



Oil India Limited

August 25, 2011

Welcome to
Analysts' & Investors' Meet

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.

An Overview

Oil India: Brief Overview

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

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: 127,260 square kilometers;
- International acreage: 38,605 square kilometers

Strong Reserve Base

- Total 2P reserves of over 944 mmboe; with RR ratio of over 142% in FY11

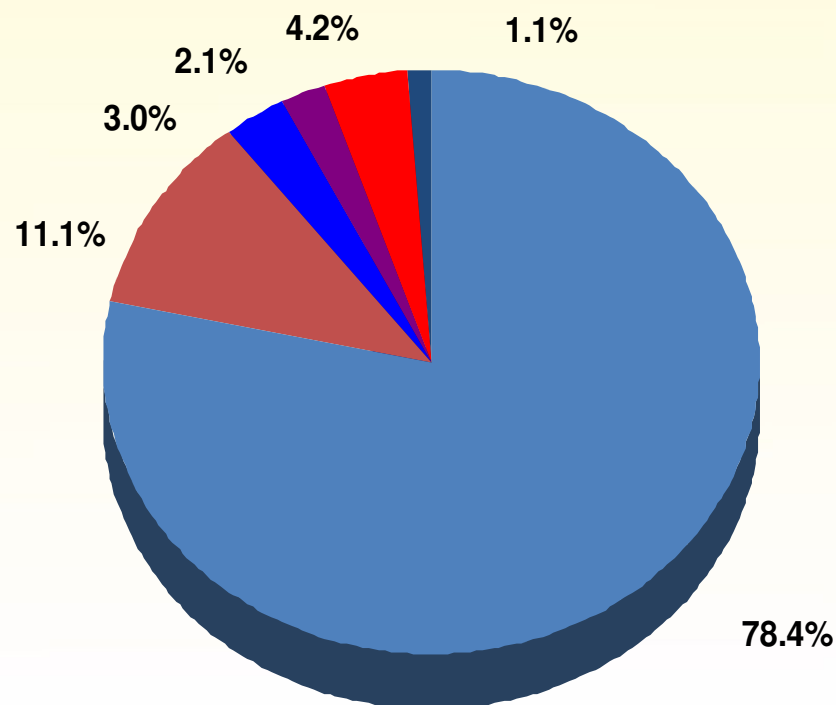
Strong Financials

- Revenue: 9,549 Cr (FY11), 2,669 Cr. Q1(FY12)
- PAT : 2,888 Cr (FY11), 850 Q1(FY12)
- Market cap : 31,523 Cr¹

Note:

1. As of Aug 19, 2011

Shareholding pattern

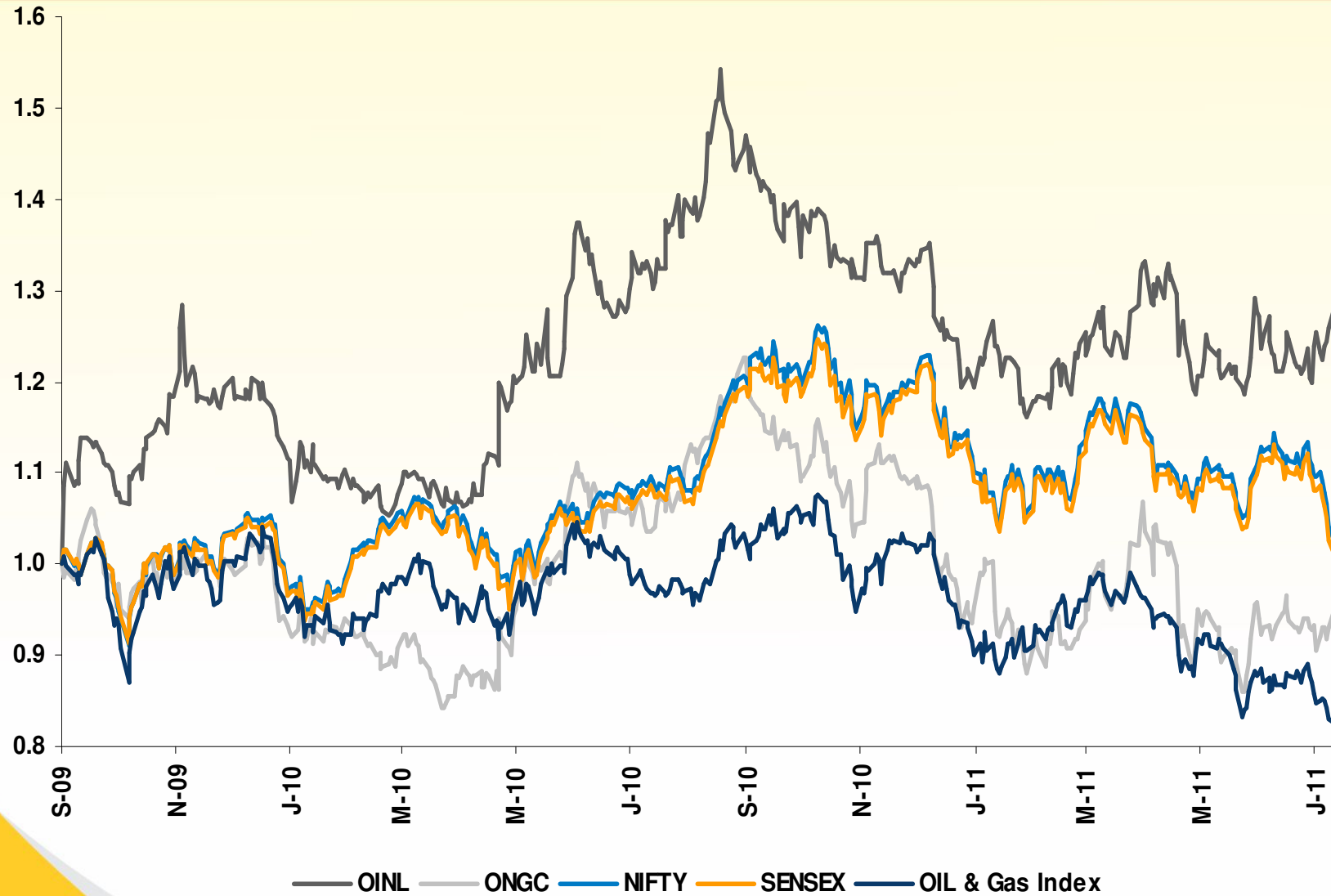


■ Promoters (GOI)
 ■ Bodies Corporate
 ■ Public & Others
■ FII
 ■ MF
 ■ FI / Banks

| Key shareholders | % Shareholding |
|---|----------------|
| Indian Oil Corporation | 4.45% |
| Bharat Petroleum Corporation | 2.23% |
| Hindustan Petroleum Corporation | 2.23% |
| ICICI Prudential Life Insurance | 0.78% |
| HDFC Standard Life Insurance | 0.64% |
| HDFC Trustee Company Limited-Equity Fund | 0.61% |
| HDFC Trustee Company Limited-Top 200 Fund | 0.60% |

- Listing: Listed on BSE/NSE on 30th Sept 2009
- Number of shares: 240.45 mn
- Dividend: FY11 Int Dividend/share: Rs.18.00
Proposed F Dividend: Rs.19.50
- Share price (H/L): Rs.1635 / Rs.1019
- Market Cap: Rs. 31523 cr / USD 7.01 bn

Performance of OIL India



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
 - 2/3rd Owned by Assam Oil Company / Burmah Oil Company
 - 1/3rd 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

Exploration

- **Domestic:** 30 E&P blocks¹
- **International:** Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste, Venezuela and Yemen²
- **Discoveries:** 16 Small to Medium³ size discoveries during last three years (FY'09 – FY'11)



Production

- **50 years** of experience
- **FY' 11 Produced** 25.71 mmbbl of **Crude oil**:
 - 39 installations
 - 1,544 km pipelines
- **FY' 11 Produced** 2.35 bcm of **Natural gas**
 - 26 installations
 - 583 km pipelines
- Advanced Recovery techniques to maximize production



Transportation

- **Crude Oil:**
 - 1,157 km pipeline ; ~6 MMT capacity
- **Multi-Product:**
 - 660 km pipeline; 1.72 MMT capacity
- **Overseas pipeline:**
 - 10% stake in 741 km pipeline (Sudan)
- **Natural Gas:**
 - 23% stake in 192 km DNPL³ in NE



Downstream

- **Refining and marketing petroleum products:**
 - 26% equity stake in NRL¹
- **Gas cracker project:**
 - 10% equity stake in BCPL²
- **City gas business –**
 - Signed MOU with GAIL, HPCL, IOCL and BPCL/ONGCL



Note:

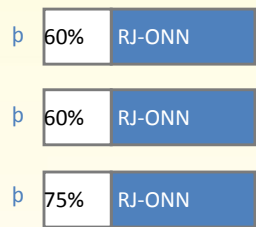
1. 10 blocks have been awarded under NELP IX.
2. Participating interests in exploration and development blocks.
3. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30 mn barrels of oil and oil equivalent gas
4. MMBOE – Million Barrels of Oil Equivalent

Note:

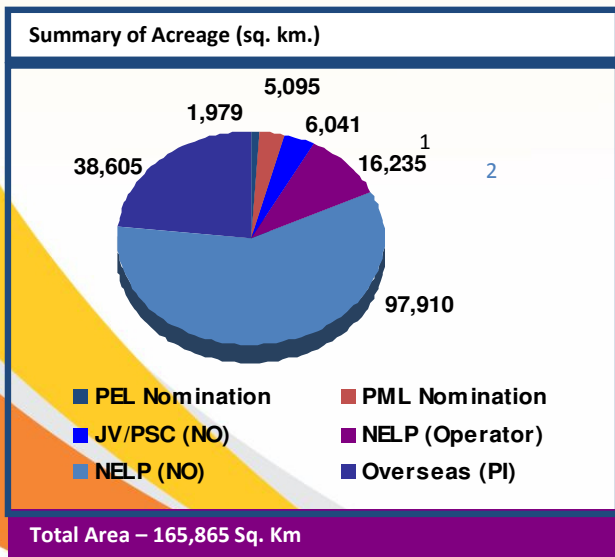
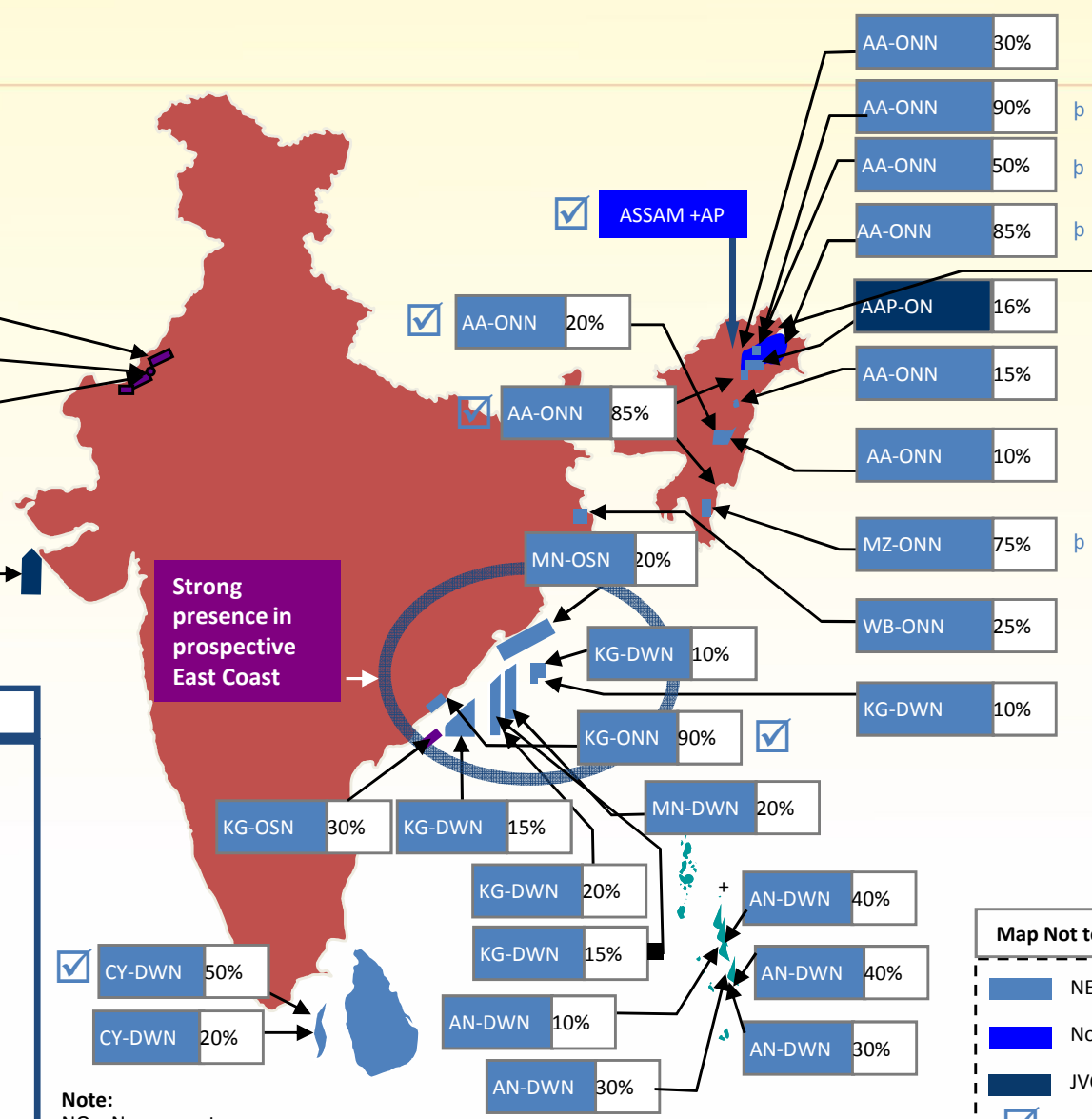
1. NRL – Numaligarh Refinery Limited
2. BCPL – Brahmaputra Cracker and Polymer Limited
3. DNPL – Duliajan-Numaligarh Pipeline Limited

Strong Domestic Acreage Base

| Blocks | Op | N/Op | Total |
|--------------|-----------|-----------|-----------|
| NELP | 12 | 18 | 30 |
| Pre-NELPJV | - | 3 | 3 |
| PEL (Nom) | 9 | - | 9 |
| PML | 19 | - | 19 |
| Total | 40 | 21 | 61 |



Strong presence in prospective East Coast



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

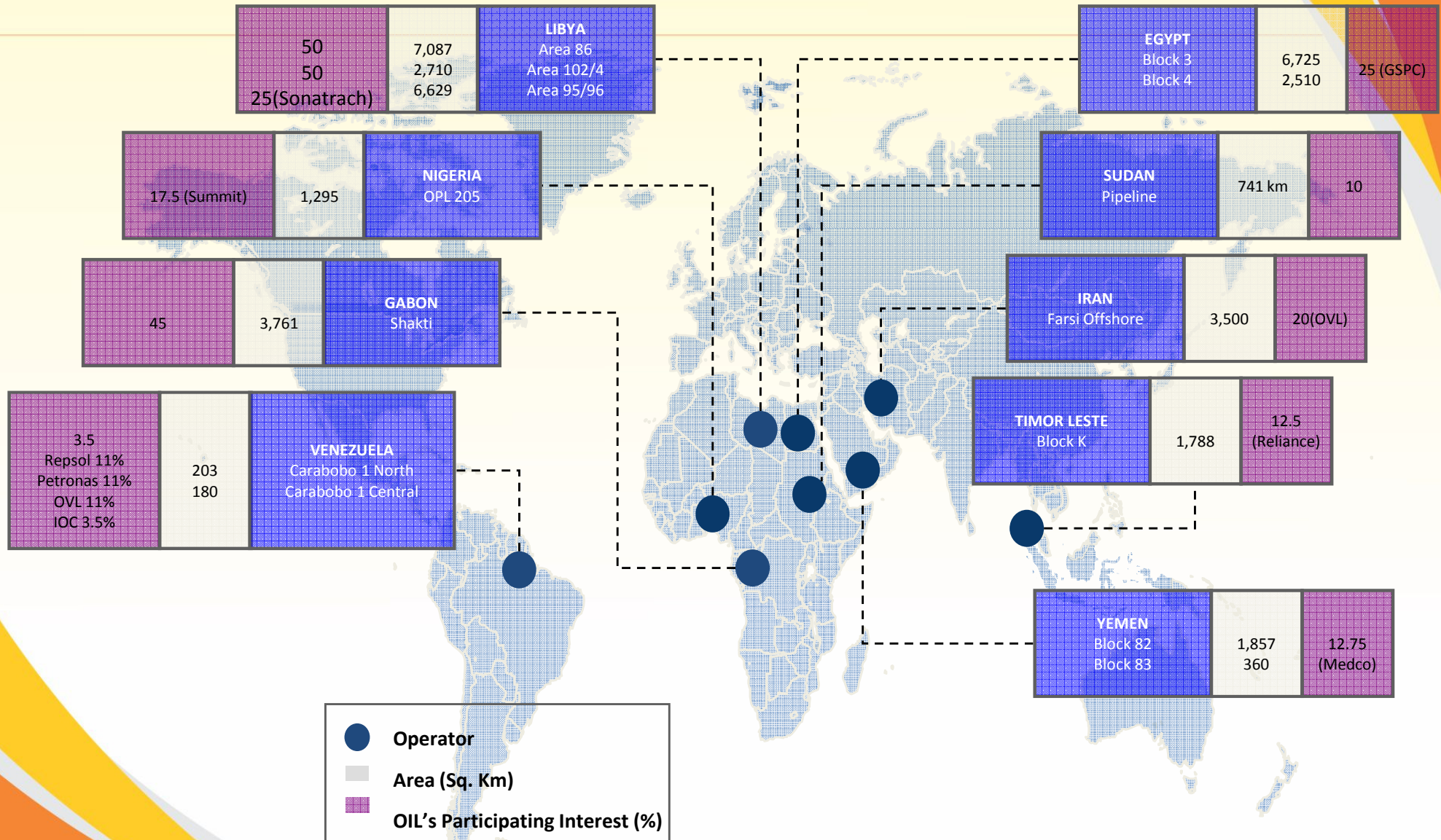
NELP IX: Blocks provisionally awarded

OIL's Investment – US\$ 76.52 mn

| Name of the Block | Operator | Area | Type | Area (sq. km.) | Investment (US\$ mn) | Consortium Partners (PI) |
|-------------------|----------------------------------|-----------------------------|------------------|----------------|-------------------------|------------------------------------|
| AA-ONN-2010/2 | OIL (40%) | Assam – Arakan Basin | Onland | 396 | 28.19 (OIL-11.28) | ONGC-30% GAIL- 20% EWP – 10% |
| AA-ONN-2010/3 | OIL (40%) | Assam – Arakan Basin | Onland | 171 | 8.86 (OIL-3.54) | ONGC-40% BPRL- 20% |
| MB-OSN-2010/2 | OIL (50%) | Mumbai Basin | Shallow Offshore | 3411 | 24.30 (OIL-12.15) | ONGC-30% BPRL- 20% |
| GS-DWN-2010/1 | OIL & ONGC (Joint – 40% each) | Gujarat-Saurashtra Basin | Deep Water | 8255 | 1.62 (OIL-0.65) | GAIL-20% |
| MB-DWN-2010/2 | OIL & ONGC (Joint – 35% each) | Mumbai Basin | Deep Water | 7063 | 1.90 (OIL-0.67) | GAIL-30% |
| GK-OSN-2010/1 | ONGC (60%) | Gujarat-Kutch Basin | Shallow Offshore | 1,361 | 154.31 (OIL – 46.29) | OIL-30% GAIL – 10% |
| KK-OSN-2010/1 | ONGC (40%) | Kerala Konkan Basin | Shallow Offshore | 2,004 | 0.85 (OIL – 0.26) | OIL-30% IOC – 30% |
| KK-OSN-2010/2 | ONGC (40%) | Kerala Konkan Basin | Shallow Offshore | 1,860 | 0.85 (OIL – 0.26) | OIL-30% IOC – 30% |
| KK-OSN-2010/3 | ONGC (40%) | Kerala Konkan Basin | Shallow Offshore | 1,874 | 0.85 (OIL – 0.34) | OIL-40% HPCL – 20% |
| KK-DWN-2010/1 | ONGC (40%) | Kerala Konkan Basin | Deep Water | 10,019 | 2.70 (OIL – 1.08) | OIL-40% BPRL – 20% |

■ OIL as Operator / Joint operator

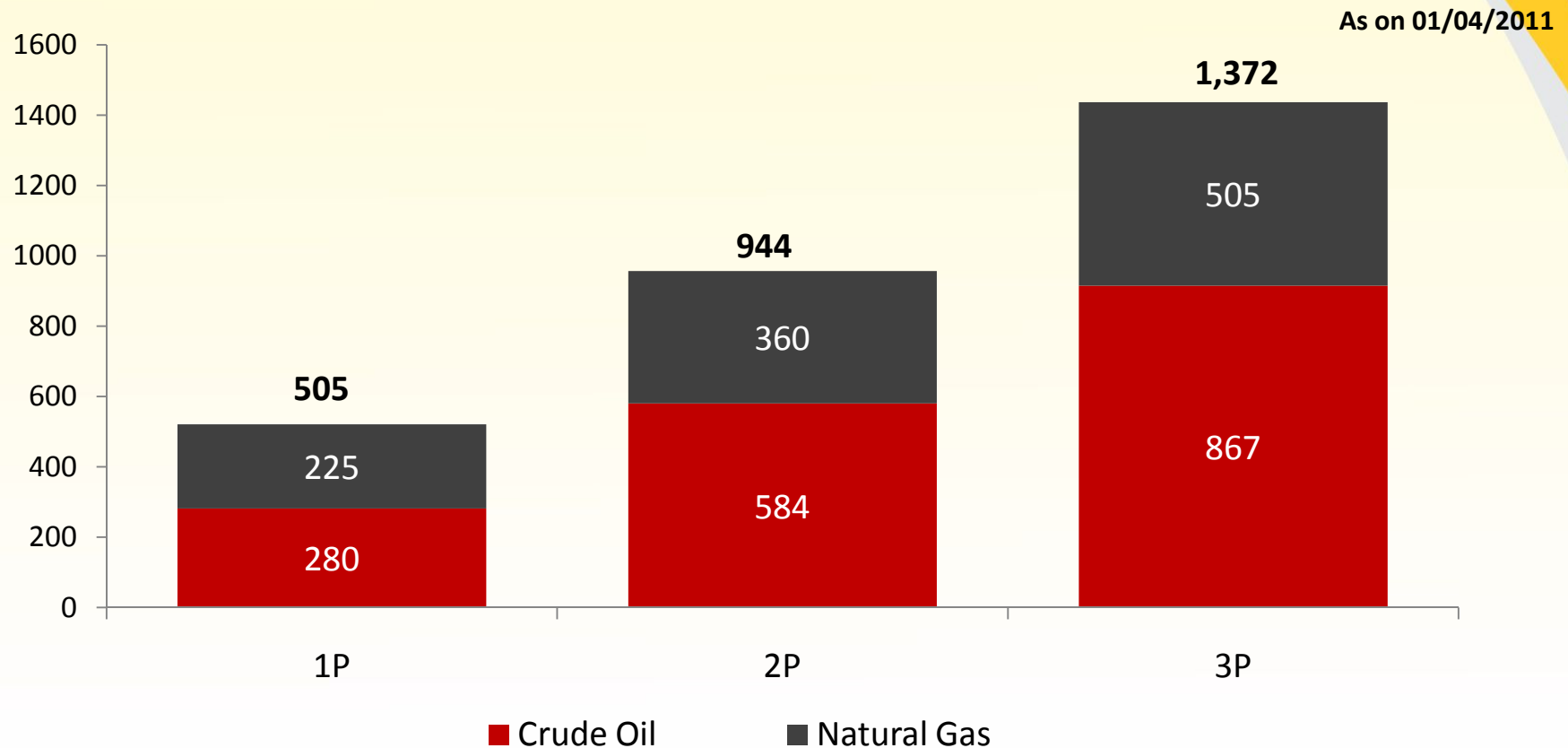
With Dominant International Footprint



Total Area – 38,605 sq.km

Strong Reserve Base with Significant Growth Potential

In MMBBL



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)

2.04

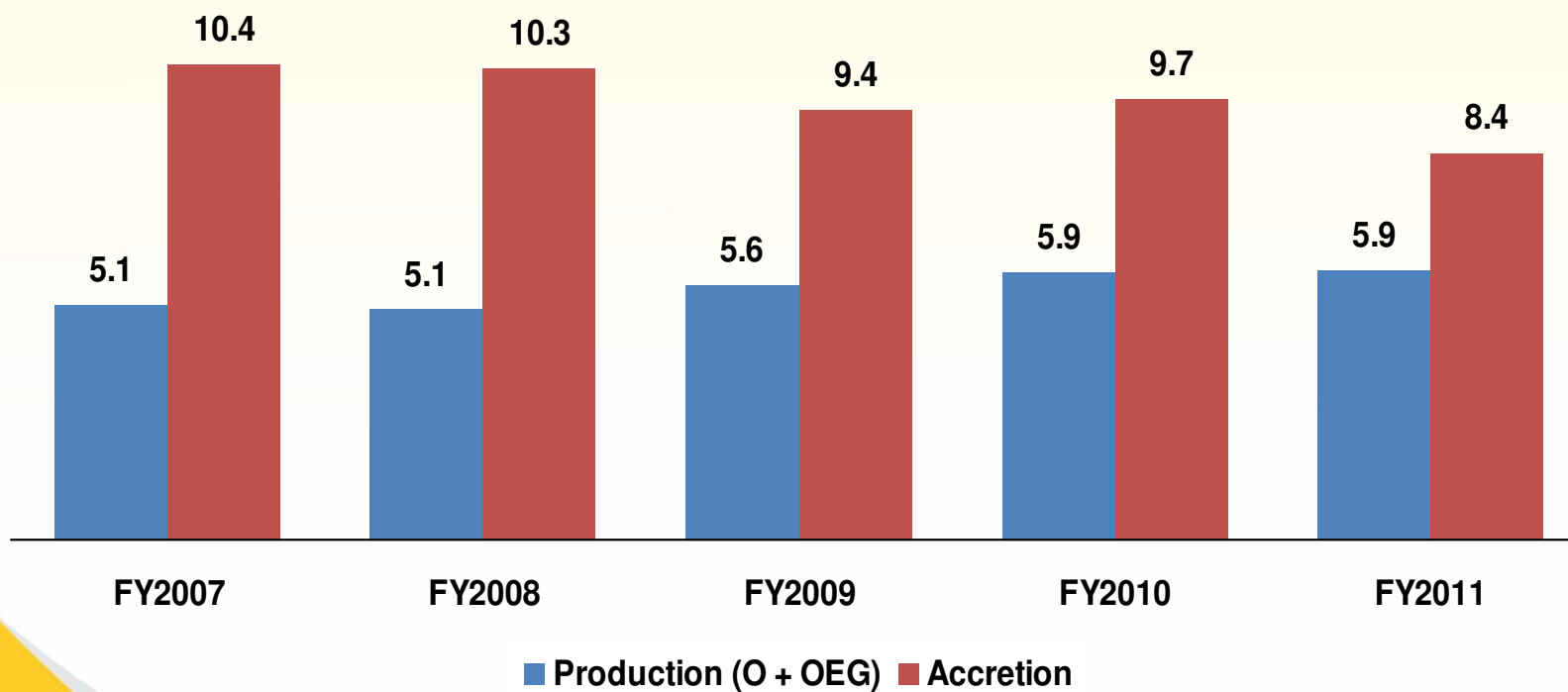
2.04

1.69

1.65

1.42

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



Adequate reserve replenishment

Integrated In-house E&P Infrastructure To Support Growth

In house Expertise and Integration across Energy Infrastructure

Infrastructure to Support E&P Activities



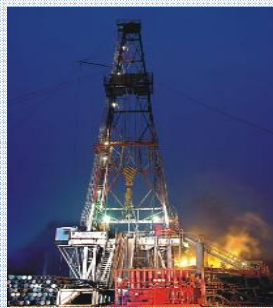
Two 2D and One
3D Seismic Crew



Six Logging
Trucks



14 W/over Rigs



11 Drilling Rigs

Production & Storage Facilities



72 Production
Installations

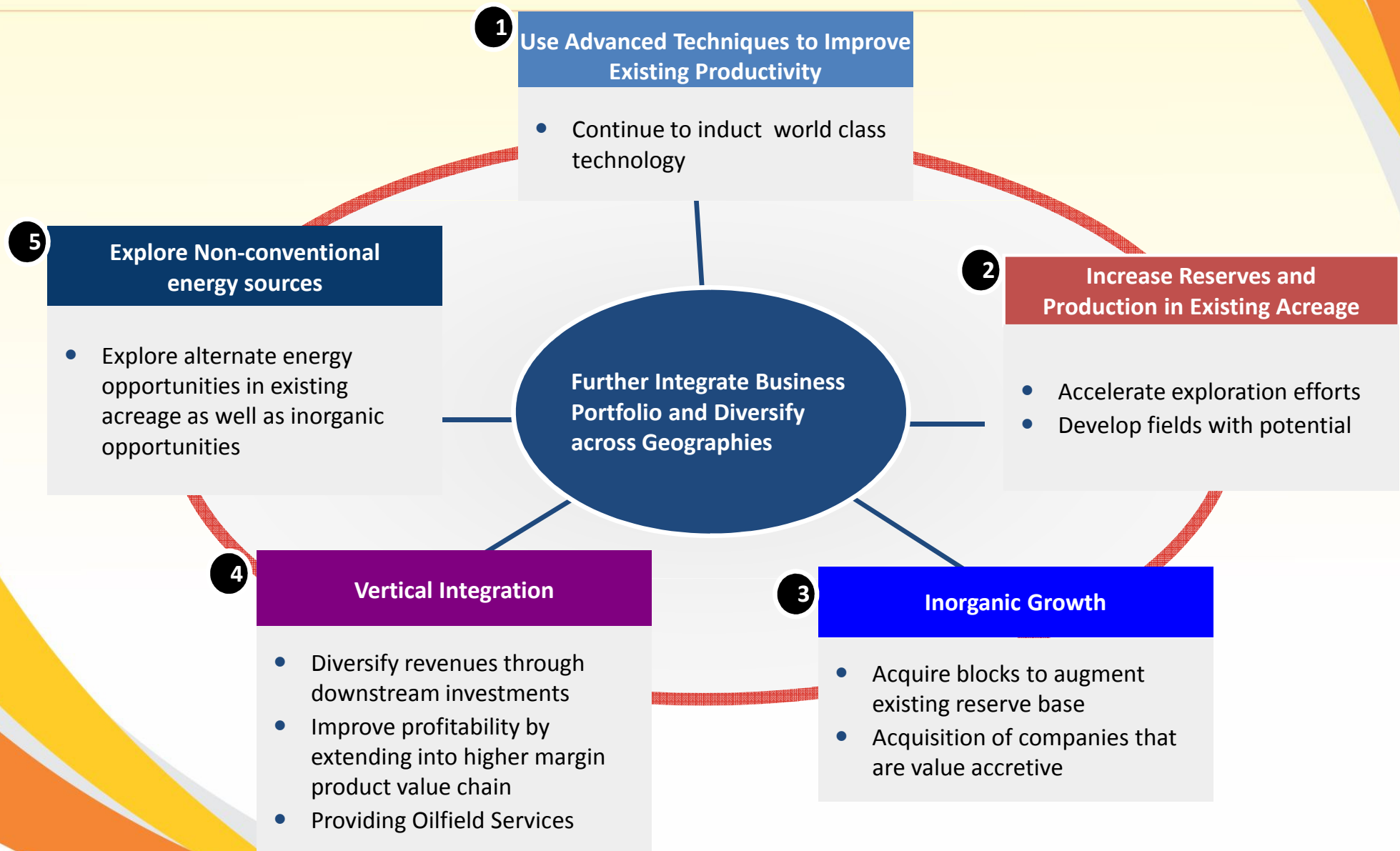


5,000 Km
O&G
Pipelines



~150k KL
Crude Storage

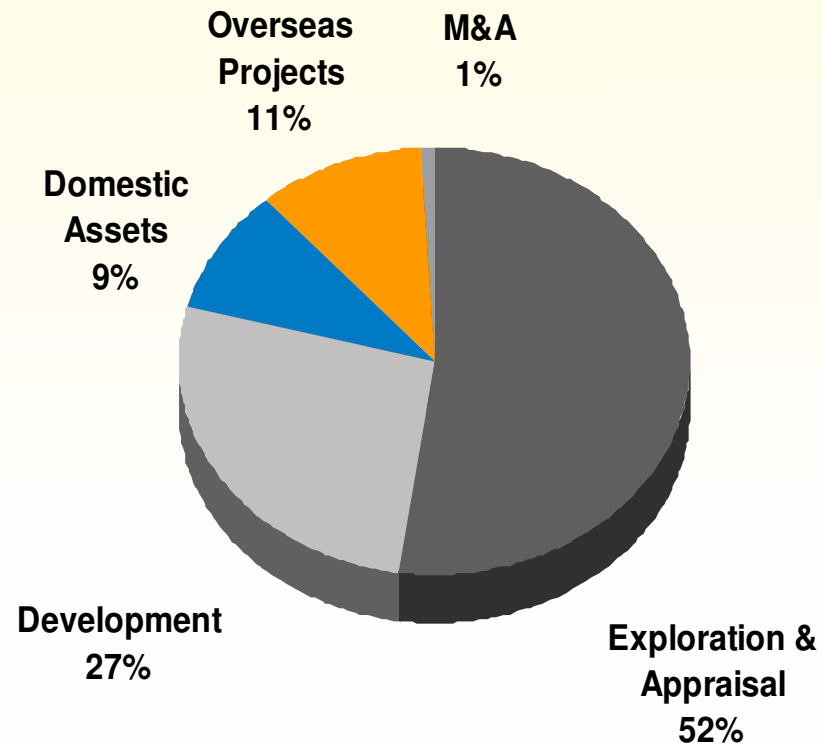
Strategy to Deliver Long Term Growth and Shareholder Value



Significant Investment Lined Up

Significant focus on Exploration and Development of existing acreage potential

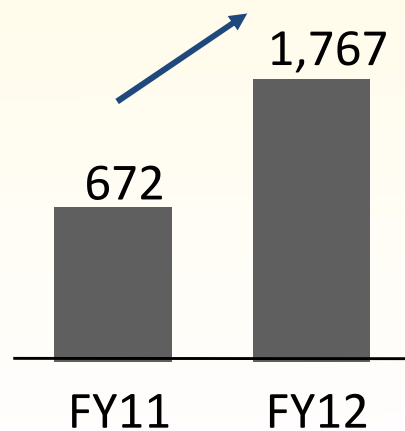
2011-2012: 31,803 mn



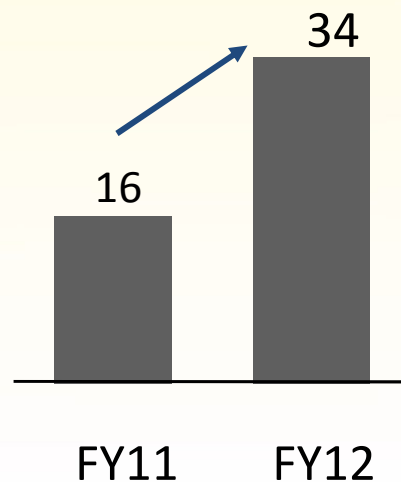
Planned Activities in FY12

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

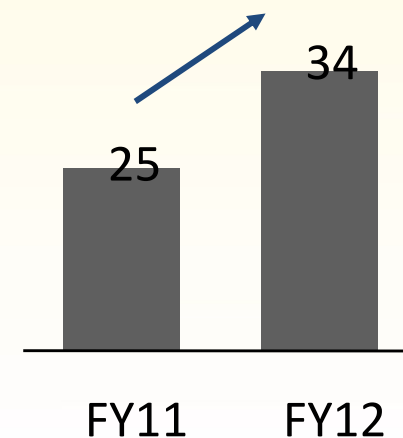
3D Seismic Surveys



Exploratory Drilling



Development Drilling



Recent Developments

Select Highlights

- Achieved the highest daily rate of crude oil production of 3.93 MTPA (> 27.96 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
- Performance up to 31 March 2011:

| Parameter | Unit | 2009-10 | 2010-11 |
|------------------------|------|---------|---------|
| Crude Oil Production | MMT | 3.572 | 3.612* |
| Natural Gas Production | BCM | 2415 | 2349** |

* 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,

- Hydrocarbon discoveries in Assam - 06 Nos. in FY'11
- 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

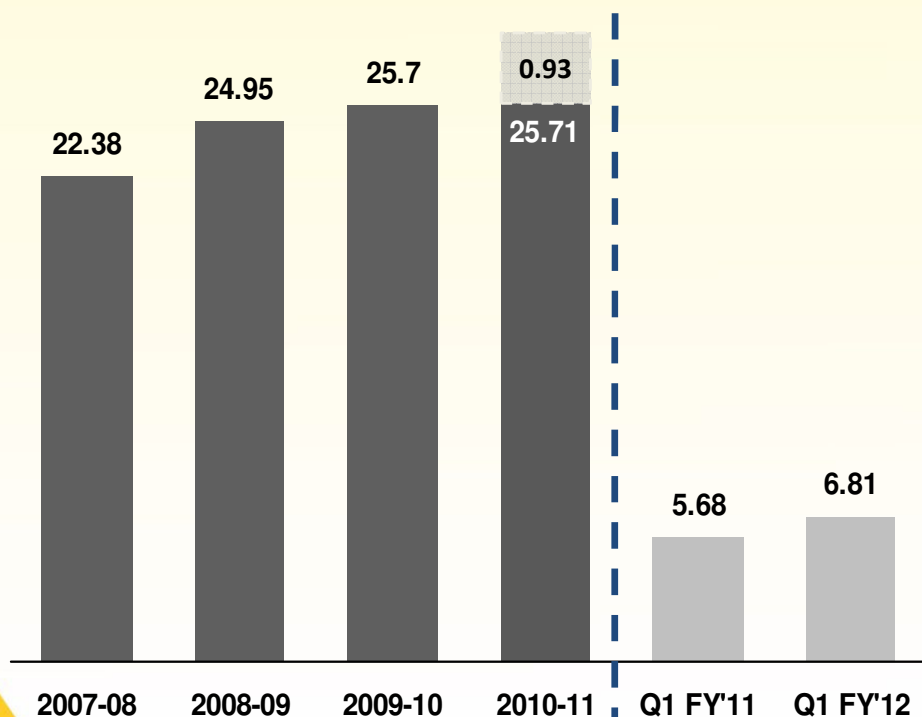
Select Highlights (Contd.)

- **Successful commissioning of Duliajan-Numaligarh Pipeline (DNP) w.e.f 28-02-2011**
- **Completed Preliminary Activities in order to Develop CNG Network in Assam.**
- **MOUs with BPCL, IOCL & ONGCL executed for CGD. Submitted bids for two cities.**
- **Received Greentech HR Excellence Gold Award 2010.**
- **Received Golden Peacock Award & Greentech Gold Award for Environment Management.**
- **Received Environmental Excellence Award from Indian Chamber of Commerce**
- **"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**
- **Identified Business opportunity in Bangladesh (Pipeline)**
- **HDD, Telecommunication work & AMC for IOCL's Guwahati-Siliguri Pipeline**
- **Cathodic Protection work for DNPL Pipeline**
- **ODC Project for PDO, Oman**
- **Marketing of Telecommunication Service**

Operating Performance

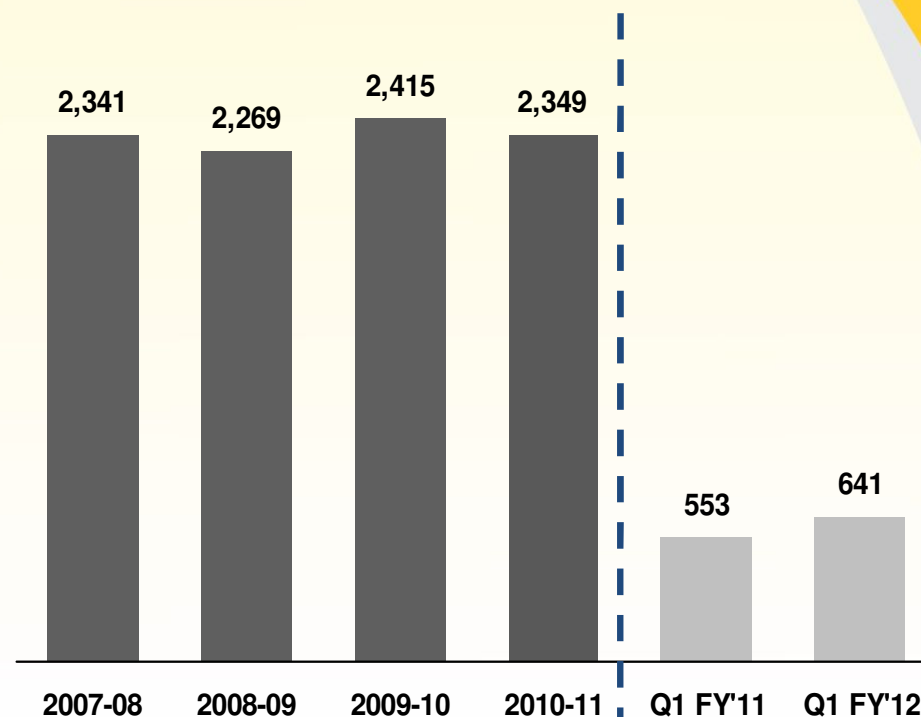
Crude Oil and Natural Gas Production

Crude Oil Production (mm bbl)



~20% increase over last year (QTQ)

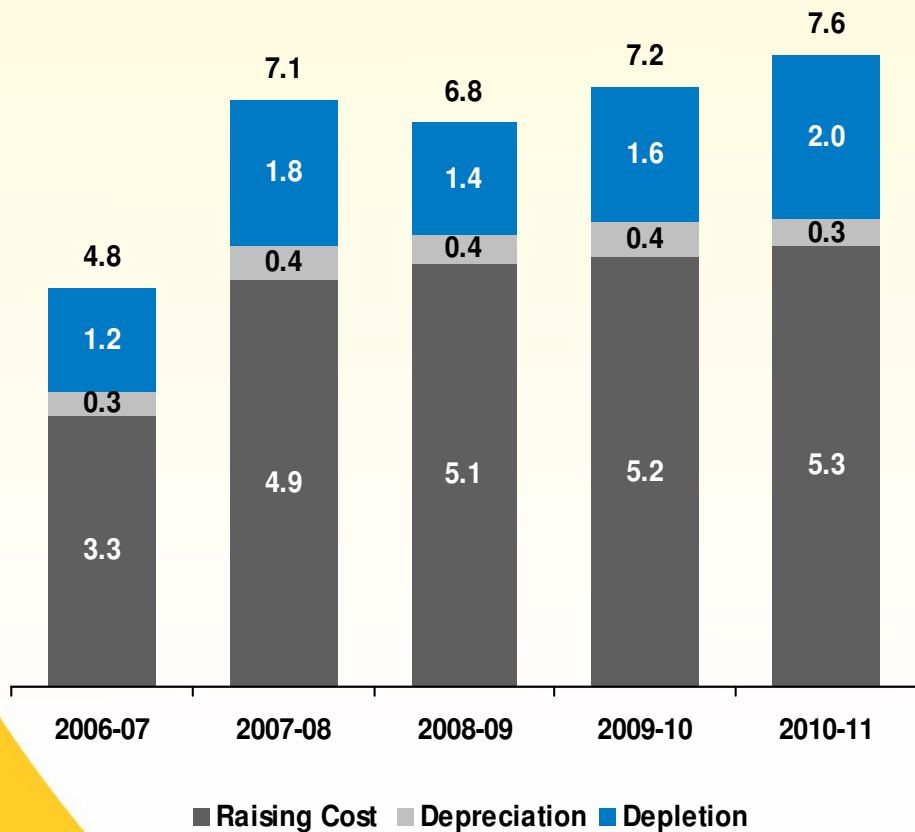
Natural Gas Production (mm scm)



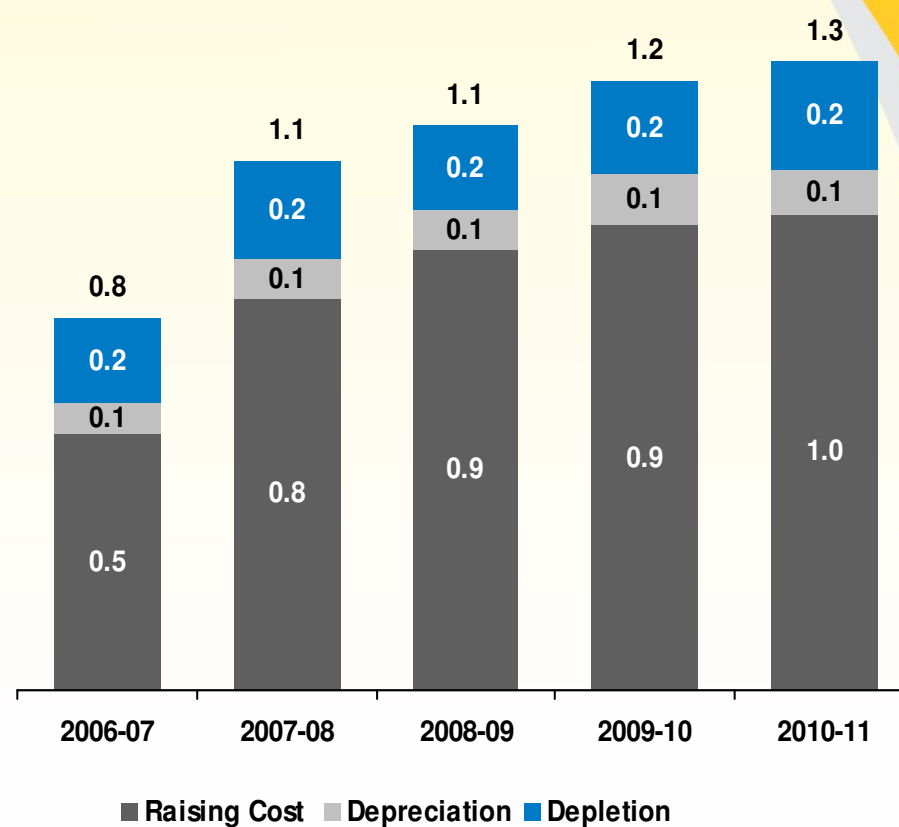
~16% increase over last year (QTQ)

Production Cost

Crude Oil Production Cost (USD/ Barrel)



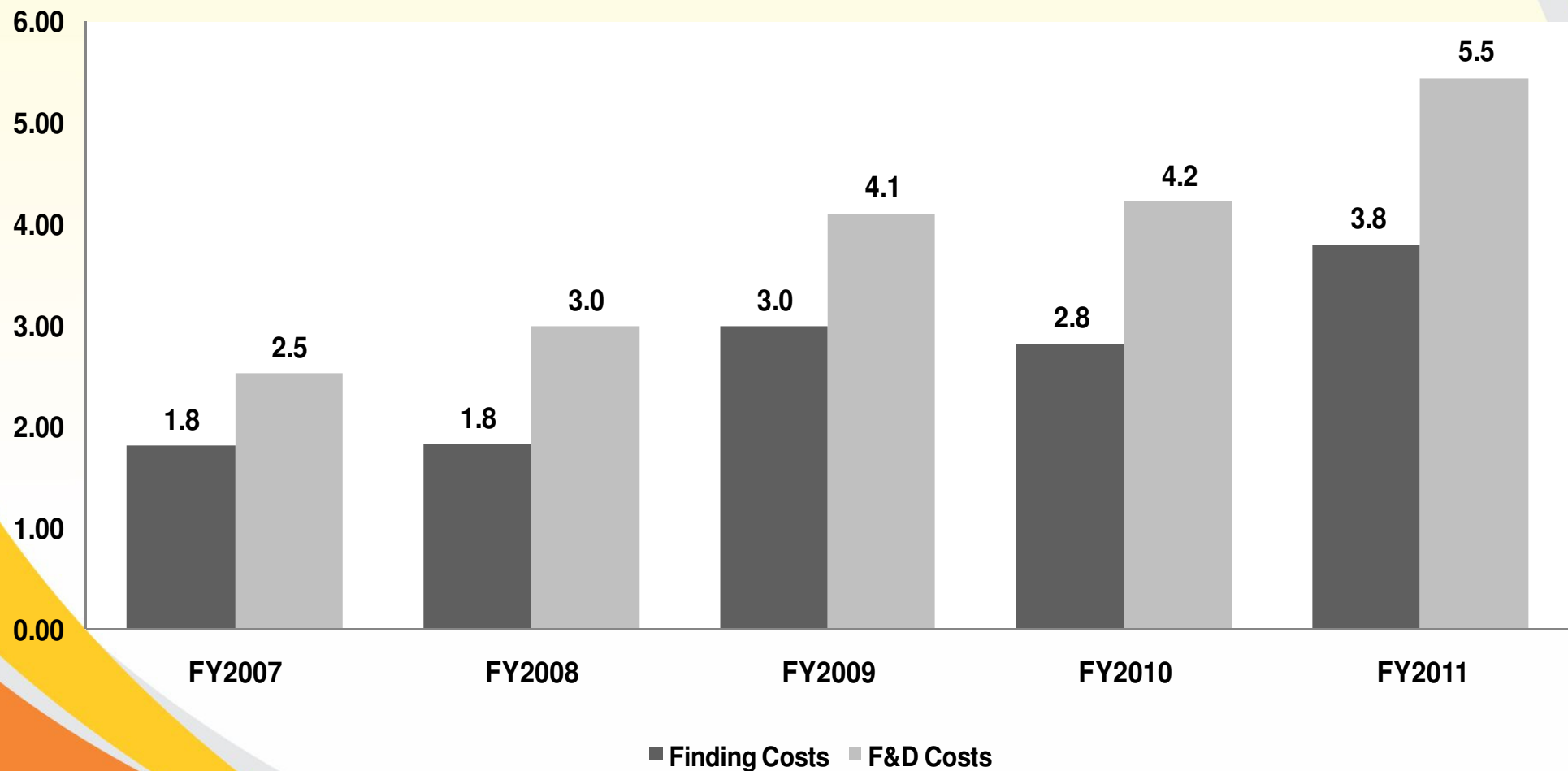
Natural Gas Production Cost (USD/ MMBTU)



Low Finding & Development Costs

OIL has the Advantage of Low Finding & Development costs.

Finding and Development Costs (USD / bbl)



Financial Performance

Sharing of Subsidy by Upstream Companies

Rs. in Crores

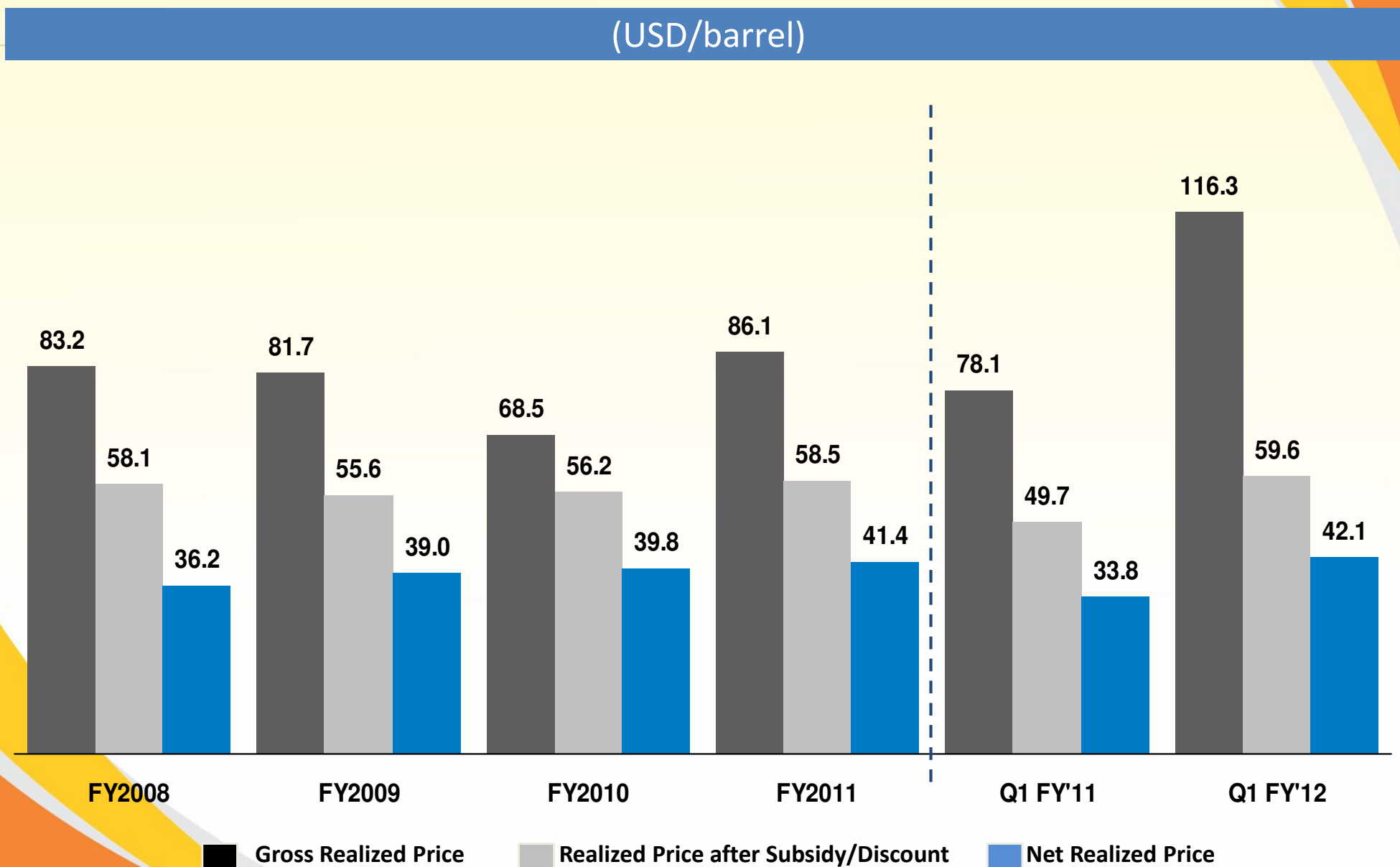
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Q1 FY'11 | Q1 FY'12 |
|--------------|---------------|---------------|---------------|---------------|--------------|---------------|
| ONGC | 22,001 | 28,226 | 11,554 | 24893 | 5516 | 12046 |
| OIL | 2,307 | 3,023 | 1,549 | 3293 | 730 | 1781 |
| GAIL | 1,401 | 1,694 | 1,326 | 2111 | 445 | 682 |
| Total | 25,709 | 32,943 | 14,430 | 30,297 | 6,691 | 14,509 |

% SHARING

| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Q1 FY'11 | Q1 FY'12 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ONGC | 86% | 86% | 80% | 82% | 82% | 83% |
| OIL | 9% | 9% | 11% | 11% | 11% | 12% |
| GAIL | 5% | 5% | 9% | 7% | 7% | 5% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

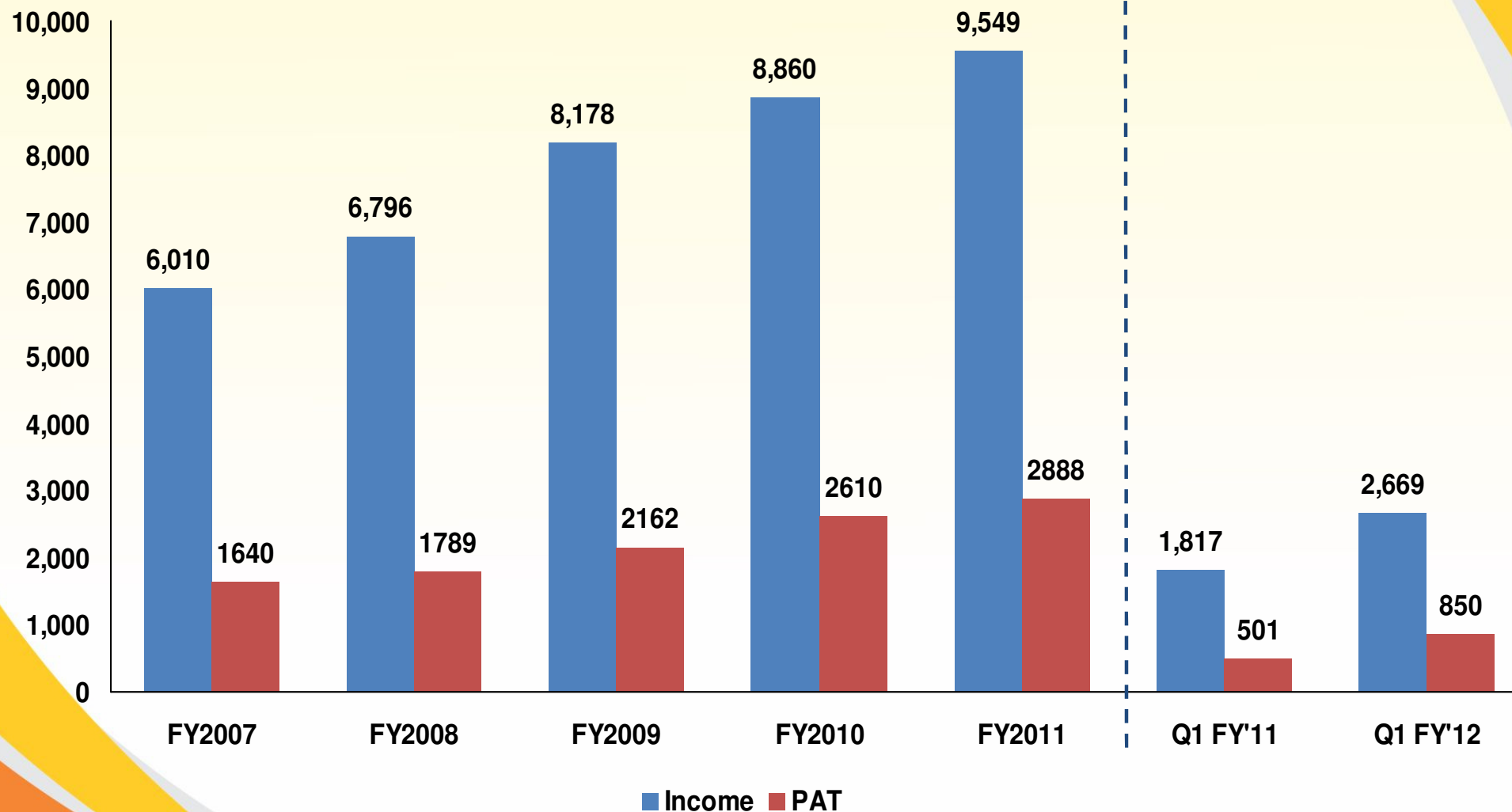
Realized Price

(USD/barrel)



Revenue and profitability

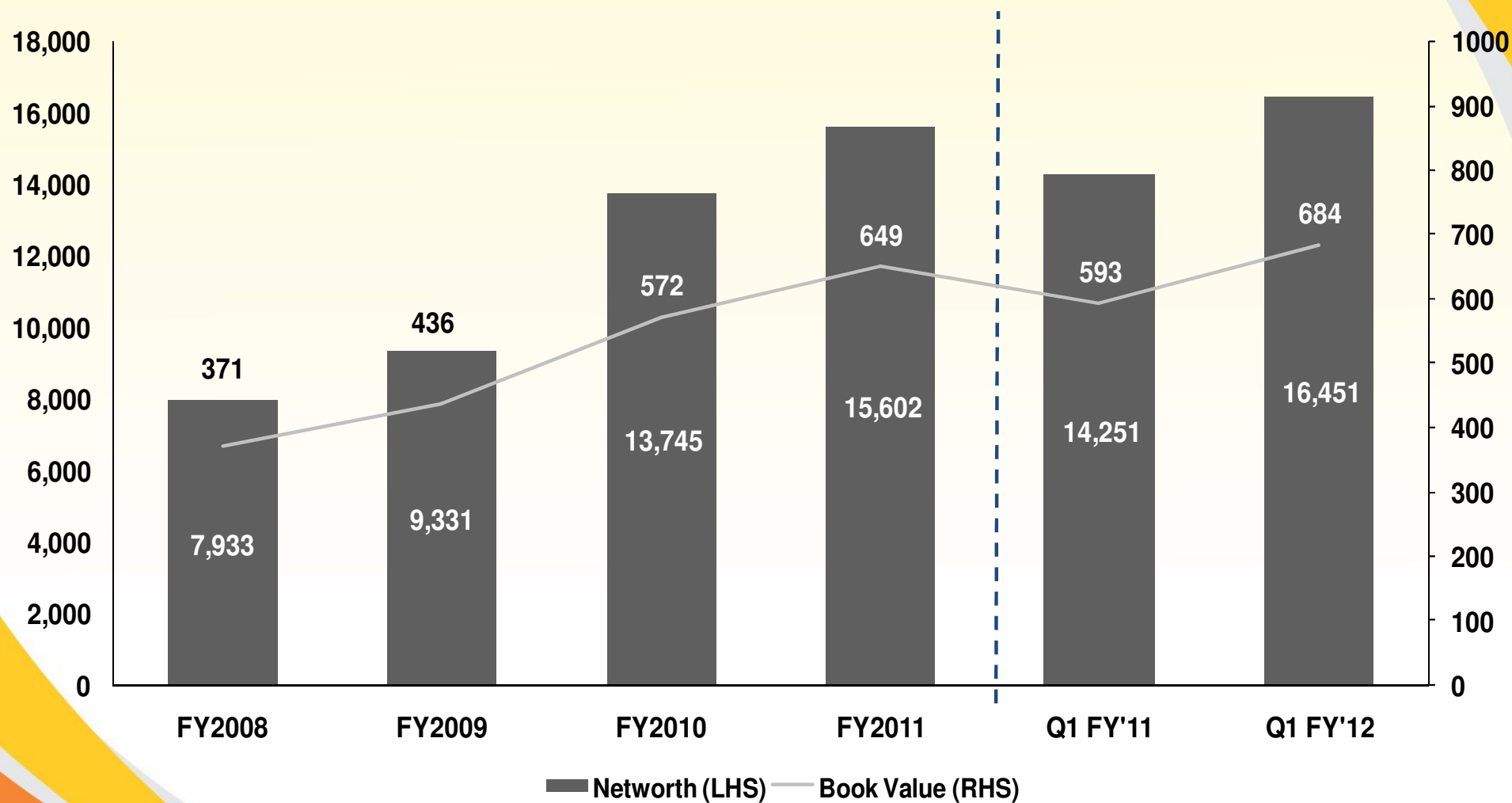
Revenue and profitability analysis (Rs Crore)



Note: Exchange rate 1 USD = 48.52 INR used for figures upto FY2009; FY10 and FY11, actual exchange rates have been used.

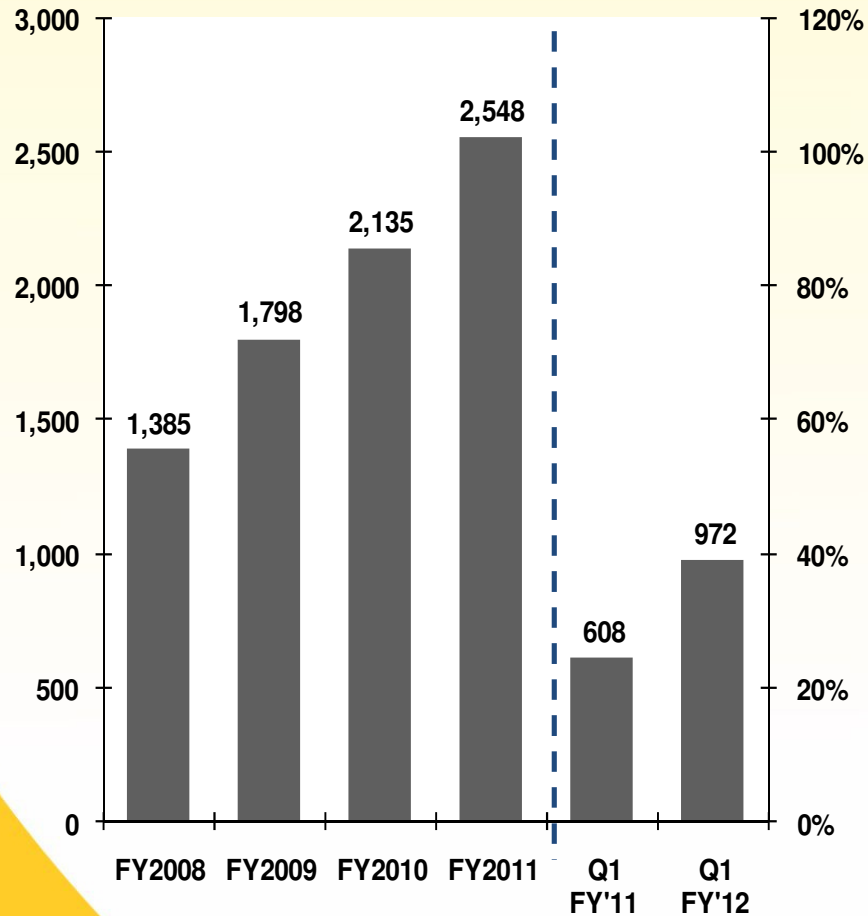
Networth and Book Value

Networth (Rs crores) and Book Value Analysis (Rs)

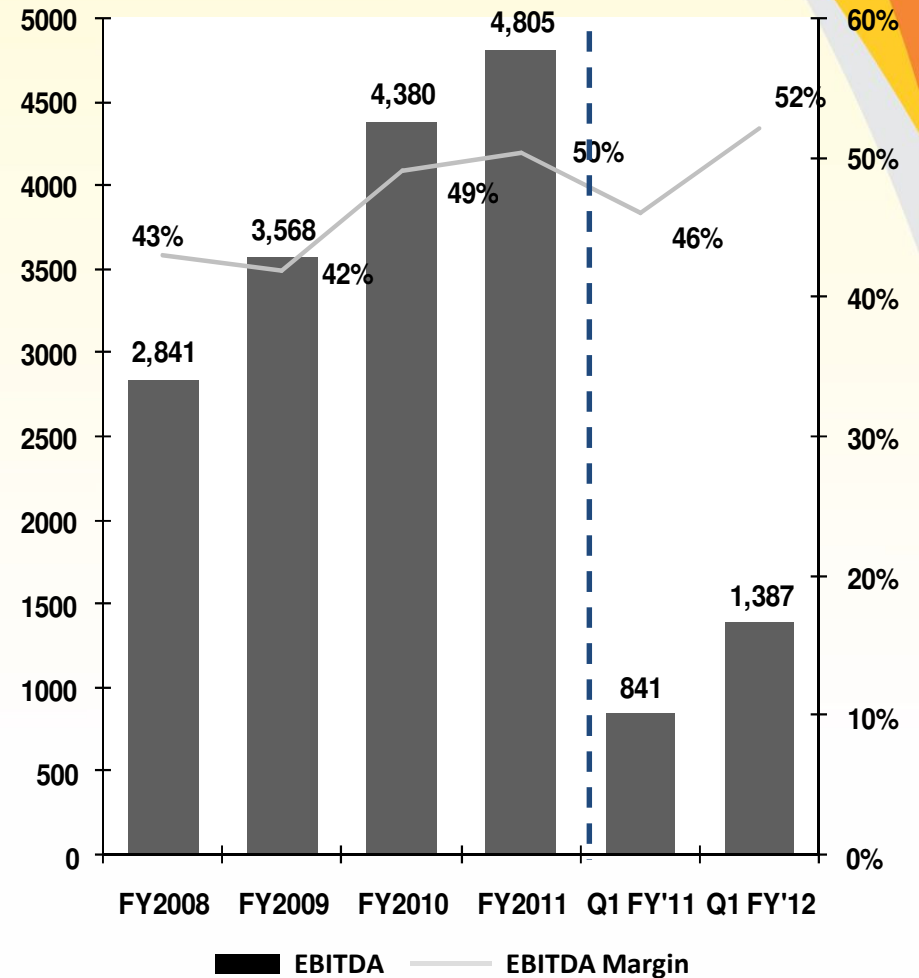


Cash Flow and EBITDA Margin

Cash Flow (Rs Crores)



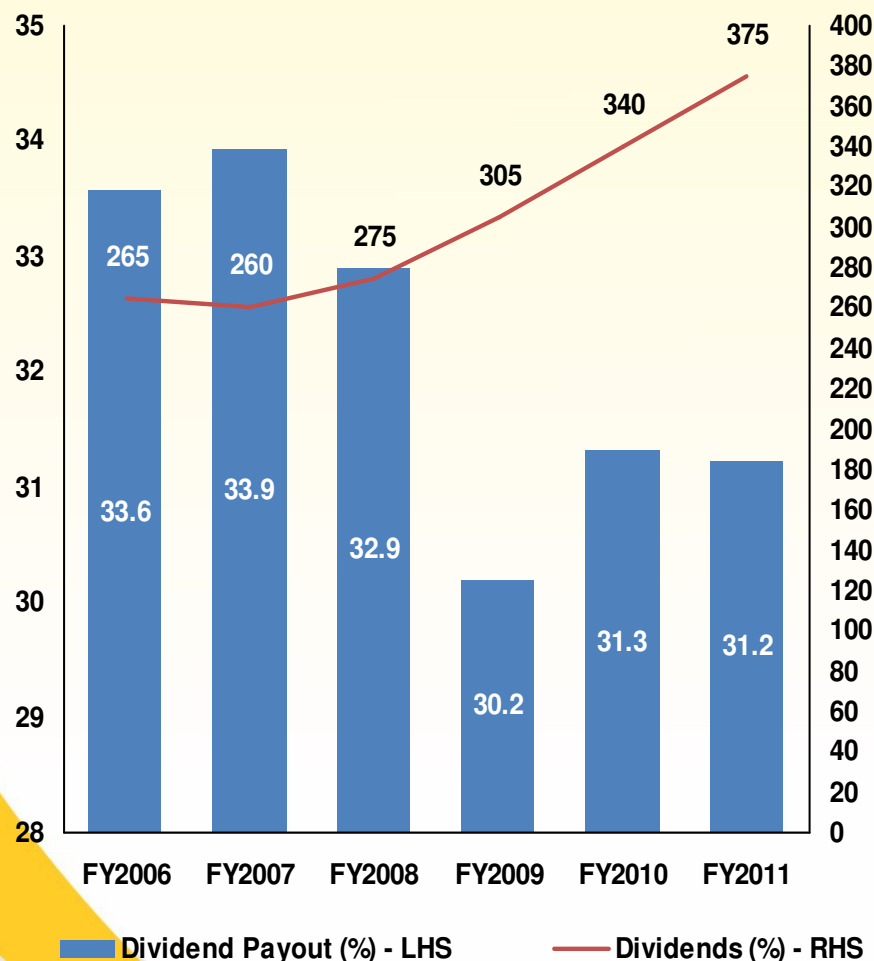
EBITDA (Rs Crores) and EBITDA MARGIN (%)



Consistent and Attractive Cash Flow

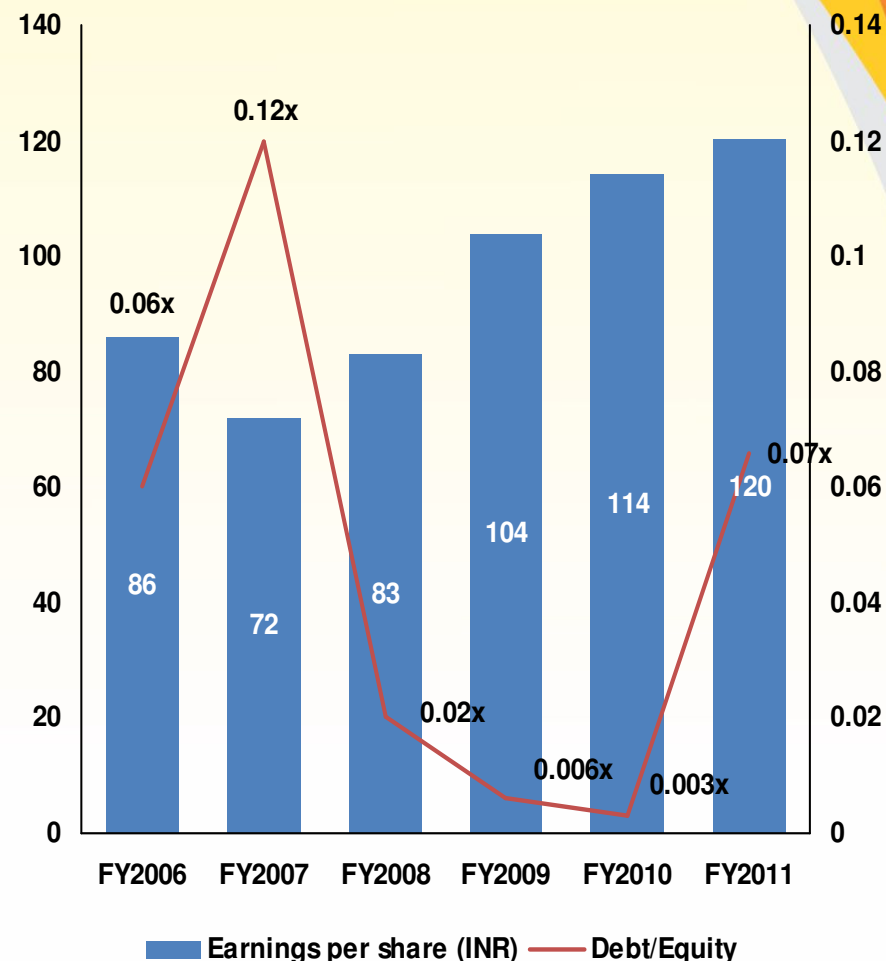
Dividends distribution and Earnings per share highlights

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: FY'12

| | 2009-10 | 2010-11 | 2011-12 (Target) |
|-------------------------------|--------------------|--------------------|---------------------|
| Crude oil production | 3.57 mmt | 3.61 MMT | 3.76 MMT |
| Natural gas production | 2,415 mmscm | 2,349 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

- **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