

Investor Presentation



A Navratna Company

May, 2011



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.

Oil India Limited – An Overview



Oil India: Brief Overview

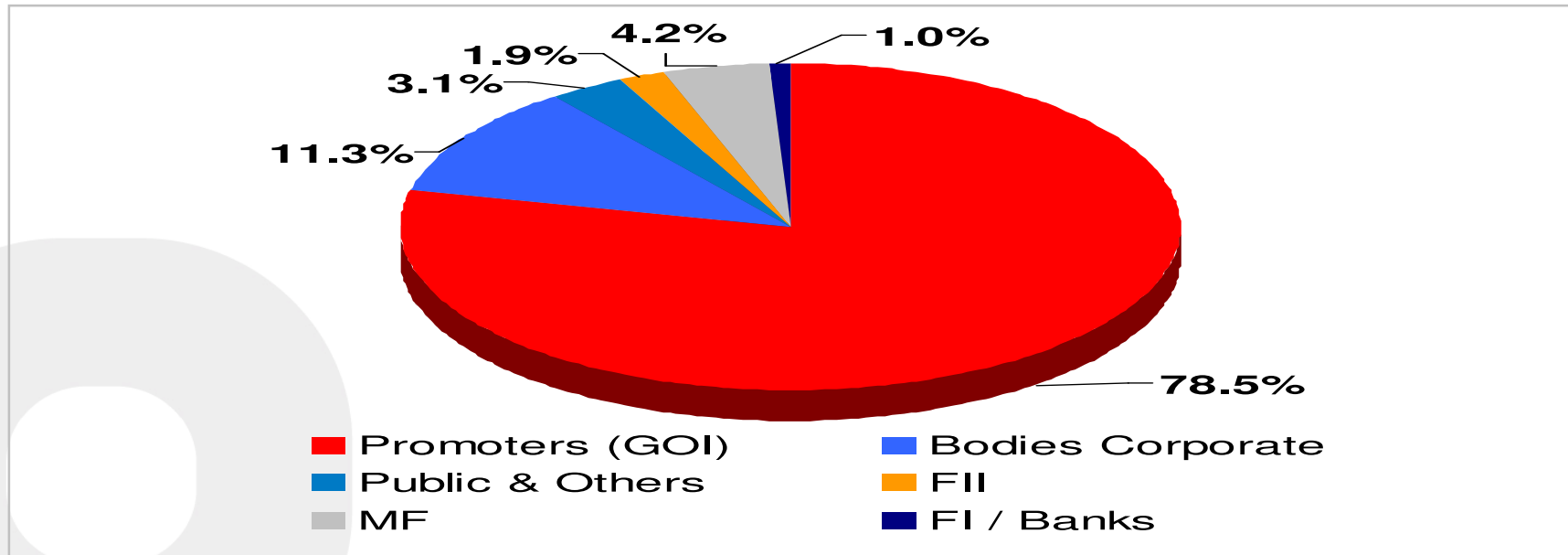
- ✓ **Rich Heritage**
 - Independent India's first commercial oil discoveries, with the first made in **1953**
- ✓ **Integrated O&G Player**
 - Presence across Oil & Gas Value Chain (E&P, Transportation and Downstream)
 - Infrastructure to support growth
- ✓ **Large Acreage**
 - **Domestic acreage:** 127,080 square kilometers;
 - **International acreage:** 41,656 square kilometers
- ✓ **Strong Reserve Base**
 - Total 2P reserves of over **921 mboe**; with RR ratio of over **142%** in FY11
- ✓ **Strong Financials**
 - Revenue: USD 2,096 mn / (FY11)
 - PAT : USD 634 mn (FY11)
 - Market cap : USD 6.61 bn. ¹

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 May 27, 2011

Shareholding pattern

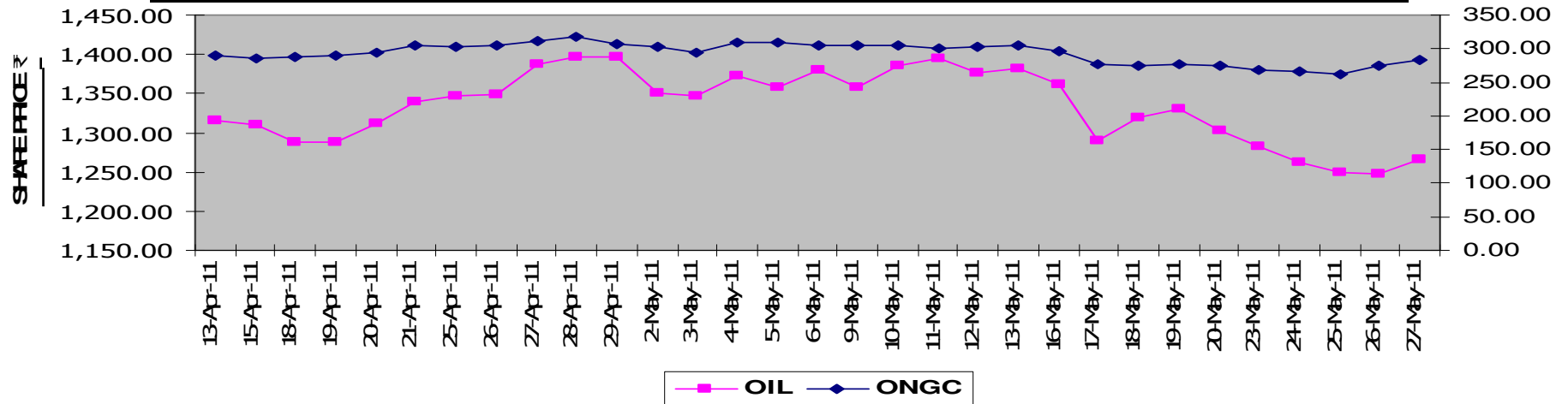


Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
ICICI Prudential Life Insurance	0.74%
HDFC Standard Life Insurance	0.72%
HDFC Trustee Company Limited-Equity Fund	0.58%
HDFC Trustee Company Limited-Top 200 Fund	0.43%

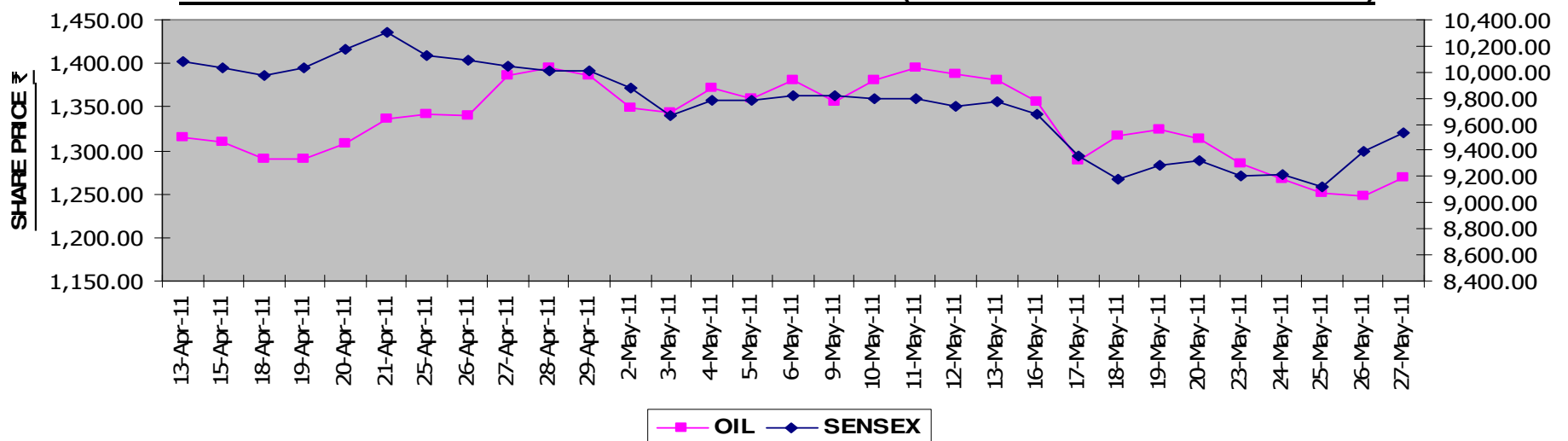
- Listing :Listed on BSE/NSE on 30th Sept 2009
- Number of shares : 240.45 mn
- Dividend :FY11 Int Dividend/share : Rs.18.00
- Proposed F Dividend : Rs.19.50
- Share price (H/L) :Rs.1635 / Rs.1019
- Market Cap :Rs. 30417 cr / USD 6.61 bn

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

OIL SHARE PERFORMANCE VS. ONGC (FROM 13.04.2011 TO 27.05.2011)

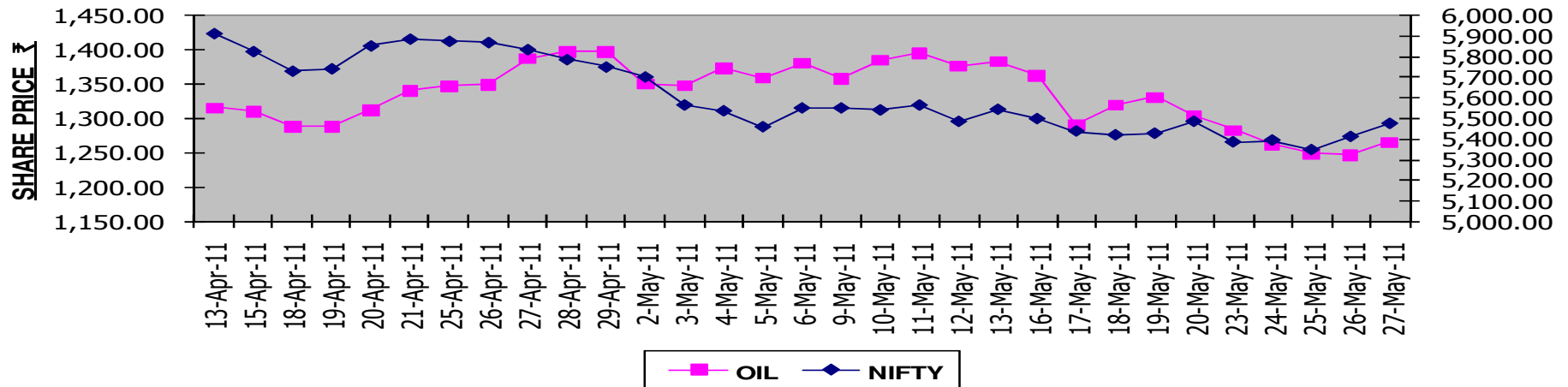


OIL SHARE PERFORMANCE VS. OIL&GAS INDEX (FROM 13.04.2011 TO 27.05.2011)

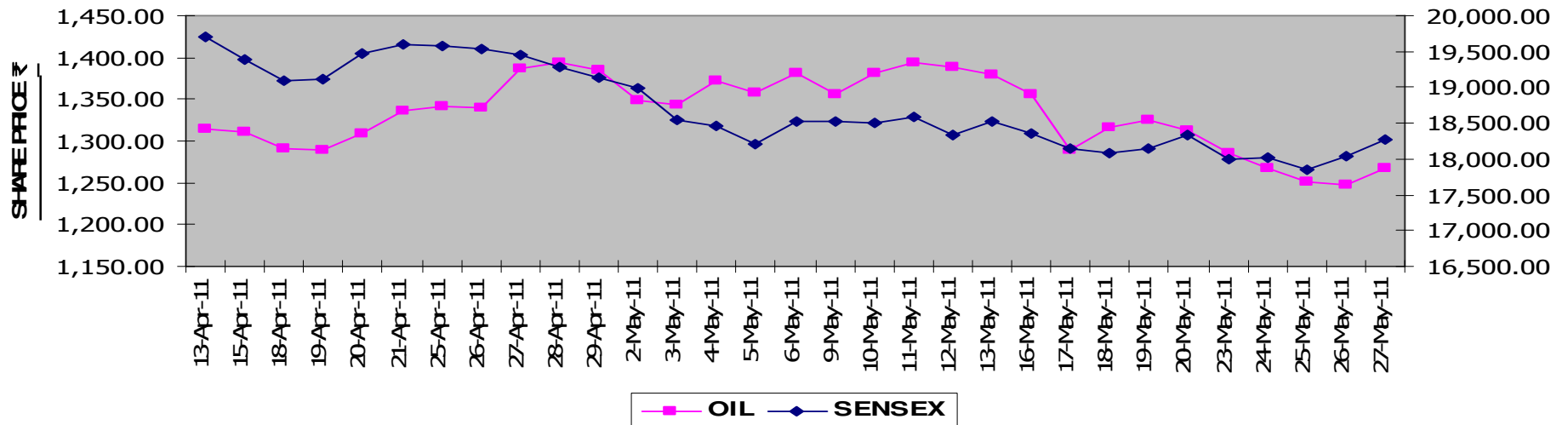


Performance of OIL's Shares (w.r.t. SENSEX / NIFTY)

OIL SHARE PERFORMANCE VS. NIFTY (FROM 13.04.2011 TO 27.05.2011)



OIL SHARE PERFORMANCE VS. SENSEX (FROM 13.04.2011 TO 27.05.2011)



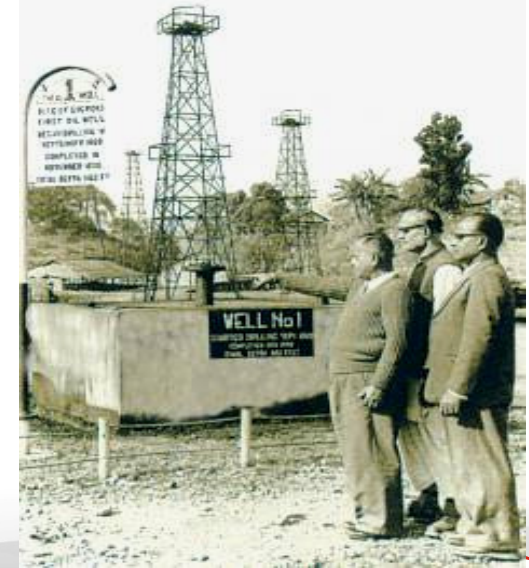
Our Vision

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

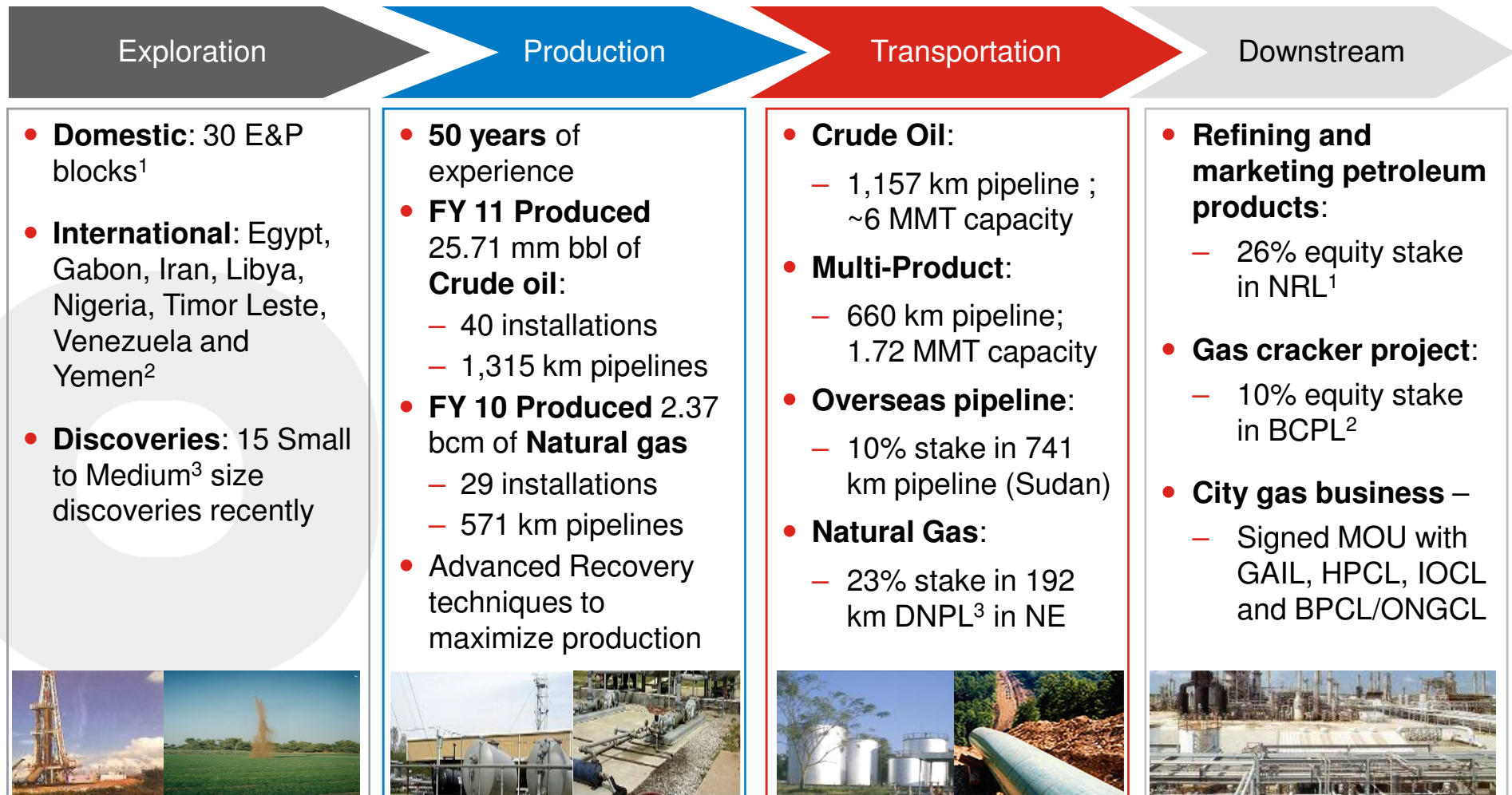
- **Fastest growing Energy Company with highest profitability.**
- **Delight customers with quality products and services at competitive prices**
- **Learning Organization, nurturing initiatives, innovations and aspirations with best practices**
- **Team, committed to honesty, integrity, transparency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



Note:

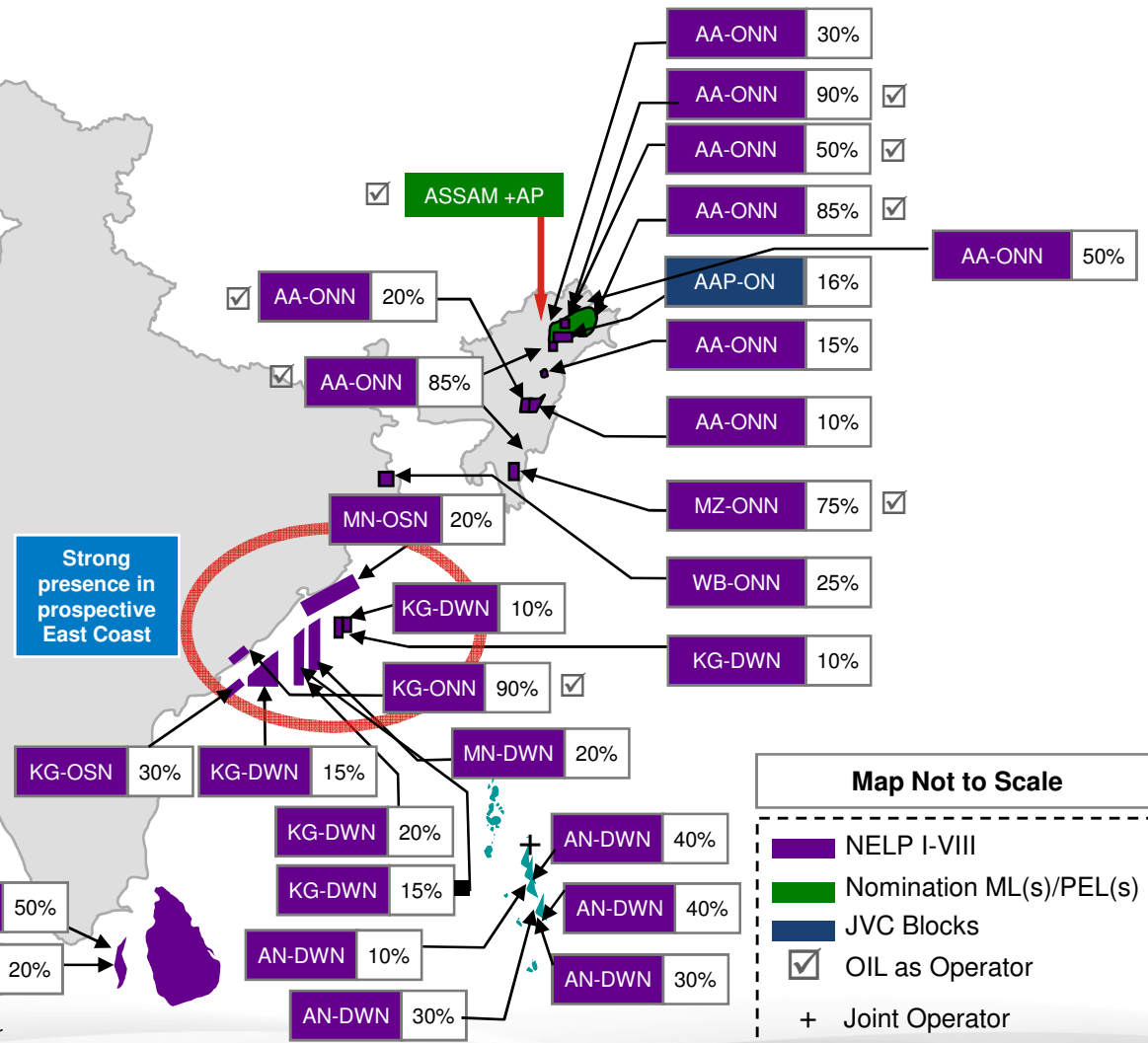
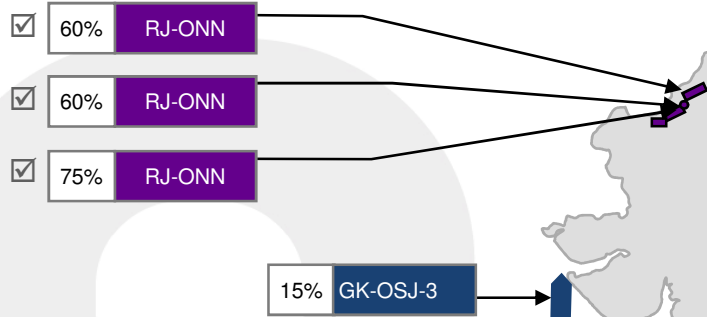
1. 10 blocks have been awarded under NELP IX.
2. Participating interests in exploration and development blocks.
3. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30 mn barrels of oil and oil equivalent gas
4. MMBOE – Million Barrels of Oil Equivalent

Note:

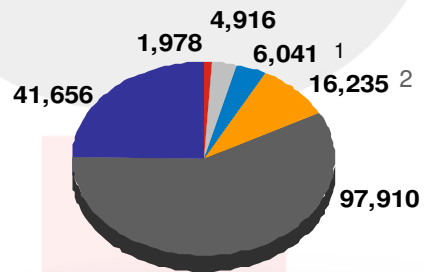
1. NRL – Numaligarh Refinery Limited
2. BCPL – Brahmaputra Cracker and Polymer Limited
3. DNPL – Duliajan-Numaligarh Pipeline Limited

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



Summary of Acreage (sq. km.)



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

Total Area – 168,736 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

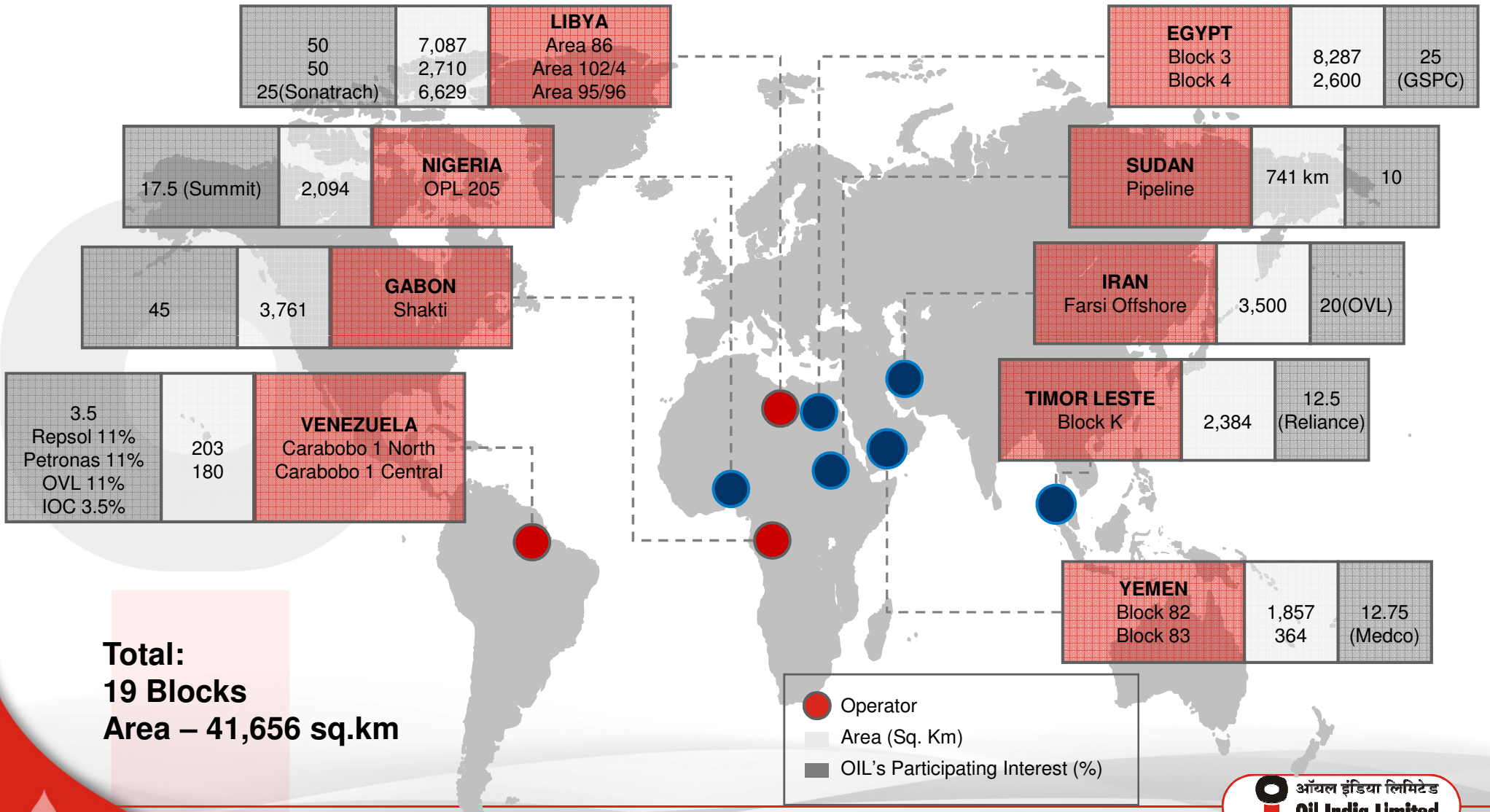
NELP IX: Blocks provisionally awarded

	Name of the Block	Operator	Area	Type	Area (sq. km.)	Investment (US\$ mn)	Consortium Partners (PI)
<input checked="" type="checkbox"/>	AA-ONN-2010/2	OIL (40%)	Assam – Arakan Basin	Onland	396	28.19 (OIL-11.28)	ONGC-30% GAIL- 20% EWP – 10%
<input checked="" type="checkbox"/>	AA-ONN-2010/3	OIL (40%)	Assam – Arakan Basin	Onland	171	8.86 (OIL-3.54)	ONGC-40% BPRL- 20%
<input checked="" type="checkbox"/>	MB-OSN-2010/2	OIL (50%)	Mumbai Basin	Shallow Offshore	3411	24.30 (OIL-12.15)	ONGC-30% BPRL- 20%
<input checked="" type="checkbox"/>	GS-DWN-2010/1	OIL & ONGC (Joint – 40% each)	Gujarat-Saurashtra Basin	Deep Water	8255	1.62 (OIL-0.65)	GAIL-20%
<input checked="" type="checkbox"/>	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's Investment – US\$ 76.52 mn

OIL as Operator / Joint operator

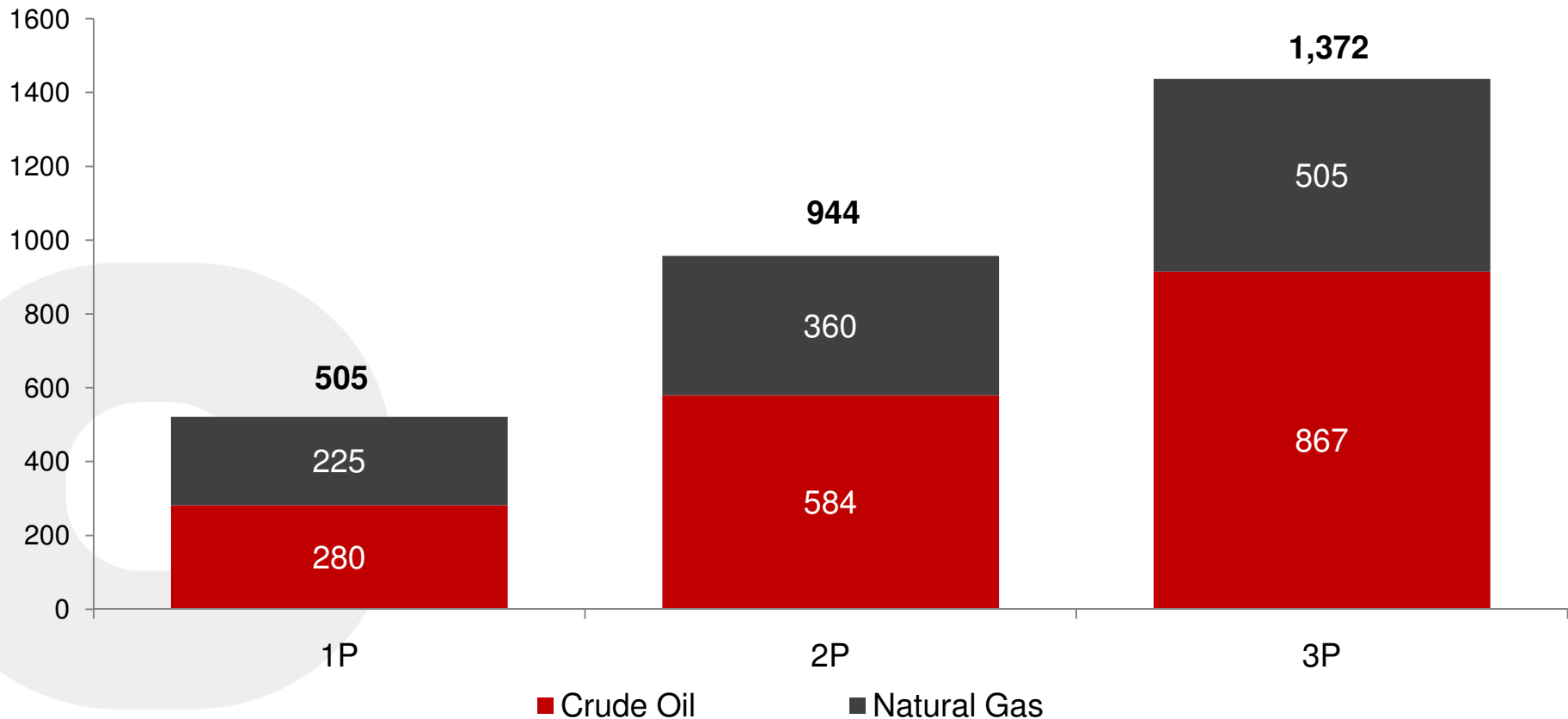
With Dominant International Footprint



Strong Reserve Base with Significant Growth Potential

In MMBBL

As on 01/04/2011



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

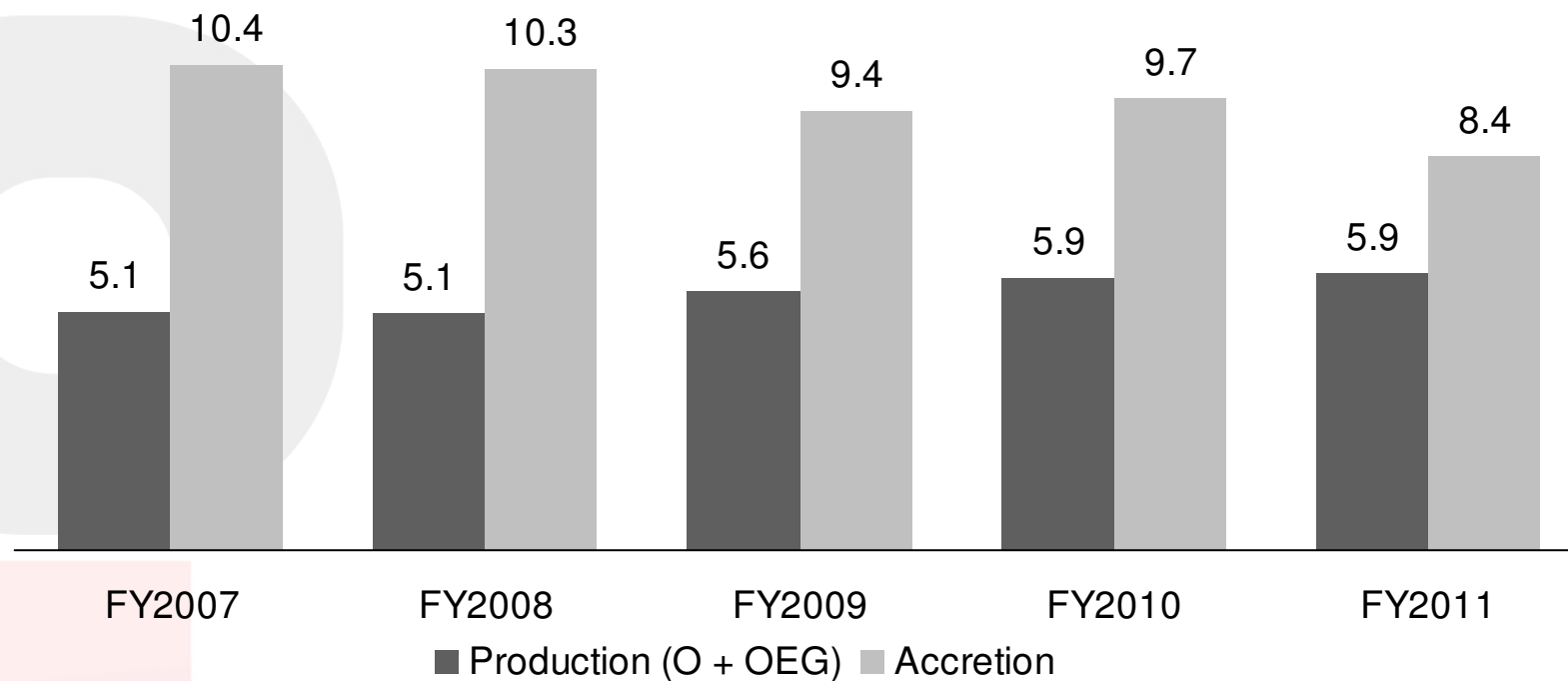
2.04

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

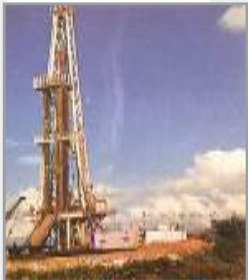
Infrastructure to Support E&P Activities



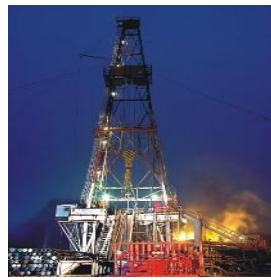
Two 2D and
One 3D
Seismic Crew



Six Logging
Trucks



14 W/over
Rigs



11 Drilling
Rigs

Production & Storage Facilities



72
Production
Installations



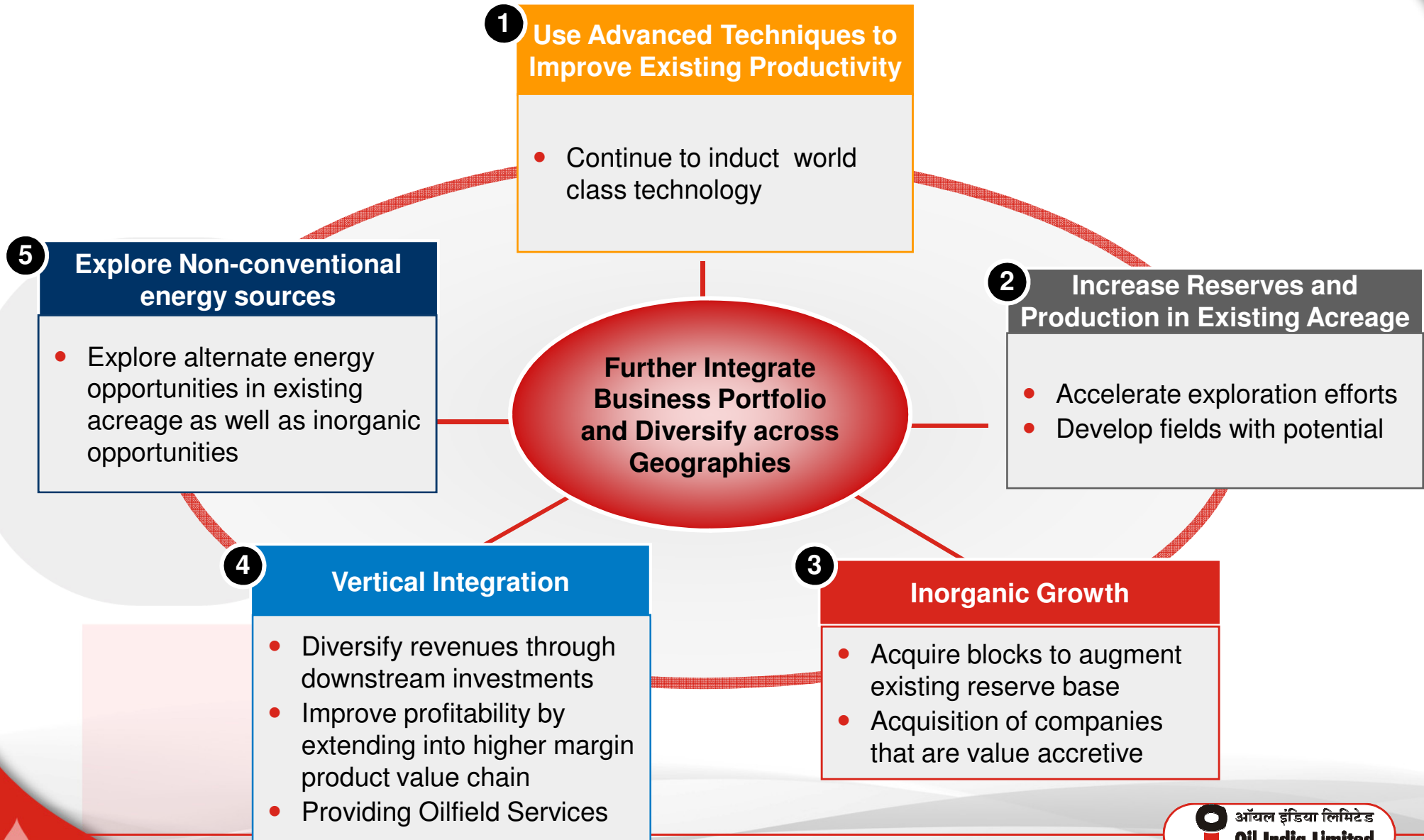
5,000 Km
O&G
Pipelines



~150k KL
Crude
Storage

In house Expertise and Integration across Energy Infrastructure

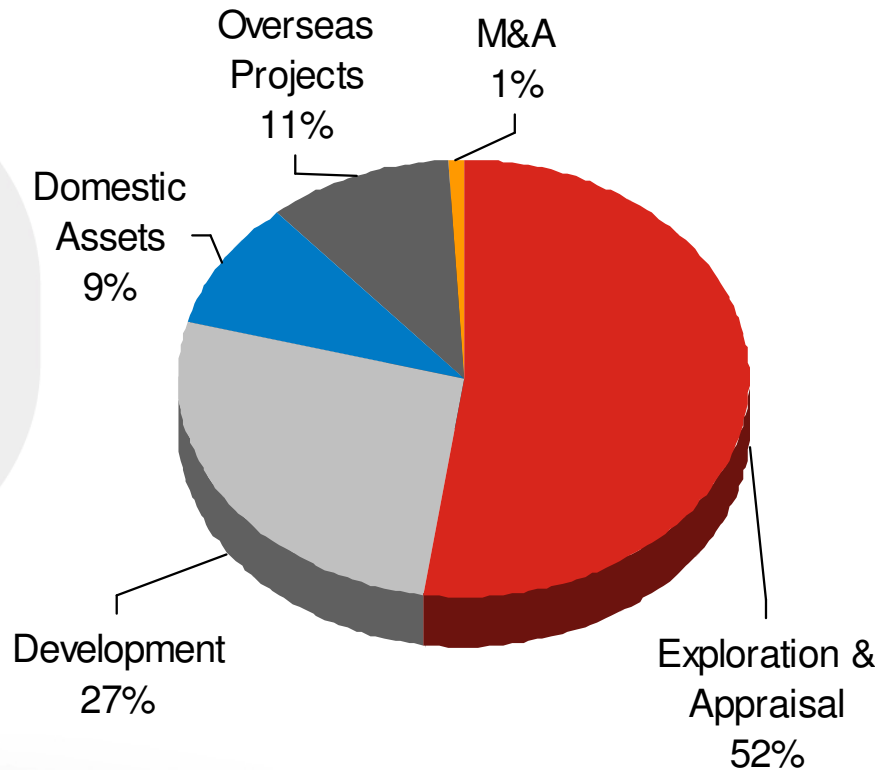
Strategy to Deliver Long Term Growth and Shareholder Value



Significant Investment Lined Up

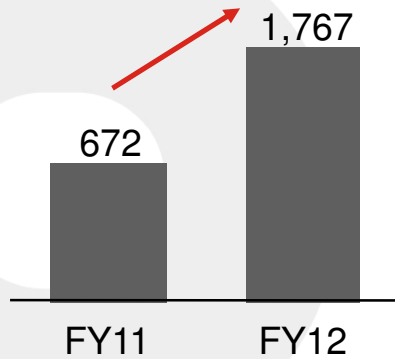
- ✓ Significant focus on Exploration and Development of existing acreage potential

2011-2012: ₹ 31,803 mn

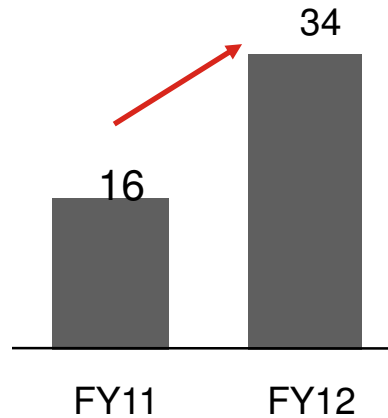


Planned Activities in FY12

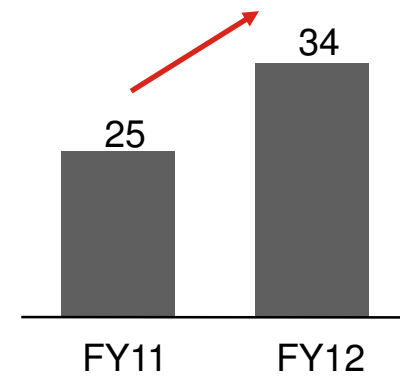
3D Seismic Surveys



Exploratory Drilling



Development Drilling



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

Recent Developments



Select Highlights

- Achieved the highest daily rate of crude oil production of 3.84 MTPA (> 27.34 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 31/03/2011 :

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, non-withdrawal by NRL (1 MMSCMD).**

- Hydrocarbon discoveries in Assam - 03 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

Supply of Crude Oil

Refineries	Allocation (MTPA)	Actual Delivery (Tonnes)	Achievement (%)
Digboi	0.609	0.655	107.54
NRL	2.500	2.258	90.33
Guwahati	0.936	1.116	119.26
Bongaigaon	2.200	2.000	90.91

Supply of Crude Oil

Digboi Refinery

Particulars	Actual Delivery (MMT)	% of Total
Ex P/L + EX D/L	0.562	86%
JVC	0.093	14%
Total	0.655	100%

Numaligarh Refinery

Particulars	Actual Delivery (MMT)	% of Total
OIL	1.623	72%
ONGC	0.635	28%
Total	2.258	100%

Supply of Crude Oil

Guwahati Refinery

Particulars	Actual Delivery (MMT)	% of Total
OIL	0.809	72%
ONGC	0.296	27%
CANARO	0.011	1%
Total	1.116	100%

Bongaigaon Refinery

Particulars	Actual Delivery (MMT)	% of Total
OIL	0.561	28%
ONGC	0.202	10%
RAVVA	1.237	62%
Total	2.000	100%

Natural Gas & Condensate (Assam & AP)

GAS PRODUCTION (MMSCM)	2010-11	2009-10
Associated Gas	1,224	1,284
Associated Gas-well	561	554
Non-Associated Gas	411	373
Total	2,195	2,210
Condensate Production (Tonnes)	203,954	178,042

Associated Gas production curtailed due to prolonged shut-down of NRL

Particulars	Target (MMSCM)	Actual (MMSCM)	% Achiev.	Actual 2009-10
Gas Production	2,339	2,195	93.84	2,210
Gas Sale	1,839	1,656	90.09	1,663

Natural Gas Utilisation (Assam & AP)

Utilisation / Disposal (MMSCM)	2010-11	2009-10
Sale	1,657	1,663
Internal Utilization	333	334
LPG Extraction	32	32
Flare	158	166
Other Loss	4	5
Compression shrinkage	11	11
Total	2,195	2,210
% of Gas flared to total gas produced :	7.20%	7.50%

Natural Gas Sale (Assam & AP)

Buyer (MMSCM)	2010-11	2009-10
BVFCL	487	526
NEEPCO	524	483
IOC (AOD)	92	84
APL	24	39
ASEB (LTPS)	138	134
ASEB (NTPS)	223	229
NRL	3	-
AGCL	4	39
TEA GRIDS & OTHERS	163	208
Total	1,657	1,663

Low gas withdrawal by BVFCL & NRL

Overseas Update

- **Libya** – Abandoned.
- **Gabon** – 100 Sq. Km of 3D Acquisition completed.
- **Venezuela** – Mixed Company Contract signed on 12th May, 2010. Action initiated for approval of Budget and early production from Venezuelan Government
- **Nigeria** – OML awarded by Nigerian Government. 3D Surveys & 2 Wells drilling programme
- **Yemen** – Action initiated to commence Seismic Survey
- **Timor Leste** – Drilling of well completed, no success
- **Egypt** – Signing of PSC awaited
- **Iran (Farsi block)** – View of UN sanctions proposed to abandon despite discovery.

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)**

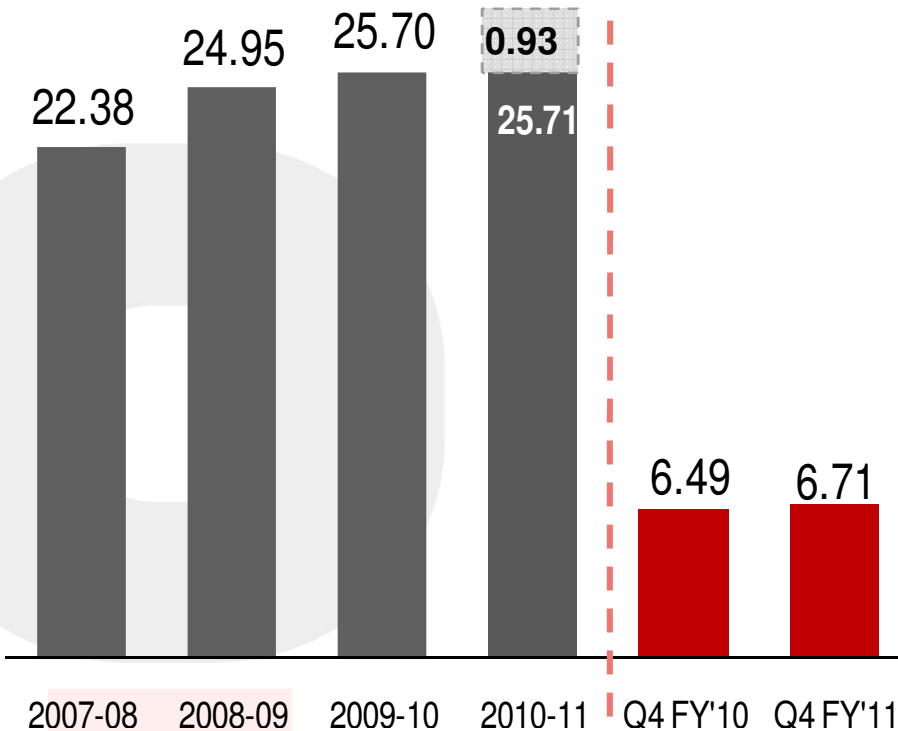
Discovery made and Appraisal plan approved. Initial testing results indicate gas flow potential of around 186.6 mmboe with 70% recovery factor.

Operating Performance

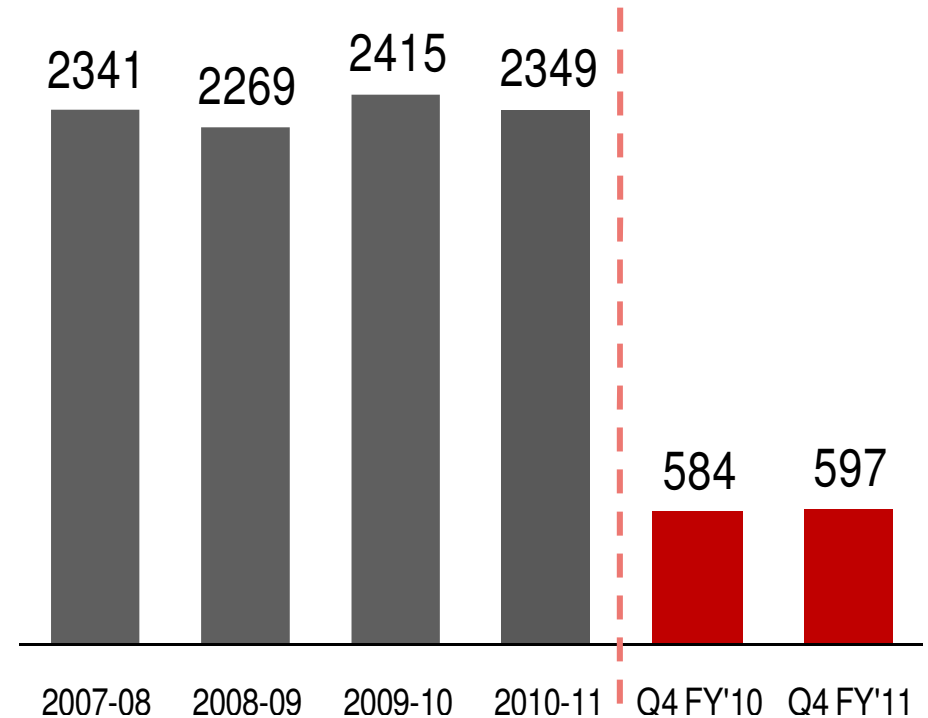


Crude Oil and Natural Gas Production

Crude Oil Production (mm bbl)



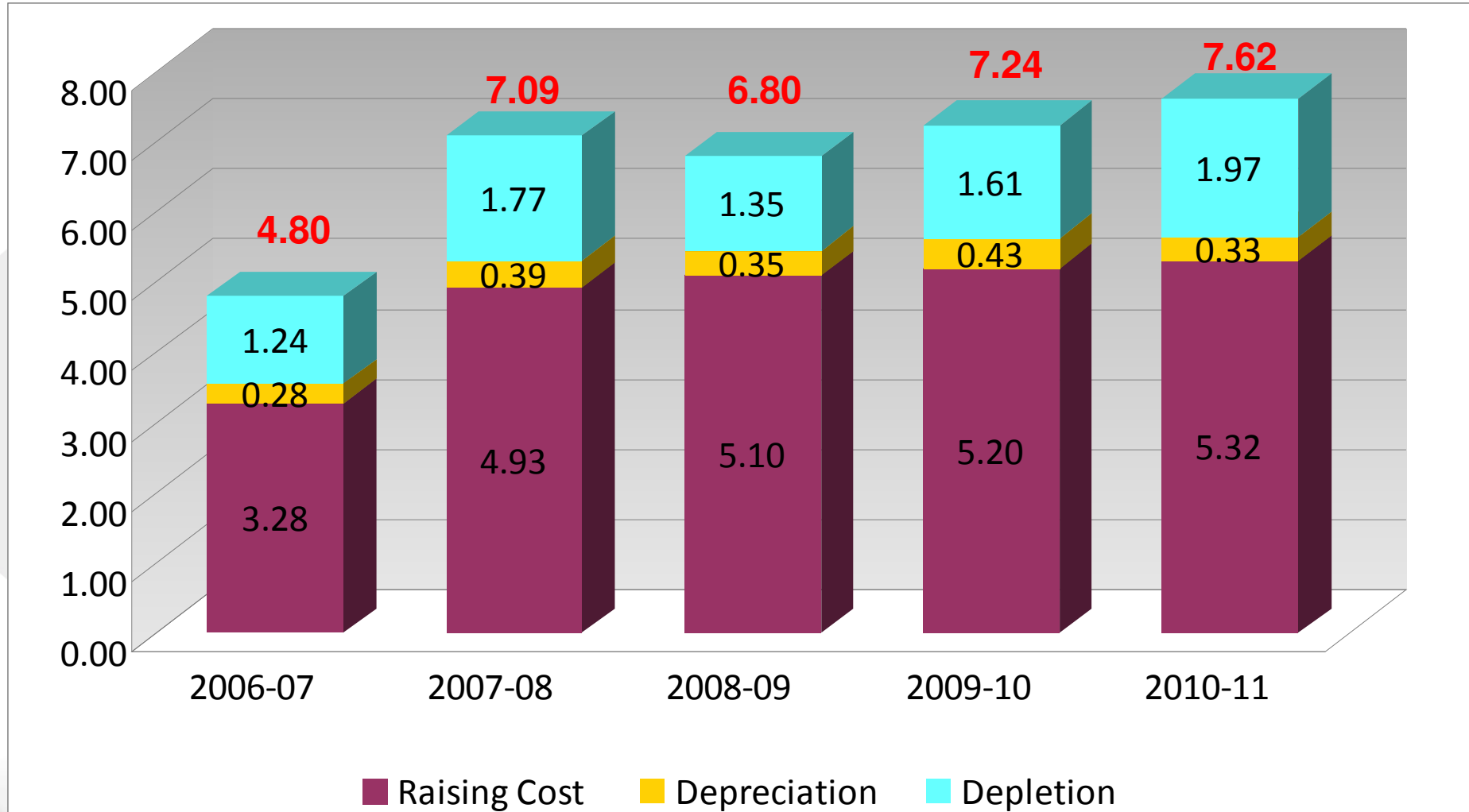
Natural Gas Production (mm scm)



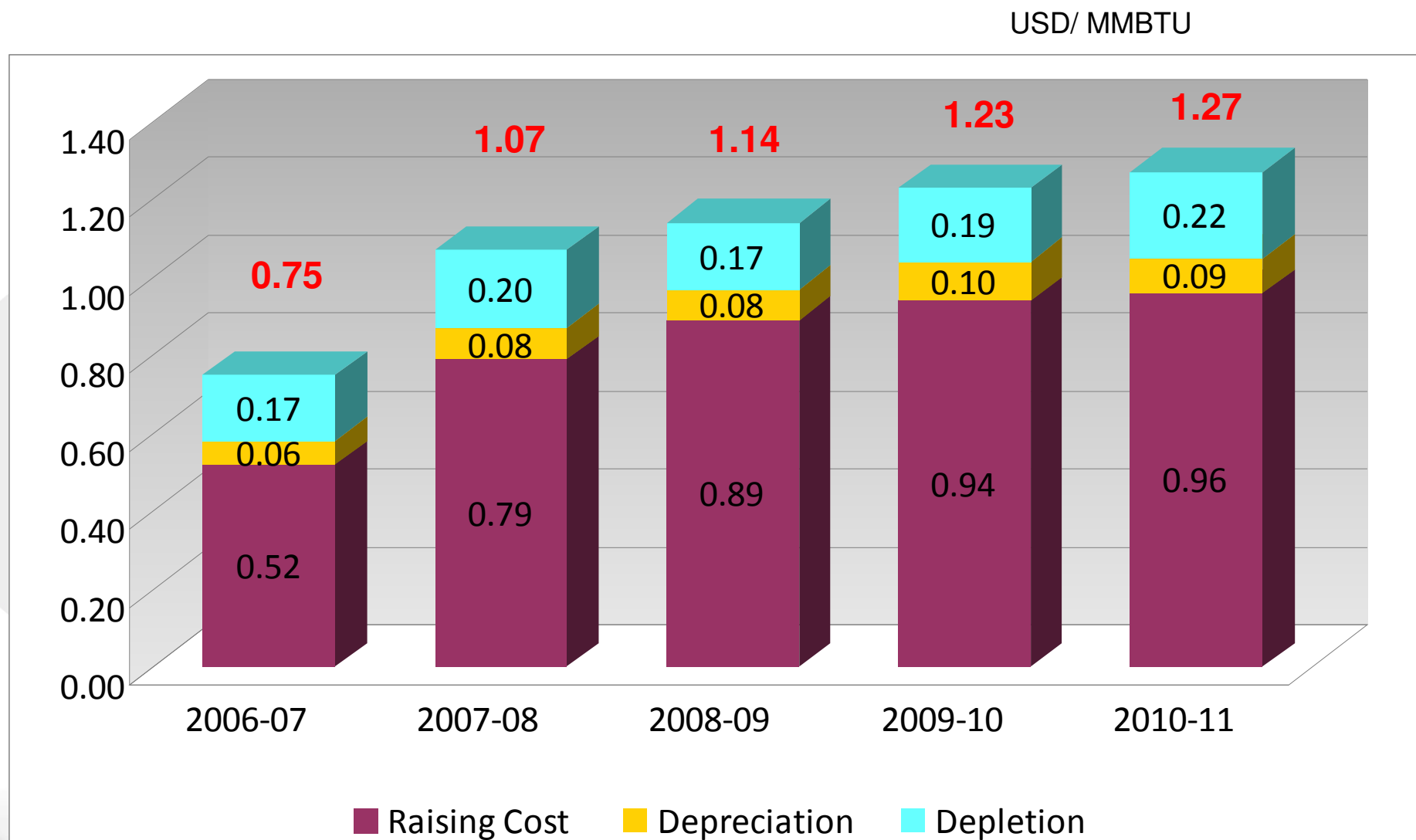
- NRL shutdown impact in Q1 FY11 – 0.93 mm bbl
- **1.12% increase over last year**

Crude Oil Production Cost

USD/ Barrel

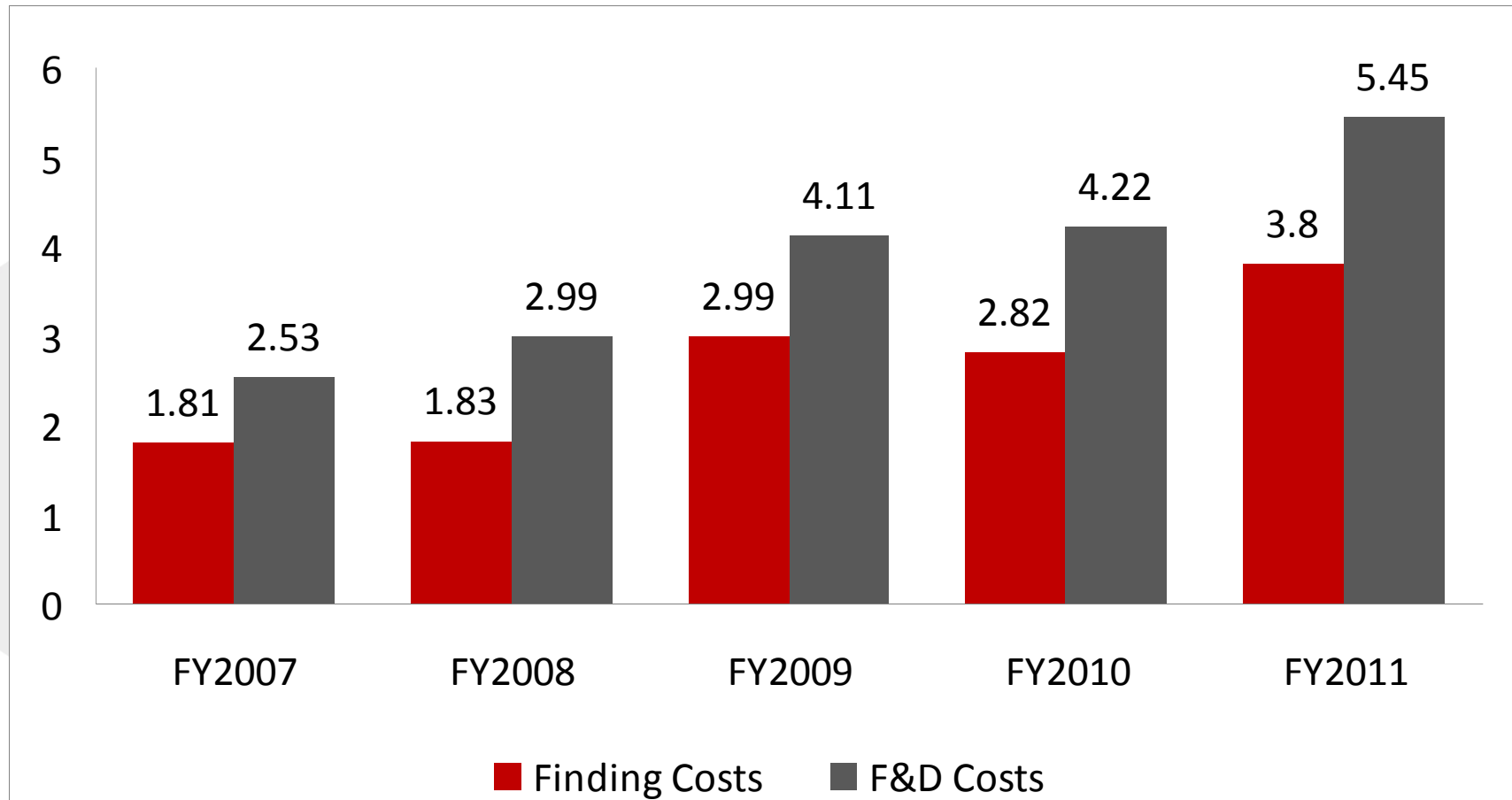


Natural Gas Production Cost



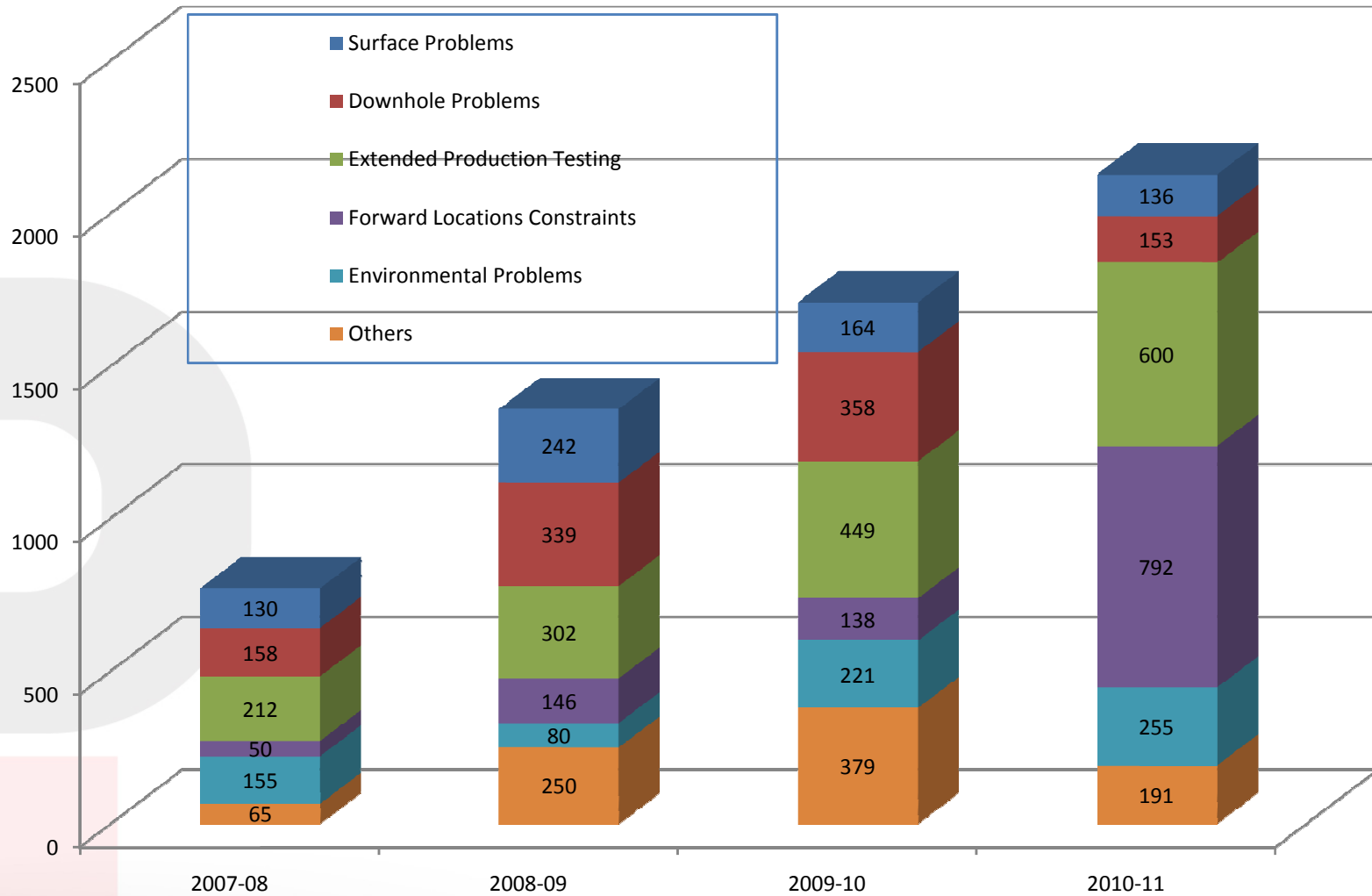
Low Finding & Development Costs

Finding and Development Costs (USD / bbl)



OIL has the Advantage of Low Finding & Development costs.

Comparison of Shut Down Days in Drilling Operations



Financial Performance



Sharing of Subsidy by Upstream Companies

USD mn

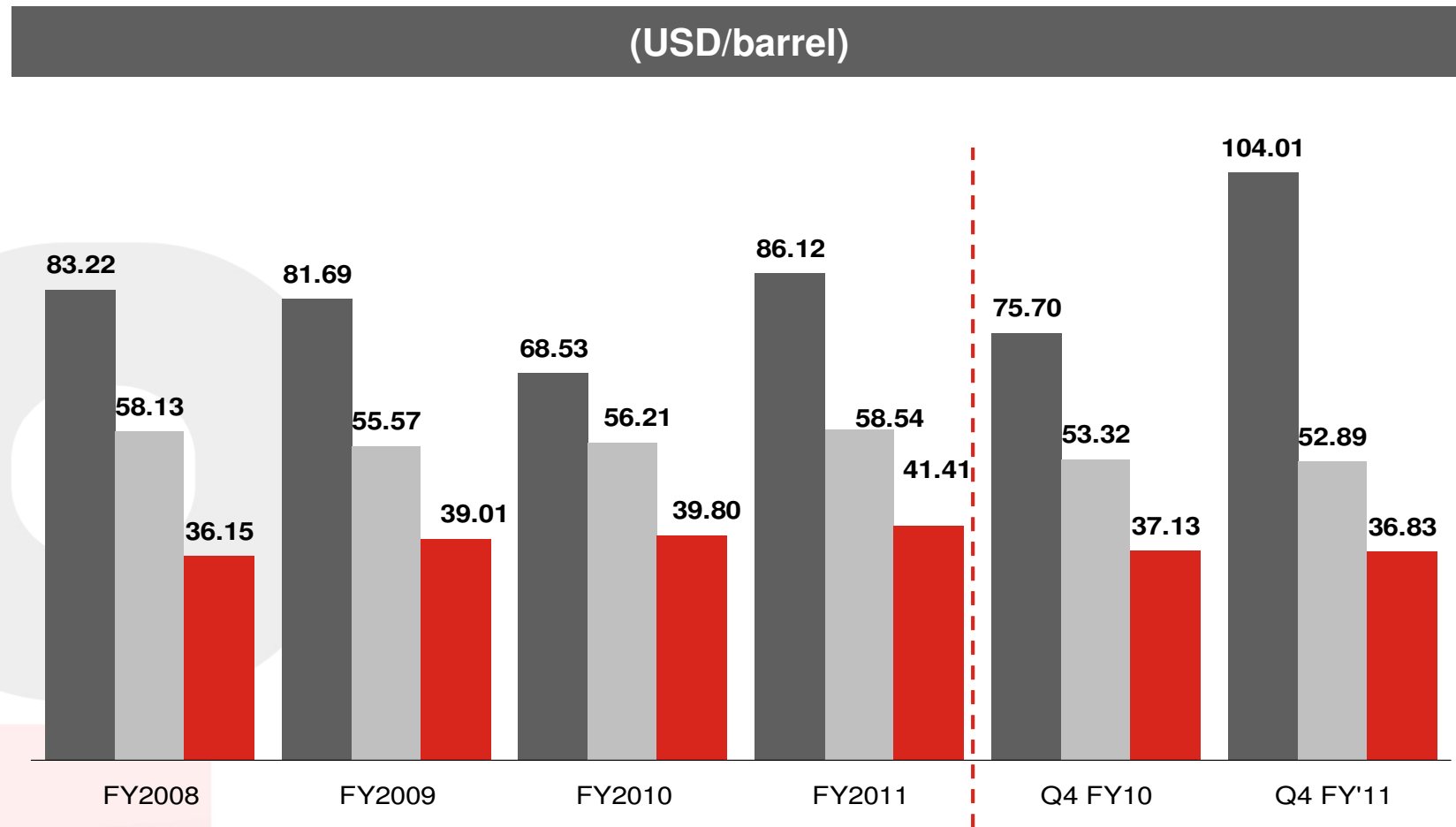
	2006-07	2007-08	2008-09	2009-10	2010-11
ONGC	3762	5465	6137	2435	5464
OIL	441	573	657	327	723
GAIL	329	348	368	280	463
Total	4532	6386	7163	3042	6650

% SHARING

	2006-07	2007-08	2008-09	2009-10	2010-11
ONGC	83%	86%	86%	80%	82%
OIL	10%	9%	9%	11%	11%
GAIL	7%	5%	5%	9%	7
Total	100%	100%	100%	100%	100%

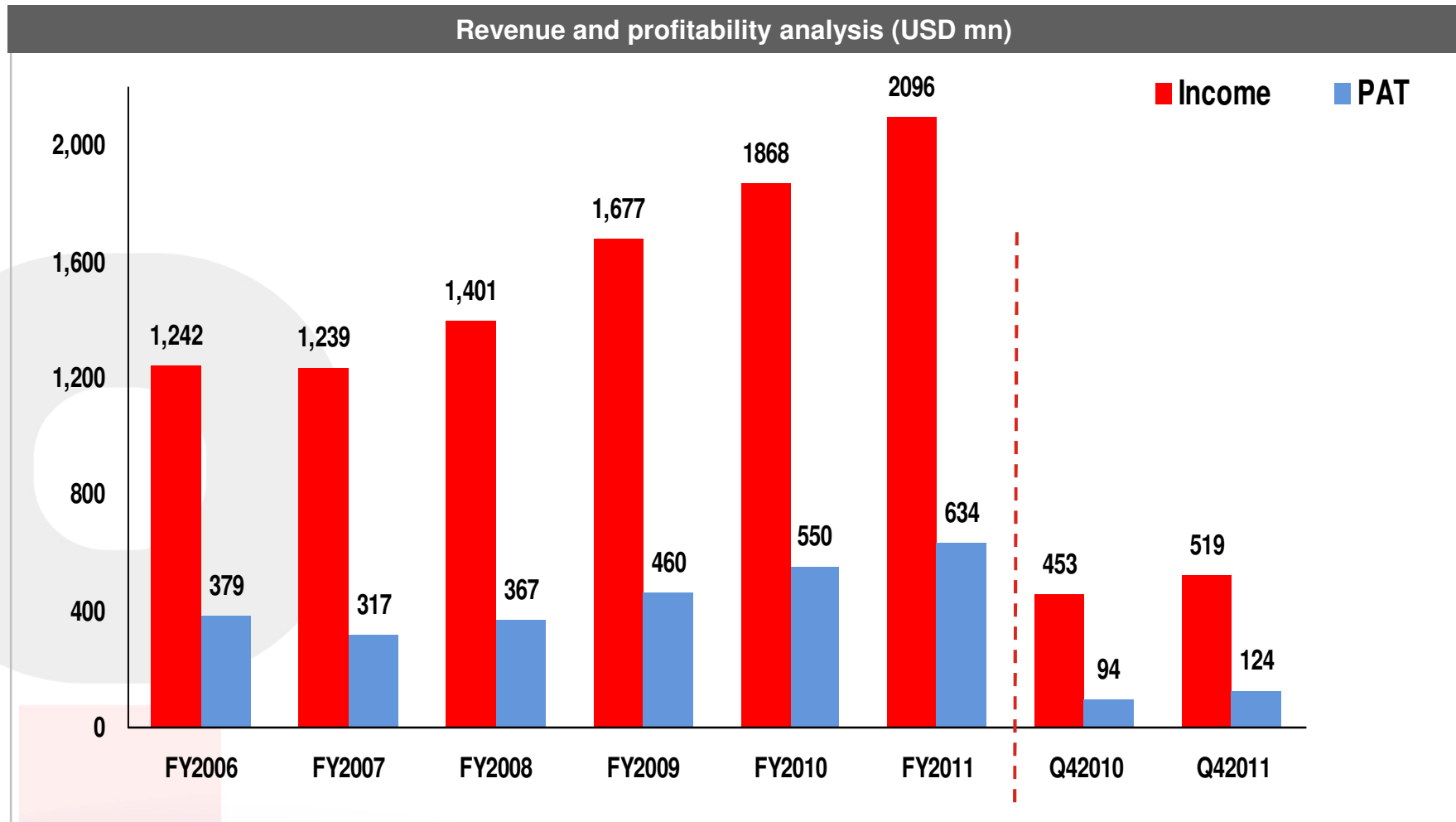
Realized Price

(USD/barrel)



Gross Realized Price
 Realized Price after Subsidy/Discount
 Net Realized Price

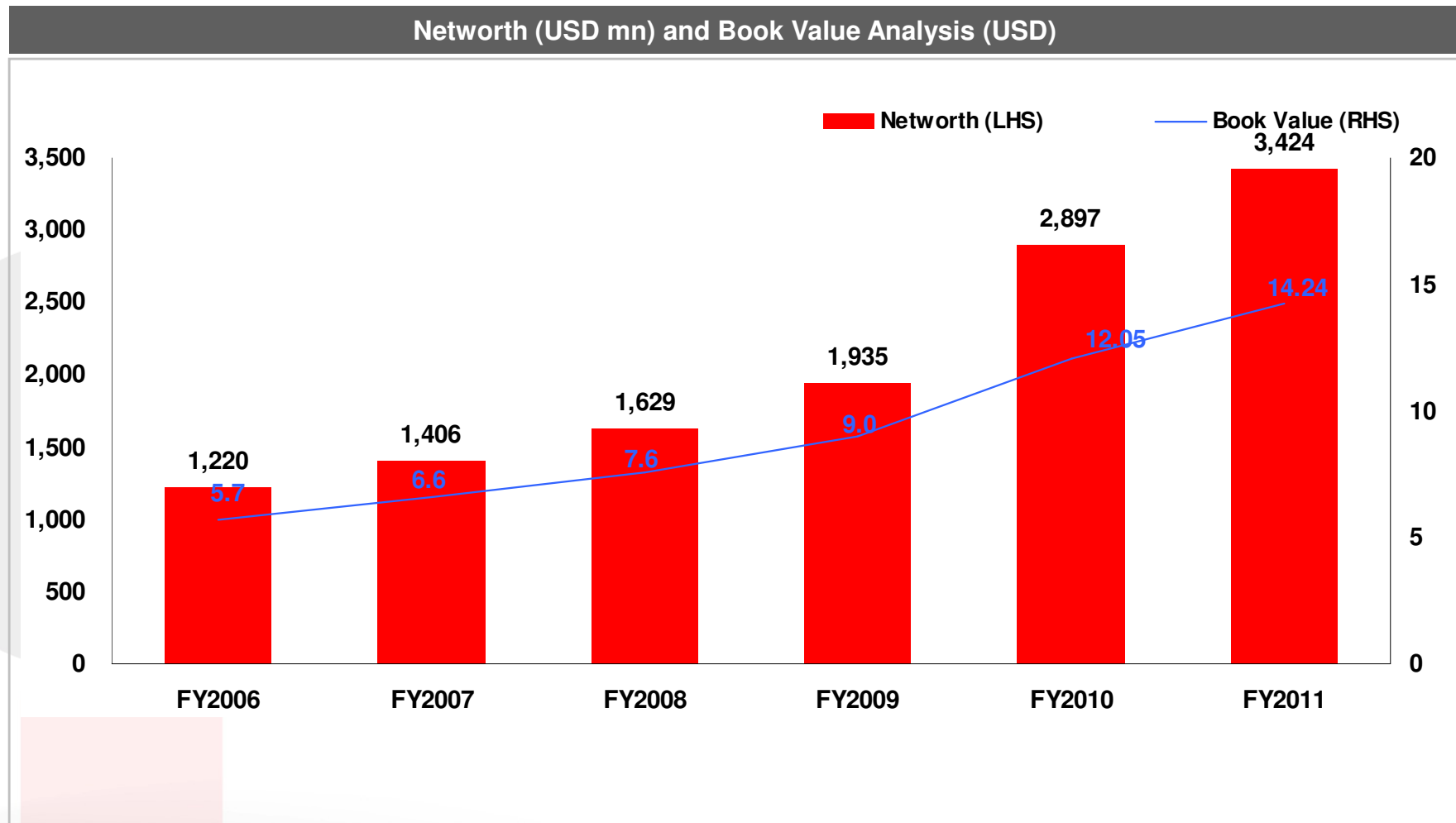
Revenue and profitability



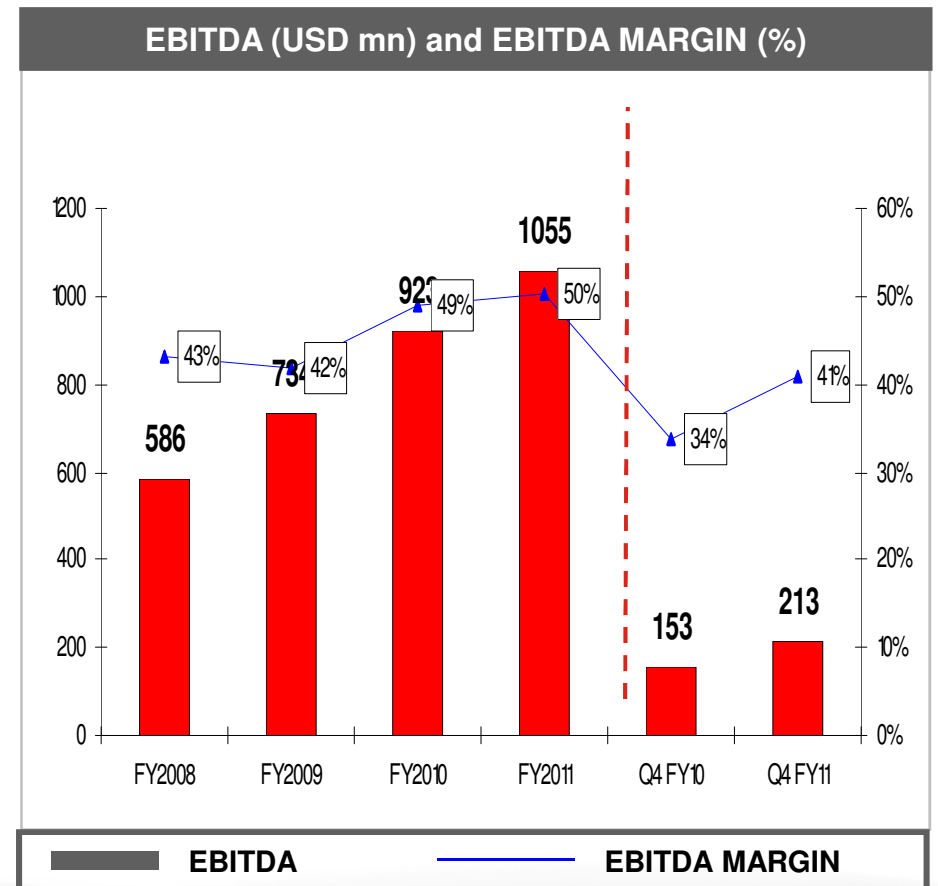
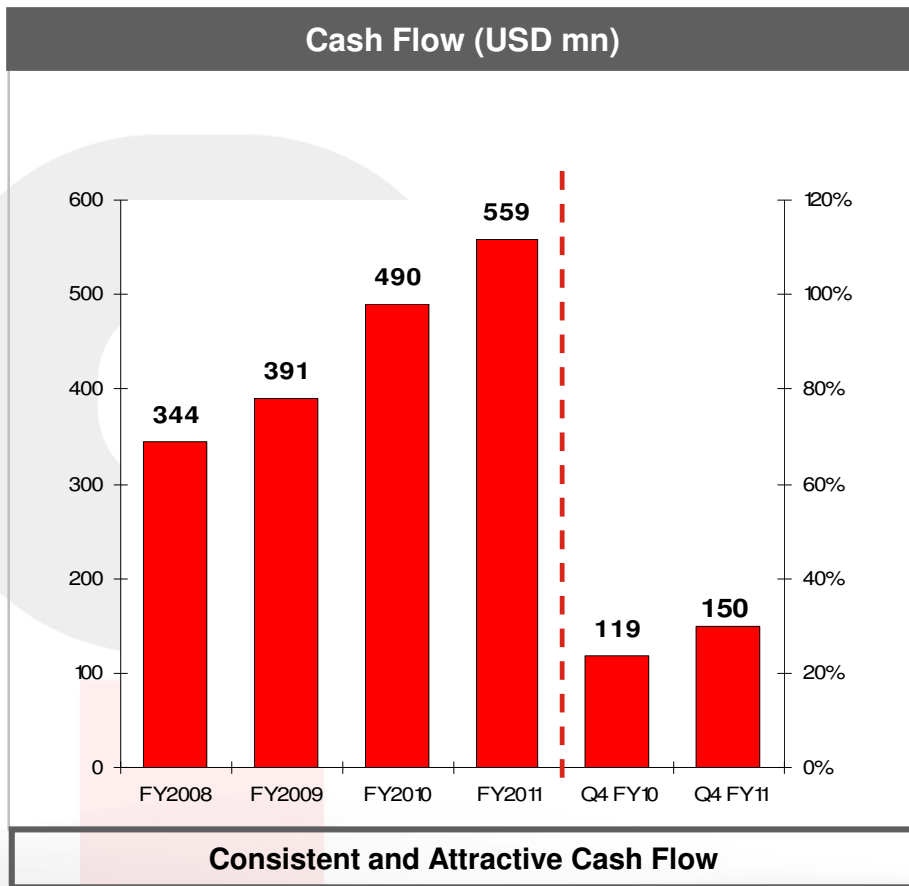
Note:

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

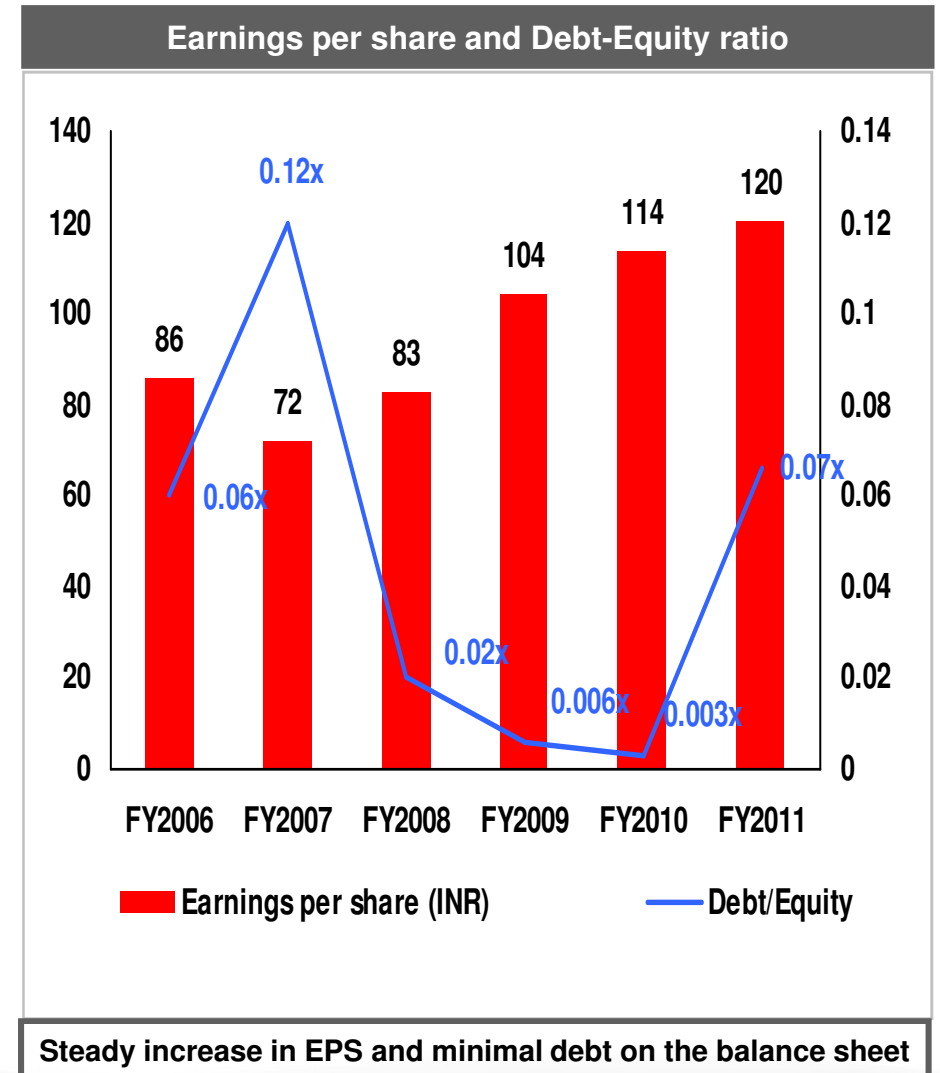
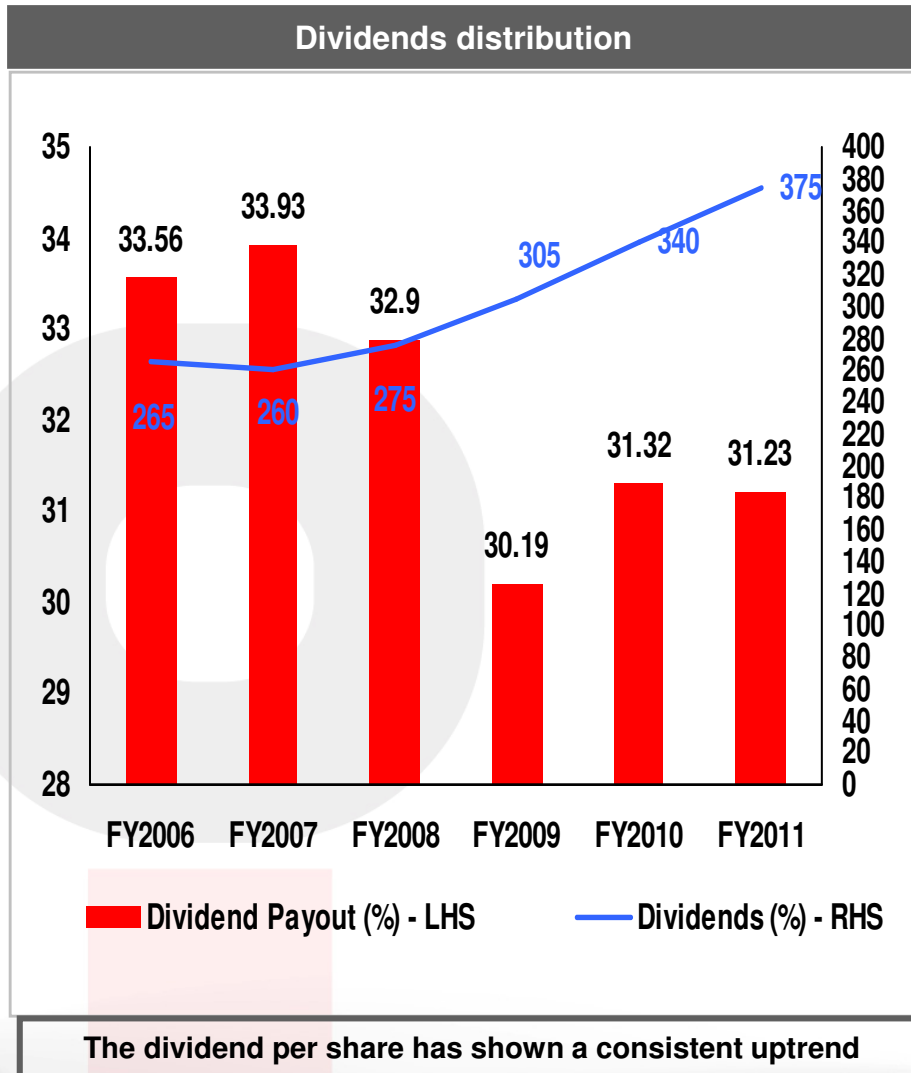
Networth and Book Value



Cash Flow and EBITDA Margin



Dividends distribution and Earnings per share highlights



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



ऑयल इंडिया लिमिटेड
Oil India Limited

