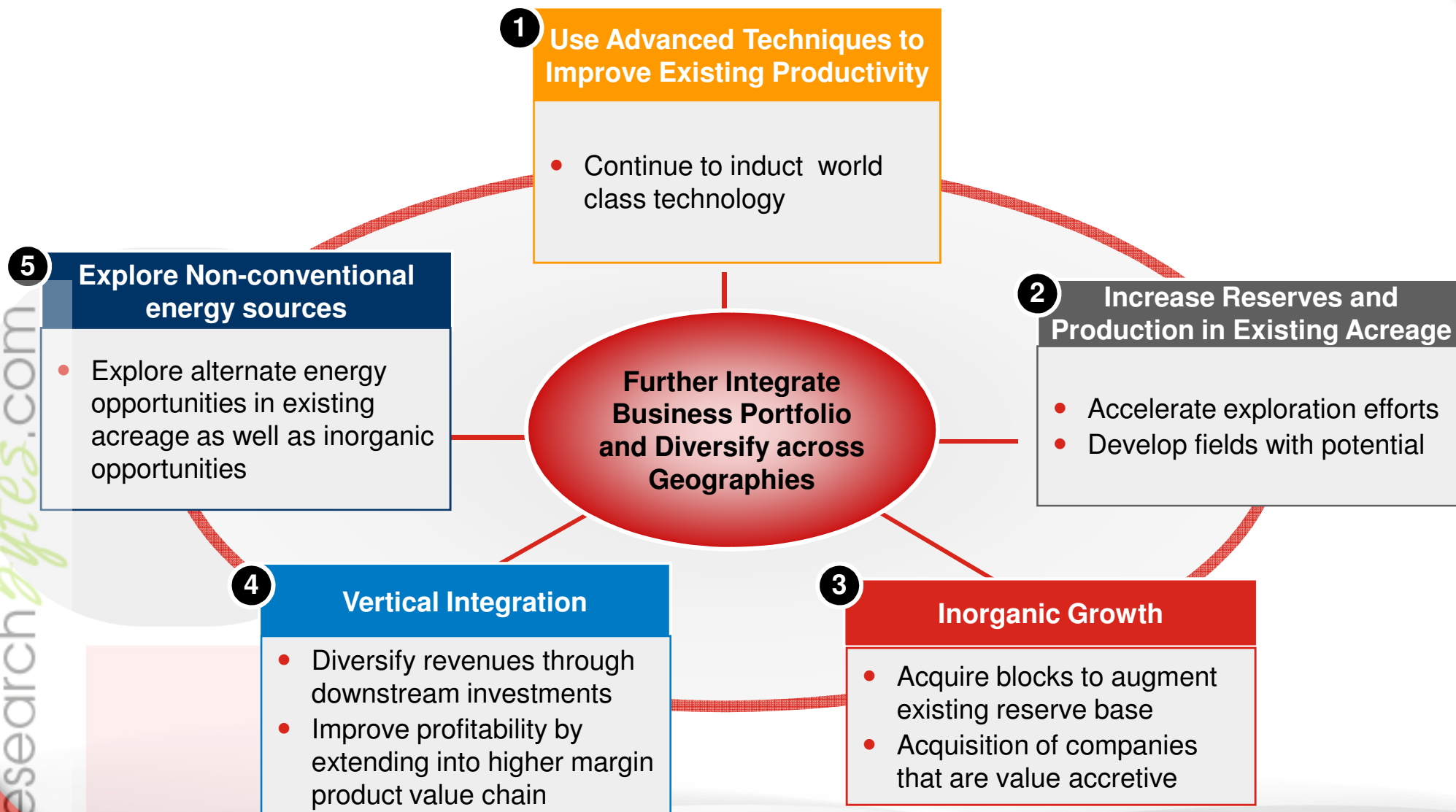
Automated Pipeline System to Deliver Crude Oil to 4 Refineries

- Length of Trunk Pipeline: 1,157 KM
- Length of Branch line: 56.5 KM
- No. of Pump Station: 10
- No. of Terminal Station: 1



Product Pipeline : 660 Kms

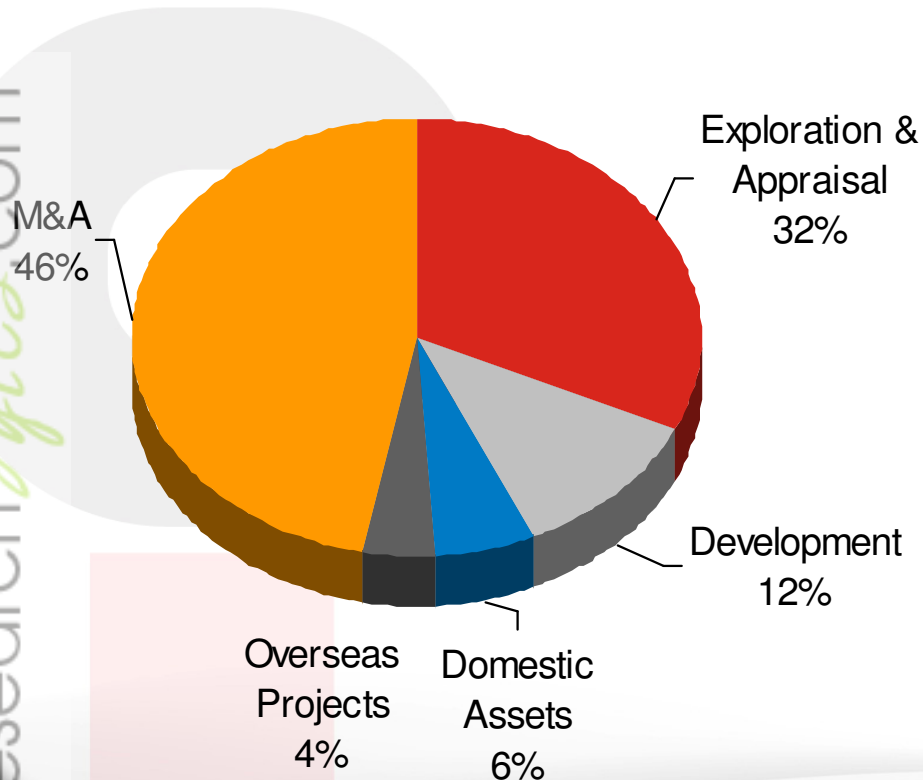
Strategy to Deliver Long Term Growth and Shareholder Value



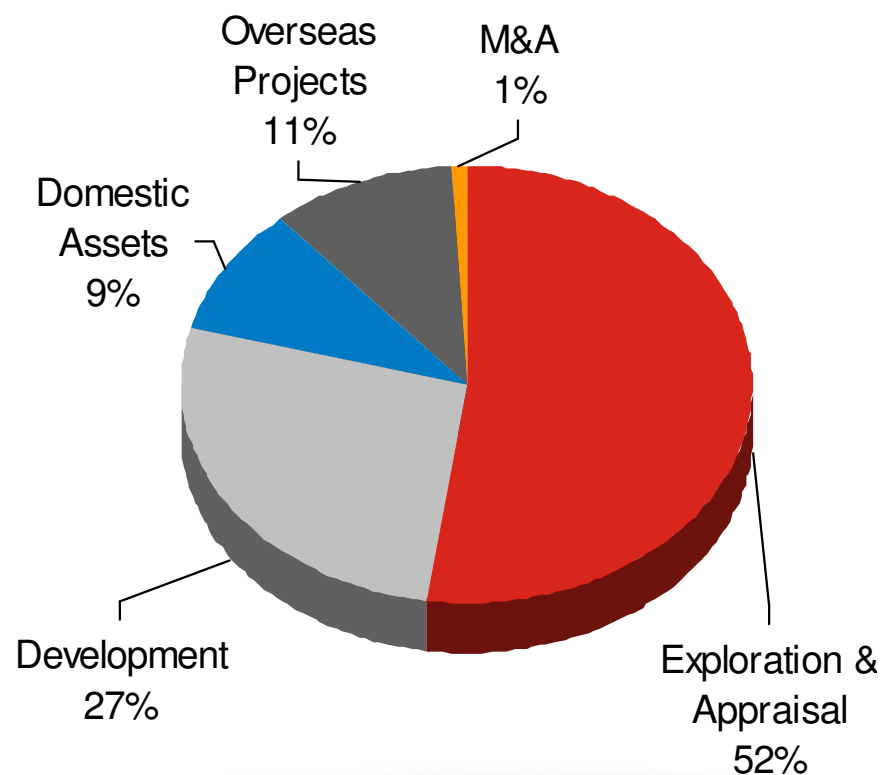
Significant Investment Lined Up in Next 2 Years

- ✓ USD 1.9 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: Rs 47,964 mn

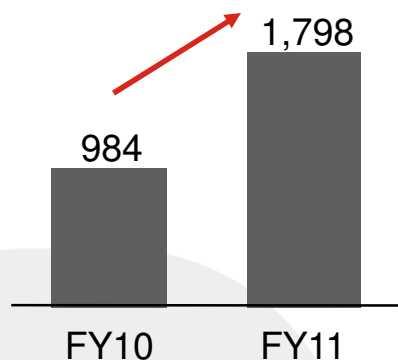


2011-2012: Rs 36,579 mn



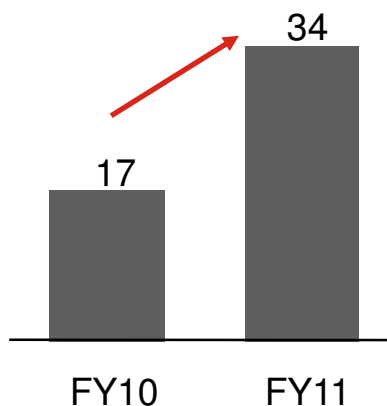
Planned Activities in FY11

3D Seismic Surveys



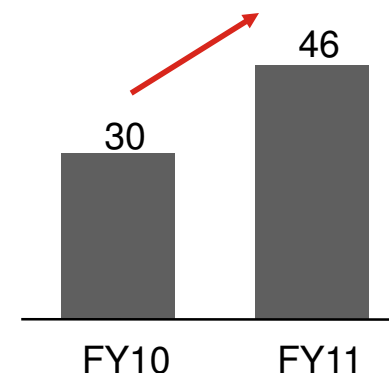
- 3D Planned in FY11
 - 250 SqKm in Assam & AP (FY10: 744)
 - 1,448 SqKm in NELP planned in FY11 (FY10: 240)
 - Focus in Rajasthan and KG
- 100 SqKm Overseas planned (FY10: NIL)

Exploratory Drilling



- Assam & AP
 - 17 wells planned in FY11 (FY10: 13)
- NELP: 14 wells planned (FY10: 3); primarily RJ and KG
- Overseas drilling
 - Total planned 3 wells (FY10: 1)

Development Drilling



- Major thrust continues to be in Assam & AP
 - 44 wells for FY11 (FY10: 30)
- 2 new wells planned in Rajasthan

Over 50% increase in 3D Surveys, Exploratory and Development Drilling Planned.

OIL: Strategy in Place To Deliver Long Term Value

- **Organic Growth- supported by our E&P Programme**

- To enhance the production of crude oil on a sustainable basis from the existing assets in NE region
- To increase the gas sales significantly in NE region
- To discover hydrocarbons in our NELP & overseas exploration acreages

- **Inorganic Growth in JV with IOCL - supported by US\$2bn cash**

- To acquire small-medium sized producing properties equivalent to the organic growth

- **Selective Diversification & down-stream integration- supported by MOU's**

- To participate in down stream ventures of refining & petrochemicals on a selective basis
- To venture into shale gas in our nominated acreages in the NE Region
- To venture into alternative sources of energy
- To venture into CNG /CGD

More Stress on Core Business.

Recent Developments



Select Highlights for FY2010

- OIL's shares listed in Mumbai Stock Exchange on 30.09.2009.
- Achieved the highest daily rate of crude oil production of 3.61 MTPA (> 26 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 during 2010 :

Parameter	Unit	2009-10	% Increase over 2008- 09
Drilling	m	144,862	25
Crude Oil Production	MMBBL	25.70	3
Crude Oil Sales	MMBBL	25.76	4.22
Natural Gas Production	BCM	2.415	6.44
Natural Gas sales	BCM	1.86	7.2

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

Select Highlights for FY2010 (Contd.)

- Completed 660 Km long NRL – Siliguri Product Pipeline.
- LPG plant completed 26 years of continuous service with excellent track record of 99% Plant Load Capacity. LPG production of 44,950 tonnes in 2009-10 was 103.1% of target
- Made six hydrocarbon discoveries in Assam. Reserve Accretion was 9.65 MMTOE (101.6% of target).
- Awarded 9 blocks in NELP-VIII round - the highest so far by OIL - 2 as Operator, 1 as Joint Operator and PIs in 6.
- Entry in Offshore as Operator
- Entry in Deep Water Block as Joint Operator
- Duliajan – Numaligarh Gas Pipeline (DNPL) Project likely to be completed by July, 2010.
- Measurement of Carbon footprint initiated.
- Revisiting Long Term Strategic Plan and PMS.

Key Developments

Numaligarh Refinery Shutdown

- Numaligarh Refinery Shutdown since 16th March, 2010
 - Resulting in a loss of approx. 0.13 MMT of Crude oil & 28 mmscm of NG
 - Actions are in hand to make up for the Loss



Revision of Natural Gas Prices

- Price for Natural Gas increased to USD 4.2/ MMBTU ;
- Consequentially additional Gross Revenue Generation of Rs. 520 Crores (Annualised)
- Consequentially additional Net Revenue Generation of Rs.347 Crores (Annualised)
- Impact on EPS of Rs. 14.4 per share on annualised basis

Partial De-Control

Parikh Committee Recommendation	EGoM Decision
<ul style="list-style-type: none"> • Petrol To be Deregulated 	<ul style="list-style-type: none"> ✓ Petrol Prices De-regulated
<ul style="list-style-type: none"> • Diesel To be Deregulated 	<ul style="list-style-type: none"> ✓ Diesel Prices Partially De-regulated
<ul style="list-style-type: none"> • Increase of Rs. 6 per Litre for Kerosene 	<ul style="list-style-type: none"> ✓ Increase of Rs. 3 per Litre for Kerosene
<ul style="list-style-type: none"> • Increase of Rs. 100 per Cylinder for LPG 	<ul style="list-style-type: none"> ✓ Increase of Rs. 35 per Cylinder for LPG

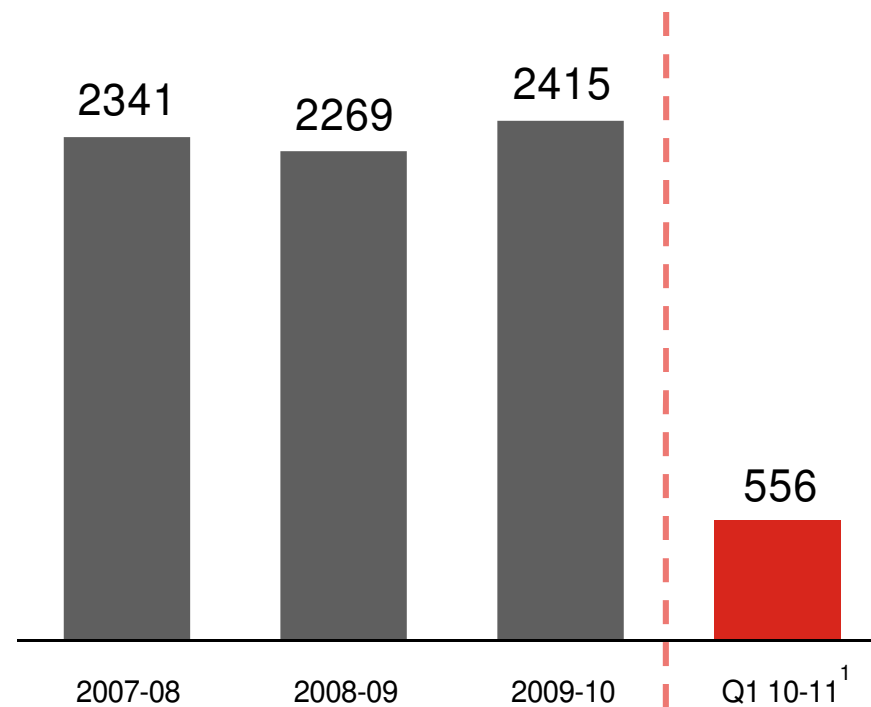
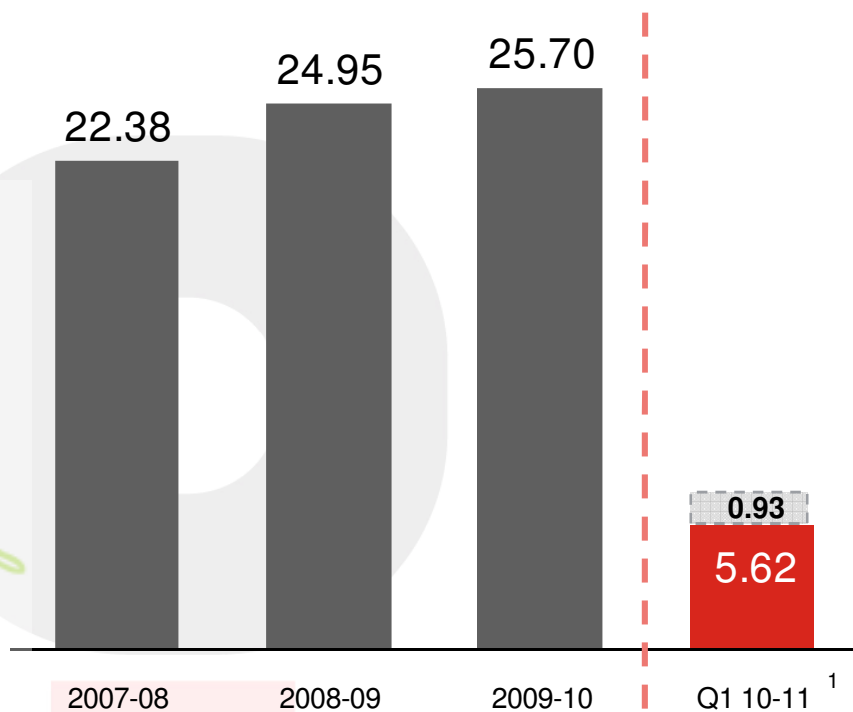
Operating Performance



Crude Oil and Natural Gas Production

Crude Oil Production (mm bbl)

Natural Gas Production (mm scm)

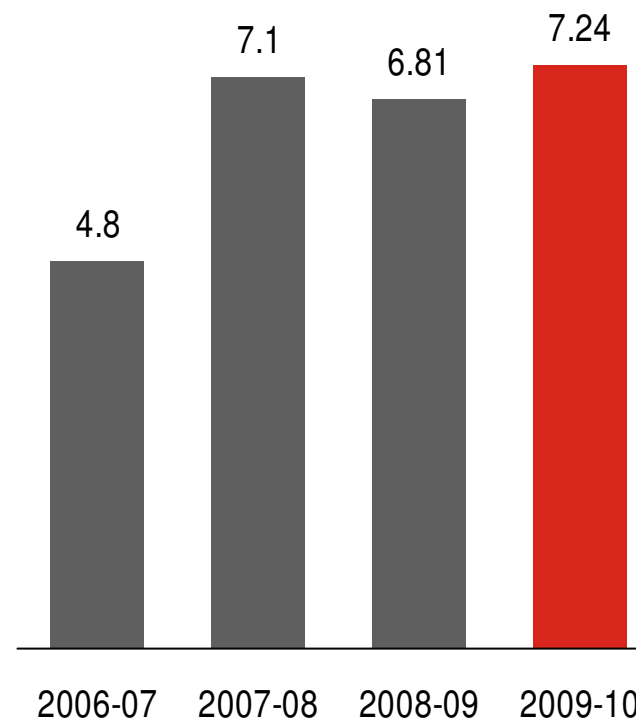
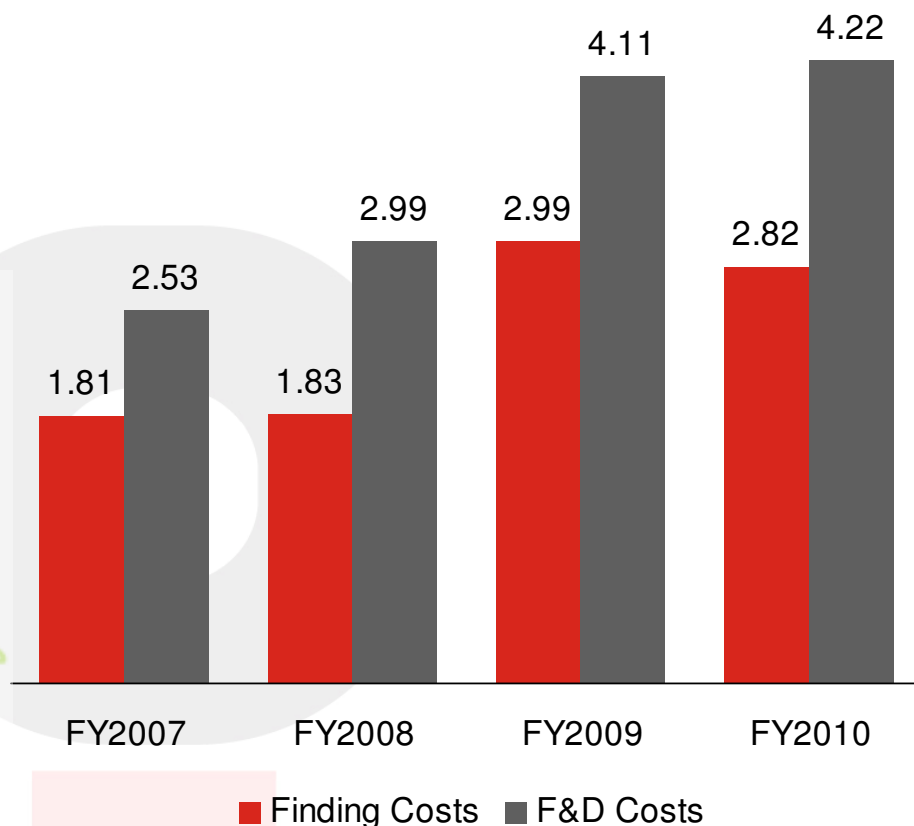


• NRL shutdown impact in Q1 FY11 – 0.93 mm bbl

Low Finding, Development and Lifting Costs

Finding and Development Costs (USD / bbl)

Lifting Costs (USD / bbl)



OIL has the Advantage of Low Finding, Development and Lifting costs.

Financial Performance



Sharing of Subsidy by Upstream Companies

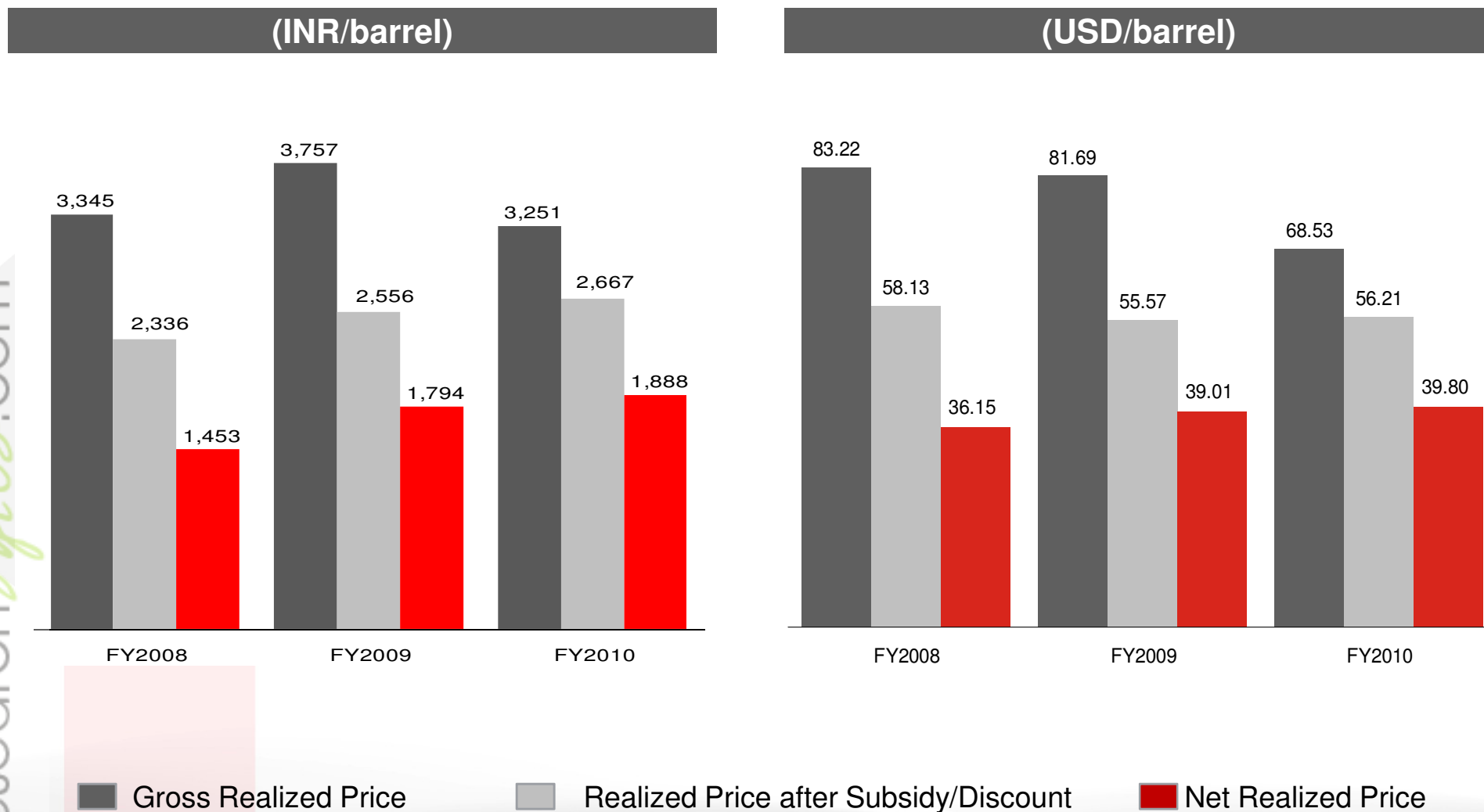
Rs. In Crores

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
ONGC	4,104	11,959	17,025	22,001	28,226	11,554	94,869
OIL	706	978	1,994	2,307	3,023	1,549	10,557
GAIL	1,137	1,064	1,488	1,401	1,694	1,326	8,110
Total	5,947	14,001	20,507	25,709	32,943	14,430	113,537

% SHARING

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
ONGC	69%	85%	83%	86%	86%	80%	84%
OIL	12%	7%	10%	9%	9%	11%	9%
GAIL	19%	8%	7%	5%	5%	9%	7%
Total	100%	100%	100%	100%	100%	100%	100%

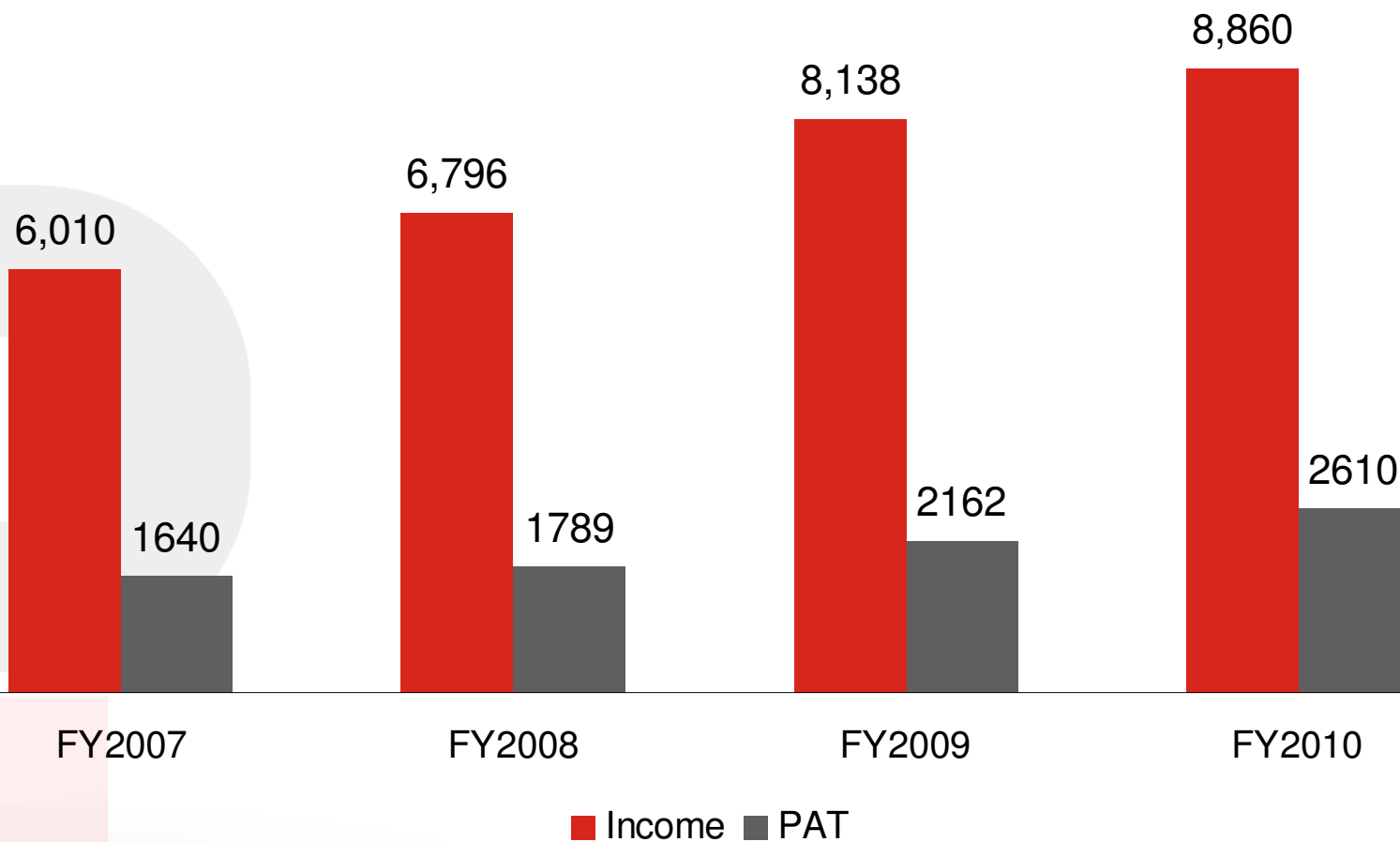
Realized Price



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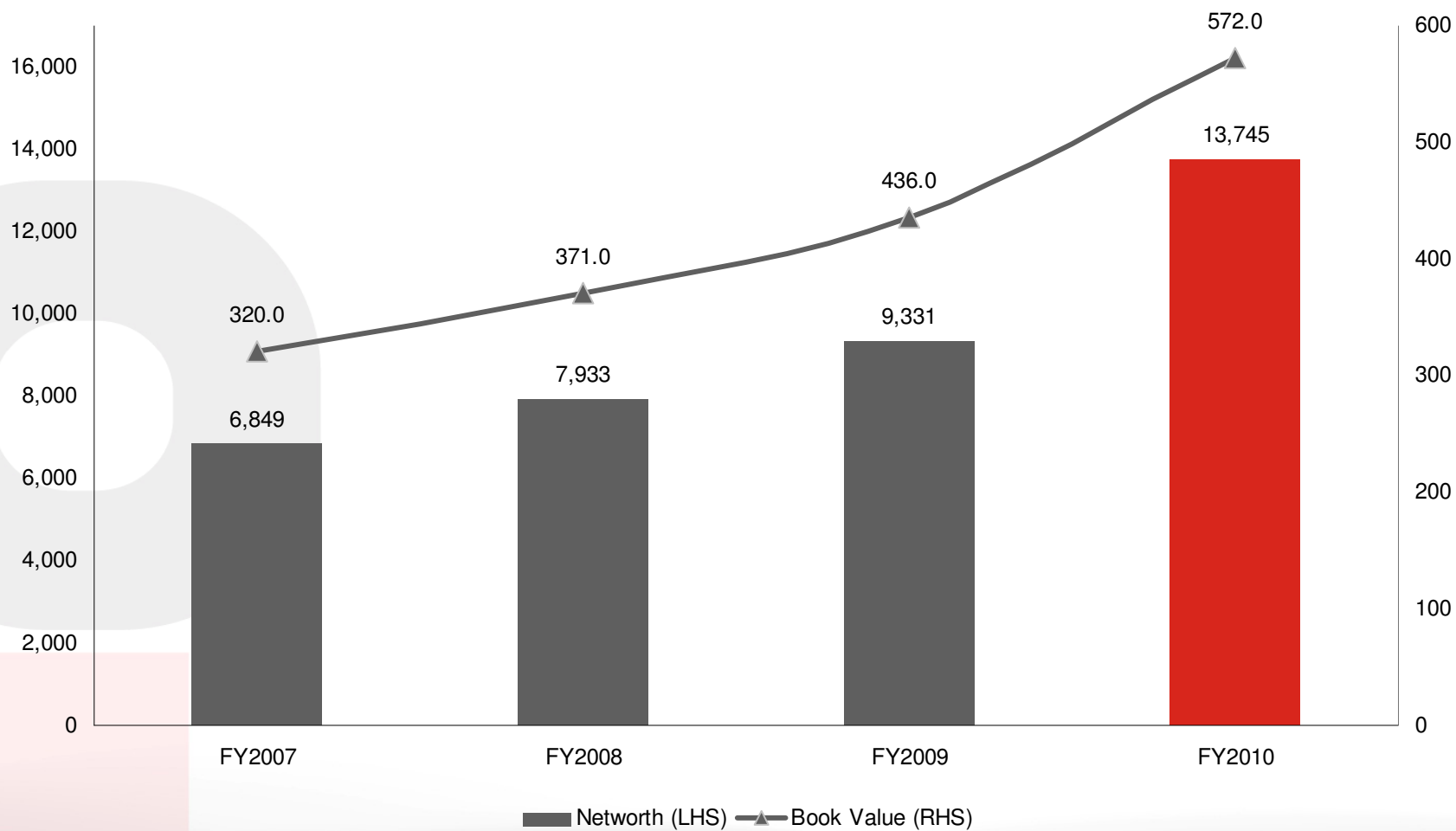
Strong Revenue and Profitability

Revenue and profitability analysis (INR Cr.)



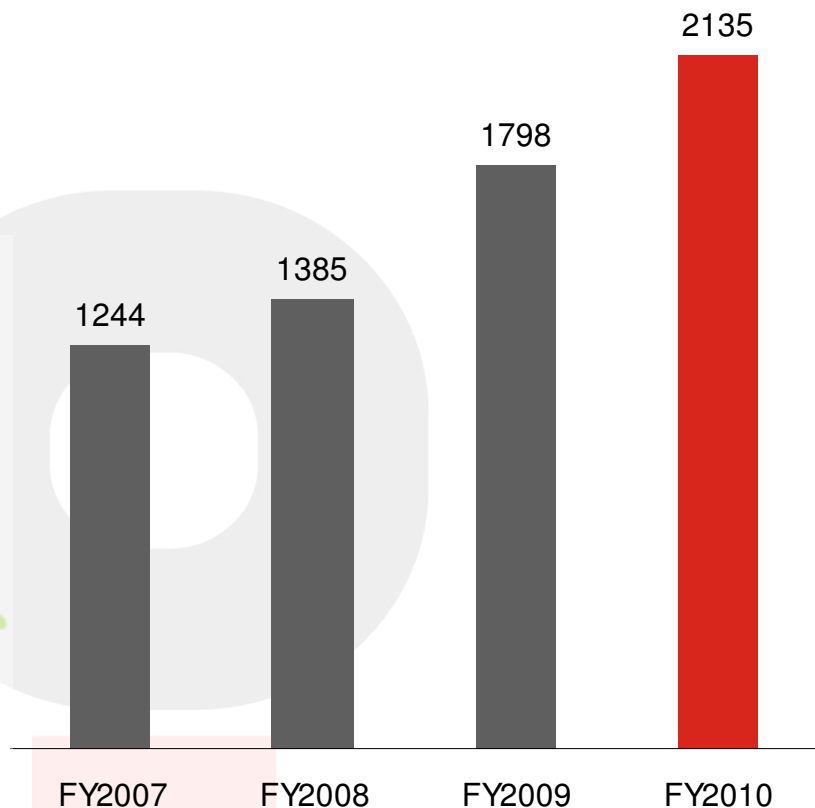
Strong Net-worth and Book Capital

Networth (INR Cr.) and Book Value Analysis (INR)

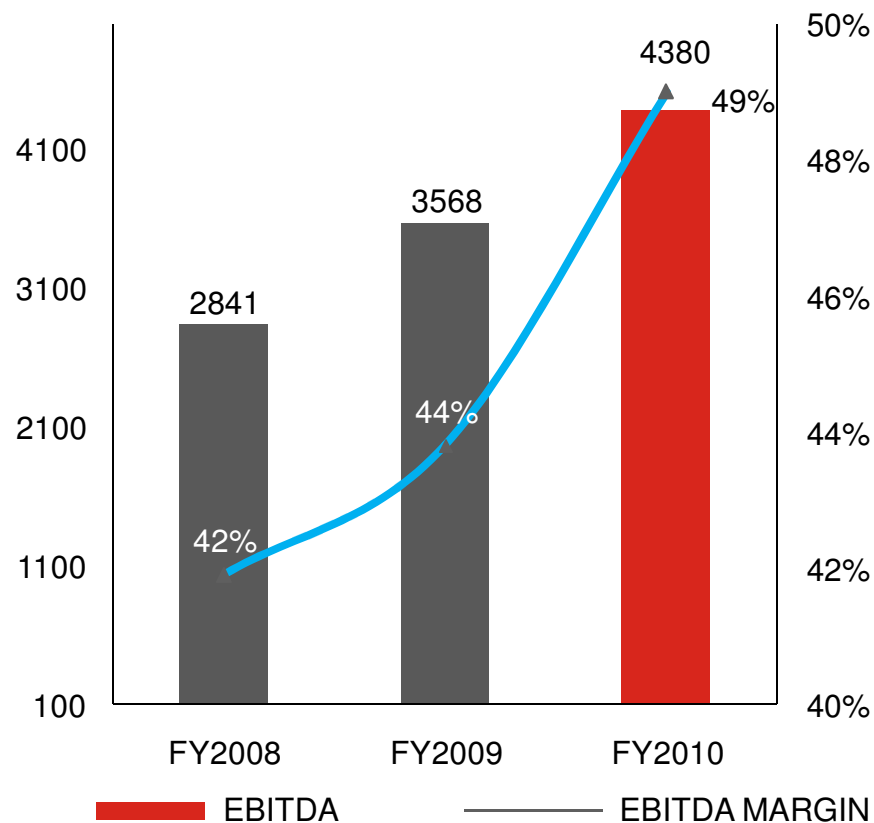


Cash Flow and EBITDA Margin

Cash Flow (INR Cr.)



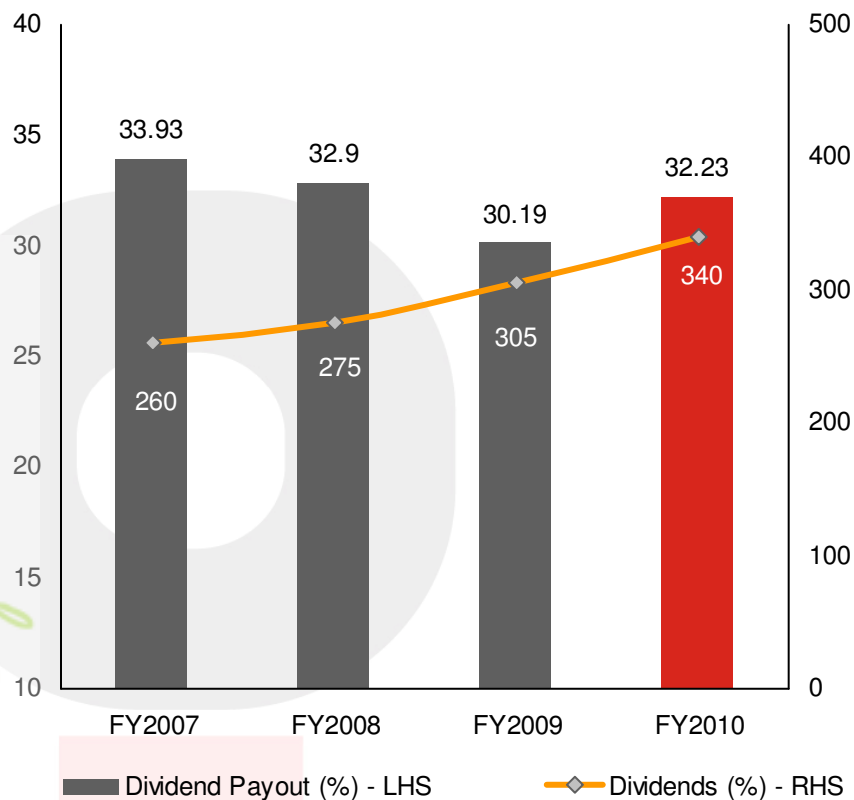
EBITDA (INR Cr.) and EBITDA MARGIN (%)



Consistent and Attractive Cash Flow Generation

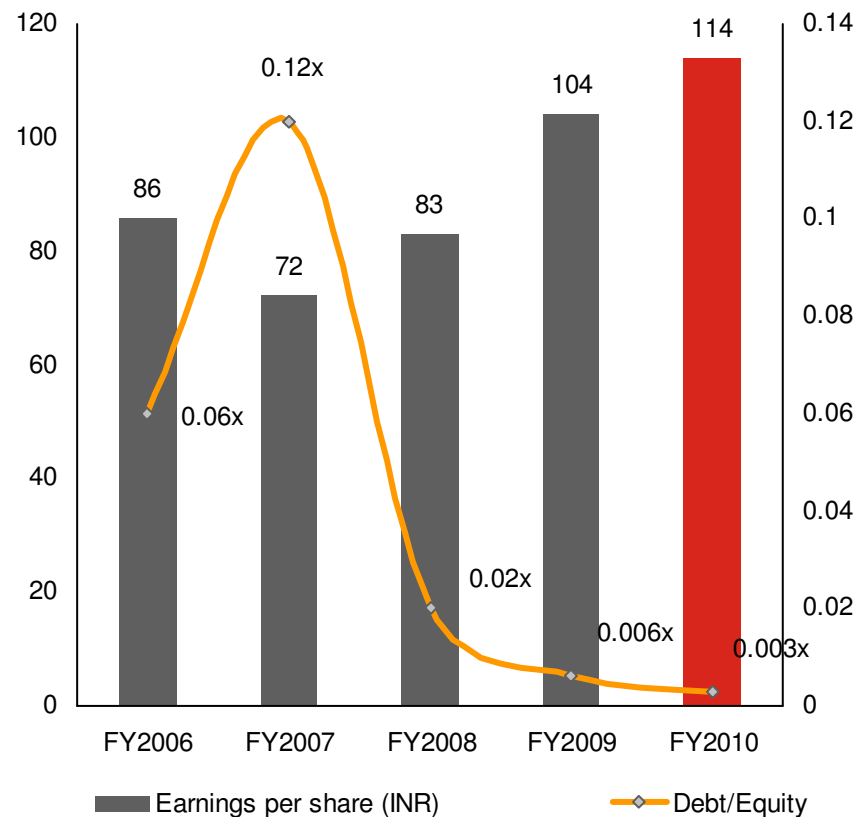
Dividends distribution and Earnings per share highlights

Dividends distribution



The dividend per share has shown a consistent uptrend

Earnings per share and Debt-Equity ratio



Steady increase in EPS and minimal debt on the balance sheet

Guidance: FY11

	2009-10	2010-11 (Target)
Crude oil production	3.57 mmt	3.70 MMT
Natural gas production	2,415 mmscm	2,620 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
- ✓ Completed Preliminary Activities in order to Develop CNG Network in Assam

Awards & Accolades

- Awarded as “Heavy Weight Mini Ratna PSU” by Dalal Street Journal – 2010
- North East Business Excellence Award 2010
- Commendation Award for CSR activities from the World Council of Corporate Governance
- “PSU with the highest Book Value” award by Dalal Street – 2008
- PCRA – Overall Performance in the Upstream Sector - 2008
- Enterprise Excellence Award – 2007
- TERI CSR Award – 2006
- 6th Annual Greentech Award – 2005
- SAP-ACE - 2007 Award
 - For Customer Excellence in the **best** Oil & Gas Sector implementation Category



Conclusion

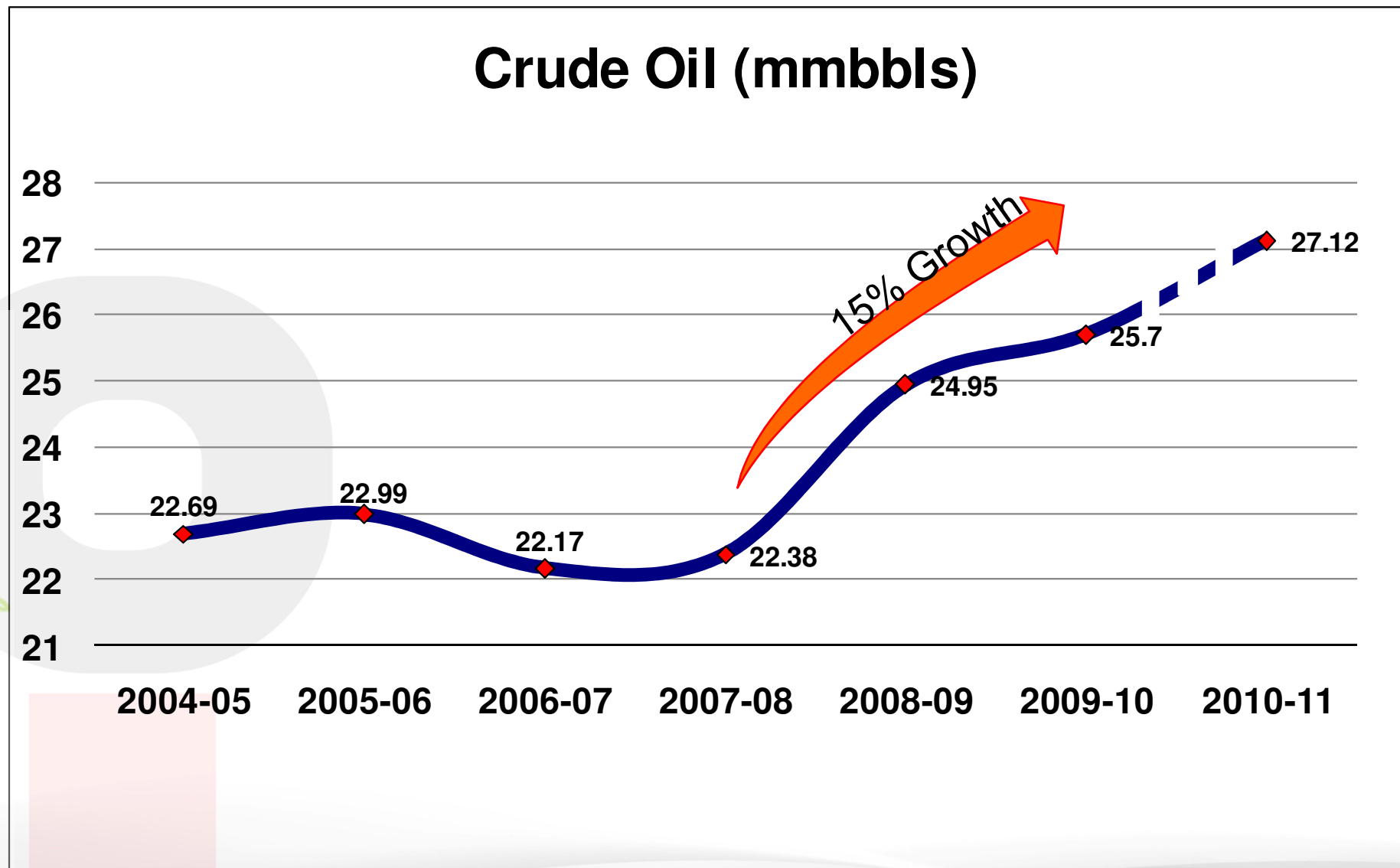
- ✓ Stable Operations, Looking for Growth
- ✓ Company with Good Operating Track Record
- ✓ Sound Financial Health
- ✓ Company with more than 5 Decades of E&P Expertise
- ✓ Large Prospective E&P Acreage
- ✓ Entry into Deepwater/Offshore Blocks as Operator
- ✓ Entry into discovered assets in Venezuela,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

Thank You



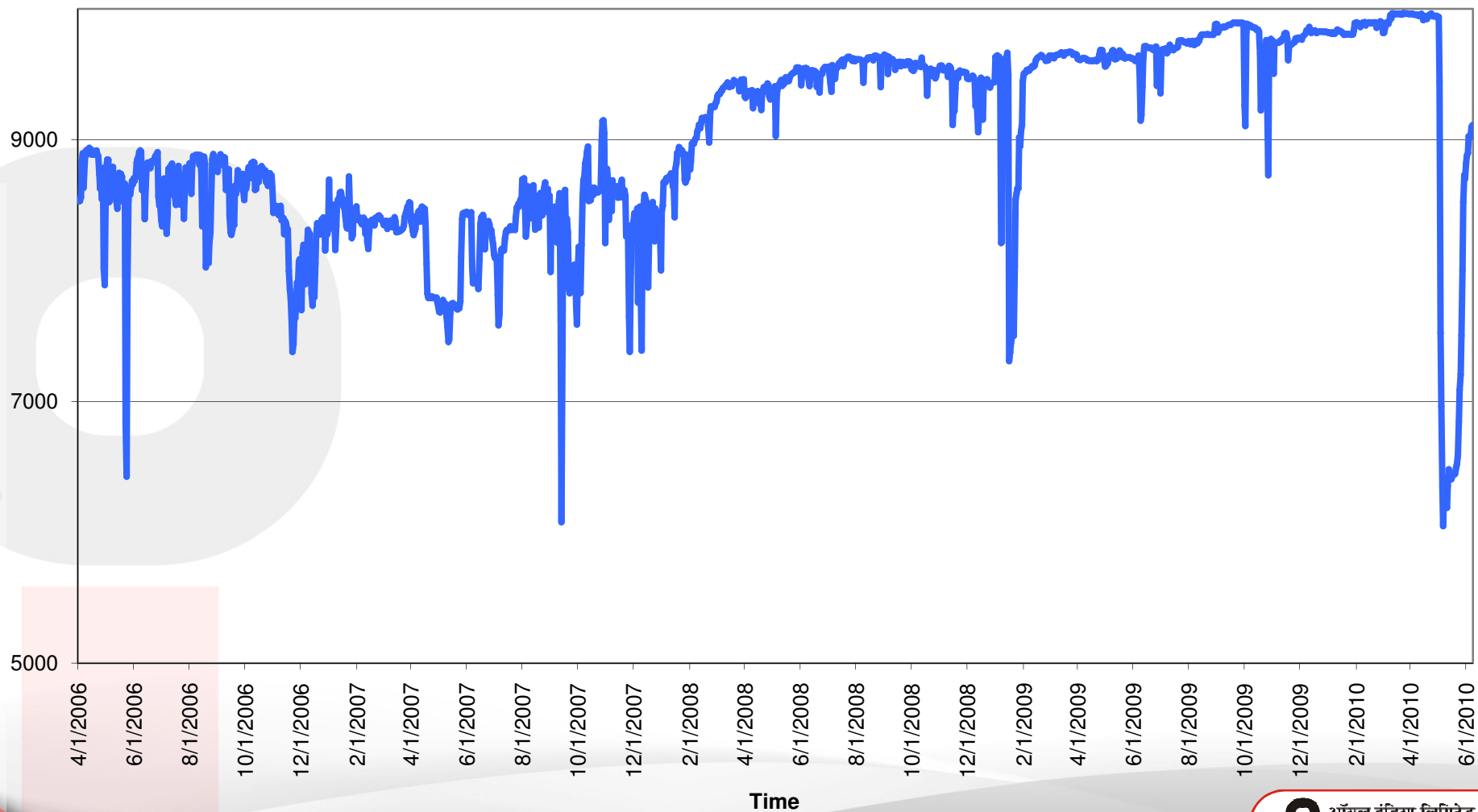
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Crude oil production



Crude oil production

Daily production rate



— Daily production rate

Crude oil production – NRL effect

Daily production rate

