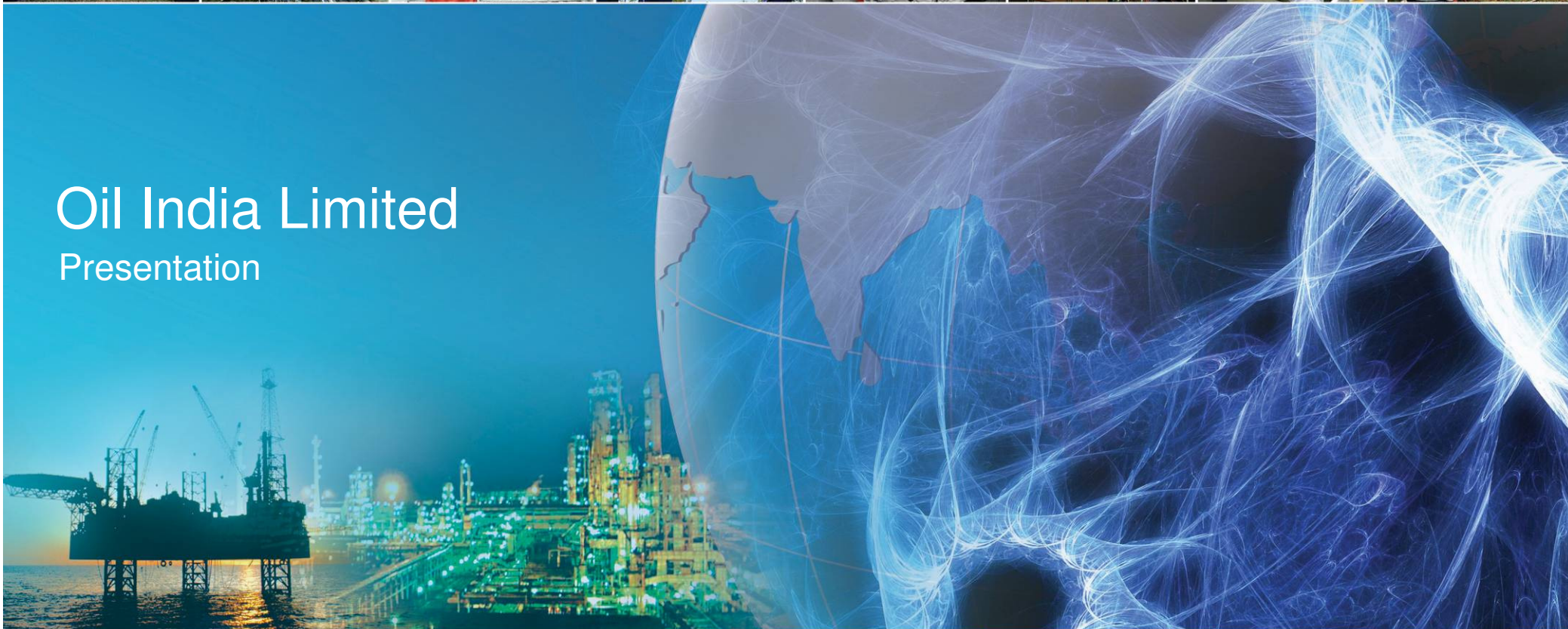




Oil India Limited

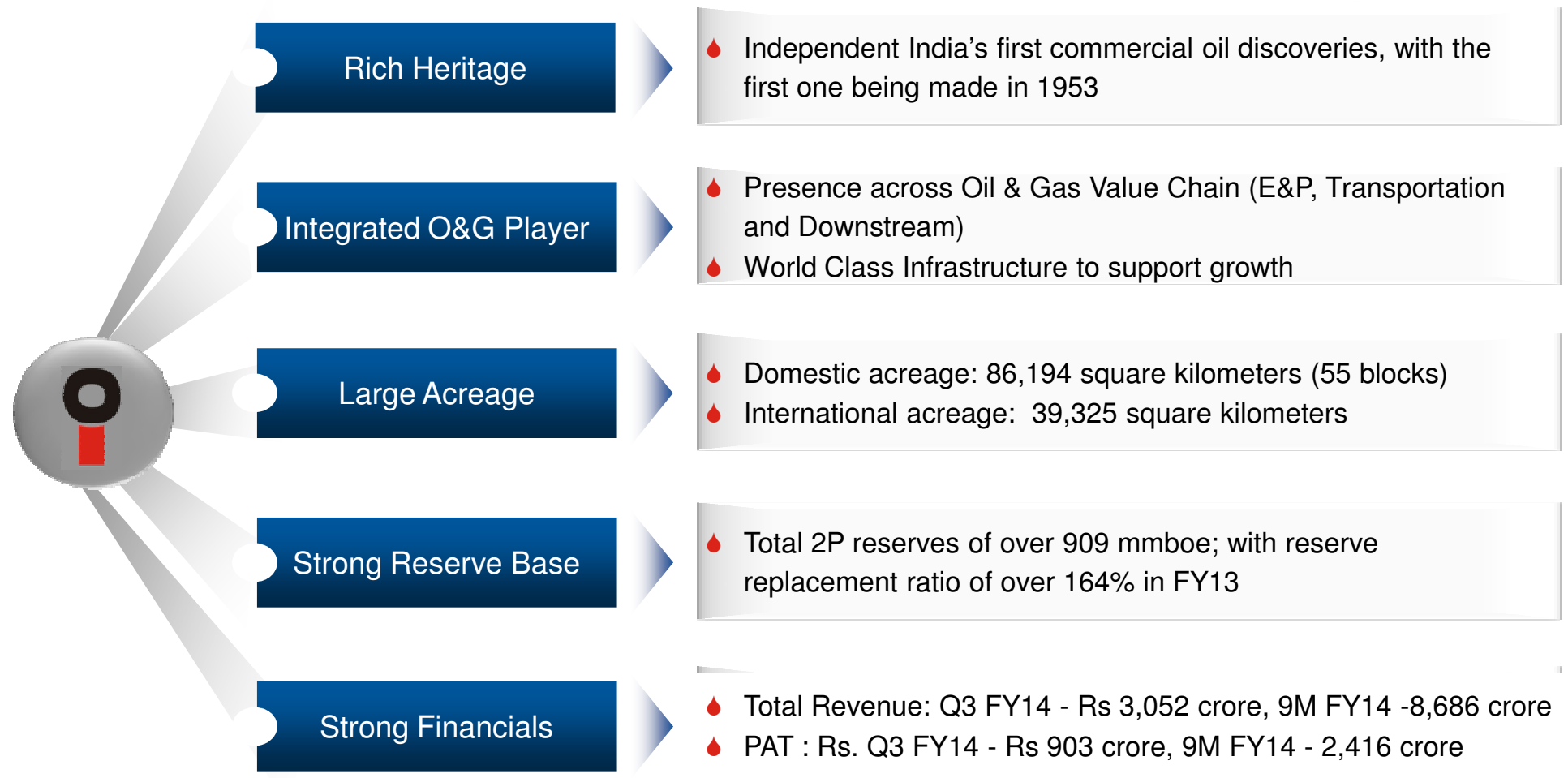
Presentation



March, 2014

Strictly Private and Confidential

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

OIL Shareholding Structure



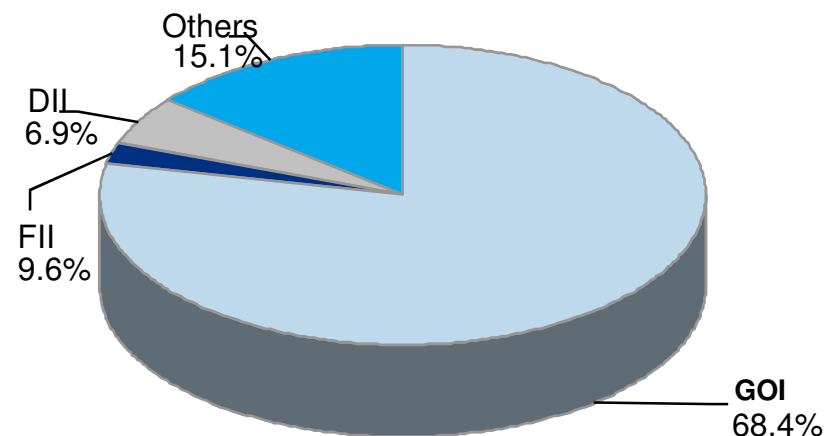
Listed on BSE / NSE

Number of shares: 601.14 mn

Dividend FY13
Dividend/Share: Rs.30

Share price (52 Week High / Low) : Rs.629 / Rs.415

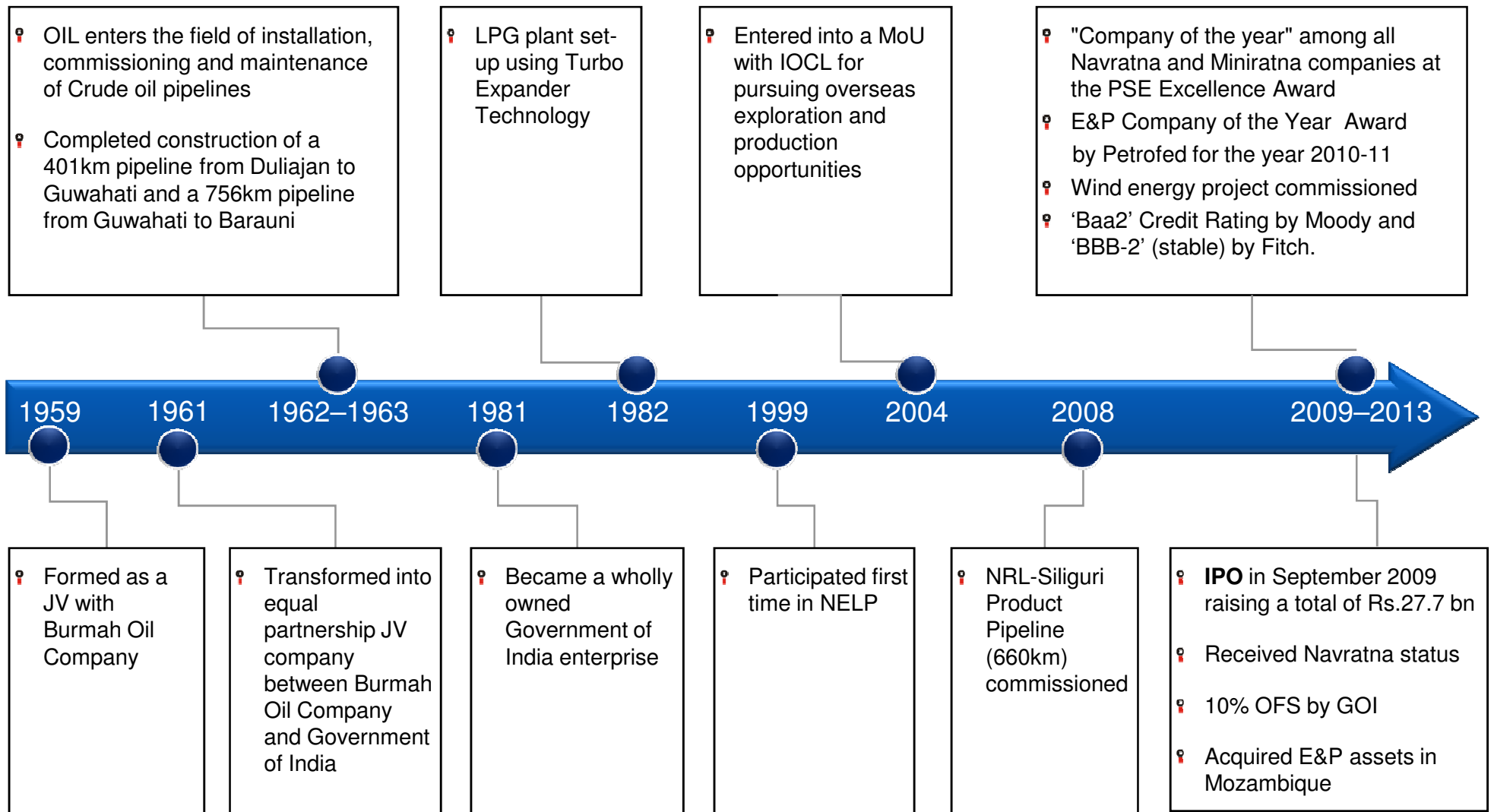
Market Cap: Rs.27,667 crore



Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
HSBC Bank (Mauritius) Ltd.	1.99%
HDFC Standard Life Insurance Co. Ltd.	1.01%
Life insurance Corporation of India	0.93%
HDFC Trustee Co. Ltd. - Top 200 Fund	0.90%
HDFC Trustee Co. Ltd.- HDFC Equity Fund	0.88%
ICICI Prudential Life Insurance Co. Ltd.	0.76%

(1) Market cap as on 12.02.2014

Evolution and Key Milestones



Presence Across Value Chain

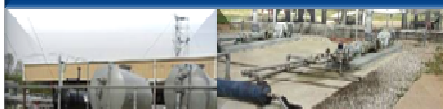


Exploration



- 📍 **Domestic:** 56 E&P blocks (including 1 CBM Block)
- 📍 **International**
US, Venezuela, Gabon, Egypt, Libya, Nigeria, Yemen, Bangladesh and Mozambique
- 📍 **New Discoveries:**
29 Small to Medium ⁽¹⁾ size discoveries (reserve size less than 30mn barrels) during last four years (FY10-FY13)

Production



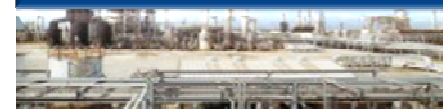
- 📍 **50 years** of experience
- 📍 Advanced recovery techniques to maximize production
- 📍 **9M FY'14 Produced 2.713 MMT of Crude oil:**
 - 41 installations
 - 1,602 km pipelines
- 📍 **9M FY'14 Produced 2.002 bcm of Natural Gas:**
 - 29 installations
 - 730 km pipelines

Transportation



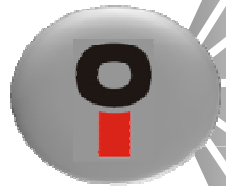
- 📍 **Crude Oil**
 - 1,157 km pipeline ~6MMT capacity
- 📍 **Multi-product**
 - 660km pipeline; 1.72MMT capacity
- 📍 **Overseas Pipeline**
 - 10% stake in 741km pipeline (Sudan)
- 📍 **Natural Gas**
 - 23% stake in 192 km DNPL in North East

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

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”

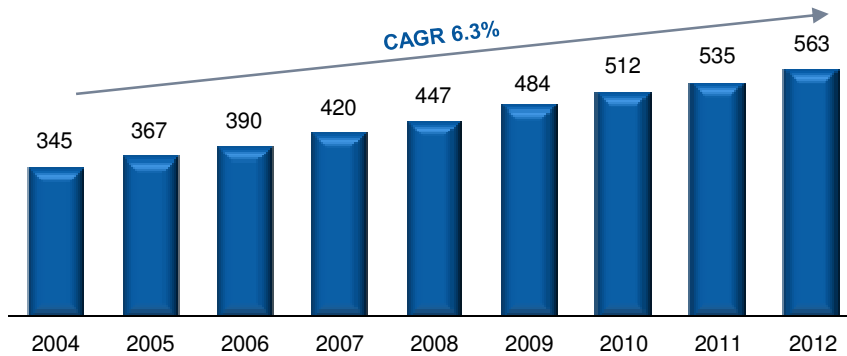
Strategic Plan 2020-21



Robust Demand Outlook

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

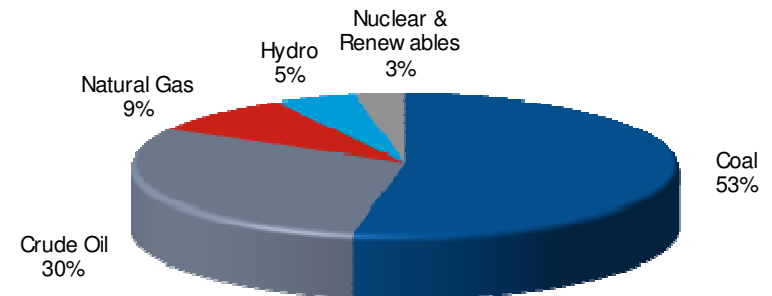
(mtoe)



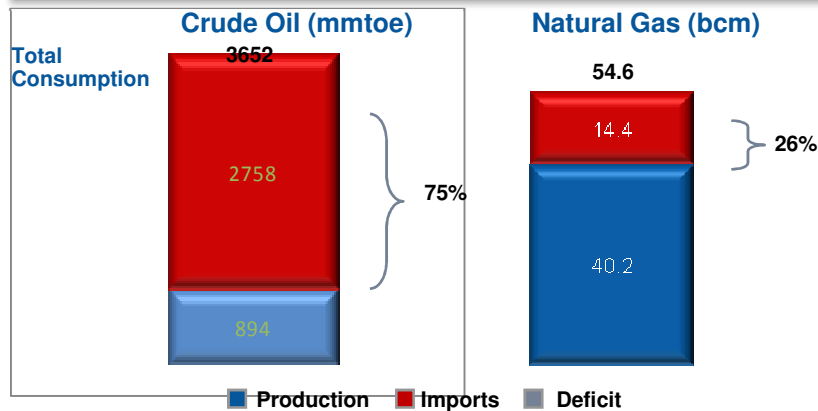
Energy Sources

(%)

Energy Sources—India

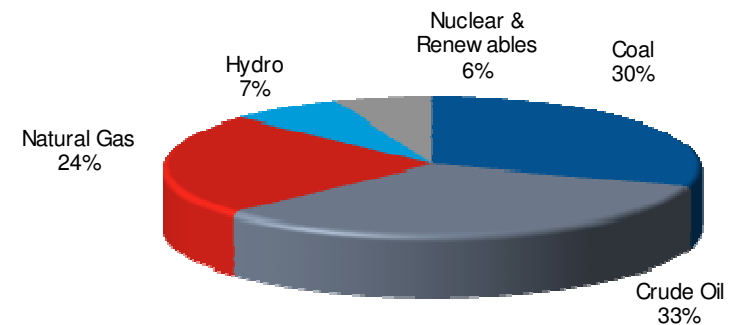


Significant Supply Deficit in the Domestic Market



Source: BP Statistical Review of World Energy, June 2013.

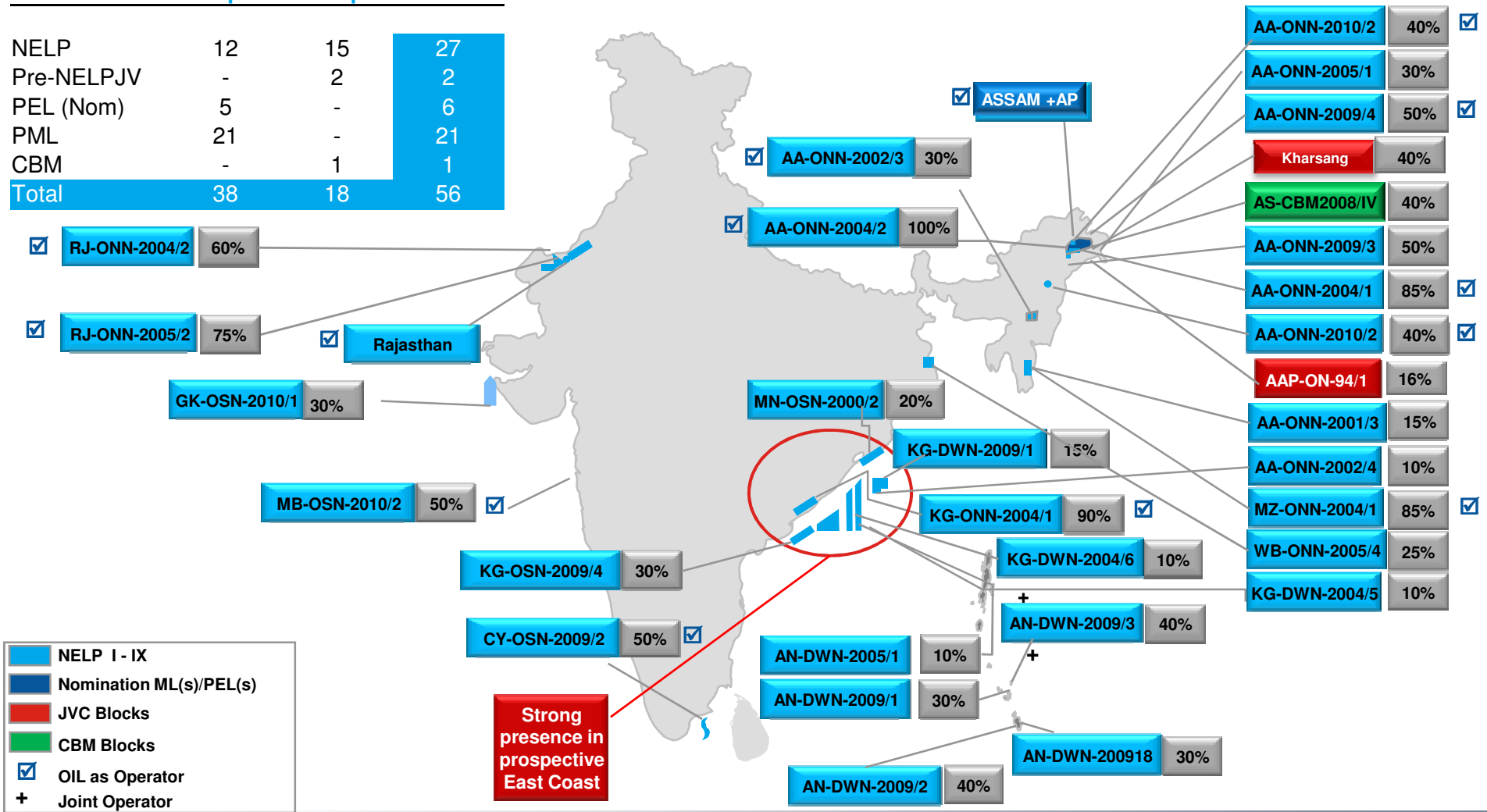
Energy Sources—Global



Domestic Asset Overview

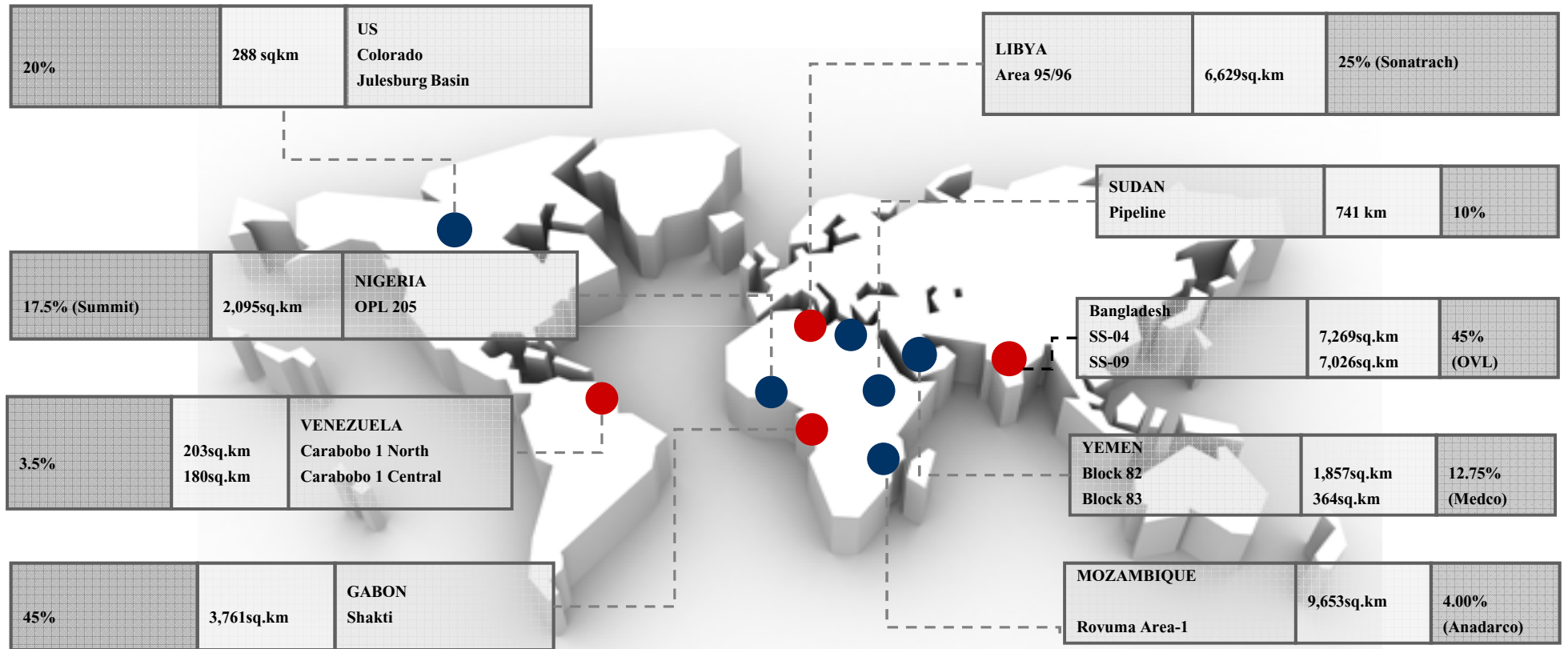
Significant India Presence in Regions with Proven Commercial Production or Known Accumulation of Hydrocarbons

Blocks	Op	N/Op	Total
NELP	12	15	27
Pre-NELPJV	-	2	2
PEL (Nom)	5	-	6
PML	21	-	21
CBM	-	1	1
Total	38	18	56



International Asset Overview

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



Total Area –39,325

Operator
Area (Sq. km)
OIL's Participating Interest (%)



Major Projects

Project Carabobo (Onshore, Venezuela)	Block Shakthi (Onshore Gabon, West Africa)	Mizoram MZ-ONN-2004/1 (NELP-VI)	Gulf of Mannar CY-OSN-2009/2 (NELP-VIII) –	KG Basin KG-ONN-2004/1 (NELP-VI)
<ul style="list-style-type: none"> 📍 Two blocks (383 sq. km) in Orinoco heavy oil belt in Venezuela. 📍 Production from first well started in December, 2012 📍 Current production from six wells are 4900 bopd. 	<ul style="list-style-type: none"> 📍 Area: 3,761.65 Km² 📍 Less explored, geologically stable, oil-rich country 📍 3 wells have been drilled so far. There is a discovery in the 3rd well. 📍 Drilling of appraisal wells is under consideration. 	<ul style="list-style-type: none"> 📍 Area: 3,213 Sq. Km 📍 Pre-drilling in progress, 5 locations released for drilling 📍 1352 LKM of 2D seismic and 171 km 3D survey completed. 📍 LoI for Rig package issued. Mobilisation to be completed soon. 	<ul style="list-style-type: none"> 📍 Area: 1,621 Sq. Km 📍 Processing of data completed. 📍 Data sent for Interpretation. 📍 2D API 511 LKM, 3D API 1621 SQKM and three well 2D and 3D acquisition and processing completed. 	<ul style="list-style-type: none"> 📍 Area: 549 Sq. Km 📍 Pre-drilling in progress, 4 locations released for drilling. 📍 Drilling of 1st well expected soon.

Overseas acquisitions – Focus and Available Resources

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

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

REPSOL
YPF

PETRONAS

سوناطرا
SH
sonatrach

medco

Kuwait Energy

ओएनजीसी
ONGC

इंडियन ऑयल
IndianOil

हिन्दुस्तान पेट्रोलियम
HP

Bharat
Petroleum

गैल
GAIL

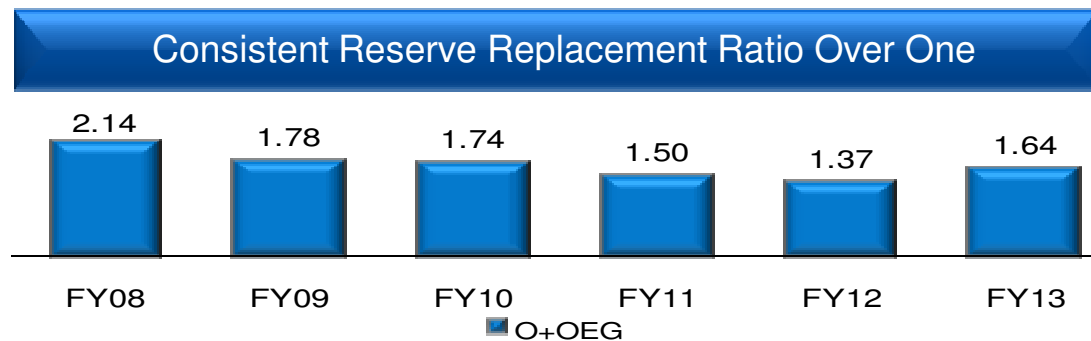
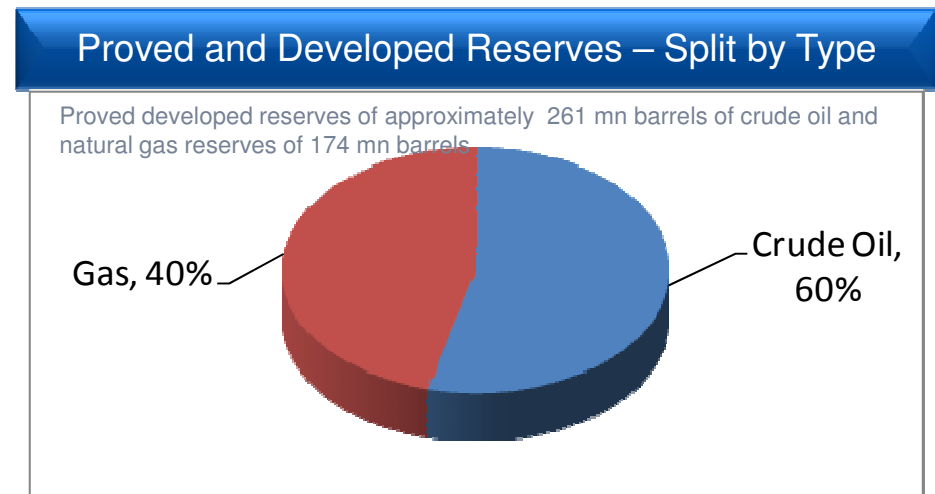
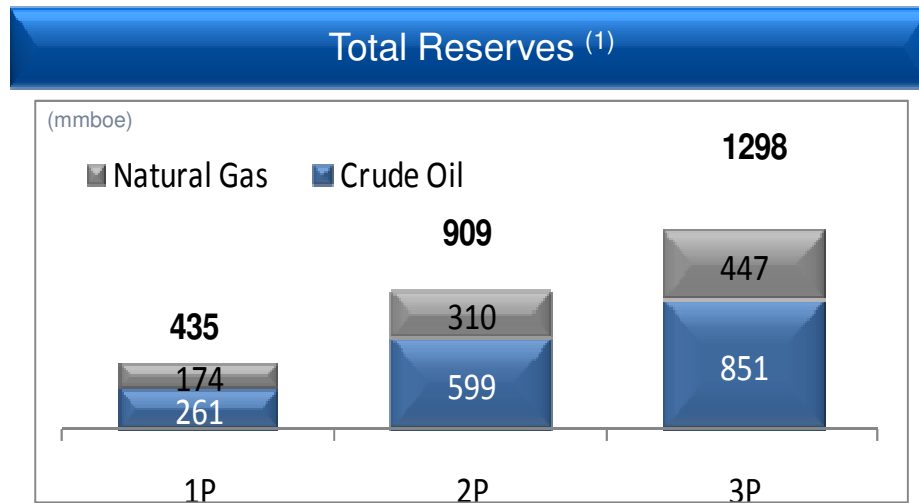
Significant Reserve Base

1P Reserves represent:

10 Years current production of Crude Oil

11 Years current production of Natural Gas

10 Years current production of O+OEG



Excellent Oil and Gas Infrastructure

Infrastructure to Support E&P Activities



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



**Six
Logging Trucks**



14 W/over Rigs



**14 Drillings
Rigs**

Production and Storage Facilities



**70 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-served 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

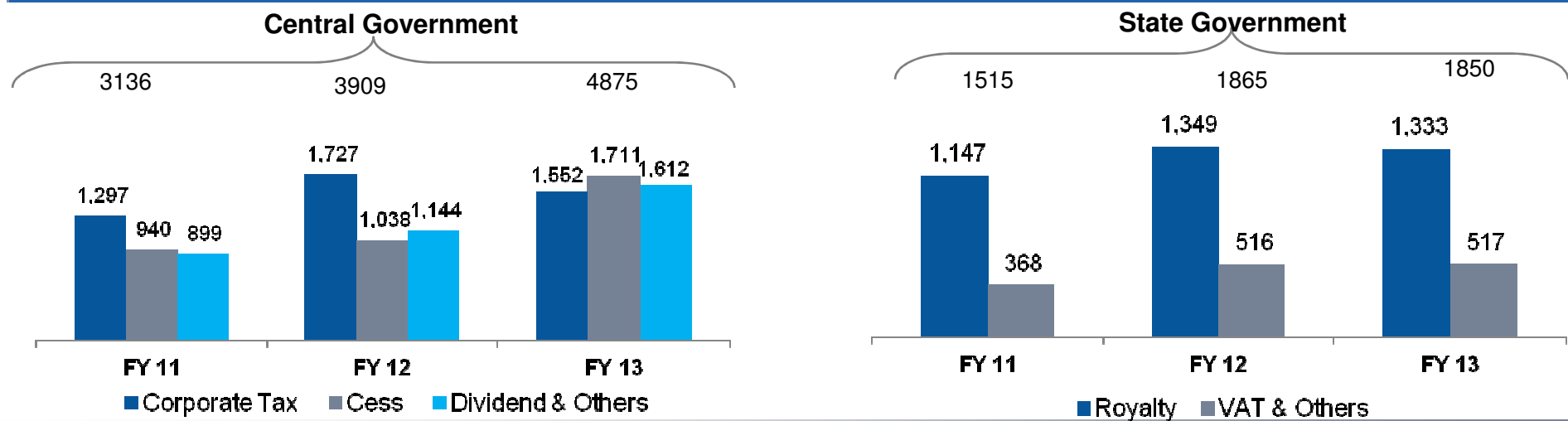
- 📍 MOUs with HPCL, BPCL, ONGC and IOC for laying, building, operating or expanding city gas distribution networks.
- 📍 Commissioned Wind Energy Project in Rajasthan.
- 📍 LNG: MOU with Kakinada Seaports



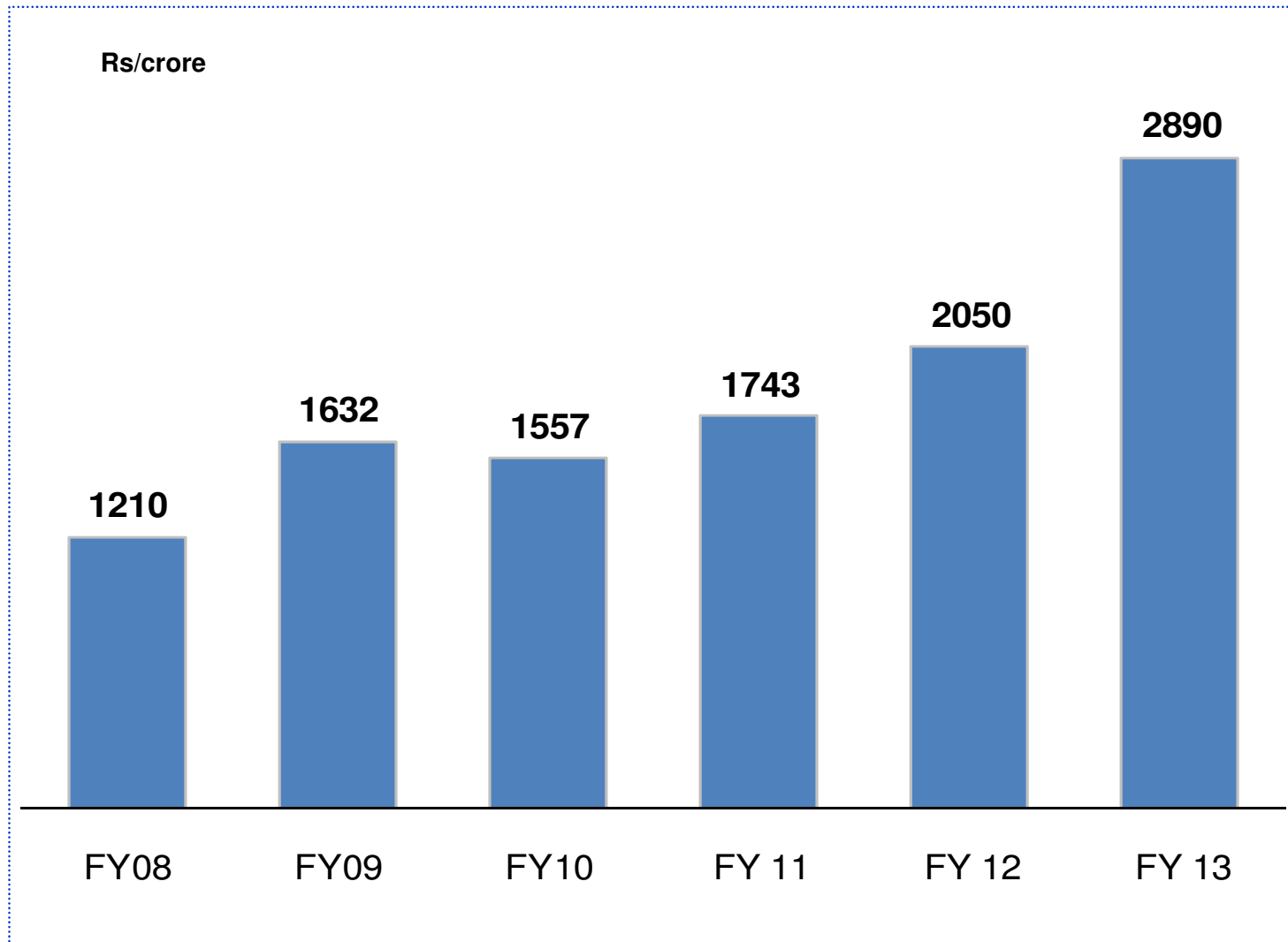
Strong Government Linkage

- 📌 Government Owned Enterprise with GOI holding 68.43%.
- 📌 Continued government support evidenced by awarding “Navratna” status to the company making it more autonomous.
- 📌 2nd Largest Public Sector E&P company
- 📌 Management Independence
 - 📌 Navratna company: Board fully empowered to take decisions on domestic operations.
 - 📌 Domestic: Upto Rs 1000 crore or 25% of Net Worth whichever is lower.
 - 📌 International : Upto Rs 3000 crore or 25% of Net Worth whichever is lower.
- 📌 Contributed over Rs.6725 crores to the exchequer in the FY 2012–13..

Contribution to Exchequer (Rs. Crore)

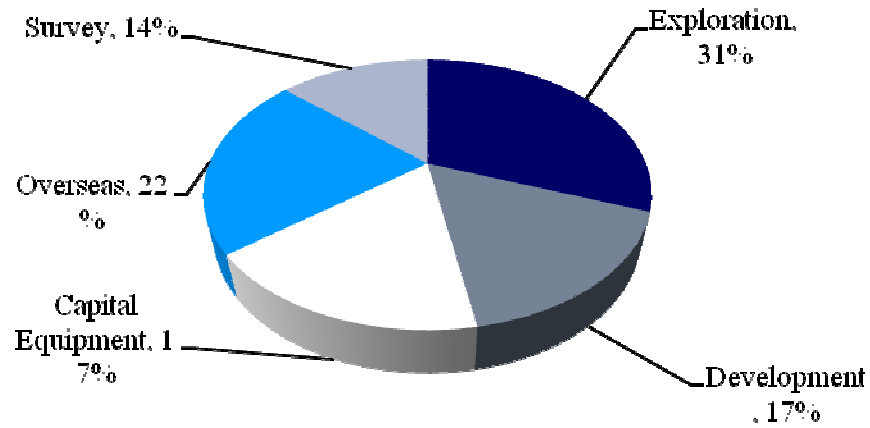


Plan outlay expenditure

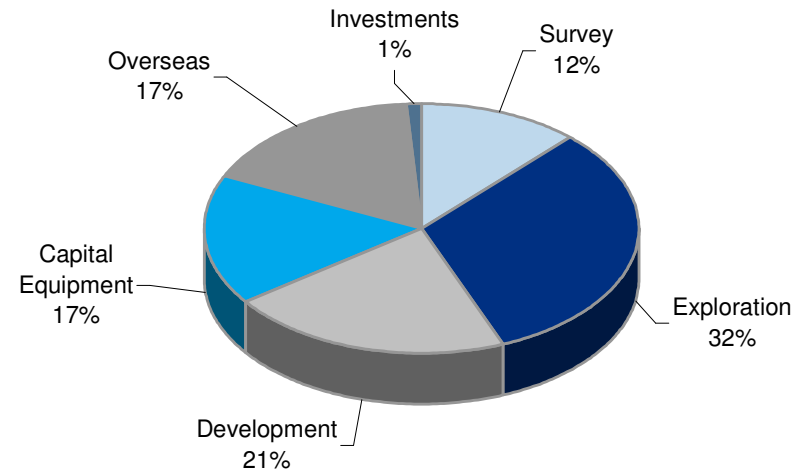


Significant Investment Lined Up

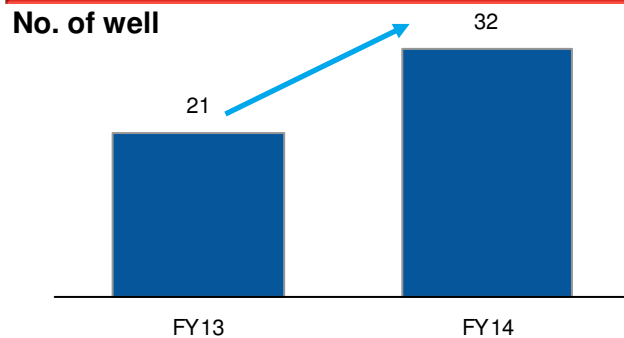
Annual Plan 2013–14: Rs.3,581 crore



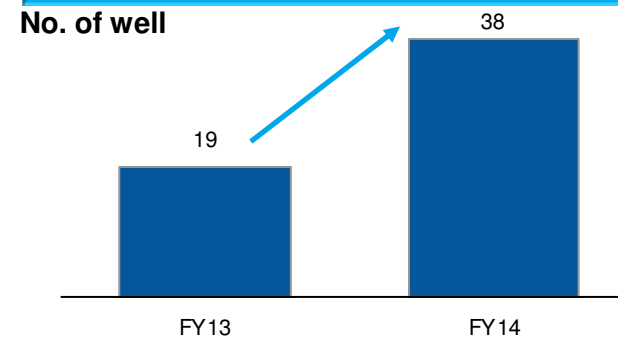
XII 5year Plan: Rs.19,003 crore



Exploratory Drilling



Development Drilling



Substantial Increase in Exploratory and Development Drilling Planned

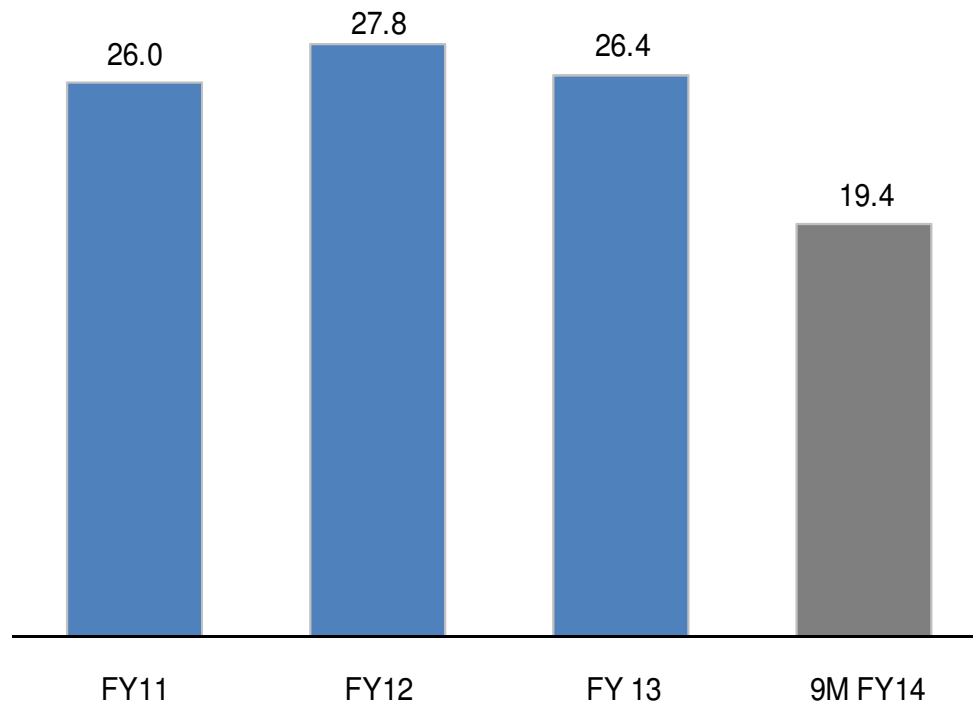


Operating Performance

Crude Oil and Natural Gas Production

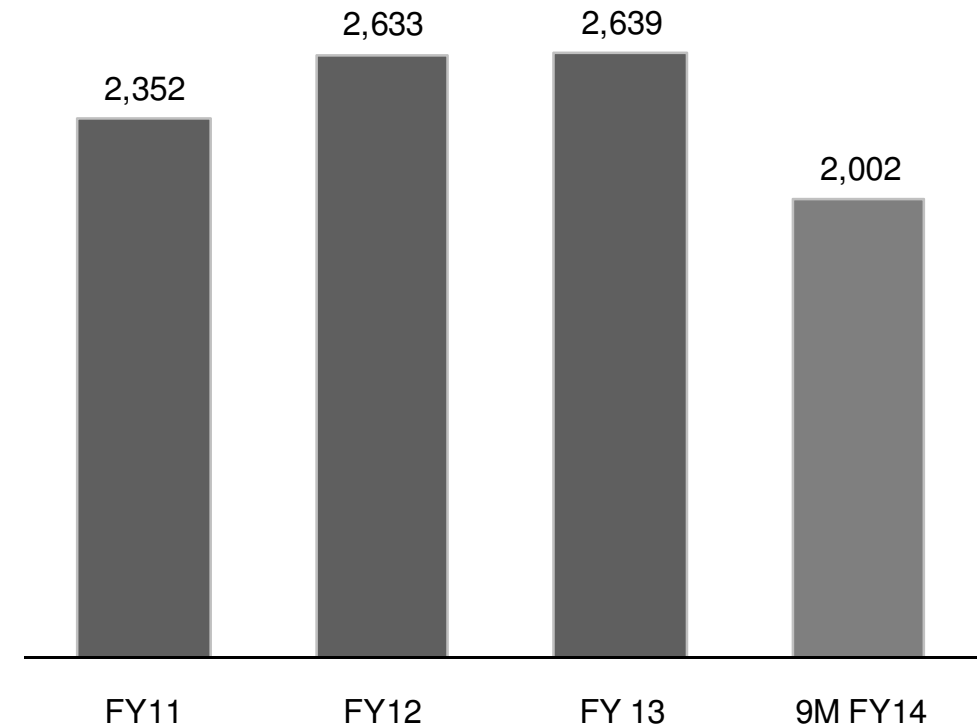
Crude Oil Production

(in mm bbl)



Natural Gas Production

(in mm scm)

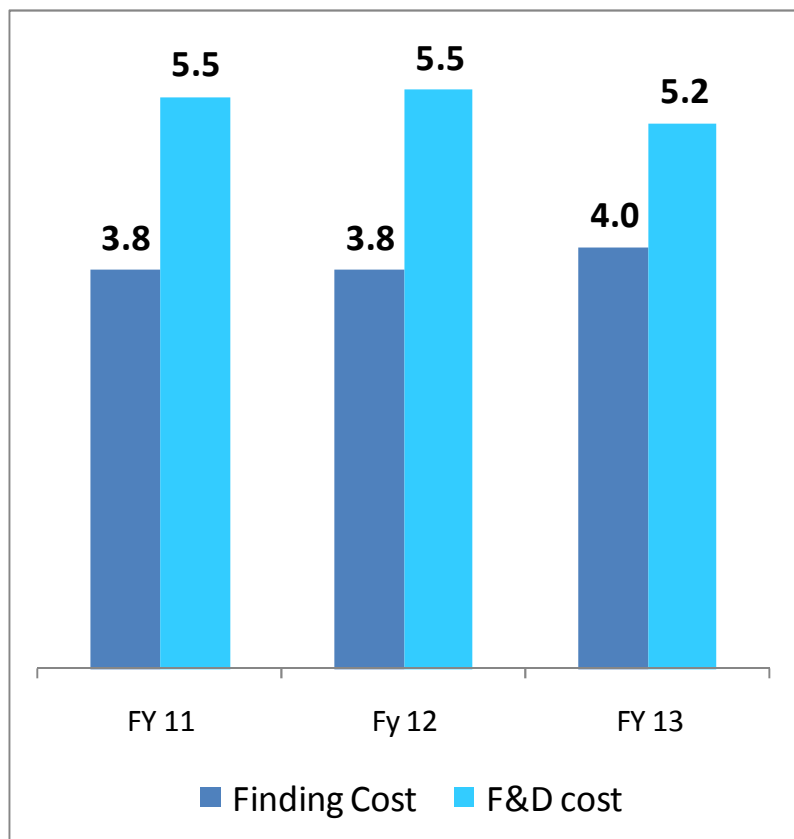


Attractive Cost Structure

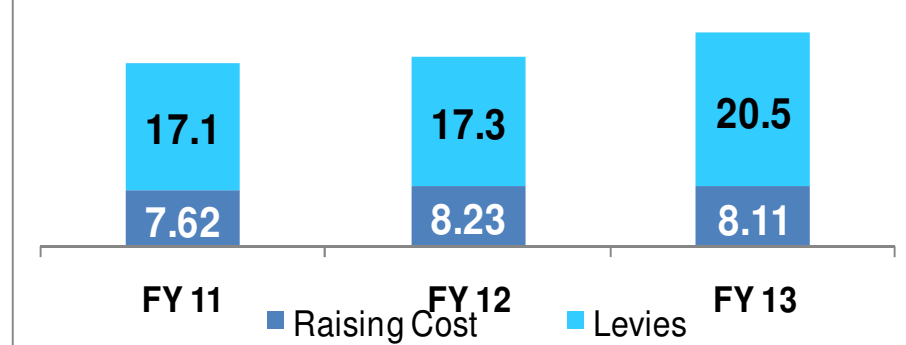
OIL has the Advantage of Low Finding and Development Costs

- 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

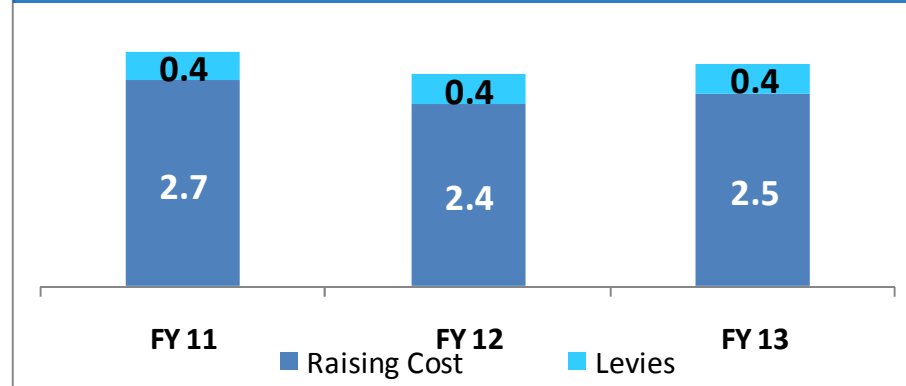
Finding & Development Cost (USD/BOE)



Crude Oil Production Cost (USD / bbl)



Natural Gas Production Cost (USD/ MMBTU)

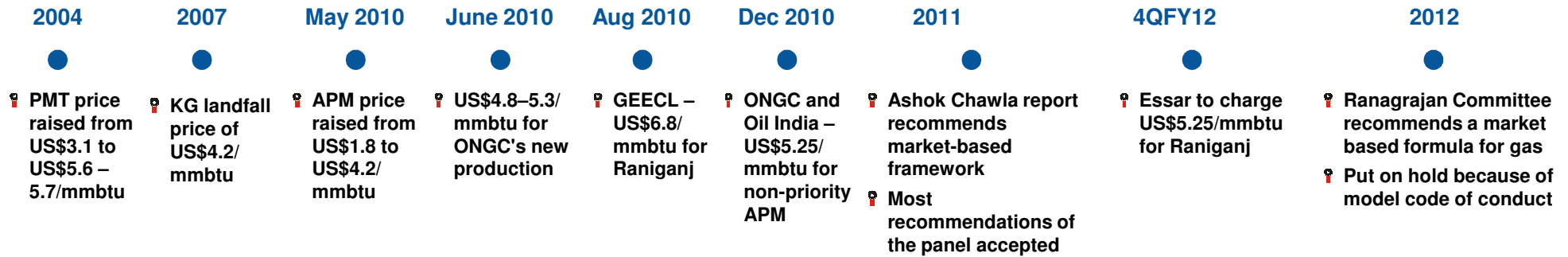


Natural Gas Pricing

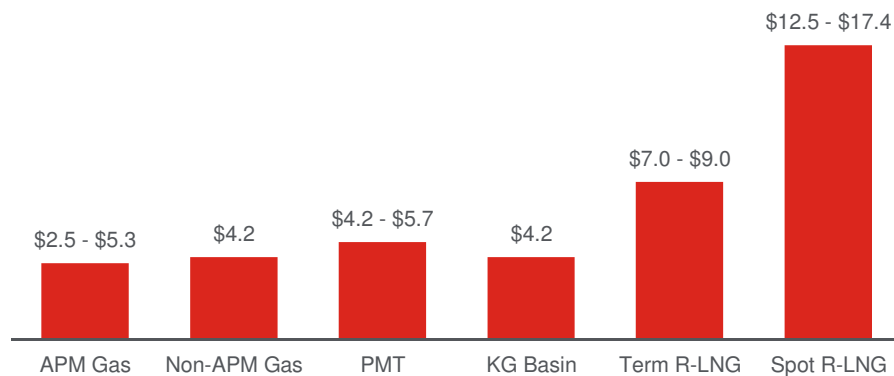
- 📌 Natural Gas Price at USD 4.2/mmbtu for 10000 Cal (inclusive of royalty) was last approved in May,2010.
- 📌 OIL's cost of natural Gas production is around USD 3.06/mmbtu.
- 📌 Cost of exploration and Development in NELP block is much higher.
- 📌 To make Natural Gas production attractive, there is need for price revision.
- 📌 Govt. formed Rangarajan committee for reviewing pricing of Natural Gas.
- 📌 The committee had recommended Natural Gas price as average of :
 - Net back Price of Indian LNG import at well head of exporting countries
 - Average price prevailing at major natural gas market.
- 📌 For every USD one increases in Natural Gas Price:
 - OIL's PAT will improve by ~Rs 220 crore.
 - OIL's contribution to exchequer will be increased by ~Rs 254 crore – ~Rs 78 crore to State Govt and ~Rs 176 crore to Central Govt

India Gas Price Evolution

Gas Pricing Evolution

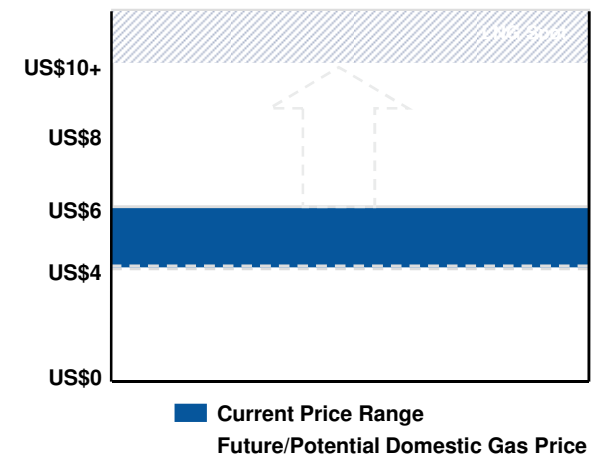


Disparity Between Domestic Gas Prices and Imported LNG



Source: Report of Dr. C. Rangarajan Committee on the PSC Mechanism in Petroleum Industry, December 2012.

Potential Indian Gas Pricing Trends



Sharing of Subsidy by Upstream Companies

Rs. in crore

Rs. In cr.

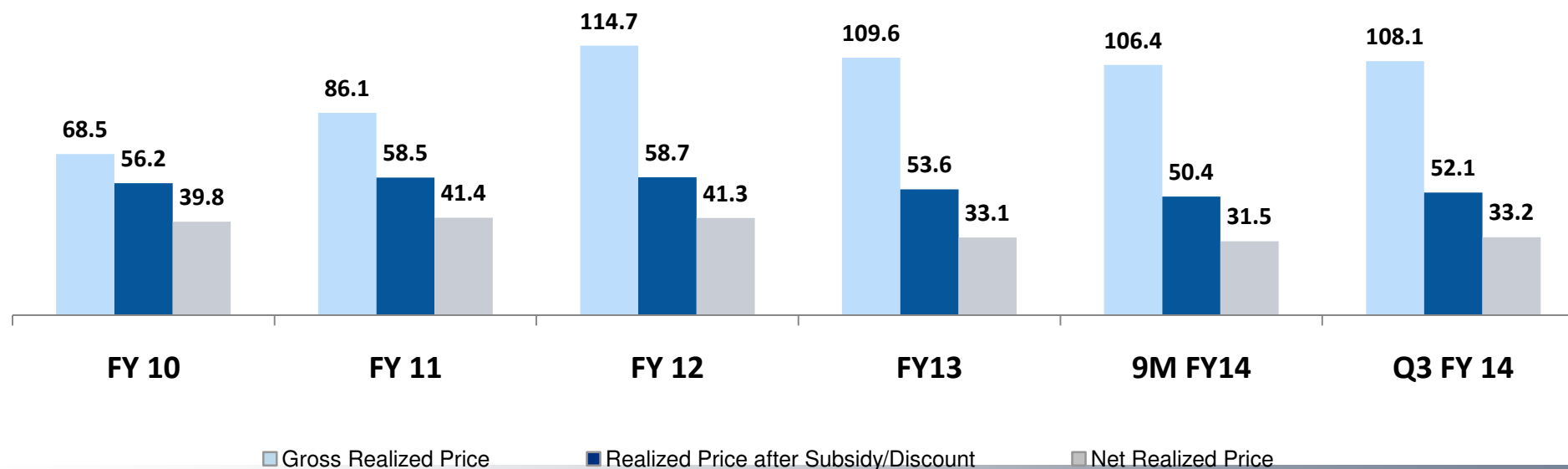
	2010-11	2011-12	2012-13	9M 13-14
ONGC	24893	44,465	49,421	40,182
OIL	3293	7,352	7892	6,389
GAIL	2111	3,183	2687	1,400
Total	30297	55,000	60,000	47,971

% Sharing

% Sharing

	2010-11	2011-12	2012-13	9M 13-14
ONGC	82%	81%	81%	84%
OIL	11%	13%	14%	13%
GAIL	7%	6%	5%	3%
Total	100%	100%	100%	100%

Realised Price (USD/Barrel)





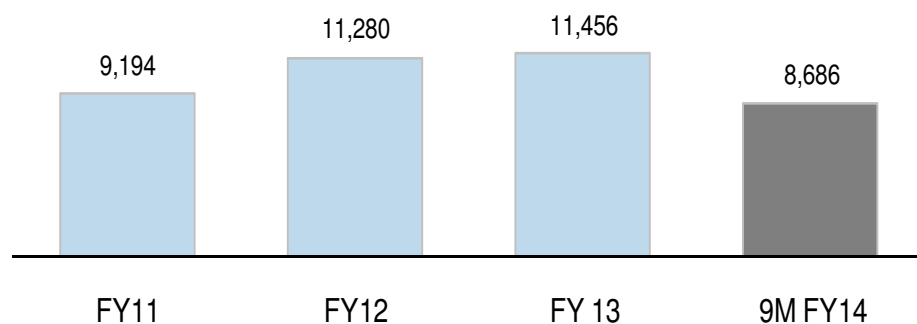
Financial Performance



Growing Revenue and Profit

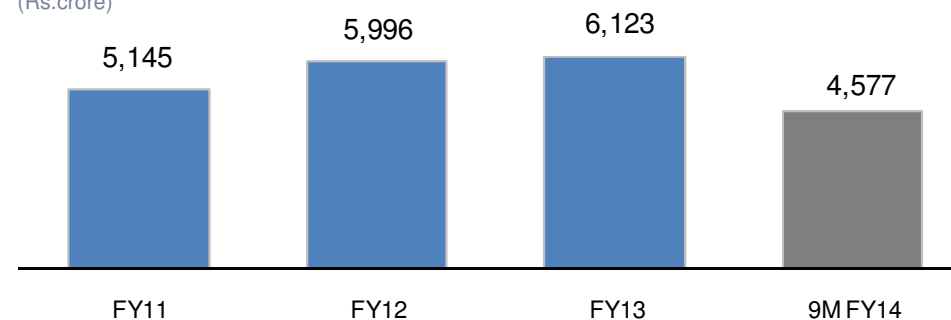
Revenue

(Rs.crore)



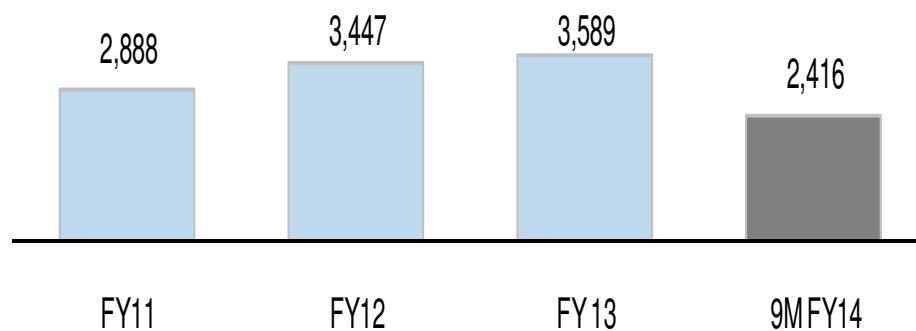
EBITDA

(Rs.crore)



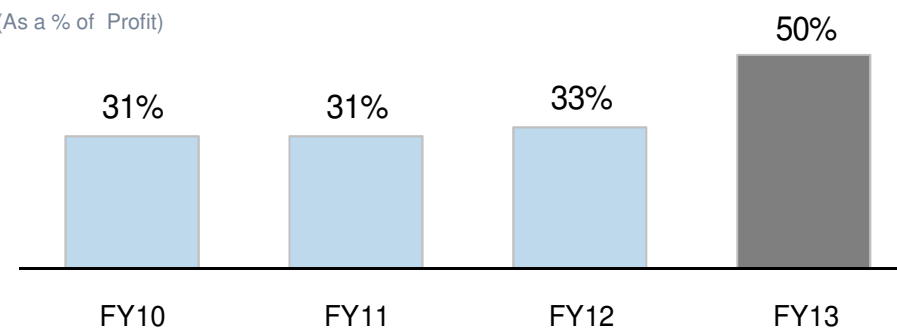
Net Profit

(Rs.crore)



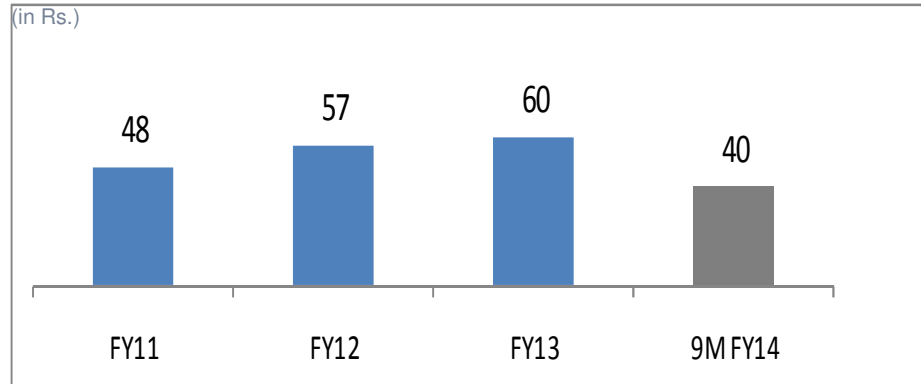
Dividend Payout Ratio

(As a % of Profit)

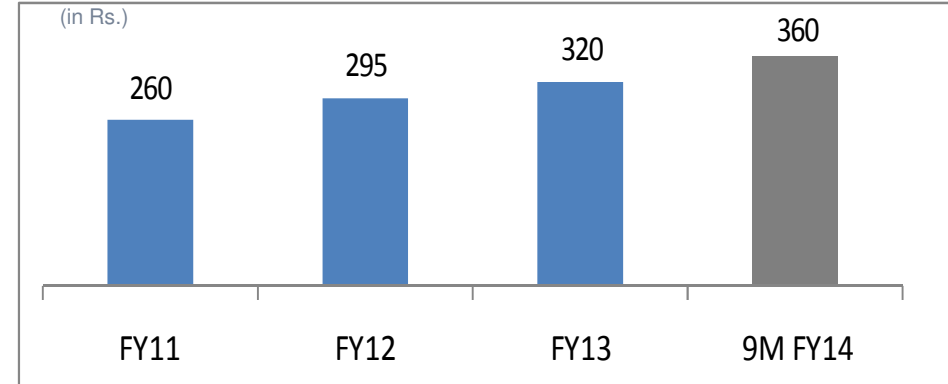


Leverage Remains Low

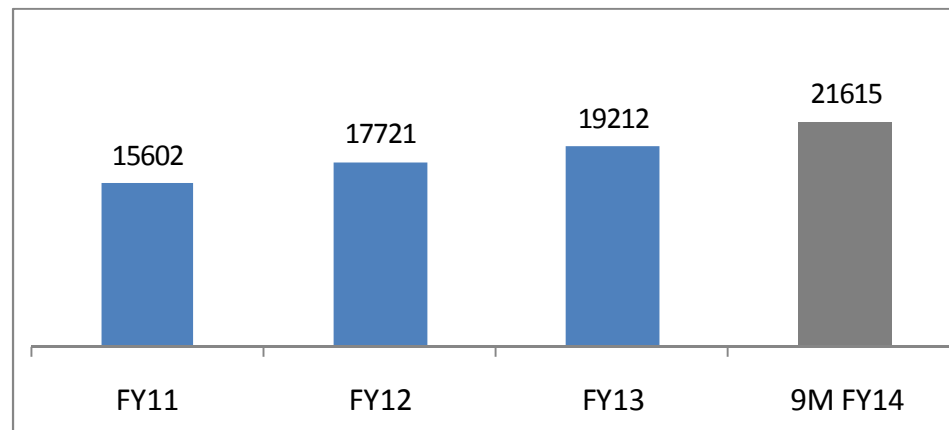
Earnings Per Share



Book Value Per Share



Net Worth



Source: Company financials

Awards and Accolades



- 📌 OIL was awarded the prestigious **BUSINESS LEADERSHIP AWARD in OIL & GAS SECTOR** by NDTV Profit on 7th January 2012.
- 📌 **Oil & Gas Transportation Company of the Year Award** at the Petrofed Oil & Gas Industry awards for the year 2010-11
- 📌 **PSU 360 Degree Growth award** for 2011 from Dalal Street
- 📌 **BT Star Best PSU 2013 award** from Bureaucracy Today
- 📌 **Best Environment Management and Sustainable Development Award** by Indian Chamber of Commerce
- 📌 **Golden Award** in Petroleum Sector for Outstanding Achievement in Safety Management by the Greentech Foundation
- 📌 **Performance Excellence Award 2011** by Indian Institute of Industrial Engineering
- 📌 **Golden Peacock Award** for CSR for 2012
- 📌 1638th Rank for 2013 from Forbes Global 2000

Awards and Accolades



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- 📌 **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





 *Thank You*