



Presentation

Investors' and Analysts' Meet 2013

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
- World Class Infrastructure to support growth

Large Acreage

- Domestic acreage: 88,927 sq. km over 62 blocks
- International acreage: 33,657 sq. km

Strong Reserve Base

- Total 2P reserves of over 916 mmbob;e;
- Reserve replacement ratio of over 164% in FY13

Strong Financials

- FY13 Total Revenue: Rs.11,456 cr
- FY13 PAT : Rs.3,589 cr

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



Shareholding Structure

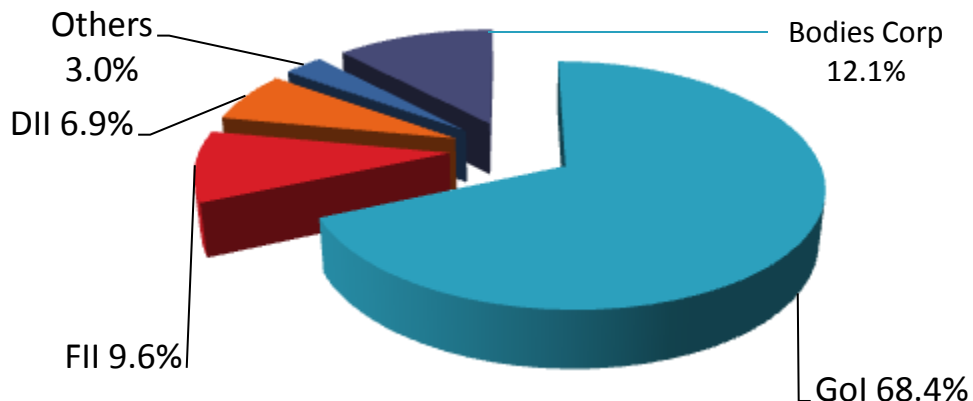
Listed on BSE / NSE

Number of shares: 601.12 mn

Dividend FY13
Dividend/Share: Rs.30

Share price (52 Week High / Low) :
Rs.630 / Rs.415

Market Cap: Rs.25,607 crore

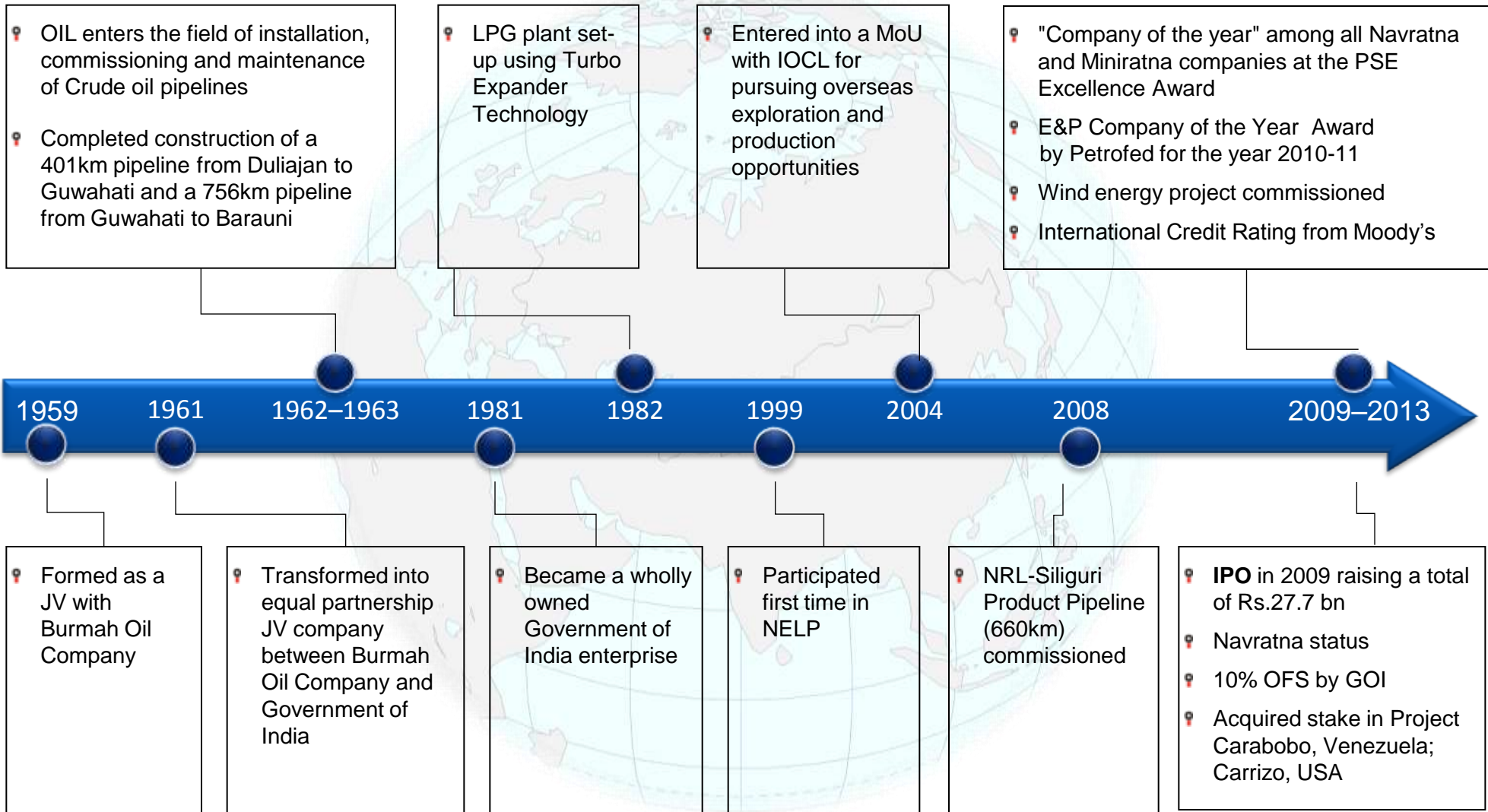


Key shareholders	% holding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
HSBC Bank (Mauritius) Ltd.	2.68%
HDFC Standard Life Insurance Co. Ltd.	1.04%
HDFC Trustee Co. Ltd. -Top 200 Fund	0.90%
HDFC Trustee Co. Ltd.-HDFC Equity Fund	0.84%
ICICI Prudential Life Insurance Co. Ltd.	0.76%

- (1) Shareholding data as on June 2013
- (2) The share price data has been adjusted for the bonus issuance
- (3) Market cap as on 30.08.2013



Evolution and Key Milestones



Presence Across Value Chain

Exploration



- 📍 **Domestic:** 62 E&P blocks
- 📍 **International:** US, Venezuela, Gabon, Egypt, Iran, Libya, Nigeria, Yemen
- 📍 **New Discoveries:** 29 Small to medium size discoveries (reserve size less than 30 mn bbls) during last four years (FY10–13)

Production



- 📍 **50 years** of experience
- 📍 Advanced recovery techniques to maximize production
- 📍 **FY'13 Produced 3.66 MMT of Crude oil:**
 - 39 installations
 - 1,544 km pipelines
- 📍 **FY'13 Produced 2.64 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



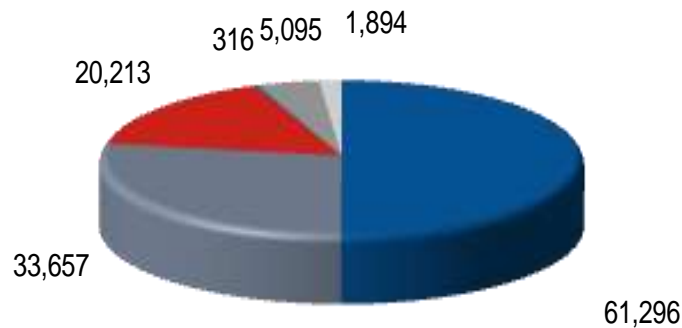
- 📍 **Refining & Marketing Petroleum Products**
 - 26% equity stake in NRL
- 📍 **Gas Cracker Project**
 - 10% equity stake in BCPL
- 📍 **City Gas Business –**
 - Signed MOU with GAIL, HPCL, IOCL and BPCL/ONGC



Sizeable Exploration Acreage

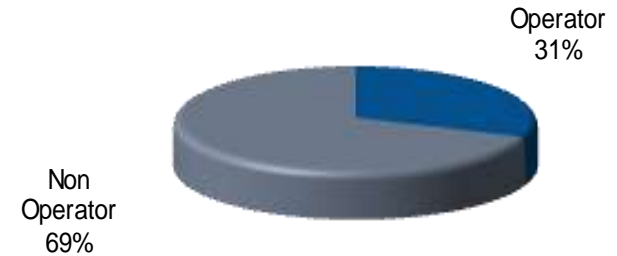
Summary of Acreages

- 📍 Total Acreage: 1,22,584 KM²
- 📍 Domestic Acreage: 88,927 KM²
- 📍 Overseas Acreage: 33,657 KM²

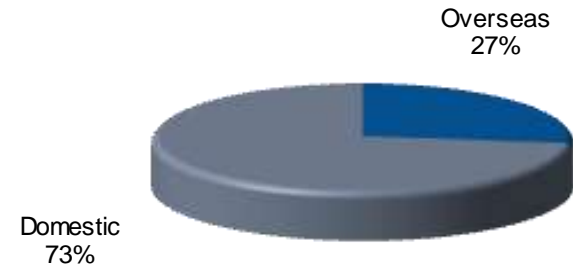


- NELP (NO)
- Overseas
- NELP (Operator)
- JV
- PML
- PEL Nomination

Operator Vs. Non Operator Acreage



Geographically Balanced Acreage



Awards and Accolades



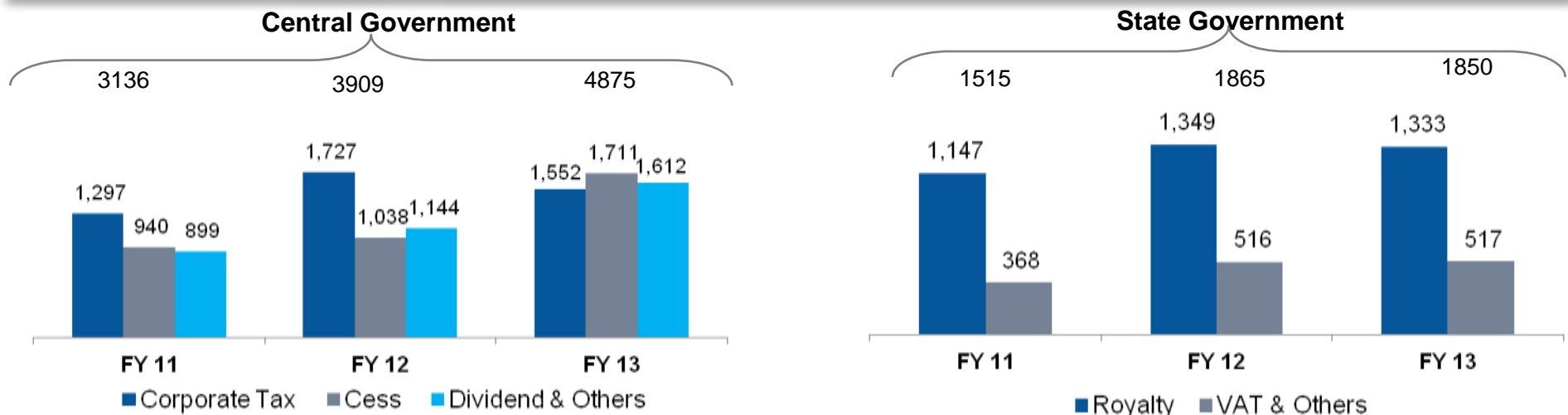
- 📍 OIL was awarded the prestigious **BUSINESS LEADERSHIP AWARD in OIL & GAS SECTOR** by NDTV Profit on 7th January 2012.
- 📍 **E&P Company of the Year Award** at the Petrofed Oil & Gas Industry awards for the year 2010-11
- 📍 First Prize for **Oil Industry Safety Award** in Oil & Gas Assets (Onshore) 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



Strong Government Linkage

- Government Owned Enterprise and continued government support evidenced by “Navratna” status awarded to the company making it more autonomous.
- 2nd Largest Public Sector E&P company
 - Contributed over Rs.6,725 crores to the exchequer in the FY 2012–13
- Management Independence
 - Complete independence to take all business decisions
 - Board empowered to take decisions on overseas acquisitions upto Rs.3000 crore or US\$600mn, whichever is lower

Contribution to Exchequer (Rs. Crore)



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**

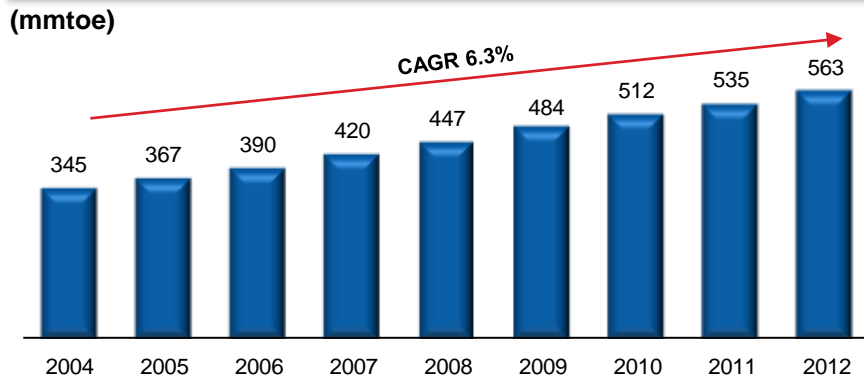
**“The Fastest Growing Energy Company With a Global Presence
Providing Value to Stakeholders”**



Indian domestic environment

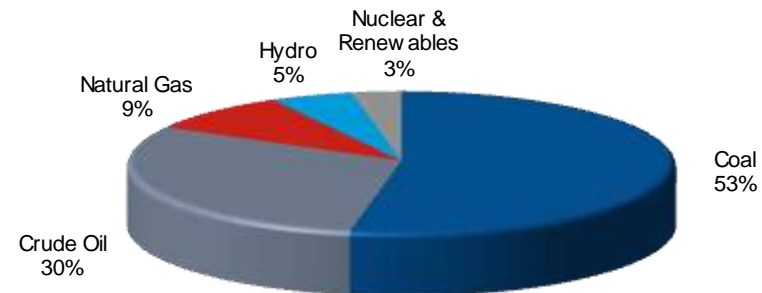
Domestic Industry Environment

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



Energy Sources

(%) Energy Sources—India

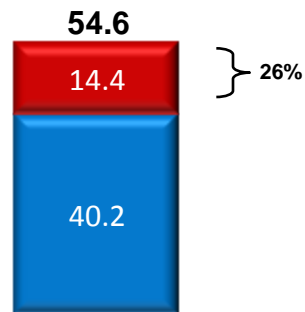
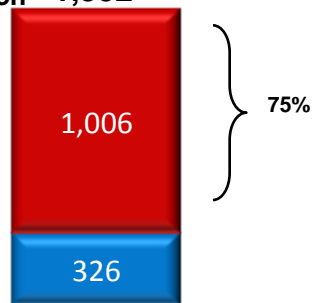


Significant Supply Deficit in Domestic Market

Crude Oil (mmtoe)

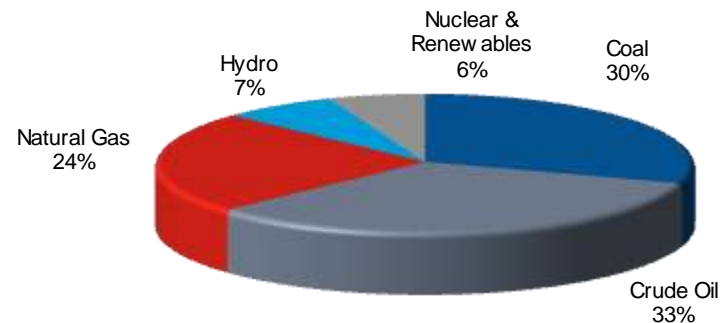
Natural Gas (bcm)

Consumption 1,332



■ Production ■ Imports ■ Deficit

Energy Sources—Global



Robust Domestic Fundamentals

Strong Domestic Demand



India Remains a Net Importer of Crude ⁽¹⁾



India – A Fraction of Global Reserves ⁽²⁾



India – Significantly Under-explored ⁽³⁾

- India - the **4th largest** Energy consumer in world ⁽²⁾
- 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 ⁽²⁾
- 0.77%** of World's Gas reserves ⁽²⁾

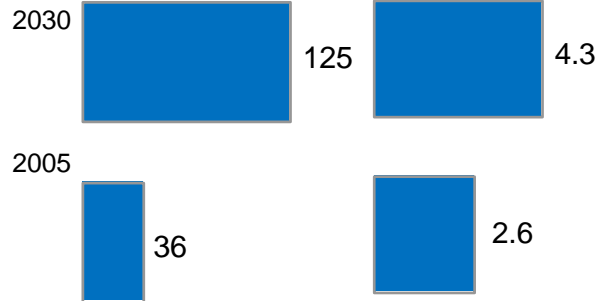
- Only **22%** of India **well explored** (as of 31 March 2011)

Domestic Consumption Outlook

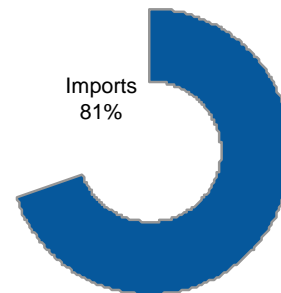
Gas
BCM

Oil

mmbpd

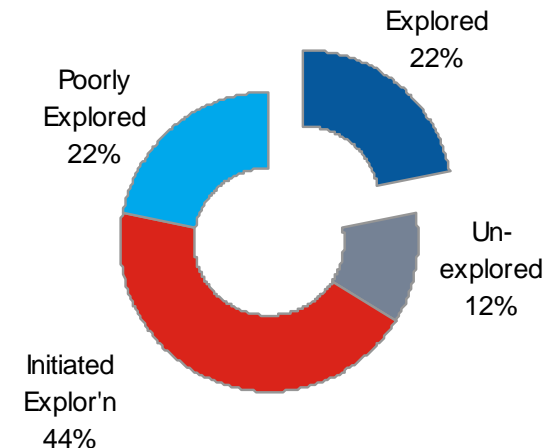


% of Total Oil Consumption



India: Exploration Status

FY2011



Presence across value chain

Fully Self-serviced E&P Company



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

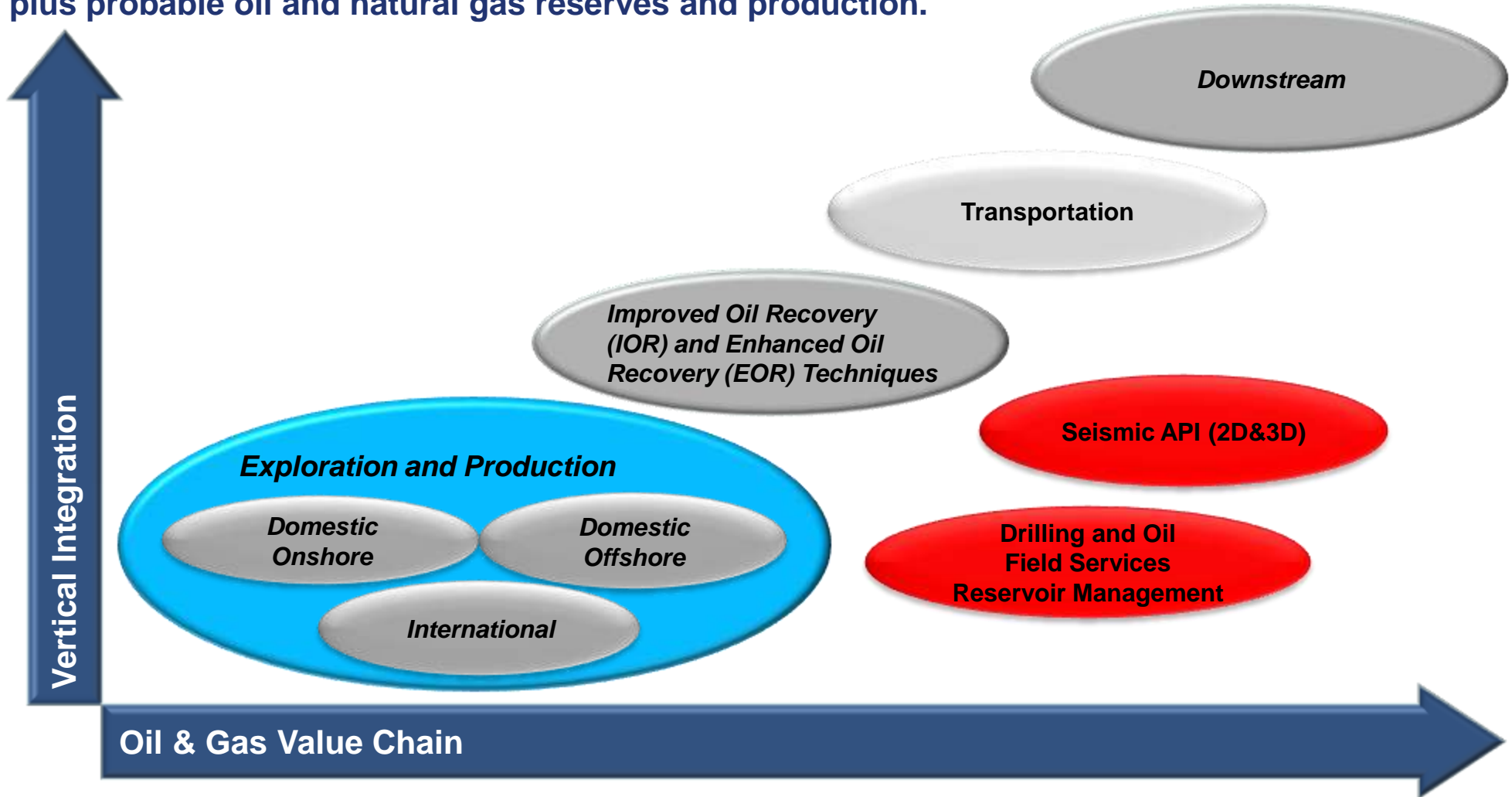
~150k KL
Crude Storage

In-house Expertise and Integration across Energy Infrastructure



Vertically Integrated Domestic Operations

OIL is the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production.



Domestic Asset Overview

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

Blocks	Op	N/Op	Total
NELP	15	15	30
Pre-NELPJV	-	2	2
PEL (Nom)	8	-	8
PML	21	-	21
CBM	-	1	1
Total	44	18	62

✓ RJ-ONN-2004/2	60%
✓ RJ-ONN-2004/3	60%
✓ RJ-ONN-2004/2	75%

GK-OSN-2010/1	30%
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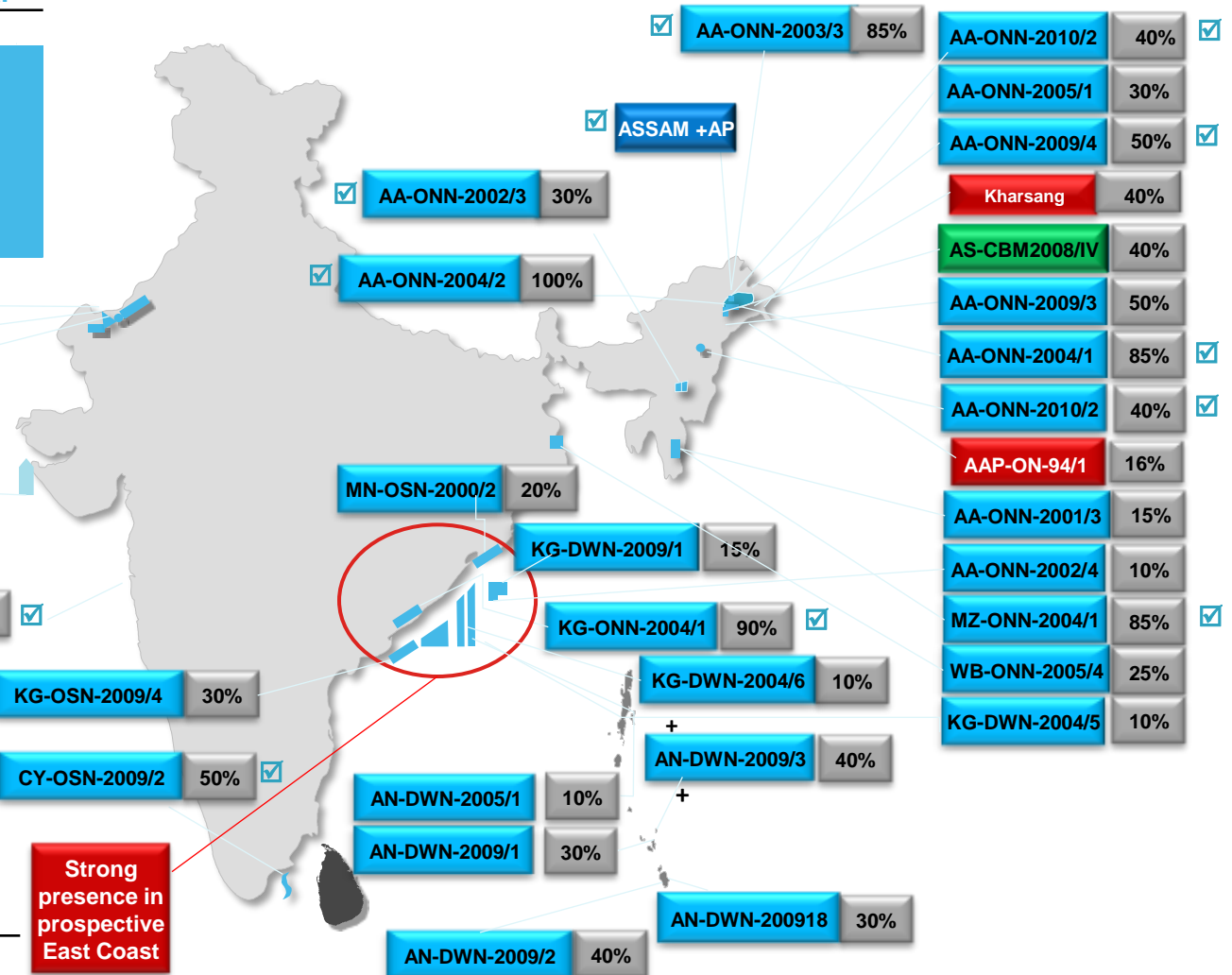
MB-OSN-2010/2	50%	✓
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KG-OSN-2009/4	30%
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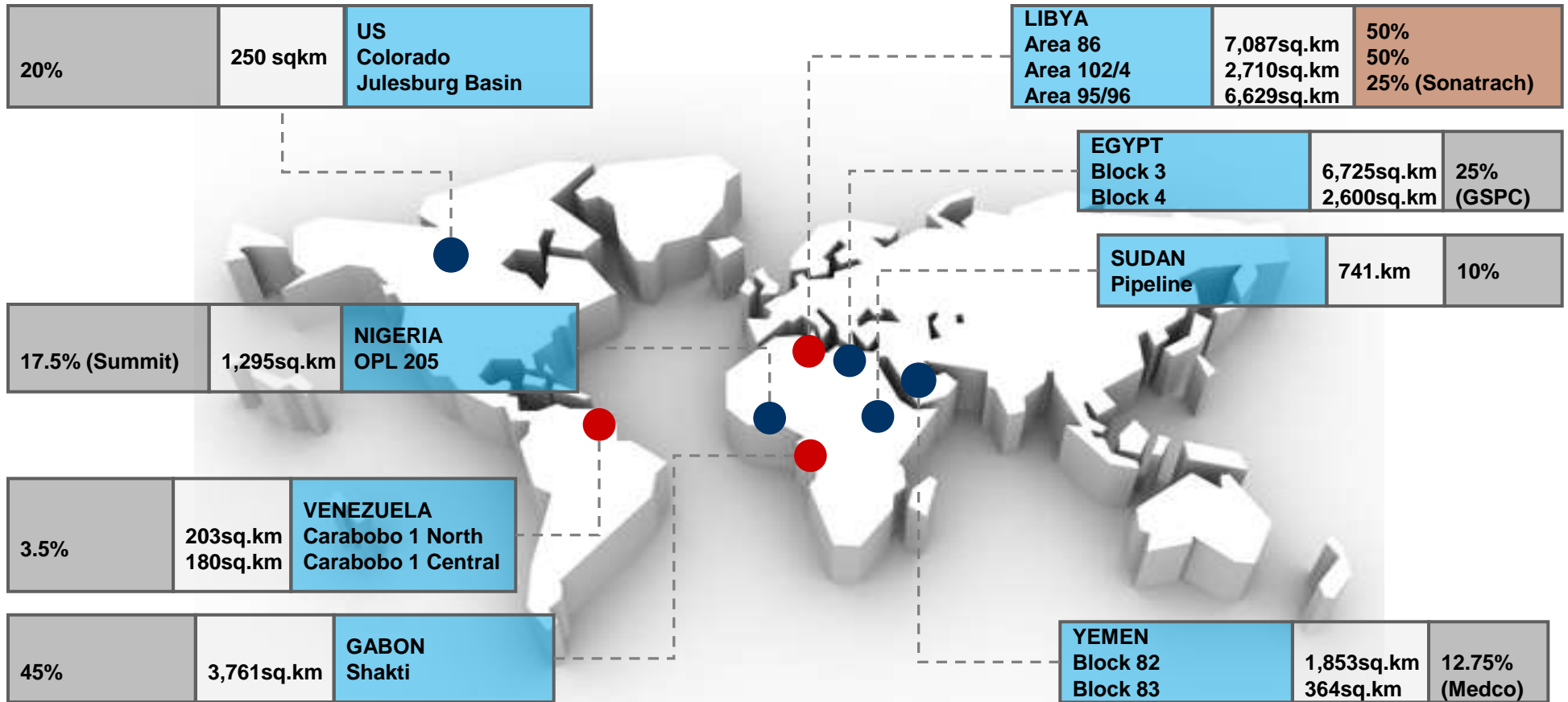
CY-OSN-2009/2	50%	✓
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Strong presence in prospective East Coast

Blocks	Op	N/Op	Jt/Op
Offshore (9 Deepwater)	2	14	1
Onshore	12	5	2



International Asset Overview



Total Area –33,657 sq.km

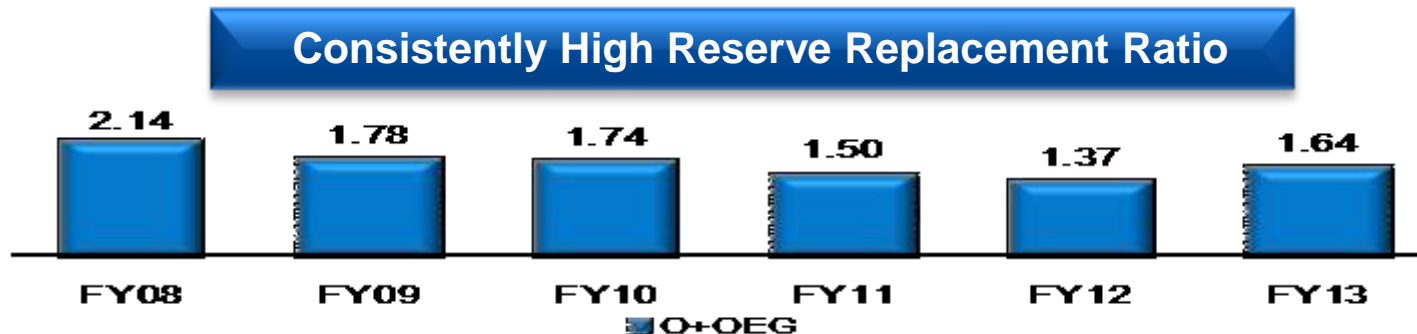
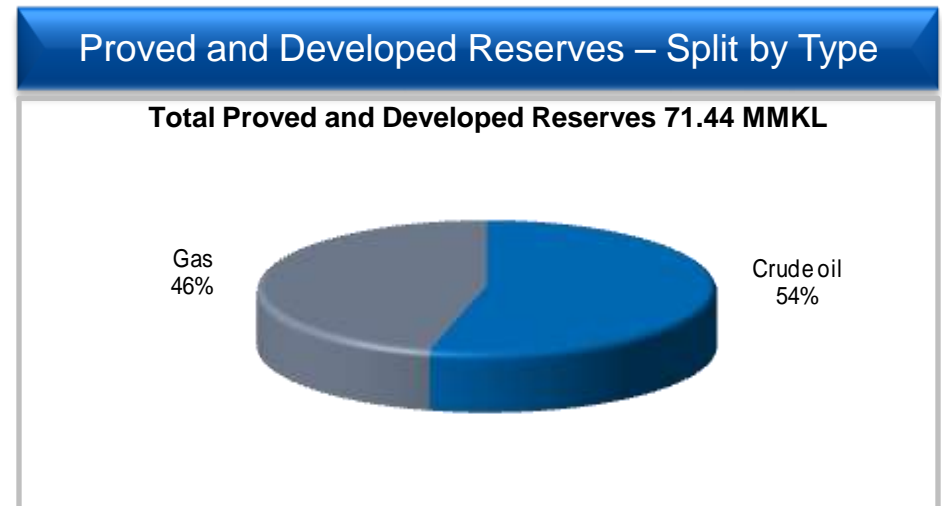
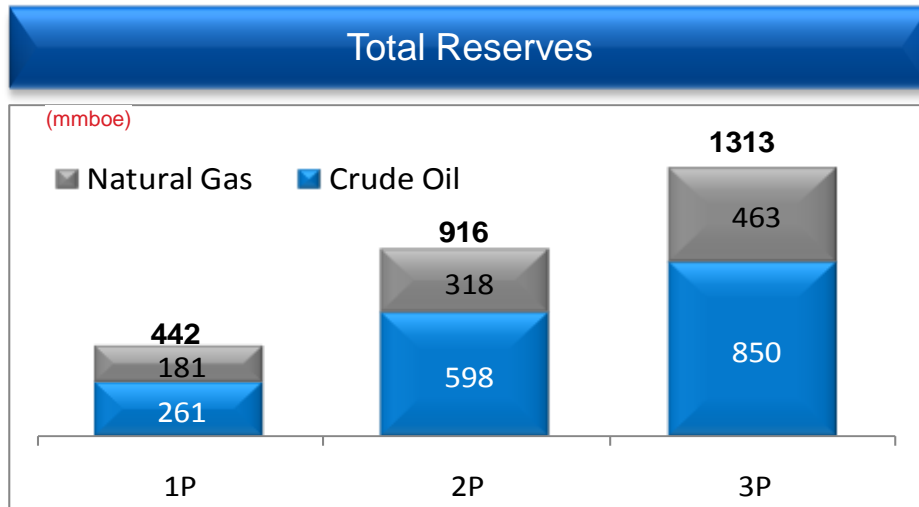
Operator ●
 Area (Sq. km)
 OIL's Participating Interest (%)



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

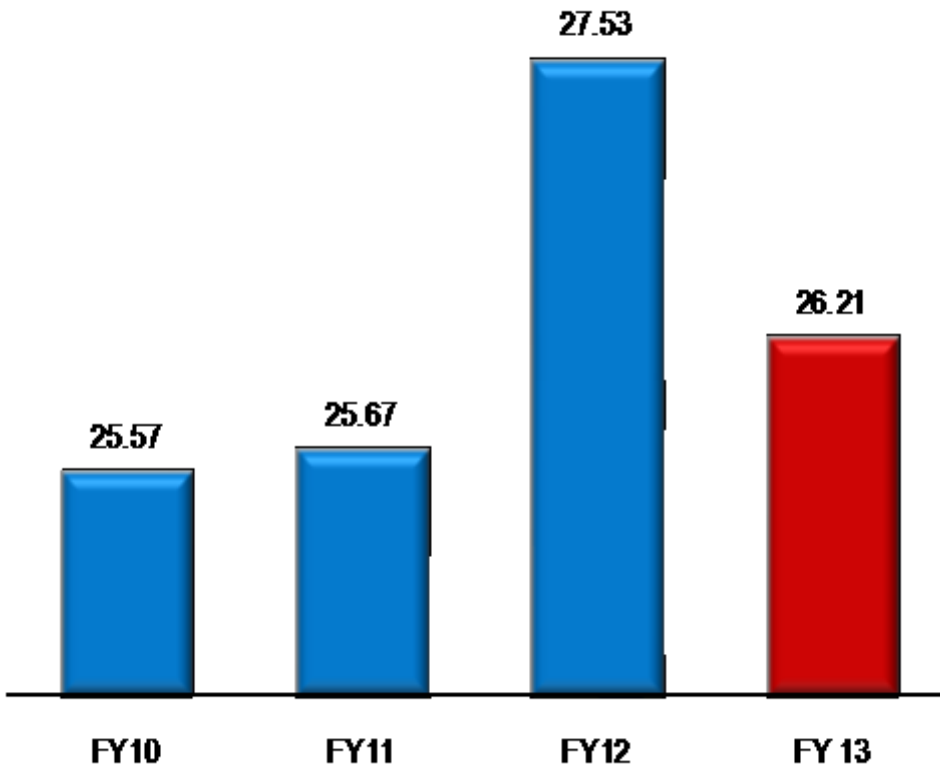


Operating Performance

Crude Oil and Natural Gas Production

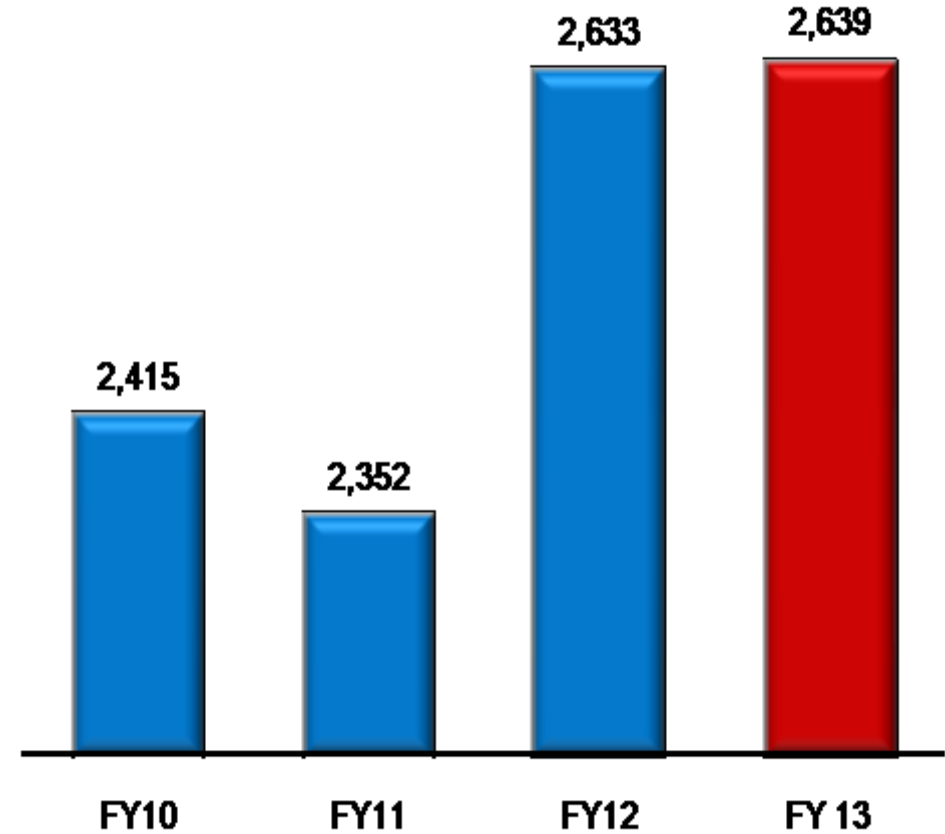
Crude Oil Production

(in mm bbl)

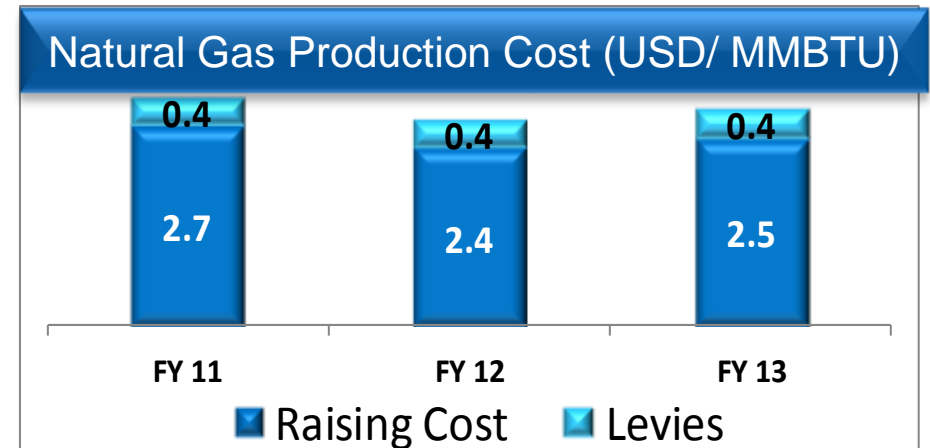
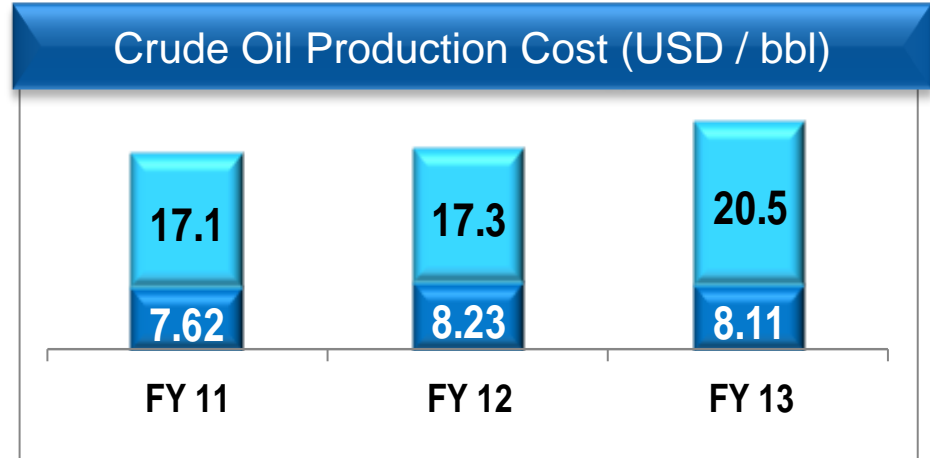
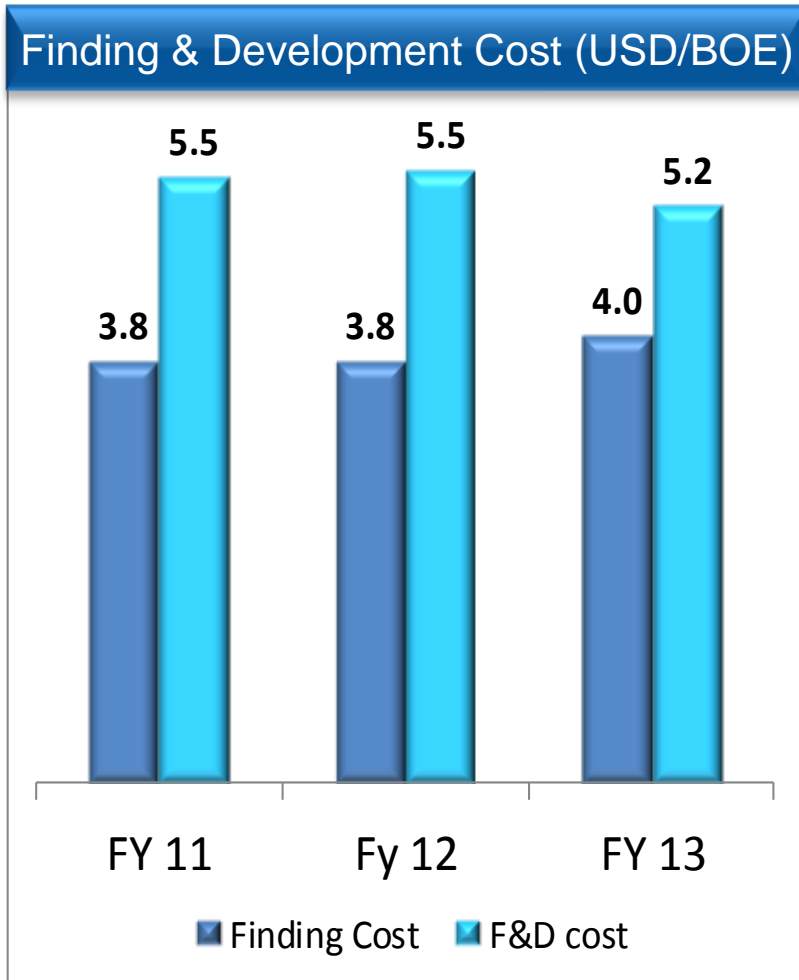


Natural Gas Production

(in mm scm)



Attractive Cost Structure



OIL has the Advantage of Low Finding and Development Costs



Strategy

Strategic Plan 2020

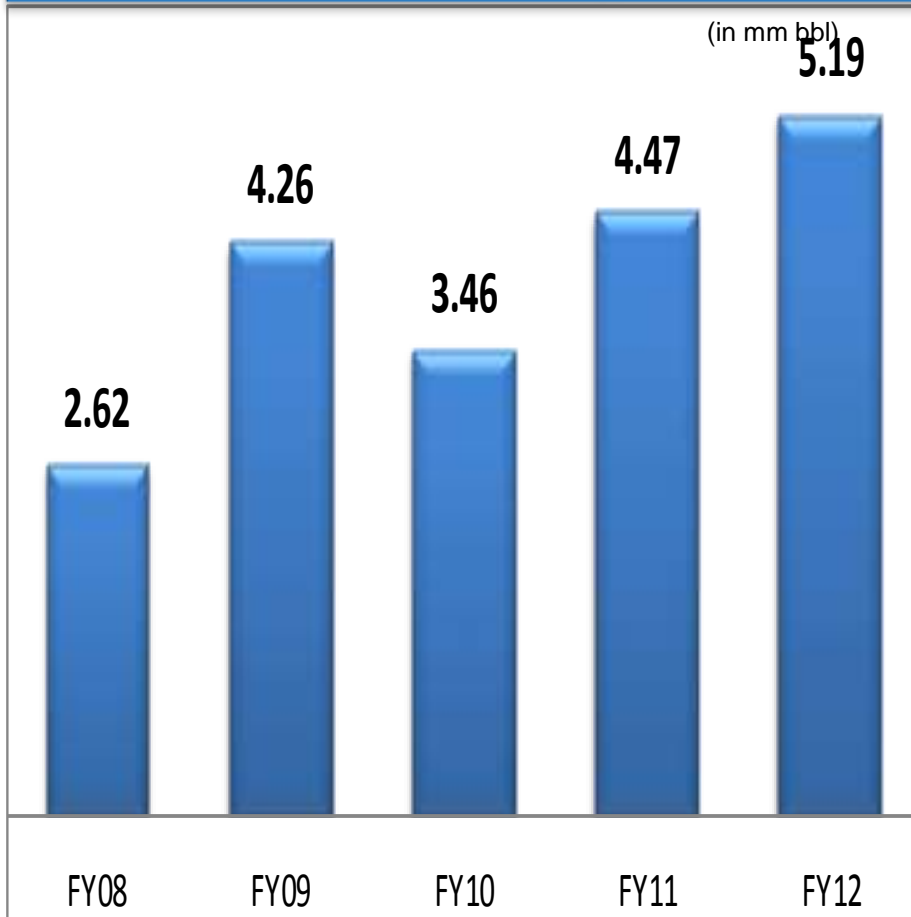


Decades of Experience

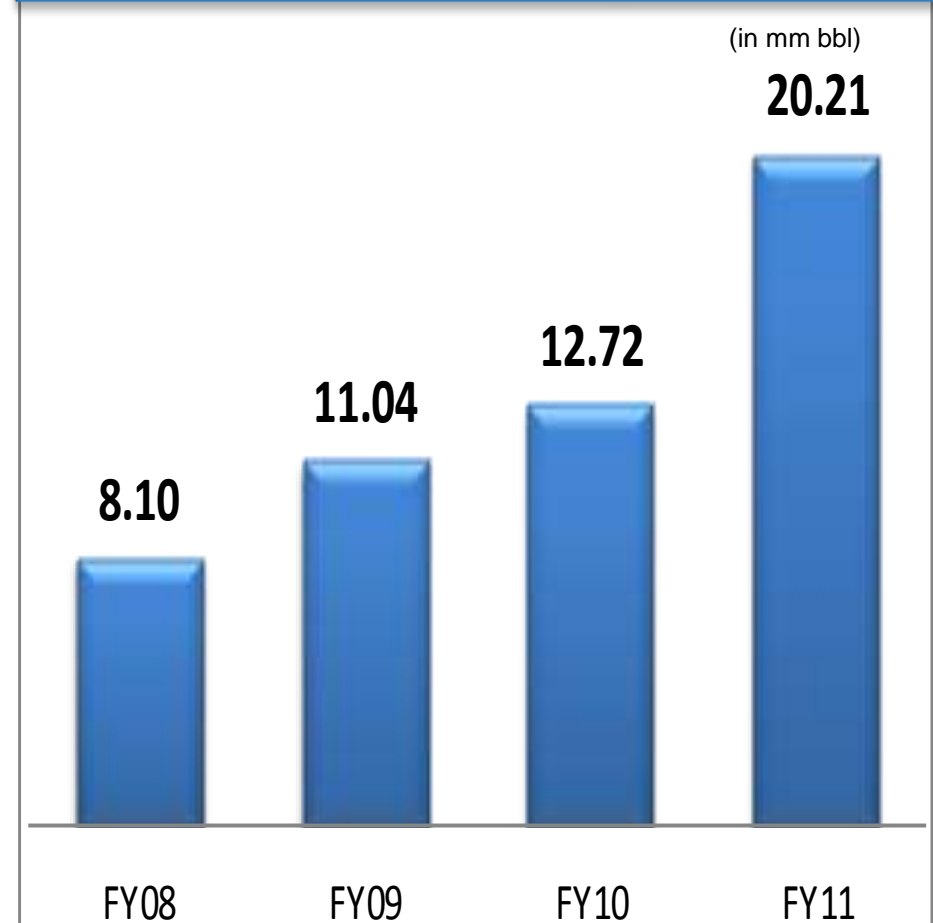


1. Enhance production from current fields using IOR/EOR

Improvement in Production



Improvement in crude oil reserve

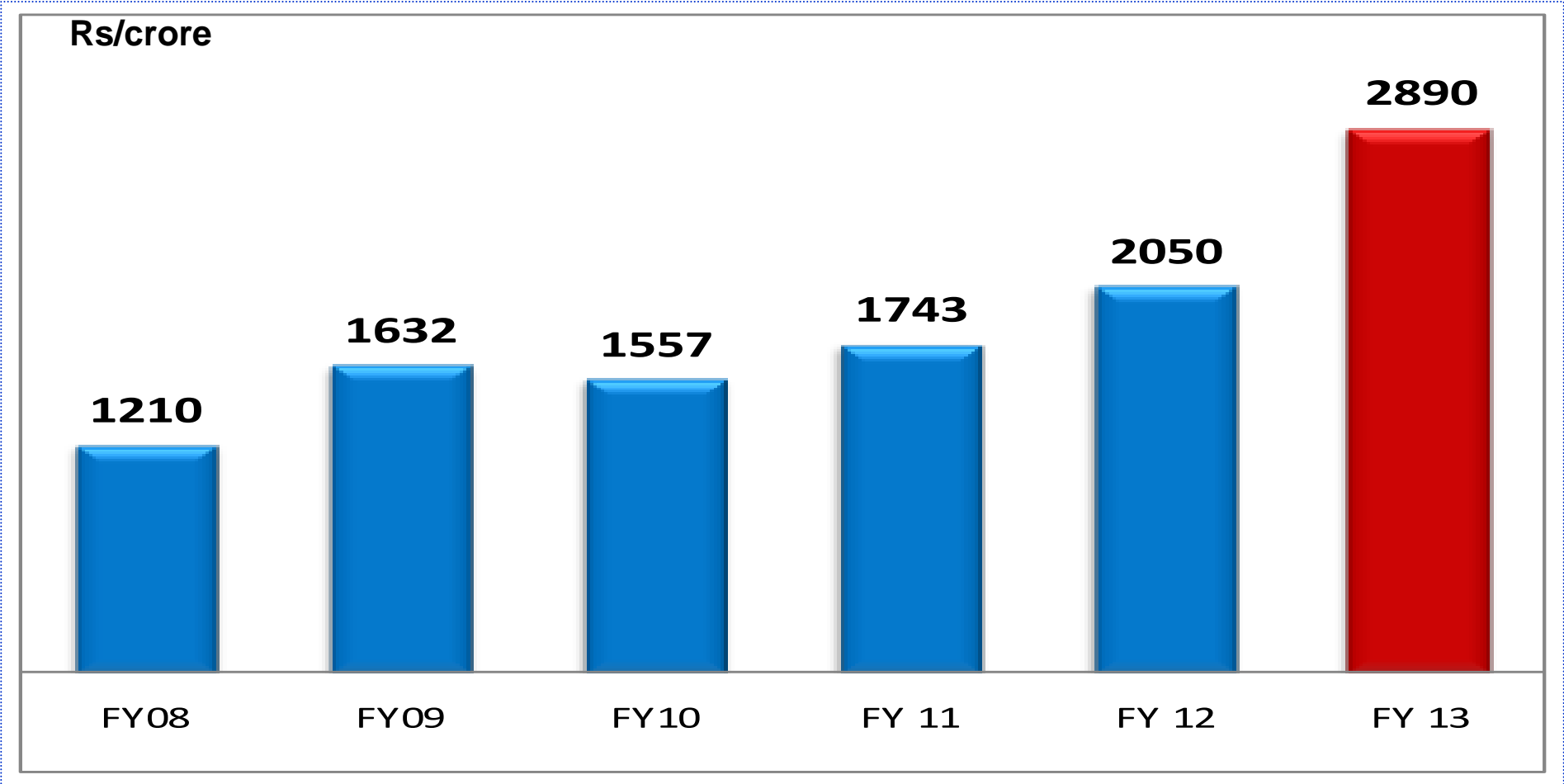


OIL has made investments in excess of Rs.2425 crore in IOR/EOR initiatives during last five years



2. Accelerated exploration initiatives

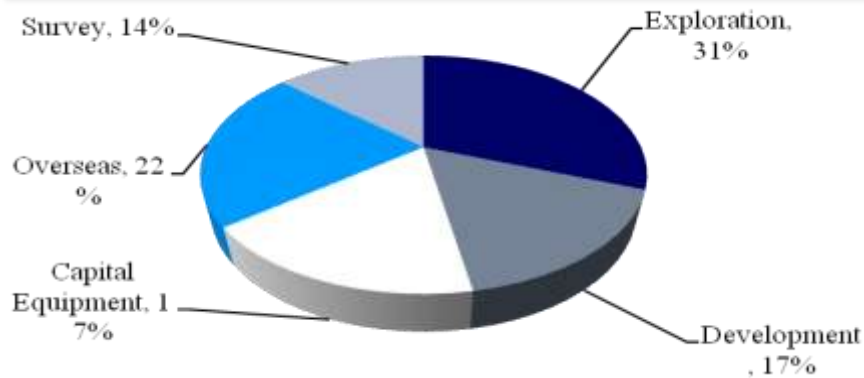
Sustained rise in Capex



Accelerated exploration initiatives (Contd...)

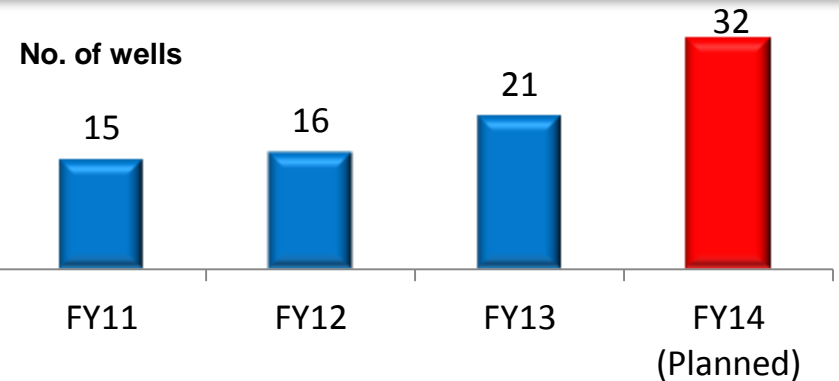
Significant Investments Planned

2013-14: Rs.3,581 crore

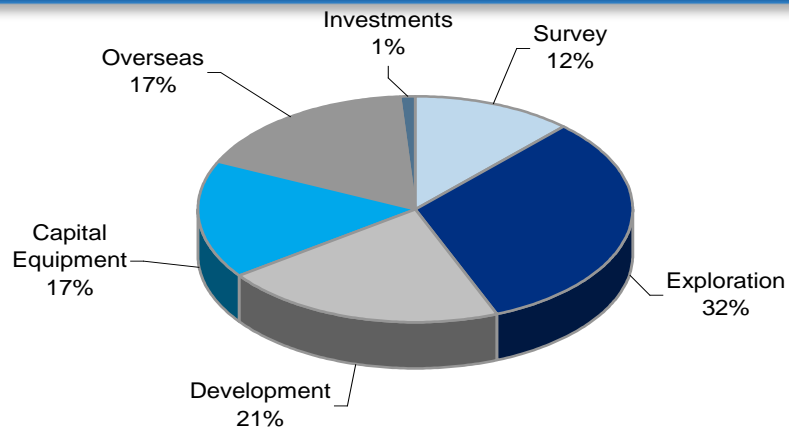


Accelerated Drilling Activities

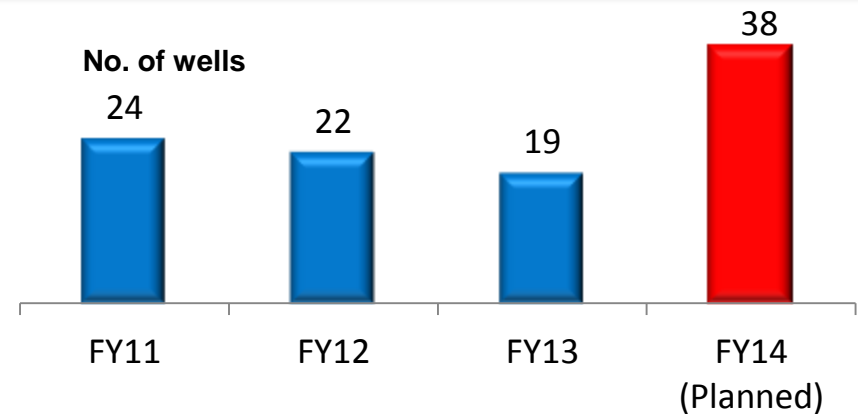
Exploratory Drilling



XII 5year Plan: Rs.19,003 crore



Development Drilling



3a. Overseas acquisitions – Focus and Available Resources

Focus for Overseas acquisitions

- ❏ 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



Available Resources

- ❏ Dedicated Multifunctional Team pursuing M&A opportunities
- ❏ Utilising Expertise of M&A Advisers 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/Integrated Projects
- ❏ Active and Focused Management Support for M&A



3b. 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



medco

Kuwait Energy



4. Vertical integration: 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



Major Projects - Overseas

Project Carabobo, Venezuela

- Two blocks (383 sq. km) in Orinoco heavy oil belt in Venezuela.
- Production from first well started in December, 2012
- Current production from three wells is 1800 bopd.

Block Shakthi, Gabon

- Area: 3,761.65 Km²
- Less explored, geologically stable, oil-rich country
- 3 locations released for drilling
- OIL has made its first overseas discovery in the 3rd well.

Area 95/96, Libya

- Located in Ghadames basin in Southwestern Libya
- Operator - Sonatrach,
- OIL's PI 25%
- 2D/3D Seismic survey and data Interpretation completed
- Discovered light oil in well A1-96/01
- Discovered gas in well A1-95/02
- Drilling at well B1-95/02 is in progress

Carrizo , USA

- Acquired 20% PI in producing NIOBRARA Liquid Shale Oil assets from M/s Carrizo (NIOBRARA) LLC on 04.10.2012 for US\$55mn
- Revenue generation from day one of acquisition.
- OIL's current share of production is around 500Boe/d
- OIL INDIA (USA) INC office has been opened in Houston, Texas



Major Projects – Overseas (Contd...)

Mozambique – Offshore Rovuma Basin

- 📍 2.6 million acres offshore Area-1 block off the coast of Mozambique
- 📍 Contains two confirmed discoveries – Prosperidade field and Golfino/Atum complex.
- 📍 One of the world’s largest and most prospective gas deposits
- 📍 In-place gas resources of up to 84 Tcf and Recoverable resources of 35 - 65 Tcf.
- 📍 Implies a recoverable resource of 11.5 TCF – 19.5 TCF attributable to India
- 📍 First LNG Train expected to be out by 2018.
- 📍 Access to the further upsides from future exploration (e.g.Tubarao)
- 📍 India is the closest “large end market” to Mozambique
- 📍 Strong government to government relationship between India and Mozambique
- 📍 Optimal shipping routes and access to the Indian west coast
- 📍 An existing Indian partner in the Project



Major Projects - Domestic

Mizoram MZ-ONN-2004/1 (NELP-VI)

- Area: 3,213 Sq. Km
- Pre-drilling in progress, 5 locations released for drilling
- 1352 LKM of 2D seismic survey completed.
- 3D survey expected to start soon.

Gulf of Mannar CY-OSN-2009/2 (NELP-VIII)

- Area: 1,621 Sq. Km
- Processing of acquired data completed.
- Data sent for Interpretation.
- 2D API 511 LKM, 3D API 1621 SQKM and three well 2D and 3D acquisition and processing completed.

KG Basin KG-ONN-2004/1 (NELP-VI)

- Area: 549 Sq. Km
- Pre-drilling in progress, 4 locations released for drilling.
- Drilling of 1st well expected to start soon.

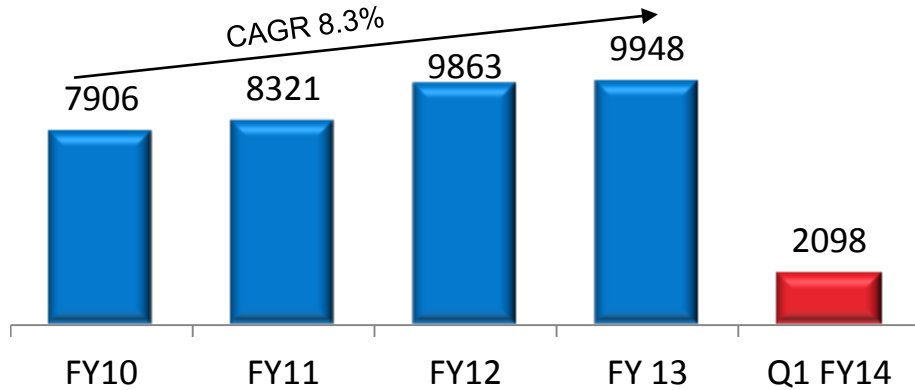


Financial Performance

Growing Revenue and Profit

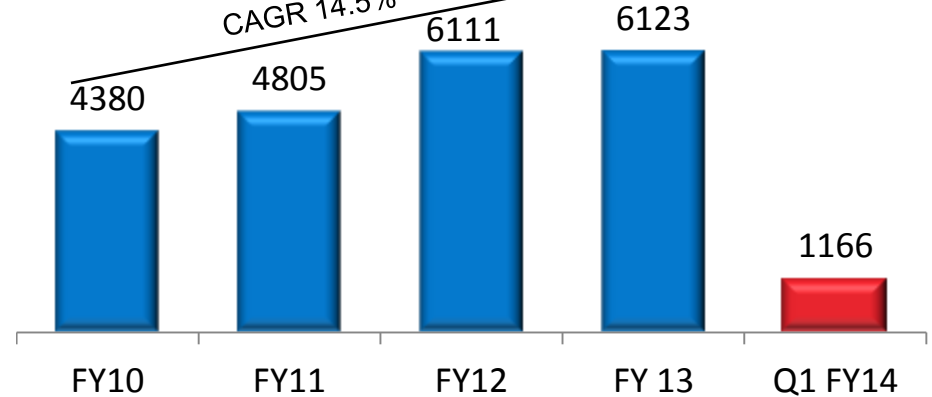
Revenue

(Rs.crore)



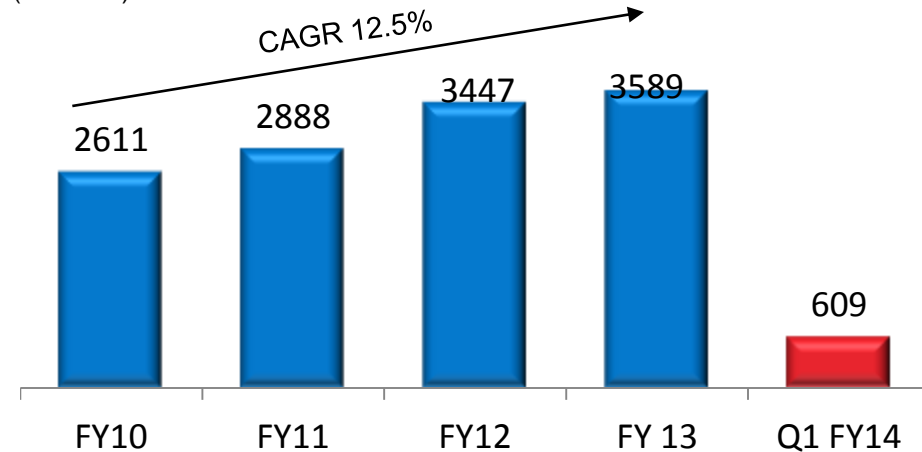
EBITDA

(Rs.crore)



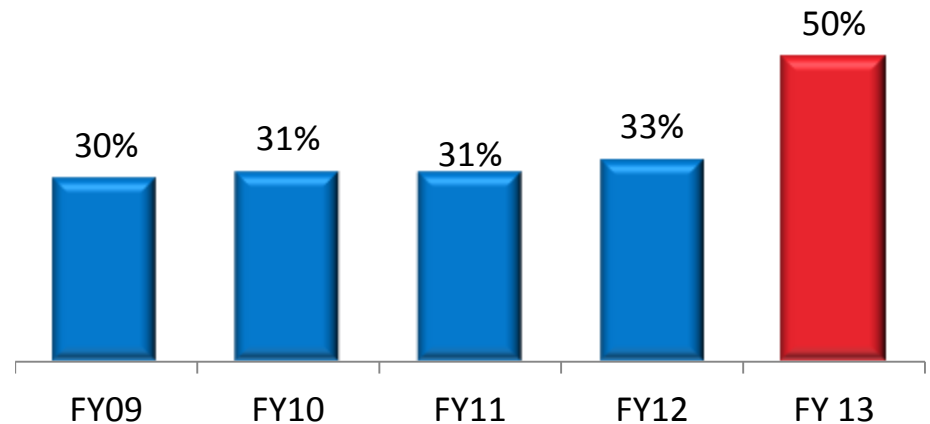
Net Profit

(Rs.crore)



Dividend Payout Ratio

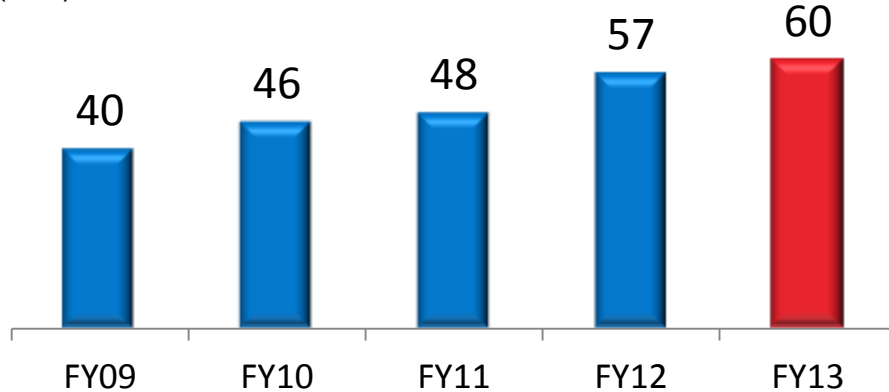
(As a % of Profit)



Strong Financials

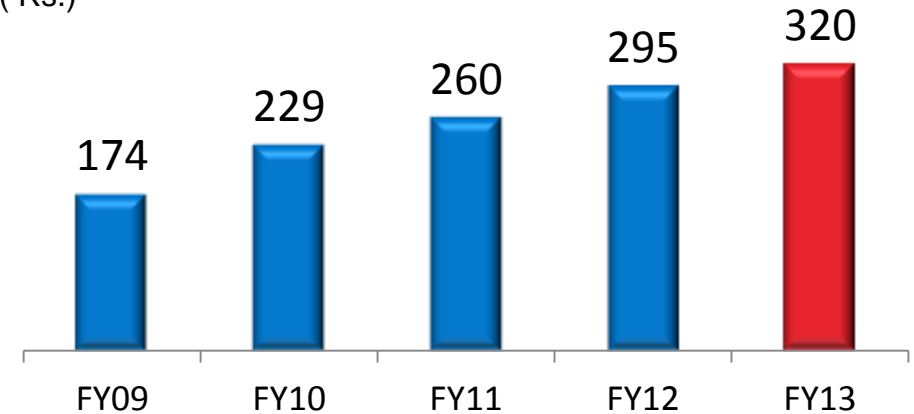
Earnings Per Share

(Rs.)



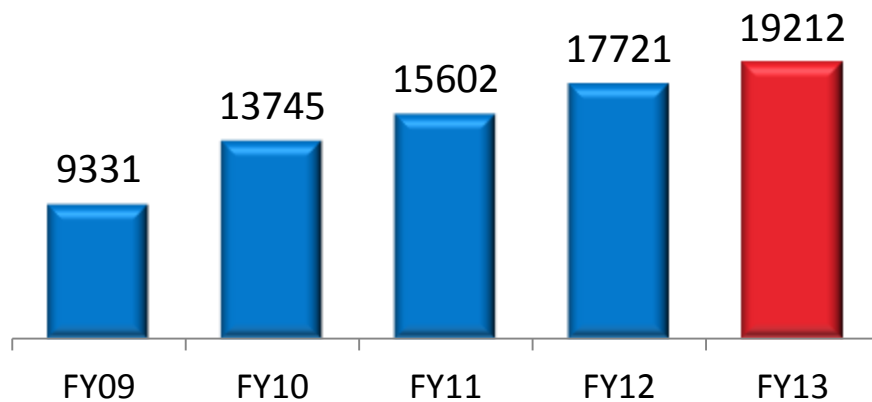
Book Value Per Share

(Rs.)

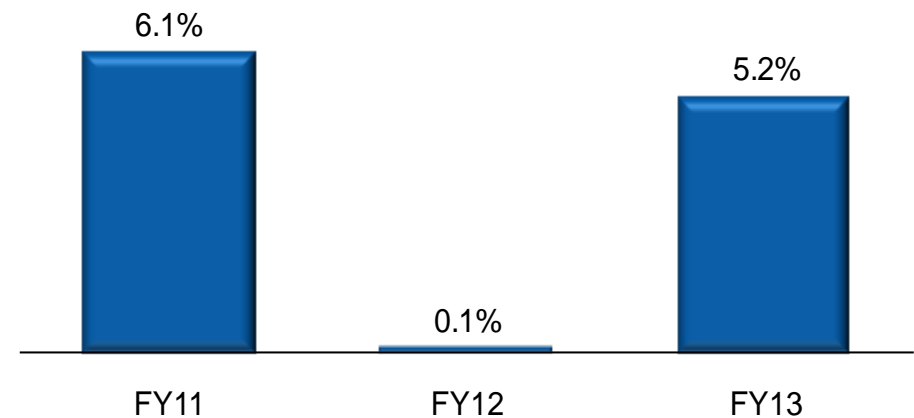


Net Worth

(Rs.crore)



Total Debt/Total Capitalisation



Sharing of Subsidy

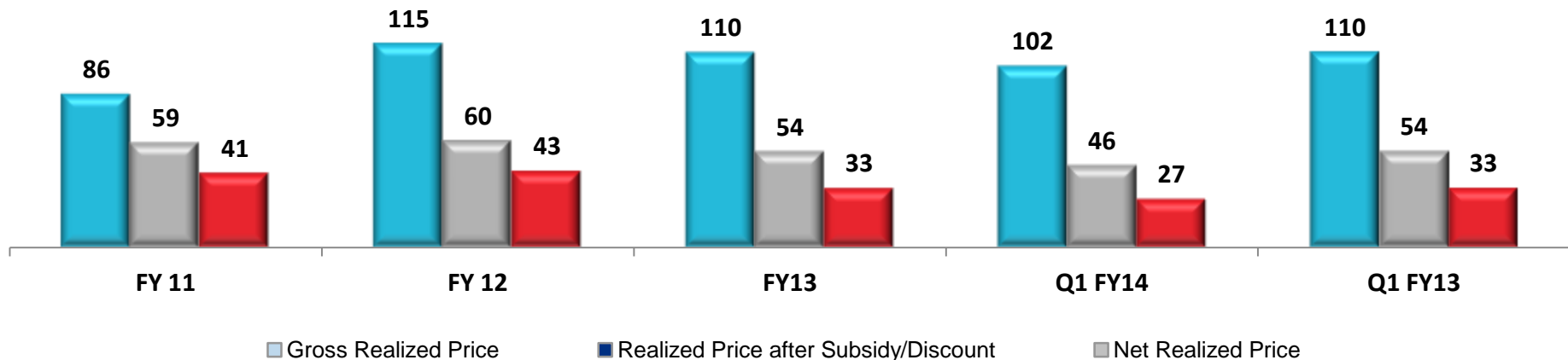
Rs. crore

	2010-11	2011-12	2012-13	Q1 13-14
ONGC	24893	44,465	49,421	12,622
OIL	3293	7,352	7892	1,982
GAIL	2111	3,183	2687	700
Total	30297	55,000	60,000	15,304

% Sharing

	2010-11	2011-12	2012-13	Q1 13-14
ONGC	82%	81%	81%	83%
OIL	11%	13%	14%	13%
GAIL	7%	6%	5%	5%
Total	100%	100%	100%	100%

Realised Price (USD/Barrel)



Natural Gas Pricing

- 📍 Natural Gas Price at USD 4.2/mmbtu for 10000 Cal (inclusive of royalty) approved in May,2010.
- 📍 OIL's current estimated 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.
- 📍 Based on recommendations of Rangarajan Committee, Govt. has approved revision in Natural Gas price effective April 2014.
- 📍 The proposed pricing will have international linkage based on following formulae :
 - 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 is likely to improve by ~Rs 220 crore.



Conclusion

More than 5 decades of E&P expertise

Strong operating track record

Steady and sustained Growth

Sound Financial Health

Large prospective E&P acreage

Pioneer in Pipeline transportation

Entry into Offshore/ Deep Water Blocks

Entry into discovered assets in Venezuela, Mozambique

Acquisition thrust continues

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



Thank You