



# Oil India Limited

## Investor Presentation



July 2012

Strictly Private and Confidential

# Oil India: Brief Overview

## Rich Heritage

- Independent India's first commercial oil discoveries, with the first one being made in 1953

## Integrated O&G Player

- Presence across Oil & Gas Value Chain (E&P, Transportation and Downstream)
- World Class Infrastructure to support growth

## Large Acreage

- Domestic acreage: 99,308 sq. km over 61 blocks
- International acreage: 36,907 sq. km

## Strong Reserve Base

- Total 2P reserves of over 941 mmbobe; with reserve replacement ratio of over 123% in FY12

## Strong Financials

- Market cap : Rs. 29,450 cr <sup>(1)</sup>
- FY12 Revenue: Rs 9,863 cr
- FY12 PAT : Rs. 3,447 cr

India's Premier Oil & Gas "Navratna" Company Engaged in the Exploration, Development, Production and Transportation of Crude Oil and Natural Gas in India

# Key Highlights of the FY12 Results



Highest Ever Crude & Natural Gas Production of 27.53 mmbbl & 2.633 bcm Respectively



Highest Ever Revenue & Net Profit



Entry in Offshore & Deep Water Blocks and CBM



Successful Commissioning of DNP Pipeline

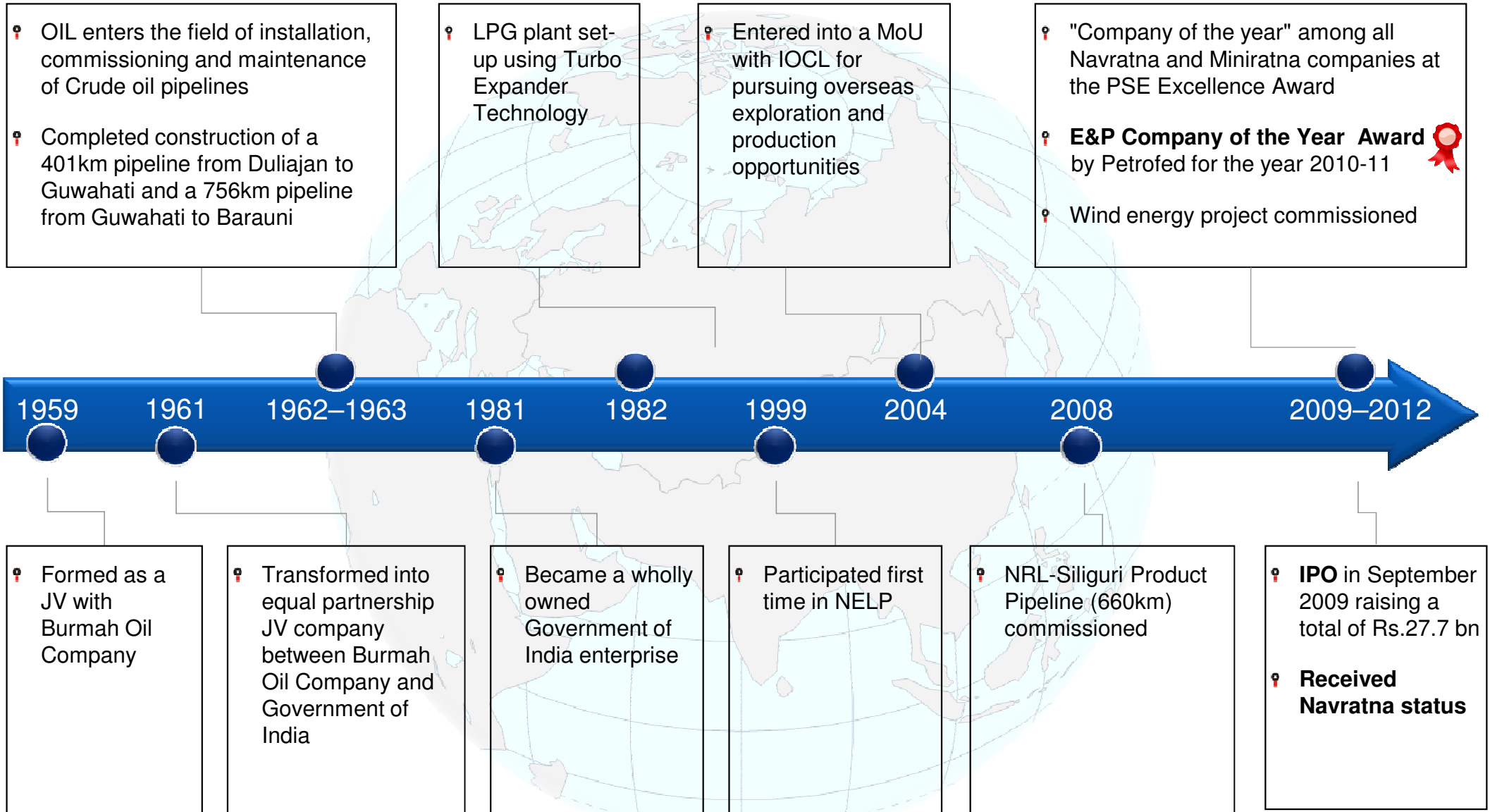


Successful Commissioning of Wind Energy Project in Rajasthan



Issue of Bonus Shares in the ratio of 3:2

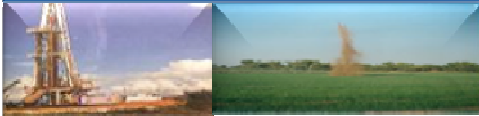
# Evolution and Key Milestones



# Integrated Oil & Gas Player



## Exploration



- 📍 **Domestic:** 61 E&P blocks
- 📍 **International:** Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste, Venezuela and Yemen
- 📍 **New Discoveries:** 19 Small to medium size discoveries (reserve size less than 30 mn bbls) during last three years (FY10–12)

## Production



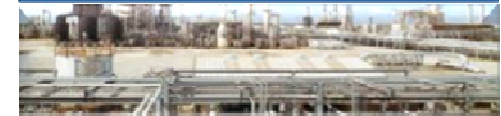
- 📍 **50 years** of experience
- 📍 Advanced recovery techniques to maximize production
- 📍 **FY'12 Produced 3.847 MMT of Crude oil:**
  - 39 installations
  - 1,544 km pipelines
- 📍 **FY'12 Produced 2.63 bcm of Natural Gas:**
  - 26 installations
  - 583 km pipelines

## Transportation



- 📍 **Crude Oil**
  - 1,157 km pipeline ~6MMT capacity
- 📍 **Multi-product**
  - 660km pipeline; 1.72MMT capacity
- 📍 **Overseas Pipeline**
  - 10% stake in 741km pipeline (Sudan)
- 📍 **Natural Gas**
  - 23% stake in 192 km DNPL in North East

## Downstream



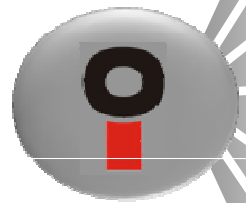
- 📍 **Refining & Marketing Petroleum Products**
  - 26% equity stake in NRL
- 📍 **Gas Cracker Project**
  - 10% equity stake in BCPL
- 📍 **City Gas Business –**
  - Signed MOU with GAIL, HPCL, IOCL and BPCL/ONGC

PSC for 3 blocks has been signed under NELP IX

NRL – Numaligarh Refinery Limited.  
BCPL – Brahmaputra cracker and Polymer Limited.  
DNPL – Duliajan-Numaligarh Pipeline Limited.



# Our Vision



Fastest Growing Energy Company with Highest Profitability

Delight Customers with Quality Products and Services at Competitive Prices

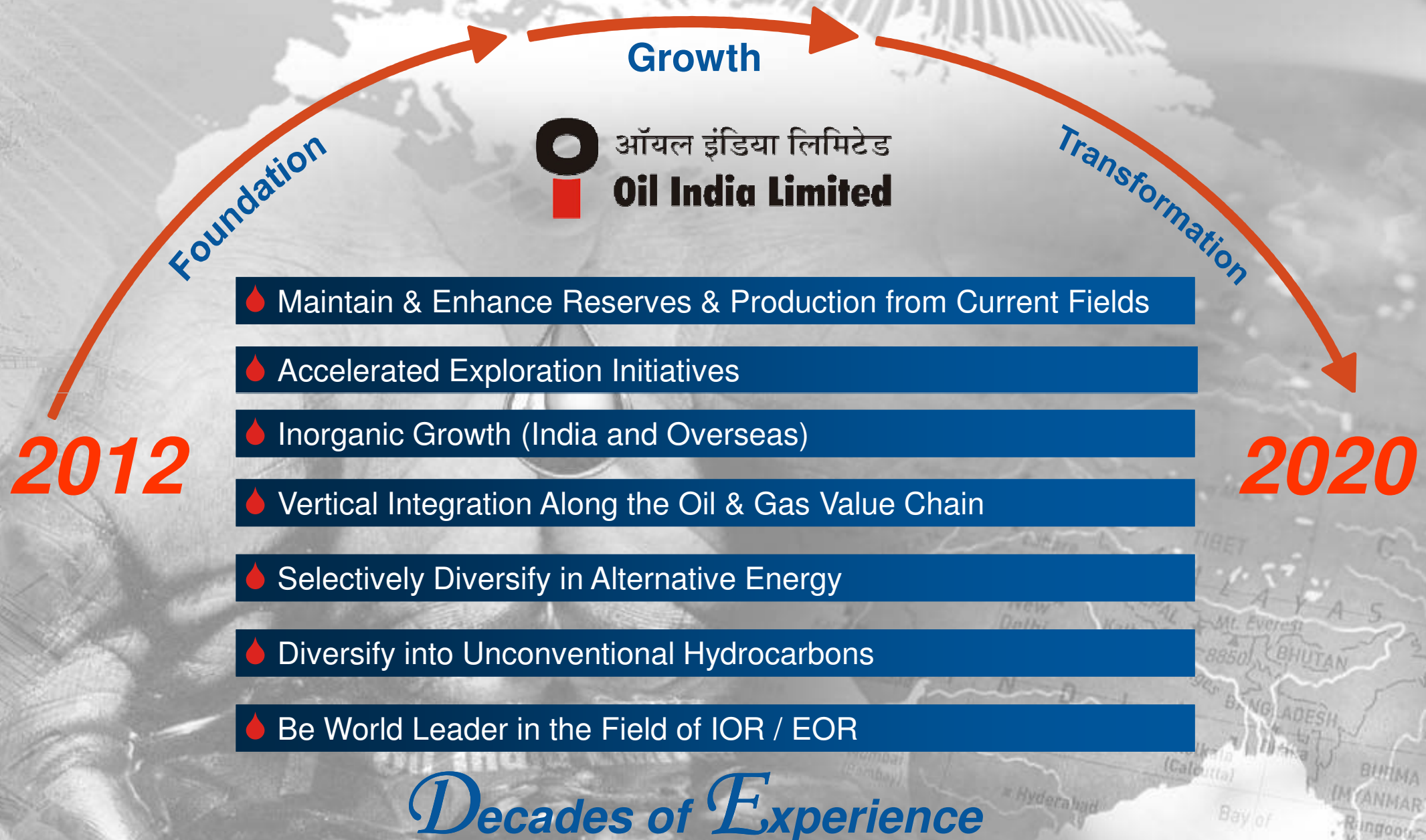
Team, Committed to Honesty, Integrity, Transparency and Mutual Trust creating Employee Pride

Fully Committed to Safety, Health and Environment

Learning Organization, Nurturing Initiatives, Innovations and Aspirations with Best Practices

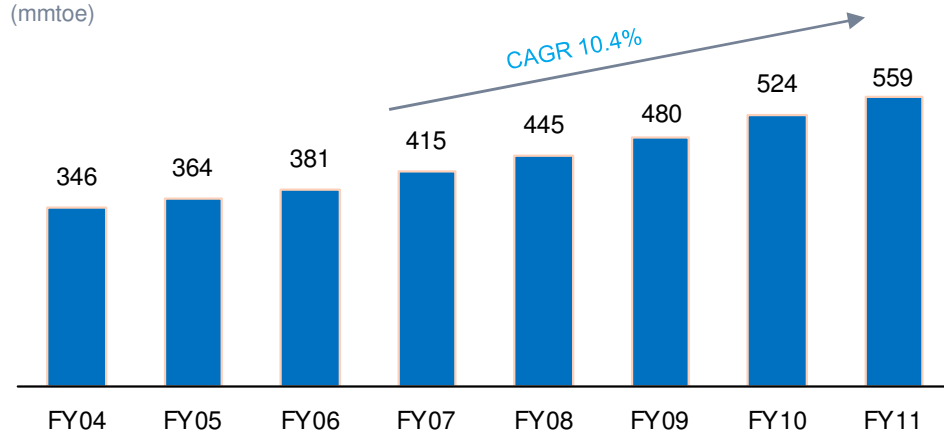
Responsible Corporate Citizen Deeply Committed to Socio-economic Development in its Areas of Operations

“The Fastest Growing Energy Company With a Global Presence Providing Value to Stakeholders”



# Domestic Industry Environment

## Steady Growth in Domestic Energy Consumption Driven by India's Economic Growth Story

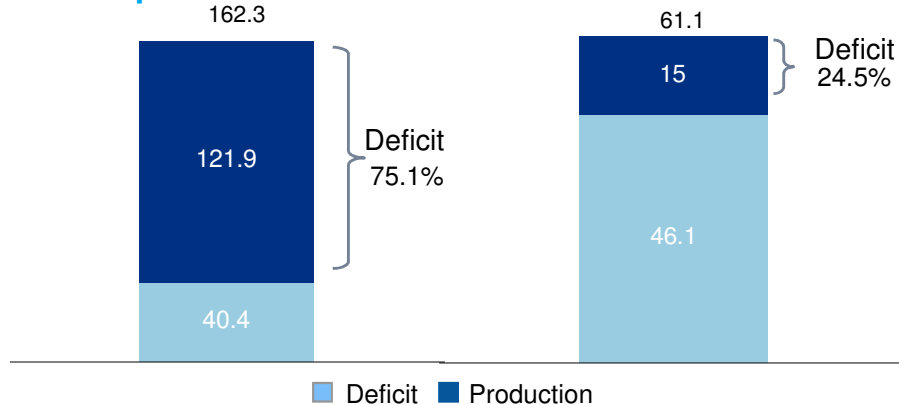


Source: BP Statistical Review of World Energy, June 2012.

## Significant Supply Deficit in the Domestic Market <sup>(1)</sup>

### Crude Oil (mmtoe)    Natural Gas (bcm)

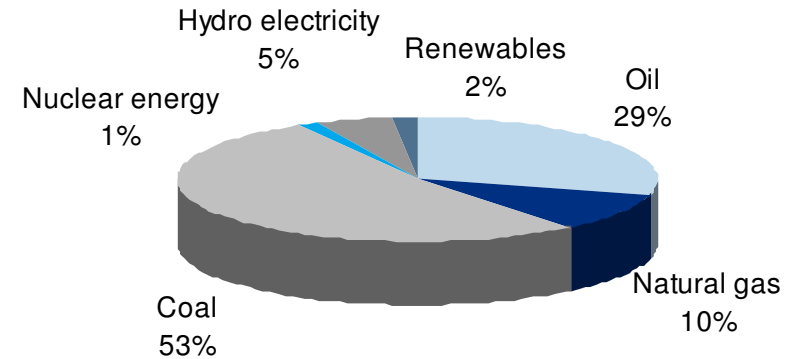
#### Total Consumption



## Energy Sources

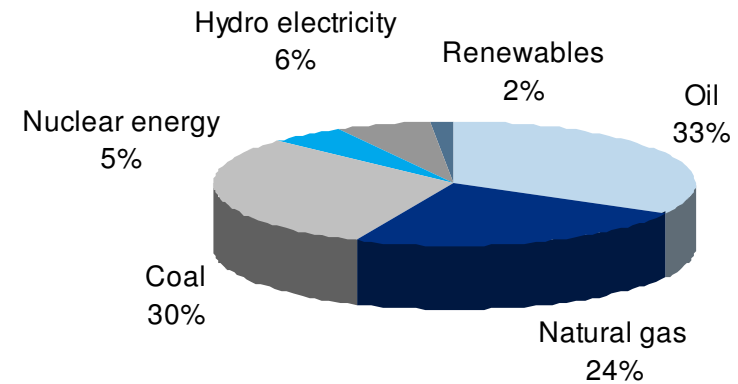
### Energy Sources – India

(%)



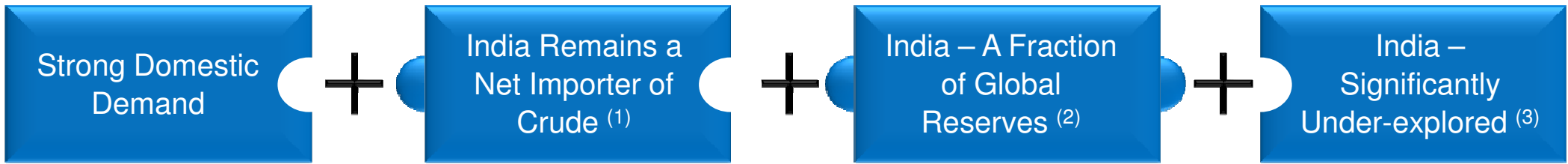
### Energy Sources – Global

(%)





# Robust Domestic Fundamentals



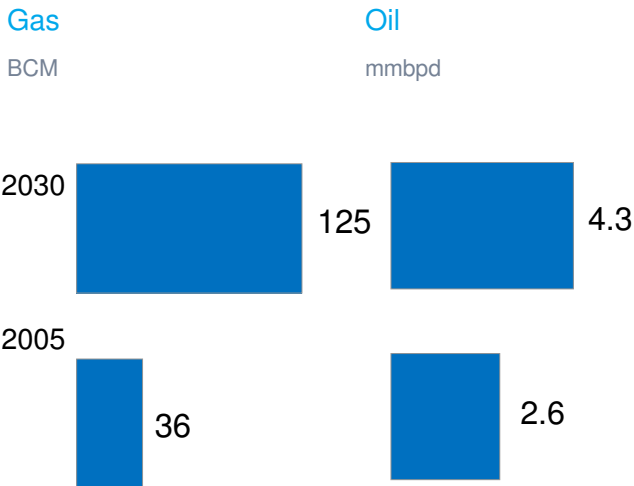
- India - the **4th largest** Energy consumer in world <sup>(2)</sup>
- Robust** long-term consumption outlook

- Among largest net importers of oil globally
- Dependence** on Imports in past decade

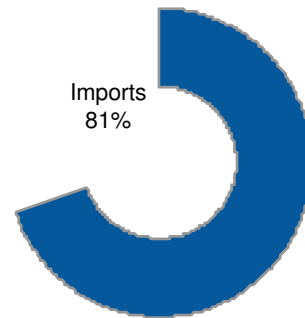
- 0.65%** of World's Oil reserves <sup>(2)</sup>
- 0.77%** of World's Gas reserves <sup>(2)</sup>

- Only **22%** of India well explored (as of 31 March 2011)

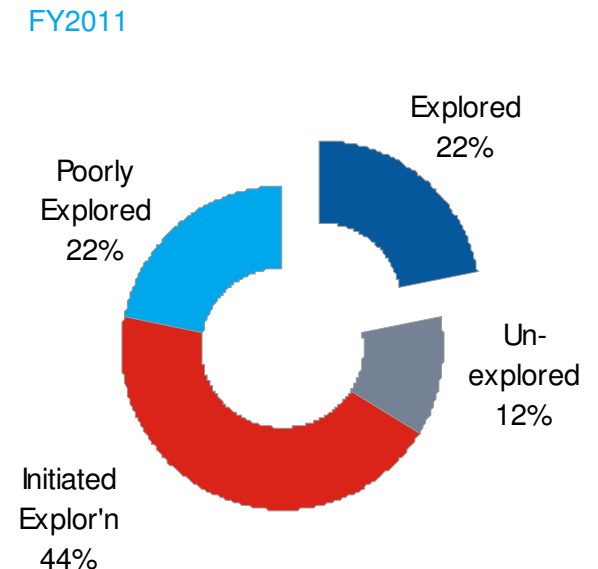
## Domestic Consumption Outlook



## % of Total Oil Consumption



## India: Exploration Status

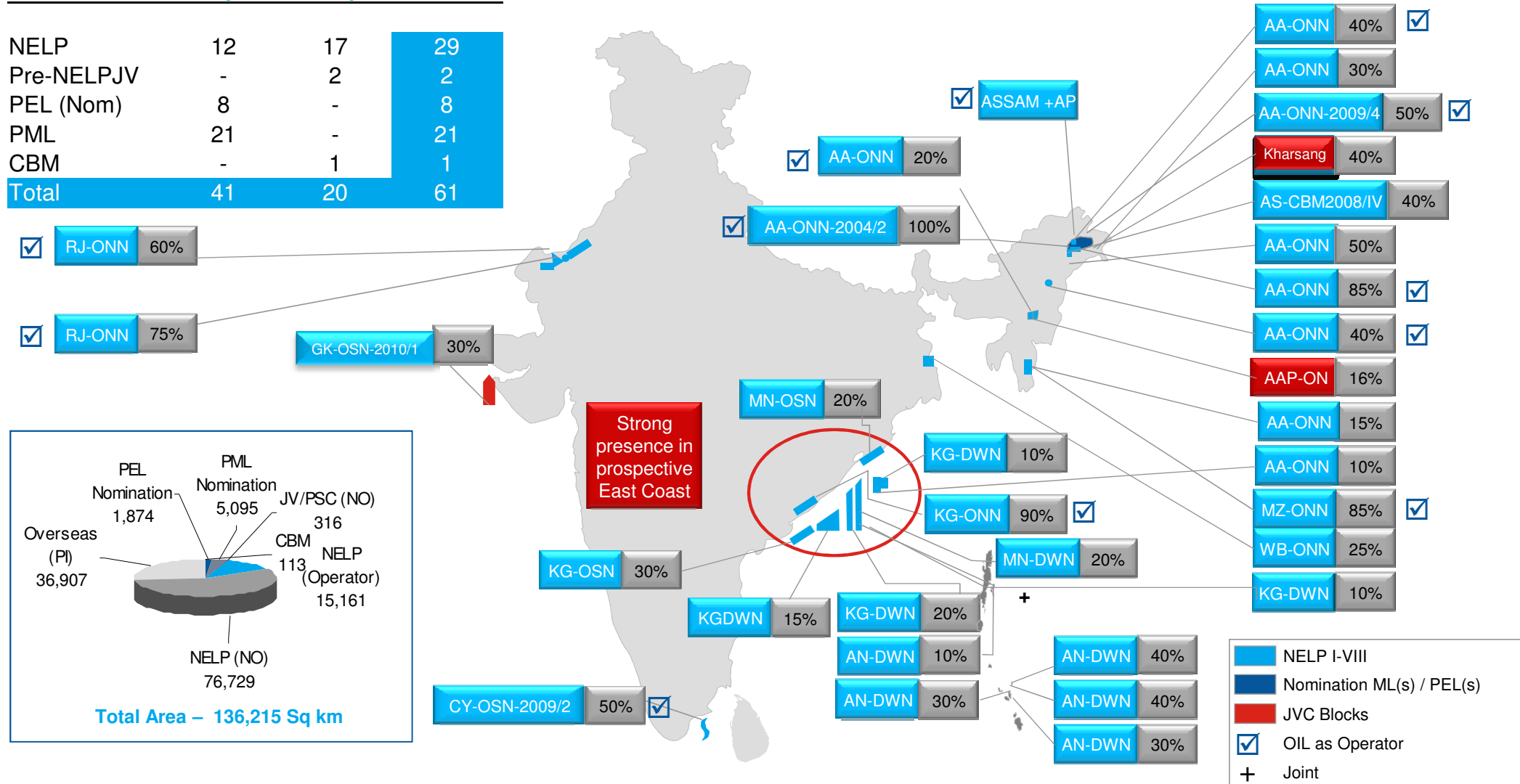


9  
 (1) Source: MoPNG.  
 (2) Source: BP Statistical Review of World Energy June 2012.  
 (3) Source: DGH, HEDA report 2010.

# Domestic Asset Overview

Significant India Presence in Regions with Proven Commercial Production or Known Accumulation of Hydrocarbons

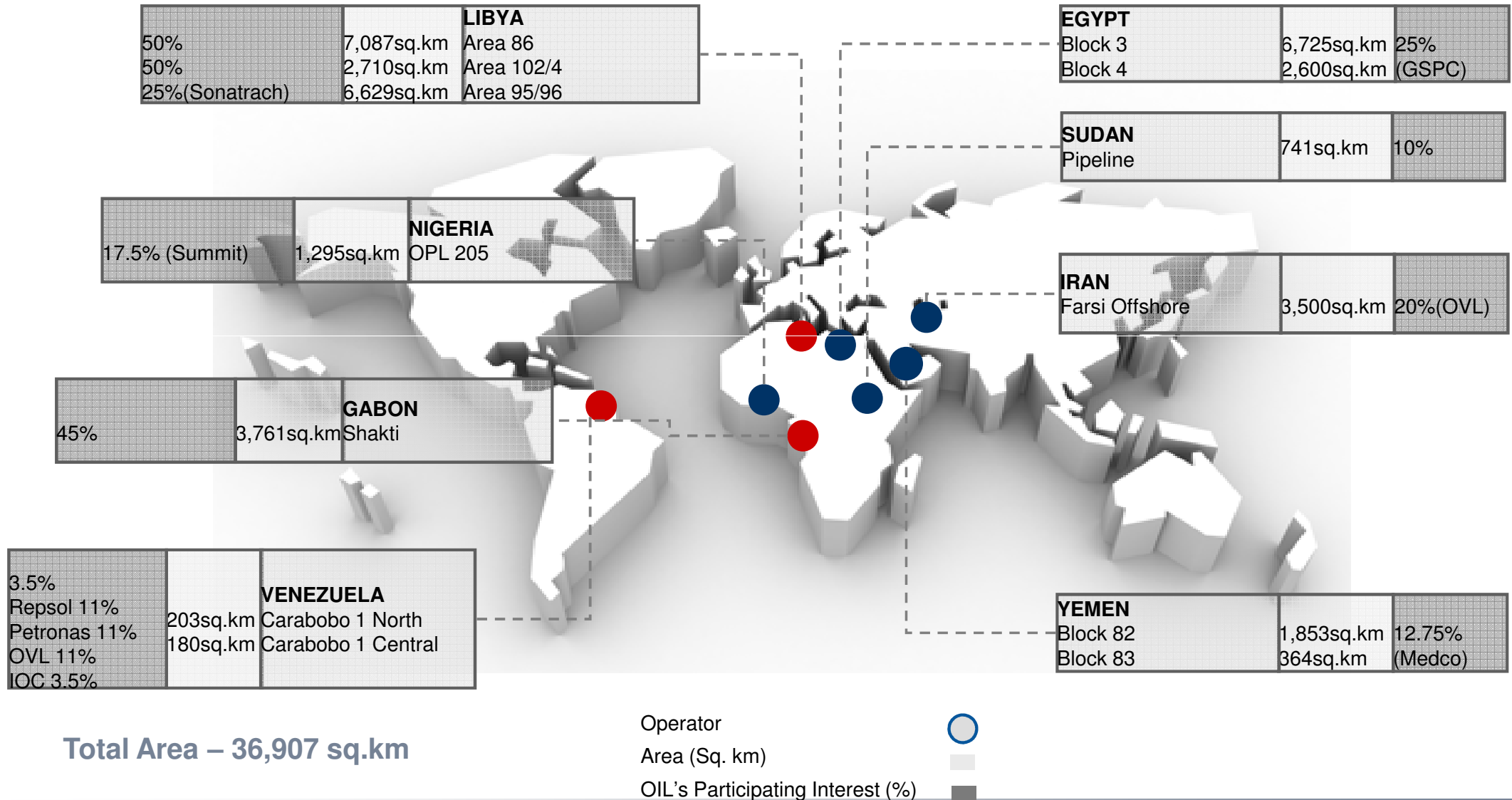
Blocks	Op	N/Op	Total
NELP	12	17	29
Pre-NELPJV	-	2	2
PEL (Nom)	8	-	8
PML	21	-	21
CBM	-	1	1
<b>Total</b>	<b>41</b>	<b>20</b>	<b>61</b>



Source: Company information.  
 NO – Non-operator  
 PI – Participatory Interests

# With Dominant International Footprint

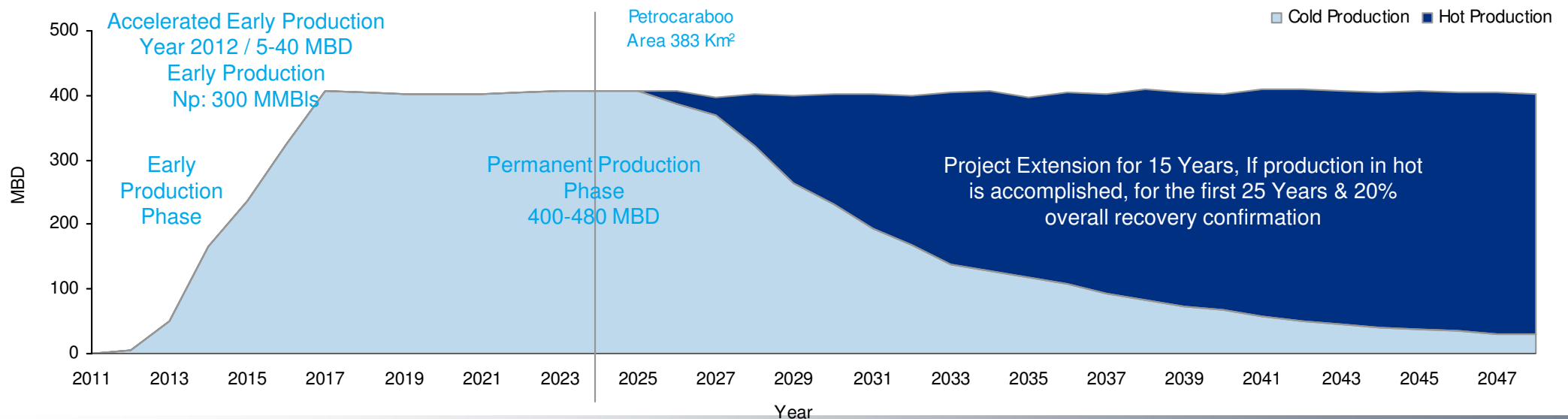
## Dominant International Footprint with Balanced Presence in Exploration Acreages & Producing Properties



# Key Projects: Project Carabobo (Onshore, Venezuela)



- 📍 Two blocks (383 sq. km) in Orinoco heavy oil belt in Venezuela
- 📍 Being developed by a Mixed Company, with OIL's share of 3.5%
- 📍 Project expected to have a sustained production level of more than 400,000 bopd for 40 years
- 📍 Project includes construction of upgrader to transform the extra-heavy crude of 8-9° API into medium crude (16-22°) API
- 📍 OIL's planned investment in the project is about US\$ 424 mn
- 📍 Stratigraphic wells being drilled. Development drilling expected to start in 2-3 months time
- 📍 Expected early production to start by the end of 2012/ early of 2013



# Key Projects: Gabon- Block Shakthi (Onshore Gabon, West Africa)



Area: 3,761.65 Km<sup>2</sup>

OIL's Participating Interest 50%

## Activity

## Actual Work Done

2D (GLKM)

1,039 GLKM

3 D API

137 Sq. Km

Aeromagnetic  
Survey (Km)

36,412 Km

Wells

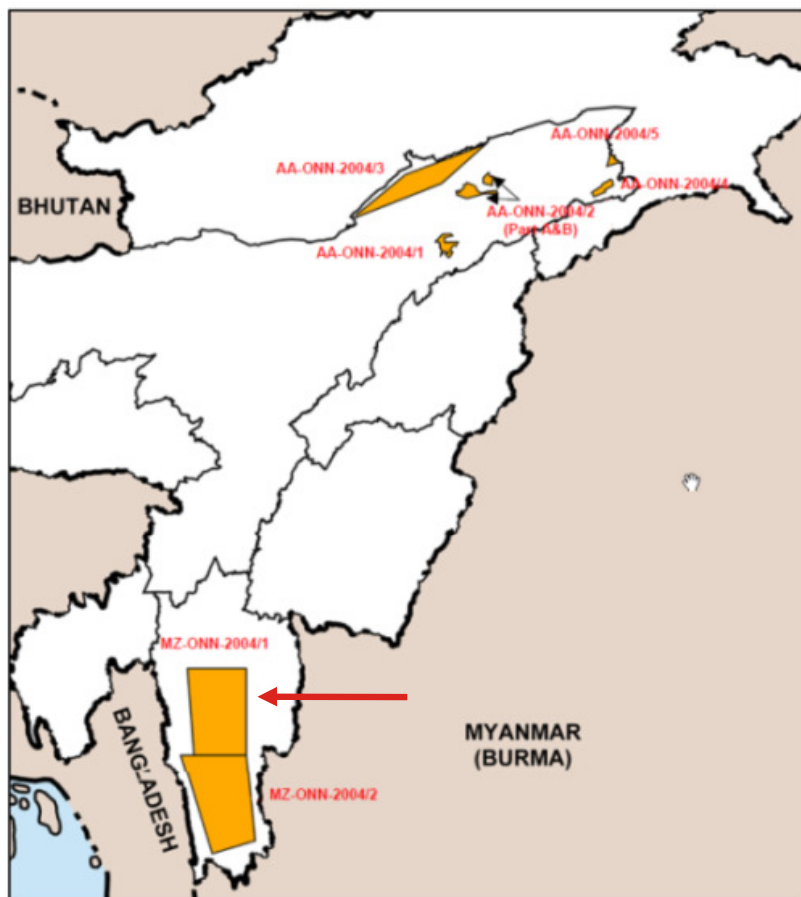
📍 2 location released for drilling

📍 Pre-drilling activities in progress

📍 Drilling to commence in August 2012

- 📍 The block is located in the less explored interior basin towards the north-eastern part of this geo-politically stable, oil-rich country

# Key Projects: MZ-ONN-2004/1 (NELP-VI)



Area: 3,213 Sq. Km  
OIL's Participating Interest 85%

## Activity

## Work Done

2D API

1,352 GLKM

Geo Survey

3,213 Km<sup>2</sup>

Geochemical

757 samples

GM Survey

2,500 stations

Wells

- 📍 5 locations released for Drilling
- 📍 Pre-drilling activities in progress
- 📍 Drilling to commence this financial year

# Key Projects: KG-ONN-2004/1 (NELP-VI)



## Activity

## Actual Work Done

3D API

235.09 Sq. Km

RP

591 GLKM

GM Survey

2,532 stations

Geochemical

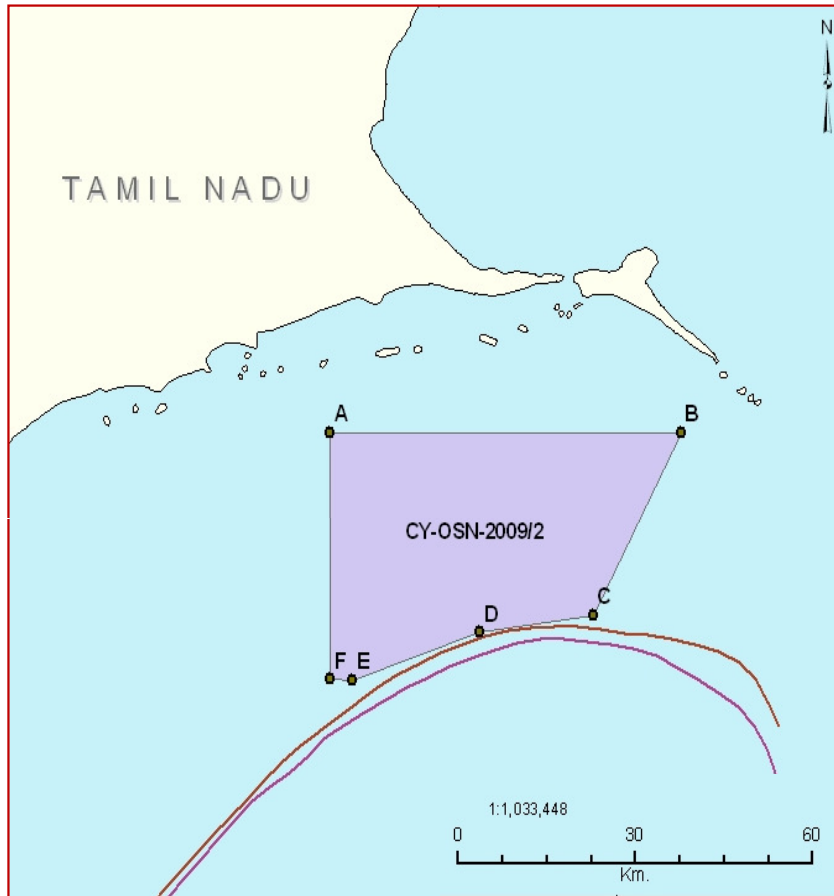
384 samples

Wells

- 📍 7 location released for drilling
- 📍 Pre-drilling activities in progress
- 📍 Drilling to commence this financial year

Area: 549 Km<sup>2</sup> ( AP-511 km<sup>2</sup>, Puducherry-38 km<sup>2</sup>)  
OIL's Participating Interest 90%

# Key Projects: CY-OSN-2009/2 ( NELP-VIII) – Gulf of Mannar



Area: 1621 Sq. Km  
OIL's Participating Interest 50%

Activity	Work Done
2D API	511 GLKM
Geo Survey	1,621 Km <sup>2</sup>
<p>🔑 Presently data is being processed and will be interpreted for identification of prospects for drilling</p> <p>🔑 Hiring of drilling consultant under process</p>	



# Overseas acquisitions – Focus and Available Resources

Focus for Overseas acquisitions	Available Resources
<ul style="list-style-type: none"><li>• Balanced overseas portfolio</li><li>• Acquire producing/development /discovered blocks</li><li>• Both, Oil &amp; Gas – Offshore/Onshore</li><li>• Individual Target Production level upto 30,000 boe/d</li><li>• Operatorship in On-shore blocks</li><li>• Joint operator/Active non-operator in off-shore blocks</li></ul>	<ul style="list-style-type: none"><li>• Dedicated Multifunctional Team pursuing M&amp;A opportunities</li><li>• Utilising Expertise of International M&amp;A Advisers and Technical consultants to identify and pursue opportunities</li><li>• Adequate Knowledge Base/ Technical and Commercial capabilities across Organisation</li><li>• Strong Financial Resources (Cash/Borrowing Capability)</li><li>• IOCL as Partner – International network/ complete Value chain</li><li>• Active and Focused Management Support for M&amp;A</li></ul>

# International Acquisition Strategy

## International Strategy

- Prepared by International consultants and adopted by Board
- Seek to acquire exploration acreages / producing properties
- Employ capital in the midstream and downstream, limited for the purpose of creating additional value in the upstream

### A Two Period Strategy:

Build Period

OIL focuses its international efforts to:

- Launch platforms for international core areas
- Acquire companies/enter partnerships as a non-operator
- Build skills in new onshore, offshore and gas plays

Sustain and Grow Period

- Make organizational change to operate assets
- Sustain its core areas as an Asset manager
- Acquire companies and enter partnerships to grow its core areas launched in Period I
- Develop partnerships with technology companies to achieve efficiencies

## International Partnerships and Alliances

- Implement its acquisition strategy utilizing joint ventures with other leading players in the industry
- Partnering strategy with potential midstream and downstream investments in order to retain focus on capital employed in E&P



# Significant Reserve Base and Production Scale

1P Reserves represent:

**10** Years current production of Crude Oil

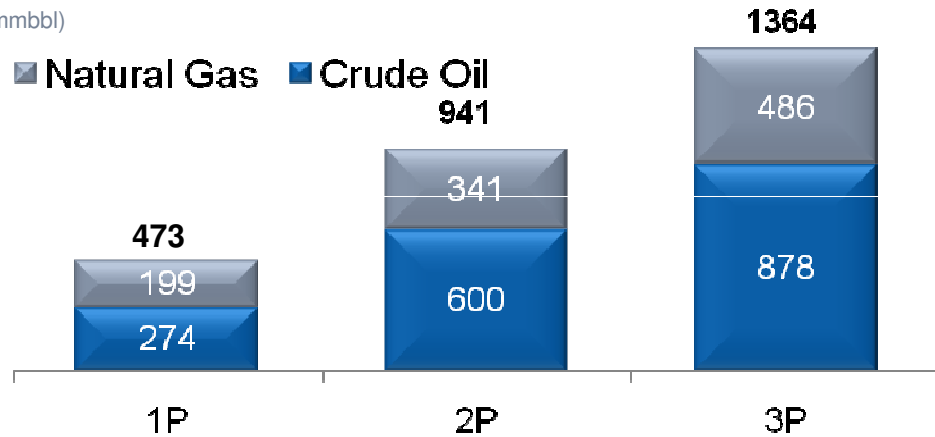
**12** Years current production of Natural Gas

**11** Years current production of O+OEG

## Total Reserves <sup>(1)</sup>

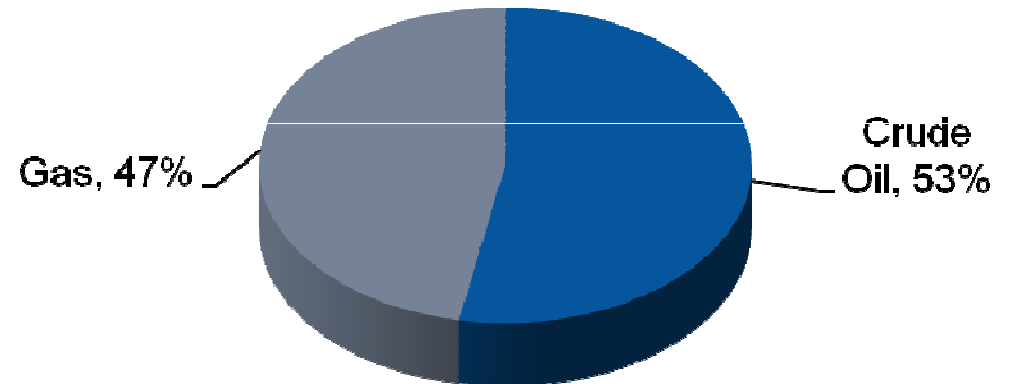
(mmbbl)

■ Natural Gas ■ Crude Oil

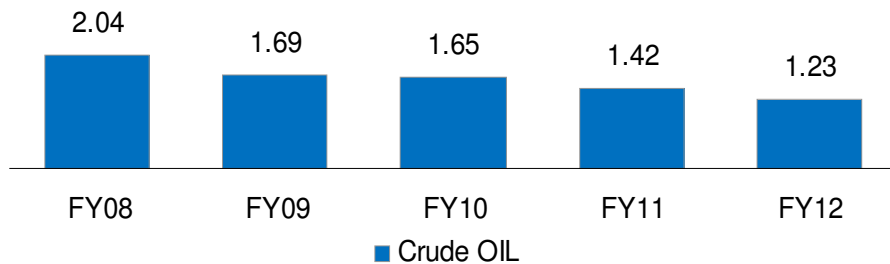


## Proved and Developed Reserves – Split by Type

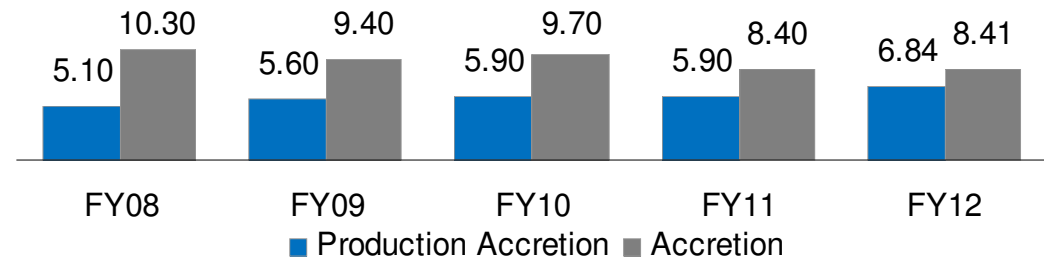
Proved developed reserves of approximately 225 mn barrels and natural gas reserves of 199 mn barrels



## Consistent Reserve Replacement Ratio Over One



## Steady Production Growth



# Excellent Oil and Gas Infrastructure

## Infrastructure to Support E&P Activities



**Two 2D and  
One 3D Seismic  
crew**



**Six  
Logging Trucks**



**14 W/over Rigs**



**11 Drillings  
Rigs**

## Production and Storage Facilities



**72 Production  
Installations**



**5,000km O&G  
Pipelines**



**~150k KL  
Crude Storage**

In-house Expertise and Integration across Energy Infrastructure

# Presence Across Value Chain



OIL is a fully self-serviced E&P company

# Downstream Operations

- 📌 OIL intends to continue an active strategy of vertical integration into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas
- 📌 This vertical integration strategy is aimed at to achieve following objectives
  - Diversification of revenue sources
  - Improving profitability by extending operations into higher-margin segments of the product value chain

## Refining and Marketing

- 📌 26% equity stake in Numaligarh Refinery Limited (NRL).
- 📌 The other equity holders in NRL are BPCL and the Government of Assam



## Gas cracker Project

- 📌 10% equity stake in Brahmaputra cracker and Polymer Limited (Assam)
- 📌 Process natural gas, naphtha or any other petroleum product
- 📌 Distribute and market petrochemical products in India and abroad



## City Gas / LNG projects

- 📌 MOUs with HPCL, BPCL, ONGC and IOC for laying, building, operating or expanding city gas distribution networks.
- 📌 Commissioned Wind Energy Project in Rajasthan.
- 📌 LNG: MOU with Kakinada Seaports

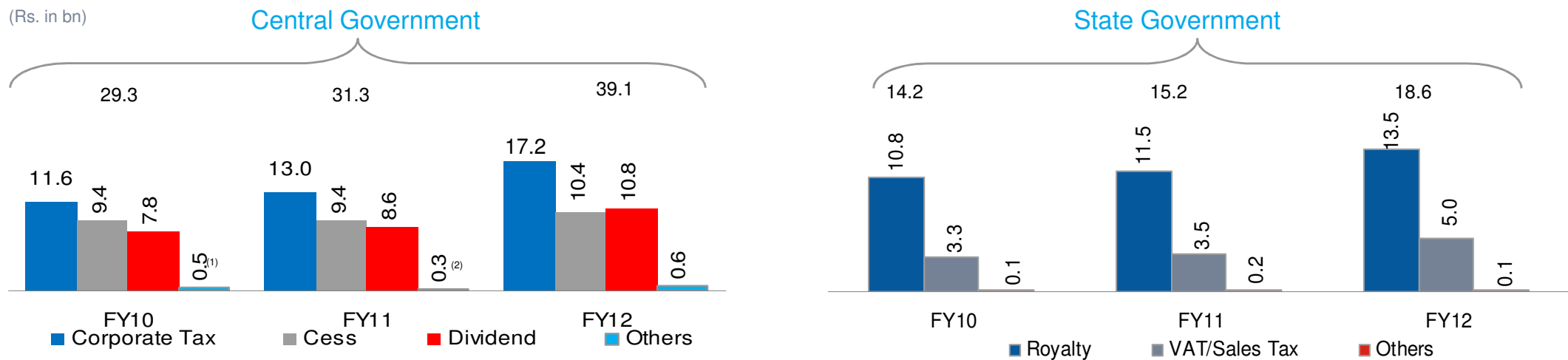


IndianOil

# Strong Government Linkage

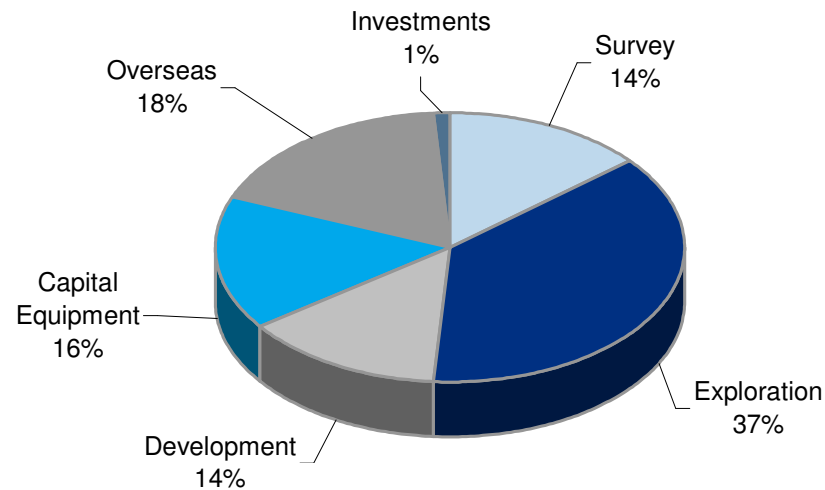
- 📌 Government Owned Enterprise and continued government support evidenced by the recently awarded “Navratna” status to the company making it more autonomous.
- 📌 2<sup>nd</sup> Largest Public Sector E&P company
  - Contributed Rs.58 bn to the exchequer in the FY2011–12
- 📌 Management Independence
  - A Navratna company with liberty to take financial decision upto Rs.10 bn, ability to raise Rs.30 bn
  - Board power has been enhanced to USD 600mn for acquisition.

## Contributions to Exchequer

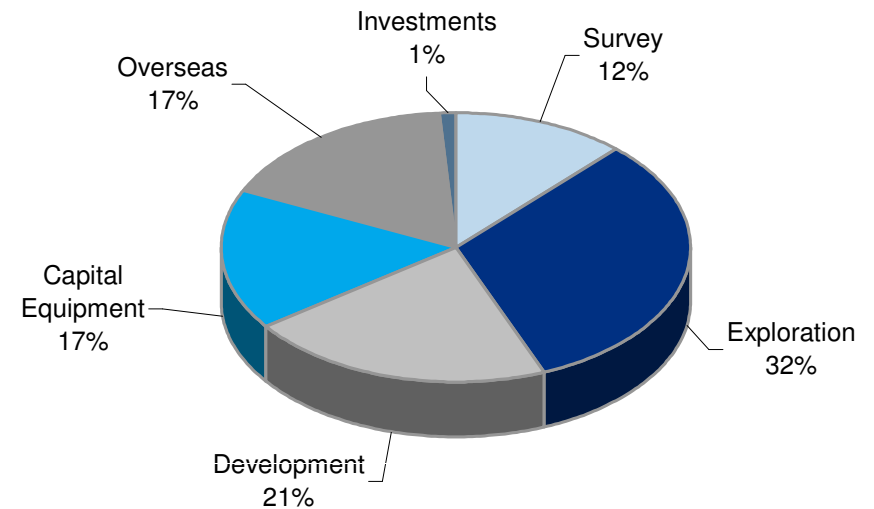


# Significant Investment Lined Up

Annual Plan 2012–13: Rs.33,783 mn

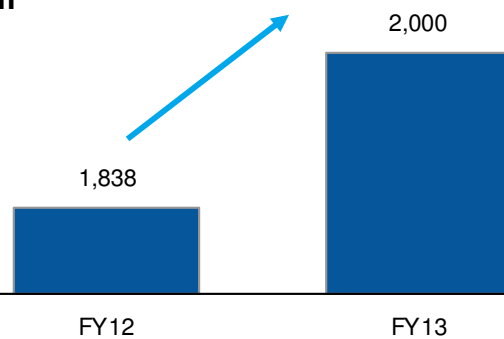


XII<sup>th</sup> 5year Plan: Rs.1,90,030 mn



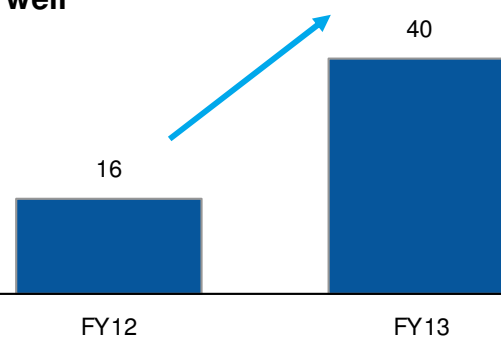
## 3D Seismic Surveys

Sq km



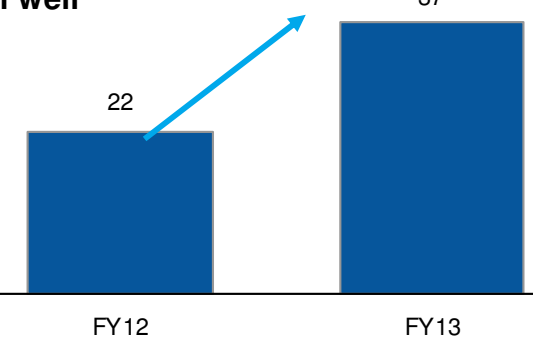
## Exploratory Drilling

No. of well



## Development Drilling

No. of well



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





# Operating Performance

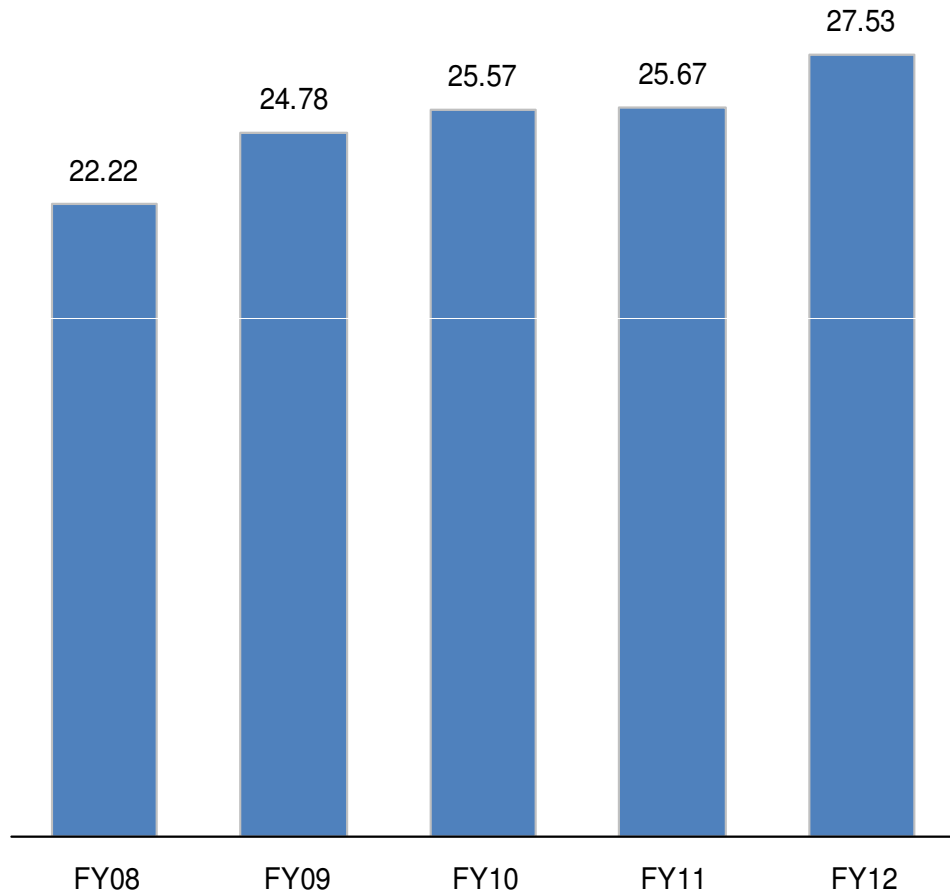
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# Crude Oil and Natural Gas Production

## Crude Oil Production

~7.2% increase Over Last Year

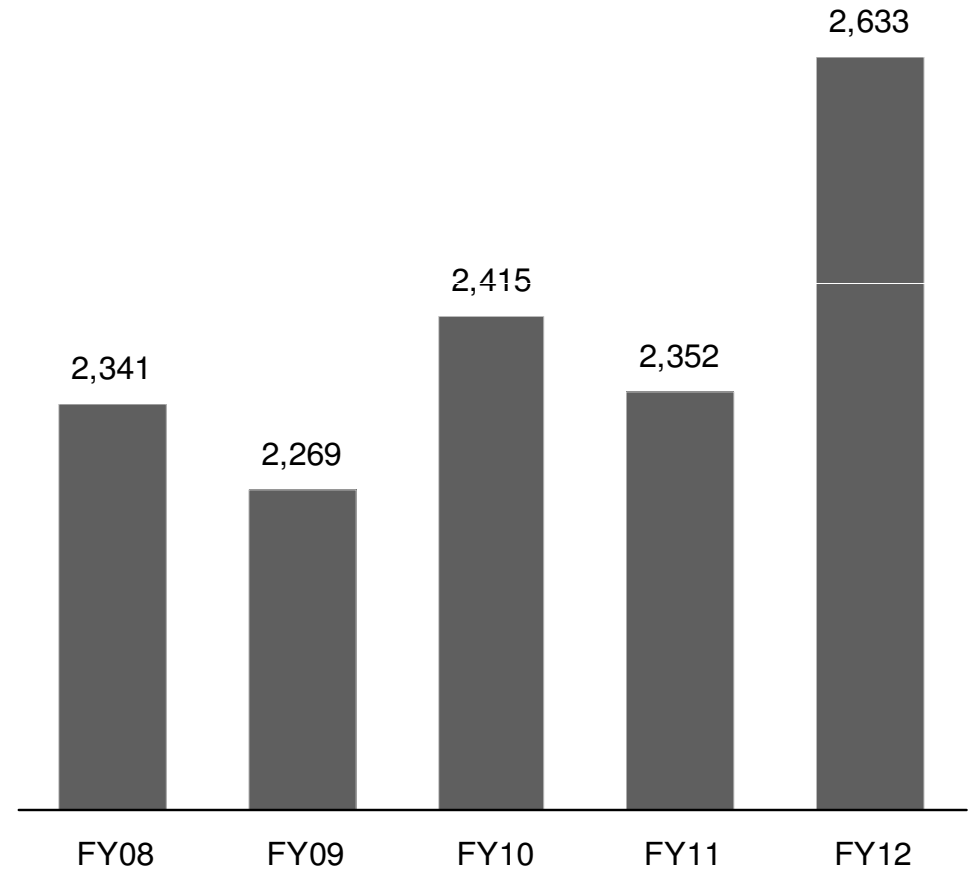
(in mm bbl)



## Natural Gas Production

~12% Increase Over Last Year

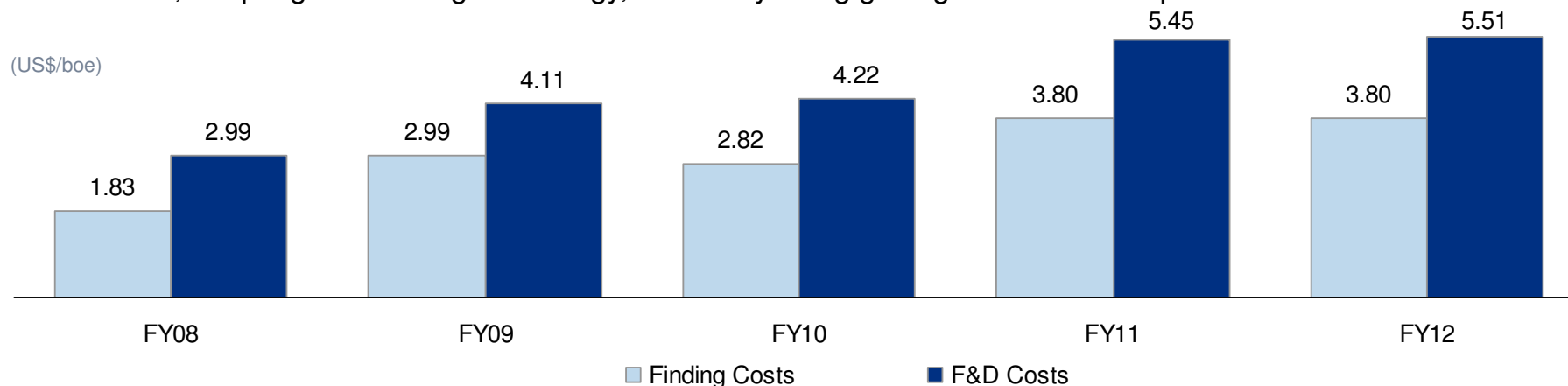
(in mm scm)



# Attractive Cost Structure

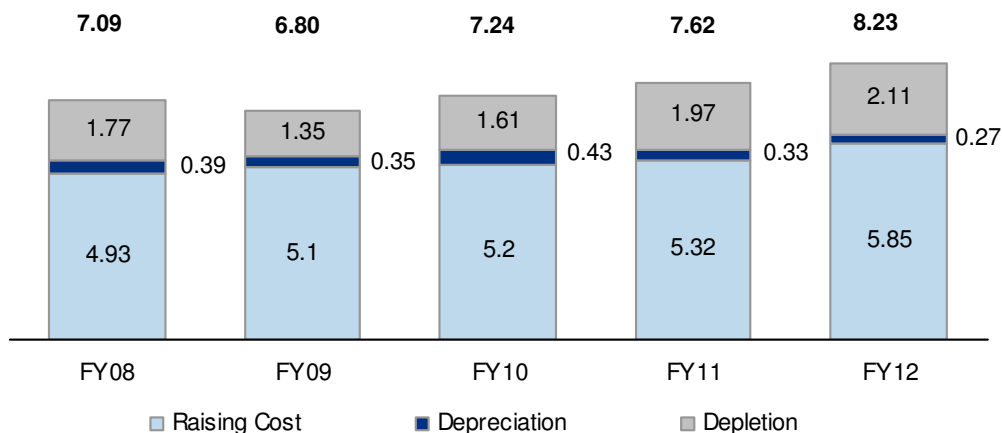
## OIL has the Advantage of Low Finding and Development Costs

Oil's integrated oil and gas infrastructure enables the company to manage costs efficiently by optimizing manpower costs, using in-house services, adapting cost-saving technology, effectively using geological data and expertise



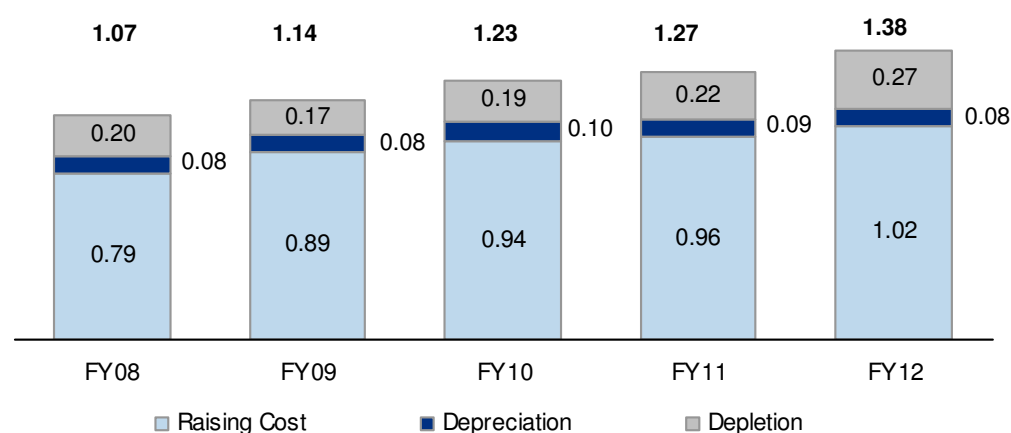
## Crude Oil Production Cost

USD/Barrel



## Natural Gas Production Cost

USD / MMBTU



# Sharing of Subsidy by Upstream Companies

## Rs. in crore

Rs. In cr.

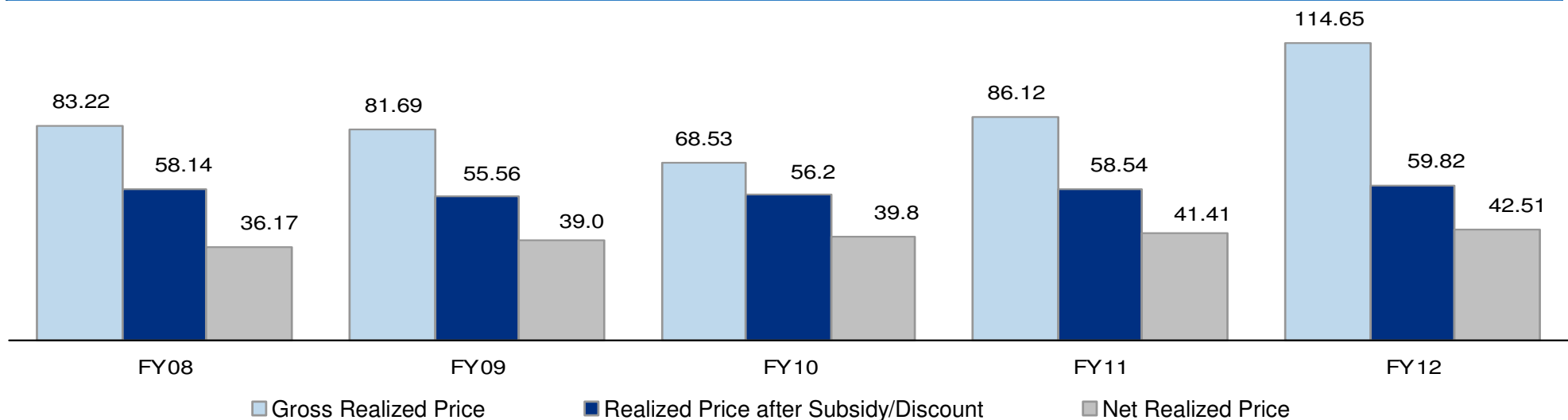
	2008-09	2009-10	2010-11	2011-12
ONGC	28,226	11,554	24,893	44,465
<b>OIL</b>	<b>3,023</b>	<b>1,549</b>	<b>3,293</b>	<b>7,352</b>
GAIL	1,694	1,326	2,111	3,183
<b>Total</b>	<b>32,943</b>	<b>14,430</b>	<b>30,297</b>	<b>55,000</b>

## % Sharing

% Sharing

	2008-09	2009-10	2010-11	2011-12
ONGC	86%	80%	82%	81%
<b>OIL</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>
GAIL	5%	9%	7%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Realised Price (USD/Barrel)





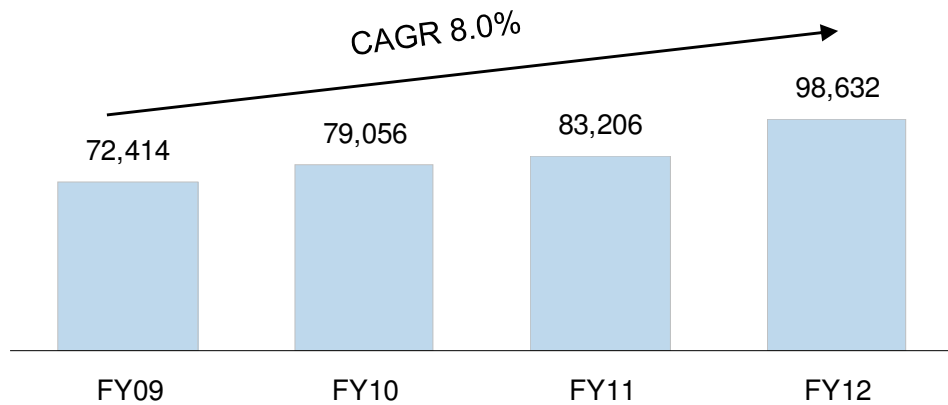
# Financial Performance

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# Growing Revenue and Profit

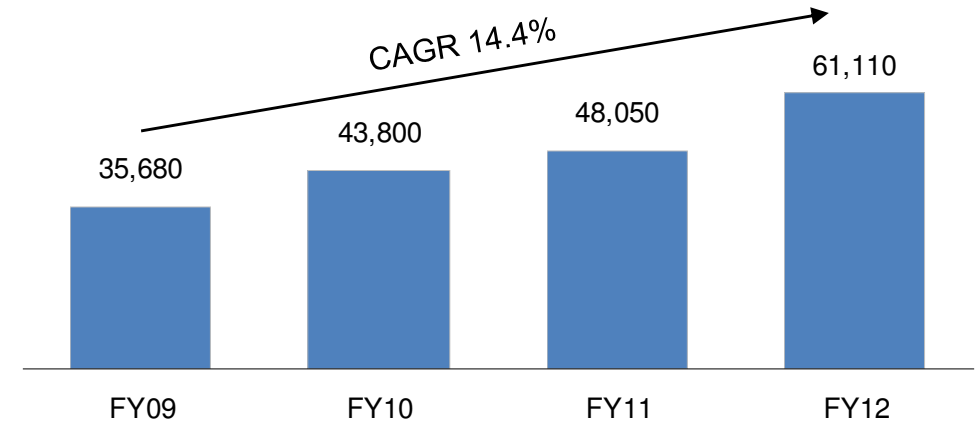
## Revenue

(Rs.mn)



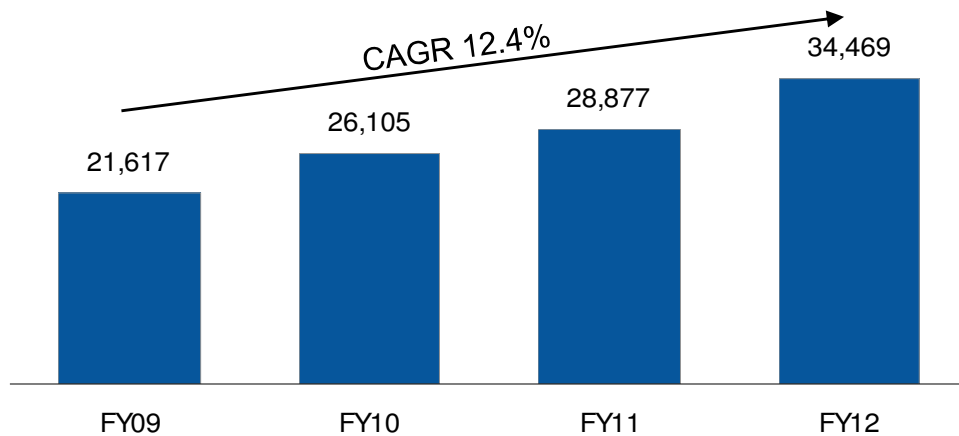
## EBITDA

(Rs.mn)



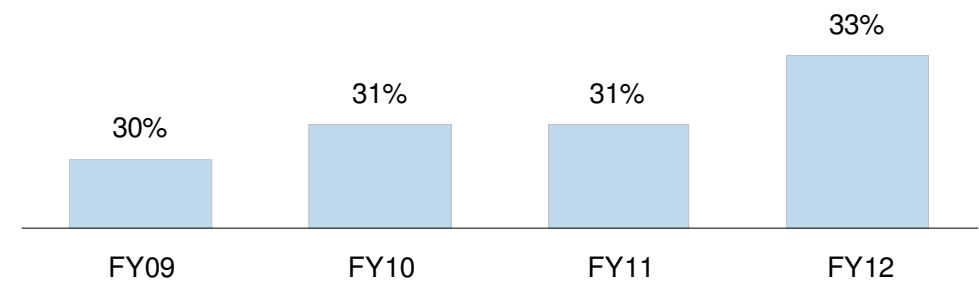
## Net Profit

(Rs.mn)



## Dividend Payout Ratio

(As a % of Net Income)

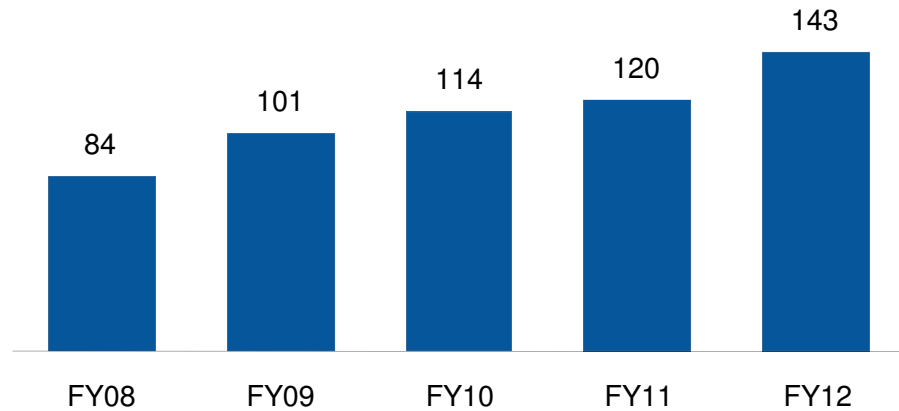


Source: Company financials

# Leverage Remains Low

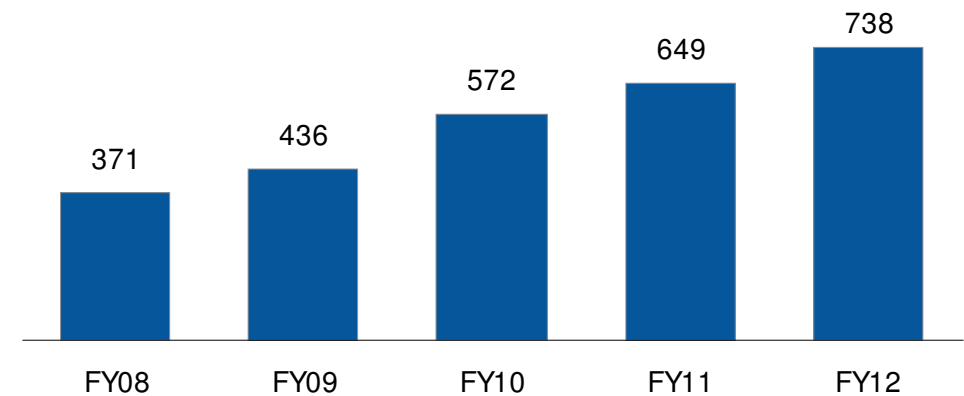
## Earnings Per Share

(in Rs.)



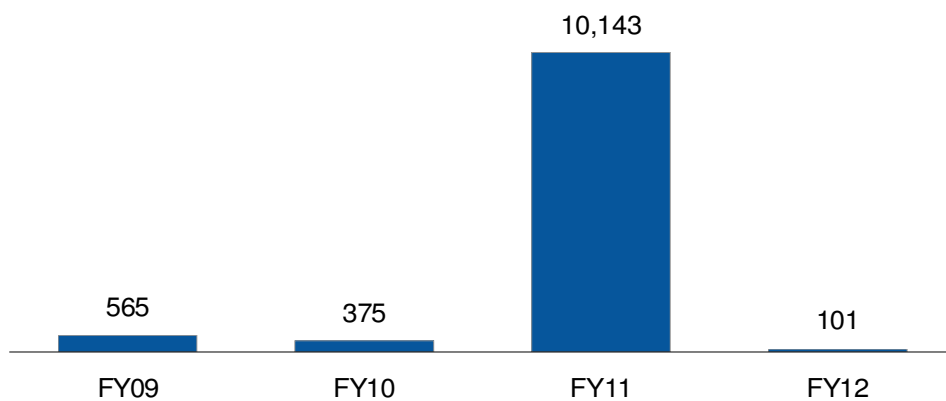
## Book Value Per Share

(in Rs.)



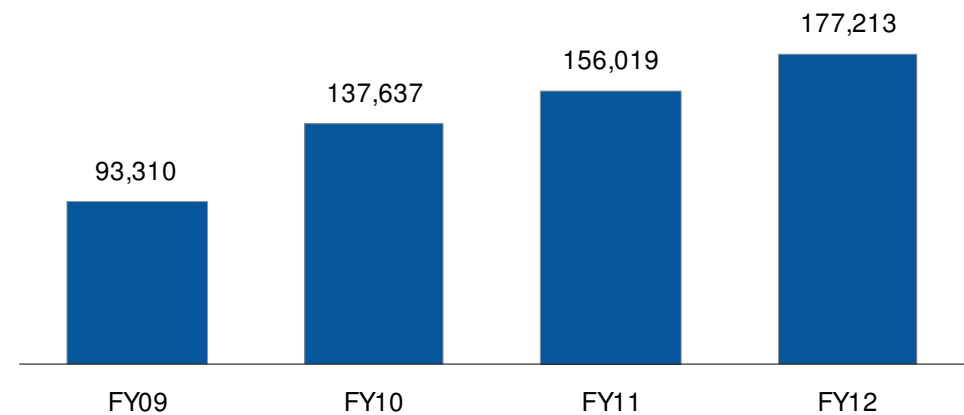
## Total Debt

(Rs.mn)



## Total Equity

(Rs.mn)



Source: Company financials

# Awards and Accolades



- 📌 OIL was awarded the prestigious **BUSINESS LEADERSHIP AWARD in OIL & GAS SECTOR** by NDTV Profit on 7<sup>th</sup> January 2012.
- 📌 **E&P Company of the Year Award** at the Petrofed Oil & Gas Industry awards for the year 2010-11
- 📌 First Prize for **Oil Industry Safety Award** in Oil & Gas Assets (Onshore) Category
- 📌 **Motivational Leadership Award** for 2010–11 at the World HRD Congress
- 📌 **Best Environment Management and Sustainable Development Award** by Indian Chamber of Commerce
- 📌 **Gold Award** in Petroleum Sector for Outstanding Achievement in Safety Management by the Greentech Foundation
- 📌 **Greentech HR Gold Award 2012** for training excellence
- 📌 **Performance Excellence Award 2011** by Indian Institute of Industrial Engineering
- 📌 **Golden Peacock Award** for CSR for 2012



# Conclusion

Steady and sustained Growth

Sound Financial Health

Strong operating track record

More than 5 decades of E&P expertise

Spreading its wings: NE - Pan India - Global

Large prospective E&P acreage

Pioneer in Pipeline transportation

Entry into Offshore/ Deep Water Blocks

Entry into discovered assets in Venezuela, Acquisition thrust continues

Diversifying into new areas. Core Focus remains in E&P

# Appendix

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# OIL Shareholding Structure



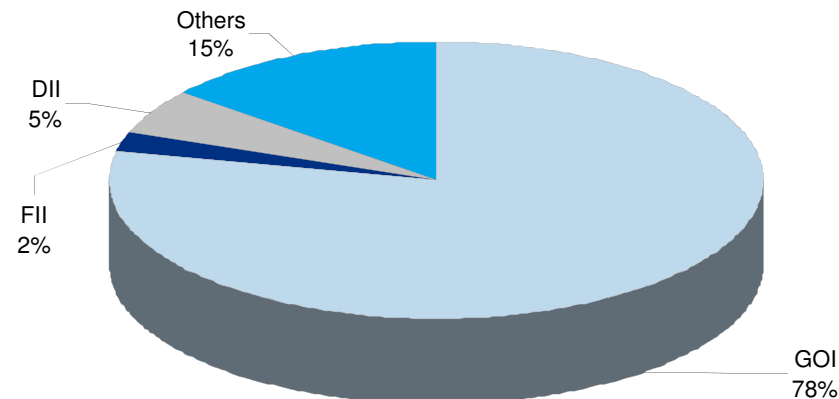
Listed on BSE / NSE on 30th September 2009

Number of shares: 601.12 mn

Dividend  
FY12 Dividend/Share: Rs.47.50

Share price (52 Week High / Low): Rs.556 / Rs.431

Market Cap: Rs.29,450 cr / US\$ 5.3 bn



Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
ICICI Prudential Life Insurance	0.86%
HDFC Standard Life Insurance Company Limited	0.81%
HDFC Trustee Company Limited-Top 200 Fund	0.73%
HDFC Trustee Company Limited- HDFC Equity Fund	0.62%

Source: Company Reports.

(1) Shareholding data as of March, 2012.

(2) Market Capitalization as of June 28, 2012.

(3) The share price data has been adjusted for the bonus issuance

# Board of Directors



Mr. Sunil Kumar Srivastava  
Chairman and Managing Director

## Functional Director (Full Time)



Mr. T K Ananth Kumar  
Director (Finance)



Mr. B N Talukdar  
Director (Exploration &  
Development)



Mr. N K Bharali  
Director (Human Resources &  
Business Development)



Mr. Satchidananda Rath  
Director (Operations)

## Government Nominees



Mr. Aramane Giridhar  
Government Nominee  
Director



Dr Archana Saharya  
Mathur  
Government Nominee  
Director

## Independent Directors



Mr. Ghanshyambhai Hiralai  
Amin  
Independent Director



Mr. Sushil Khanna  
Independent Director



Mr. Alexander K Luke  
Independent Director



Mr. Vinod Kumar Mishra  
Independent Director



Mr. Pawan Kumar Sharma  
Independent Director

 *Thank You*