



ऑयल इंडिया लिमिटेड  
**Oil India Limited**



# Oil India Limited

Investor Presentation

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5. Growth Strategy







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**Oil India Limited**

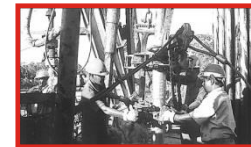


**Company background**

# Oil India: An Introduction



<b>Rich Heritage</b>	<ul style="list-style-type: none"><li>Over 5 decades of experience in oil &amp; gas sector</li><li>Credited with creation, operation and maintenance of a fully-automated crude oil pipeline</li></ul>
<b>Strong Parentage with Government of India (GoI)</b>	<ul style="list-style-type: none"><li>GoI ownership of 67.6%</li><li>Awarded 'Navratna' status in 2010</li><li>Second<sup>1</sup> largest national oil and gas company in India</li></ul>
<b>Integrated and fully serviced Oil &amp; Gas (O&amp;G) Player</b>	<ul style="list-style-type: none"><li>Presence across Oil &amp; Gas Value Chain</li><li>Integrated infrastructure and In-house expertise</li></ul>
<b>Dominant India and Expanding Global Presence</b>	<ul style="list-style-type: none"><li>Domestic: 55 blocks; 86,194 sq. km</li><li>International: 13 blocks; 74,721 sq. km</li></ul>
<b>Strong Reserve Base</b>	<ul style="list-style-type: none"><li>Total 2P<sup>2</sup> reserves: 909 mmboe</li><li>Reserve replacement ratio of well over 100% in past 5 years</li></ul>
<b>Experienced Management Team</b>	<ul style="list-style-type: none"><li>Senior management team with strong in-house technical expertise in our core business</li></ul>
<b>Consistent Growth and Robust Balance Sheet</b>	<ul style="list-style-type: none"><li>H1 FY15 Revenue: Rs. 5,555 crore PAT:1,460 crore</li><li>FY14 Revenue: Rs. 11,241 crore, PAT:2,981 crore</li></ul>



**Oil India is a leading O&G 'Navratna' Company engaged in the Exploration, Development, Production and Transportation of Crude Oil and Natural Gas**

Note: 1.Based on total proved plus probable oil and natural gas reserves and production  
2.Proved plus probable reserves

# 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”**

# Key Highlights

Obtained International Credit Ratings : 'Baa2' by Moody's and BBB- by Fitch

Maiden Foreign Currency Bond Issue of US\$ 1 billion

Acquisition of gas assets in Rovuma Offshore Block in Mozambique

Acquired producing property in License 1 Block in Russia

Raised first External Commercial Borrowings of USD 250 million

Acquired 5% equity stake in IOC

Received award of 'Platts Top 250 Global Energy Company'

# Shareholding Structure



Listed on BSE / NSE

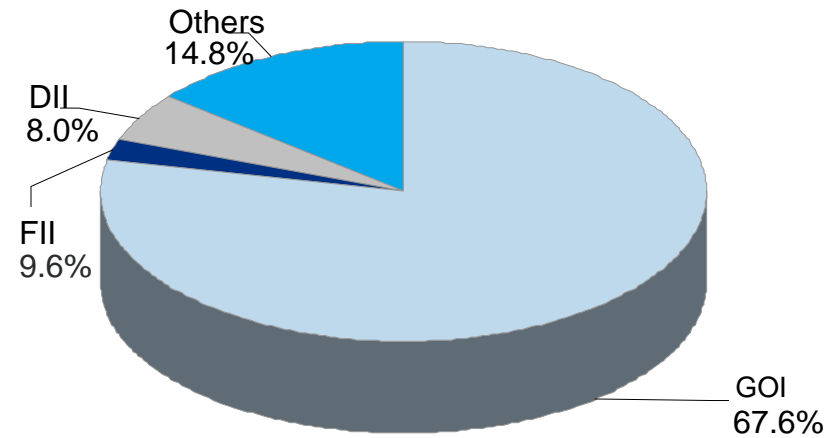
Number of shares: 601.14 mn

Dividend FY14  
Dividend/Share: Rs.21.5

Share price (52 Week High / Low) : Rs.670 / Rs.438

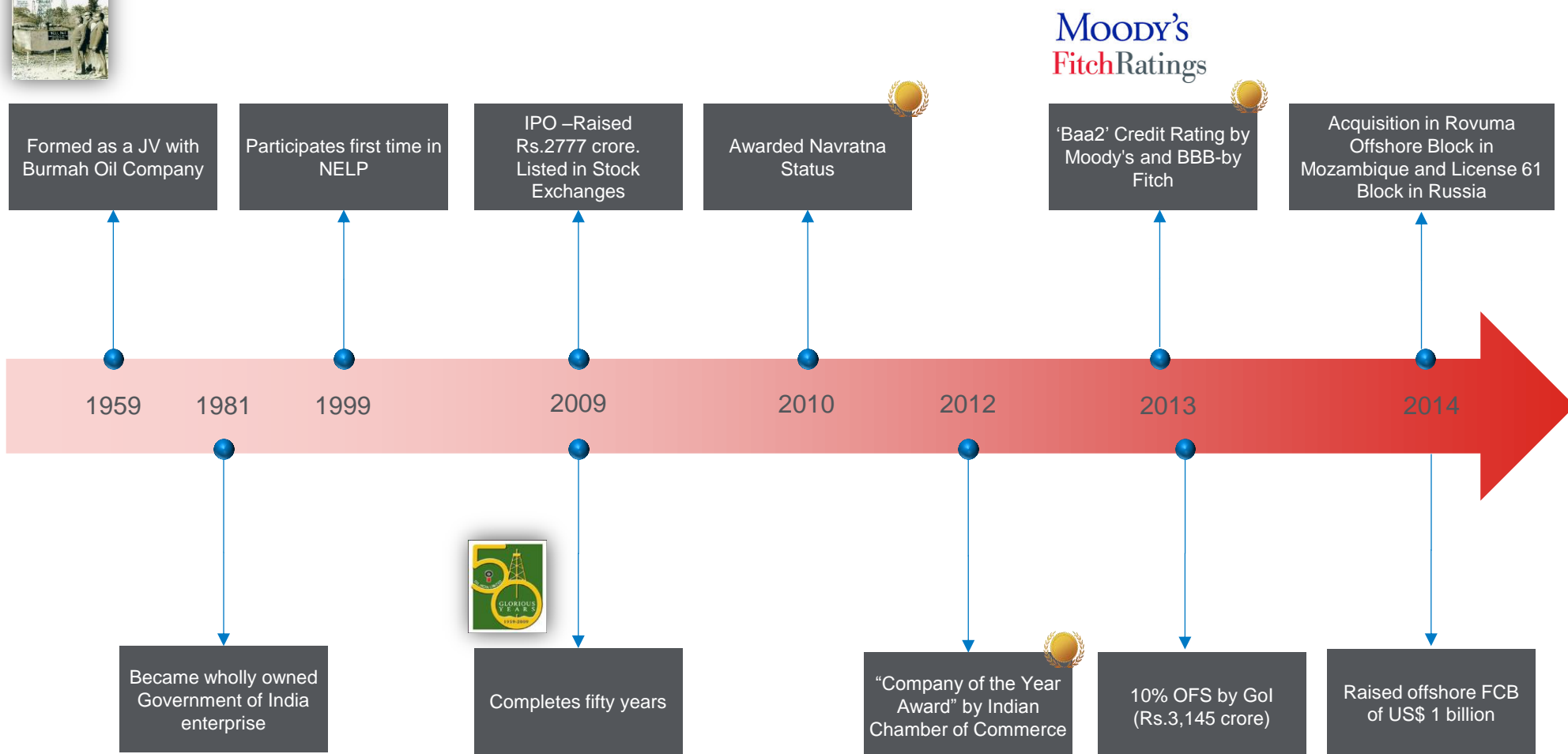
Market Cap: Rs.35,365 crore

(1) Market cap as on 18.11.2014



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%

# Oil India: Milestones and Track Record



Over 50 Years of Experience in the Oil & Gas Sector



# Strong Parentage and Experienced Management Team

## Strong Parentage of GoI

### 2<sup>nd</sup> Largest Public Sector E&P company

- ☛ Became a Public Sector Undertaking in 1981
- ☛ GoI owns 67.6% and Central Public Sector Enterprises (IOCL, BPCL & HPCL) own 8.9%
- ☛ 2 Government nominees on the Board

### Awarded 'Navratna' Status in 2010

- ☛ Status accords complete autonomy to the Company in its operations except;
- ☛ M&A or equity investment in a single JV / Wholly owned subsidiary
- ☛ **Domestic:** Up to Rs.1,000 crore or 15% of net worth
- ☛ **International:** Up to Rs.3,000 crore or 25% of net worth

## Best In-Class Management Team



Sunil K. Srivastava

*Chairman & MD*

Over 37 years of experience in O&G Industry

- ☛ Appointed Chairman & Managing Director in May 2012

- ☛ Former Director General, Directorate General of Hydrocarbons

- ☛ As head of explorations in NE, he was credited with several oil & gas discoveries and setting up of state of the art G&G interpretation center



N K Bharali

*Director (HR & BD)*

35 years of experience in O&G Industry

- ☛ Appointed Director (HR & BD) in September 2010

- ☛ Worked in different areas relating to oil & gas production, corporate planning and HRM



Satchidananda Rath

*Director (Operations)*

35 years of experience in O&G Industry

- ☛ Appointed Director (Operations) in March, 2011

- ☛ Responsible for exploration, development, resource management, oil, gas and LPG production and pipeline business



R S Borah

*Director (Finance)*

Over 29 years of experience in O&G Industry

- ☛ Appointed Director (Finance) in October, 2013

- ☛ Experience in diverse fields of financial management, audit and strategic planning



Sudhakar Mahapatra

*Director (Expl. & Dev.)*

Over 33 years of experience in O&G Industry

- ☛ Appointed Director (E&D) in August, 2014

- ☛ Experience in diverse fields exploration management under PSC/JV regimes, E&P business development process

Awards



Platts Top 250 Global Energy Company Rankings' 2014



Forbes Global 2000 1,638<sup>th</sup> Rank 2013

BUREAUCRACY Today

BT Star Best PSU 2013



Indian Chamber of Commerce Company of the Year 2012

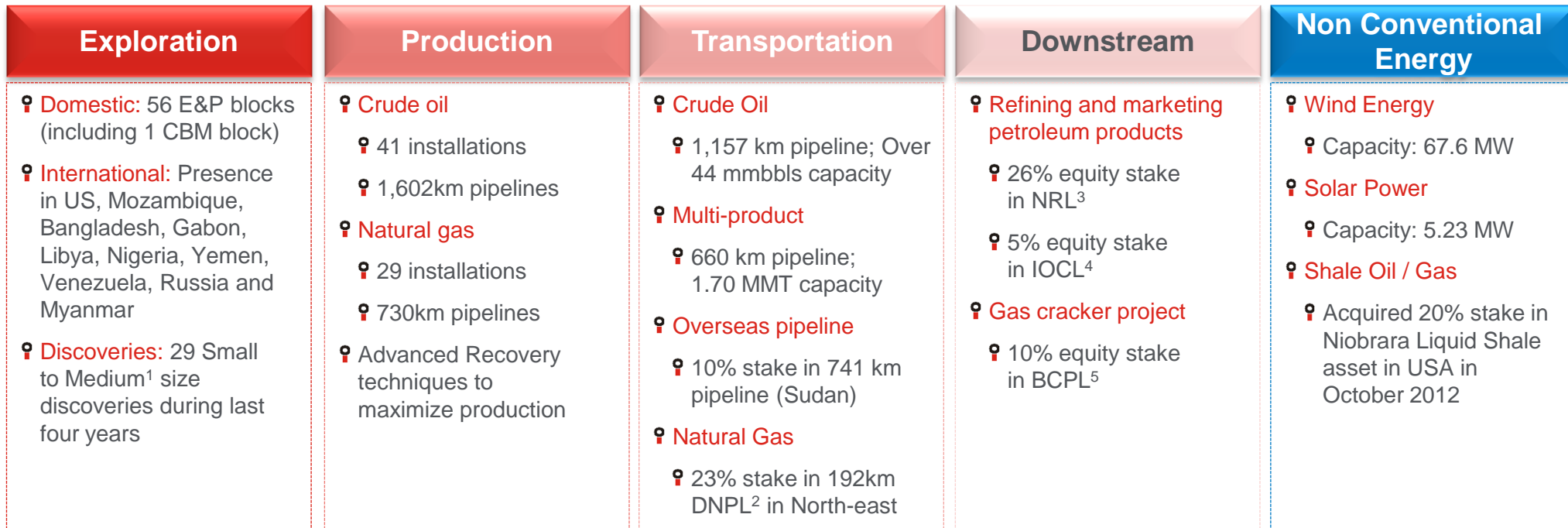
NDTV

NDTV Business Leadership award in Oil & Gas Sector 2012



Golden Peacock Award Corporate Governance 2012

# Integrated and Diversified Oil & Gas Player



Note:  
 1. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30mn barrels of oil and oil equivalent gas.  
 2. DNPL – Duliajan-Numaligarh Pipeline Limited.  
 3. NRL – Numaligarh Refinery Limited.  
 4. IOCL – Indian Oil Corporation Limited  
 5. BCPL – Brahmaputra Cracker and Polymer Limited

**Fully serviced E&P Company and diversifying into non-conventional energy**



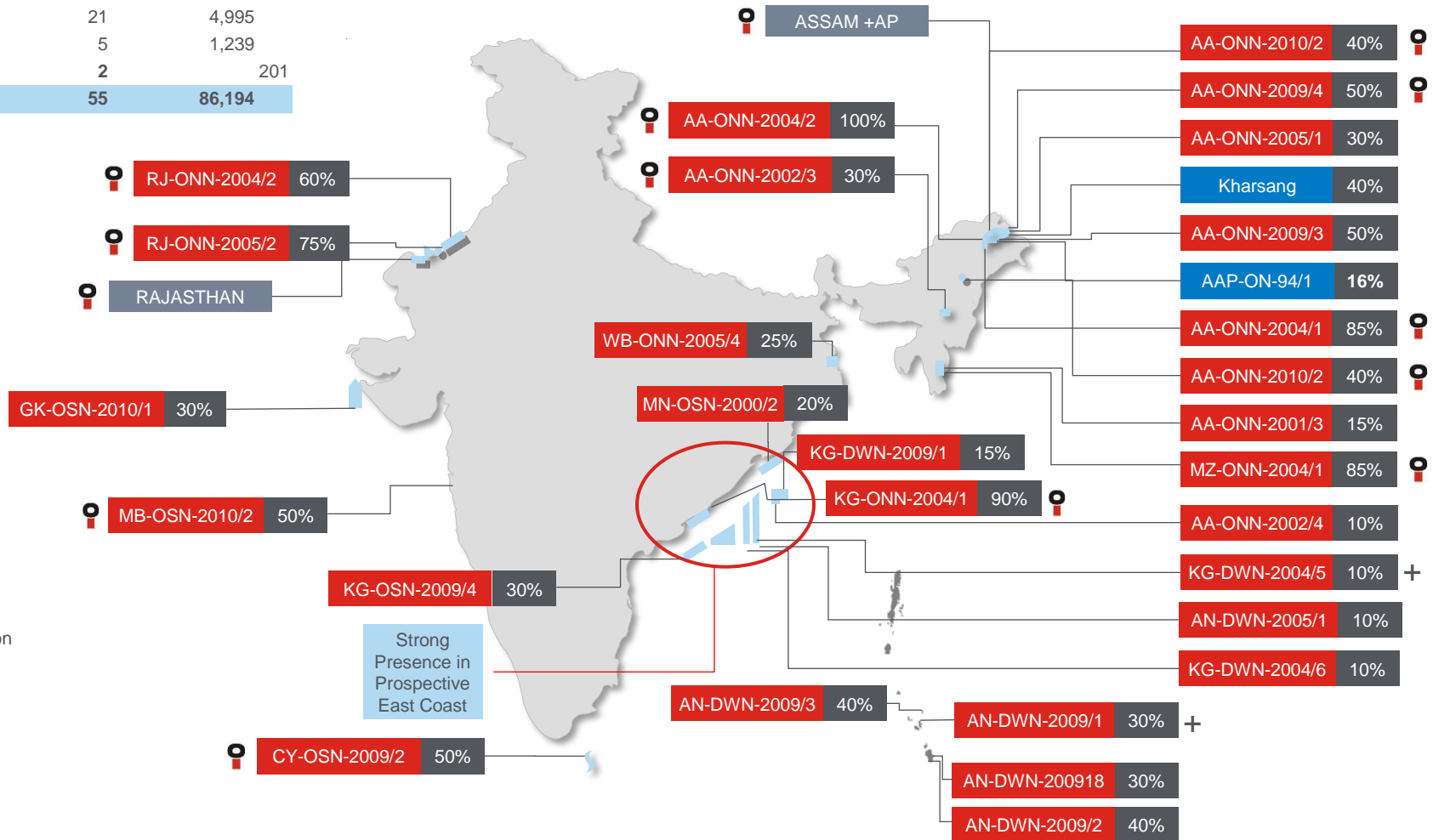
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**Asset and reserve overview**

# Domestic Asset Overview

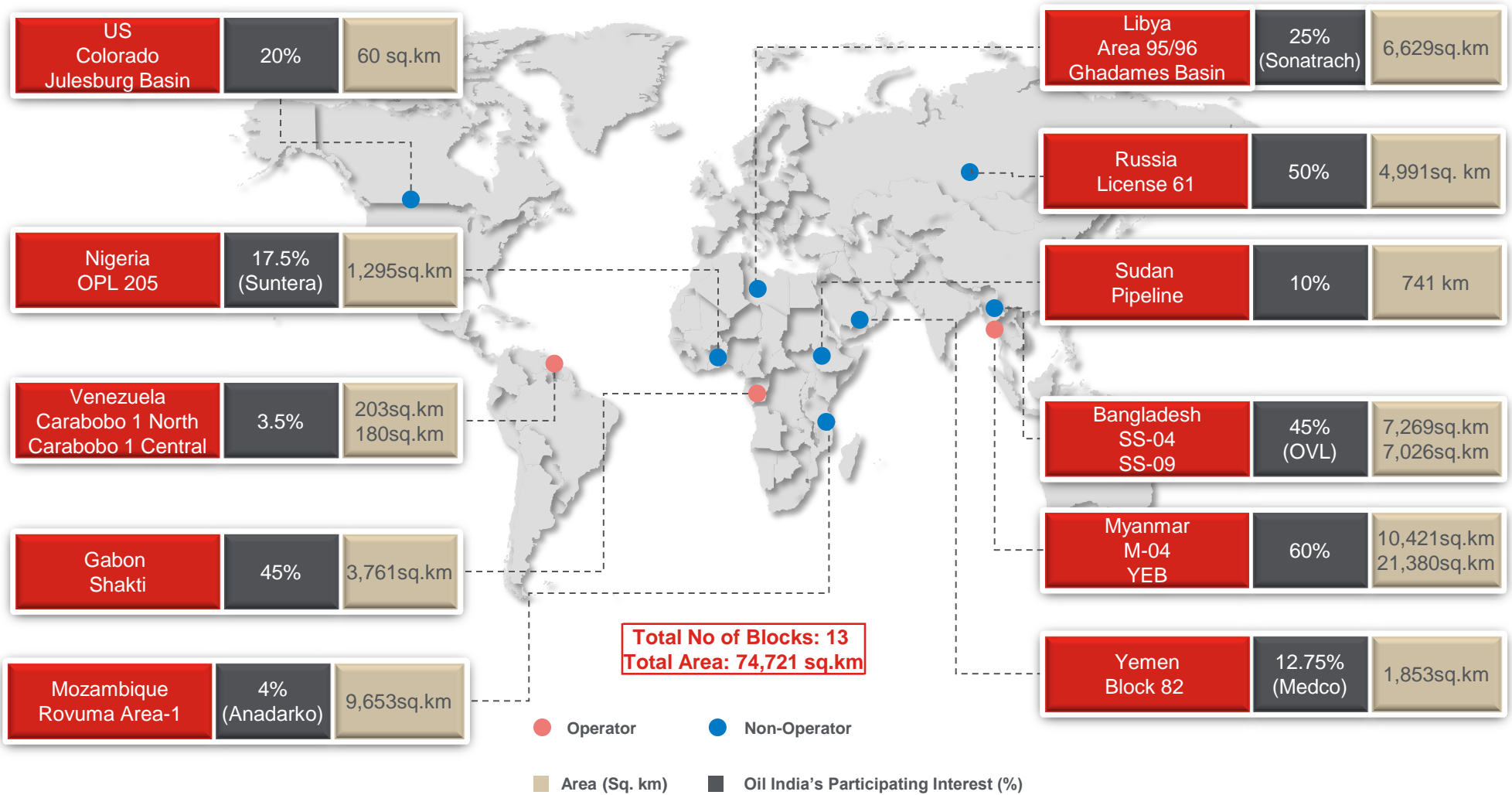
Blocks	No	Area (sq. km.)
NELP – Operator	12	18,463
NELP – Non-Operator	15	61,296
PML – Nomination	21	4,995
PEL – Nomination	5	1,239
JV / PSC	2	201
<b>Total</b>	<b>55</b>	<b>86,194</b>



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

Note: NELP: New Exploration Licensing Policy, PML – Petroleum Mining Lease, PEL – Petroleum Exploration License, JV – Joint Venture, PSC – Production Sharing Contract

# International Asset Overview

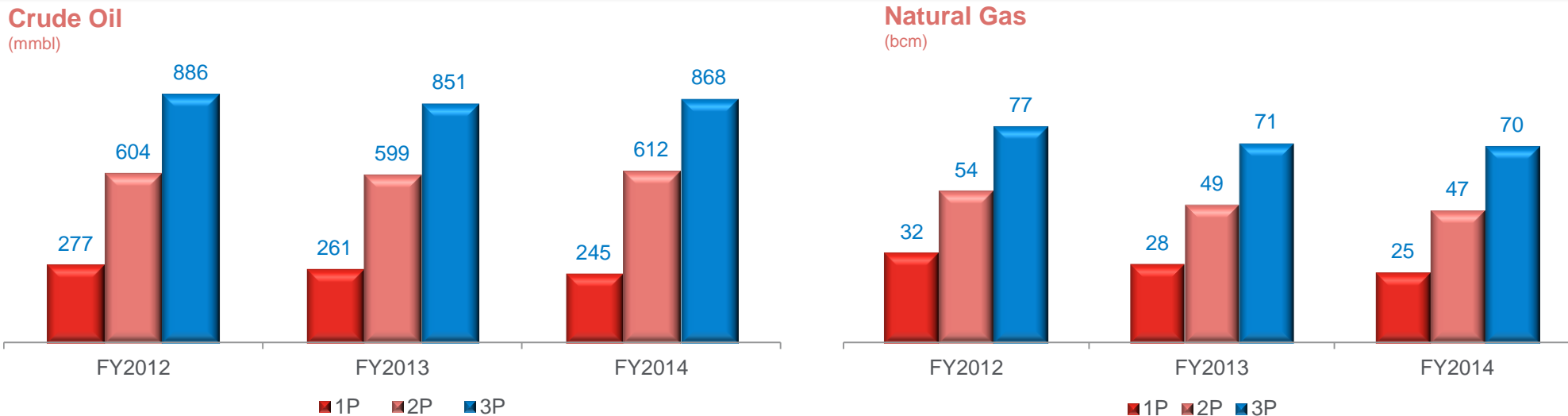


**Solid International Footprint with Balanced Presence in Exploration Acreages & Producing Properties**



# Large and Diversified Reserve Base

## Large Reserve Base with an Attractive Oil & Gas Mix



## Reserve Replacement Ratio



Significant reserve base, with a track record of Reserve Replacement Ratio >1.0x

# 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 achieving 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



## Renewable Energy/LNG projects

- 📍 Commissioned Wind Energy Project in Rajasthan.
- 📍 LNG: MOU with Kakinada Seaports





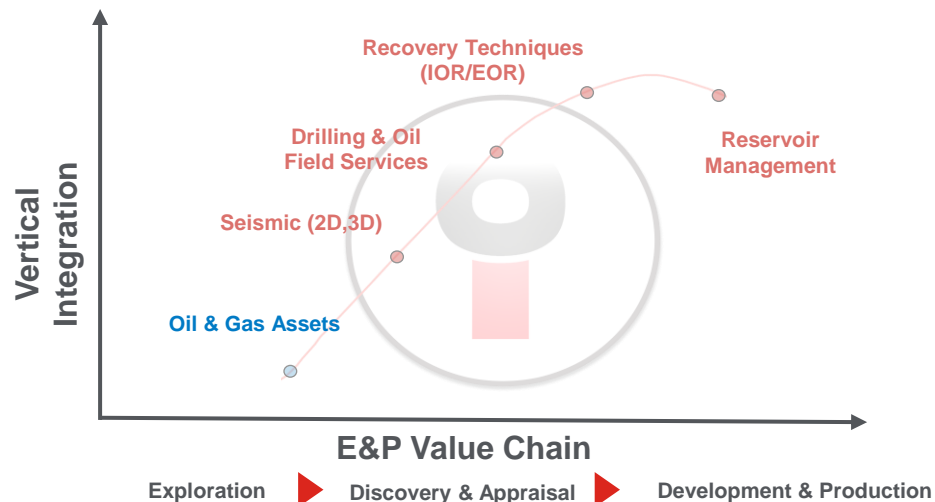
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**Strategic strengths**

# Solid Infrastructure Base with Strong In-House Capabilities

## Vertically Integrated E&P Operations with Solid Infrastructure



## Infrastructure to Support E&P Activities

	<b>One 2D and two 3D Seismic crew</b>		<b>6 Logging Units</b>
	<b>16 Work-over Rigs</b>		<b>16 Drilling Rigs</b>

## Production and Storage Facilities

	<b>70 Production Installations</b>	
	<b>5,000km O&amp;G Pipelines</b>	
		<b>~150k KL Crude Storage</b>

## In-house Expertise and Integration across Oil & Gas Infrastructure

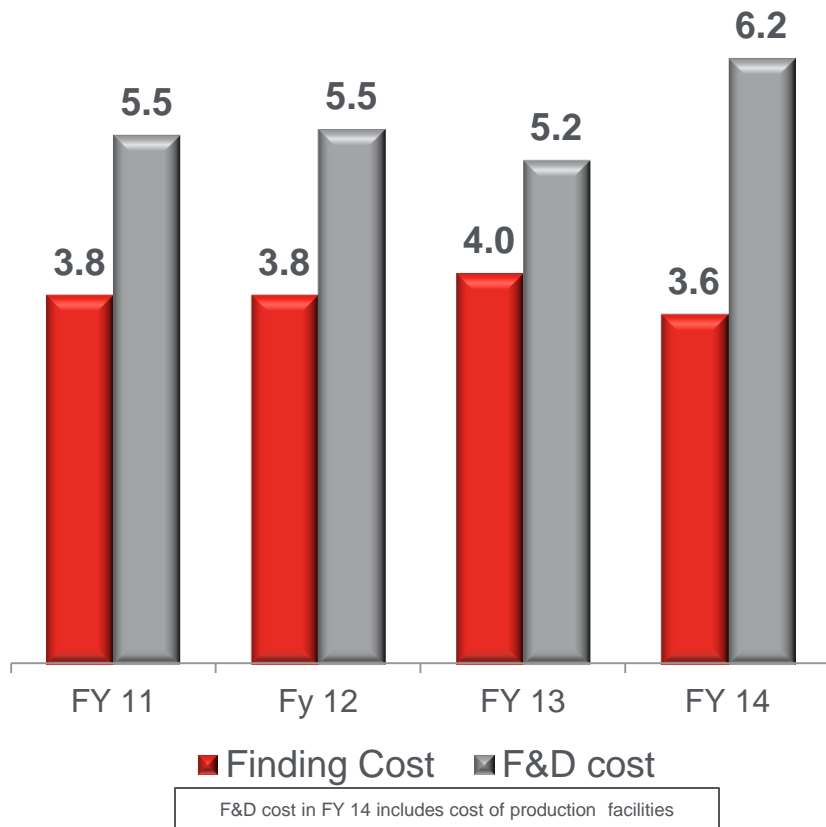
Note: IOR/EOR stands for Improved Oil Recovery/Enhanced Oil Recovery

# Attractive Cost Structure

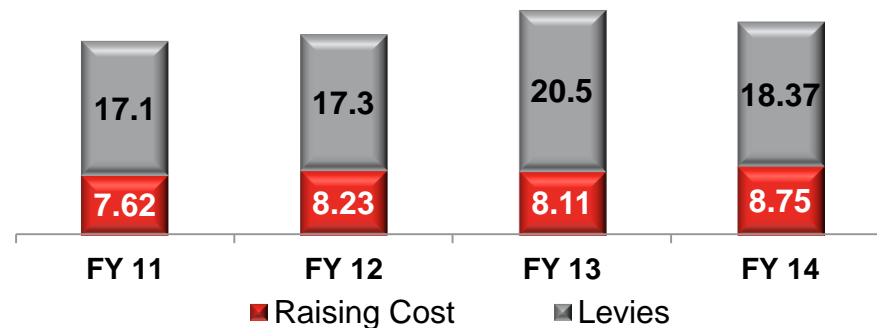
## OIL has the Advantage of Low Finding and Development Costs

- 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

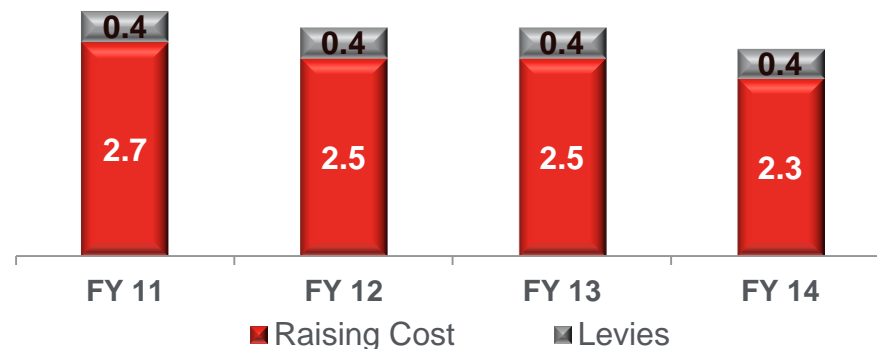
### Finding & Development Cost (USD/BOE)



### Crude Oil Production Cost (USD / bbl)



### Natural Gas Production Cost (USD/ MMBTU)





# Growth Focus on Key International Projects

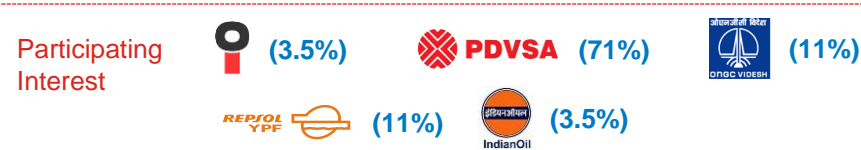
## Rovuma Basin, Offshore, Mozambique

- In-place gas resources up to 84 tcf and recoverable resources of 35-65 tcf
- First production and revenue is expected in FY2019



## Project 1, Carabobo, Onshore, Venezuela

- 15 development well drilled.
- 15 wells are on production with current average total production of 8,600 boepd (OIL's share 300 boepd)



## Area 95 / 96, Onshore, Libya

- Drilling of four wells has been completed
- Resulted in light oil discoveries in one well and gas discoveries in three wells



## Carrizo Shale Asset, USA

- 109 wells on production with average daily production of 700 bopd (Oil India's share)



## Block Shakthi, Onshore Gabon

- Recent discovery in the block marks Oil India's first overseas discovery as a operator



## License 61, Onshore, Russia

- 29 wells on production with average production is 1817 bopd.(OIL's share 909 bopd)



Production from international assets is expected to support growth in production going forward

Note: tcf = trillion cubic feet, boepd – barrel oil equivalent per day



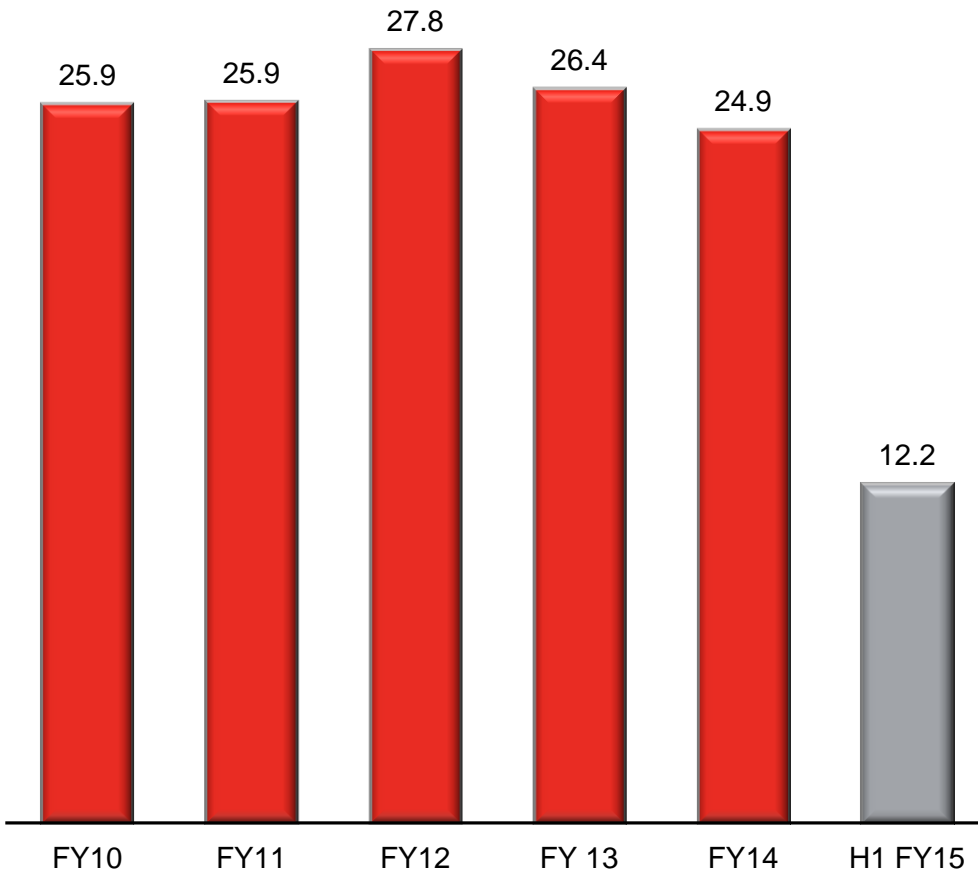
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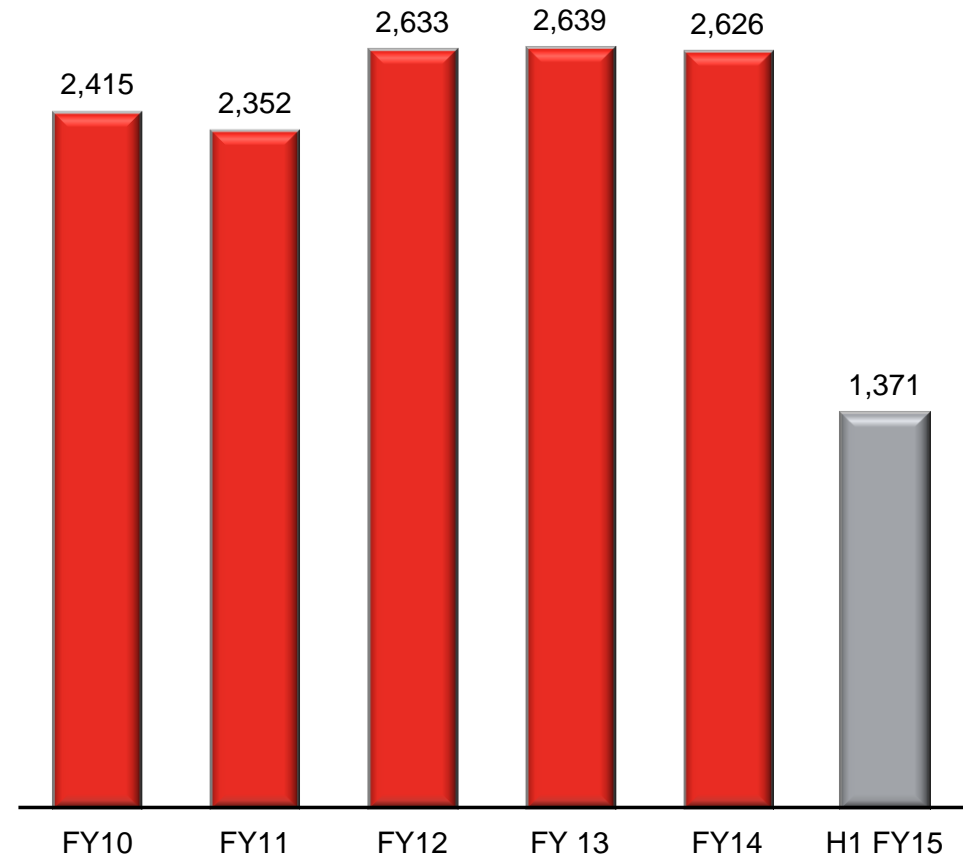
## **Operating and Financial Highlights**

# Crude Oil and Natural Gas Production

Crude Oil Production (mn. bbl)

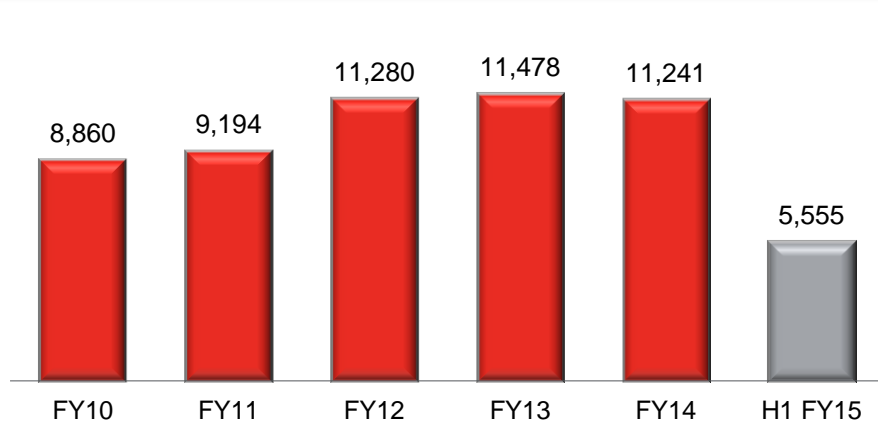


Natural Gas Production (mm scm)

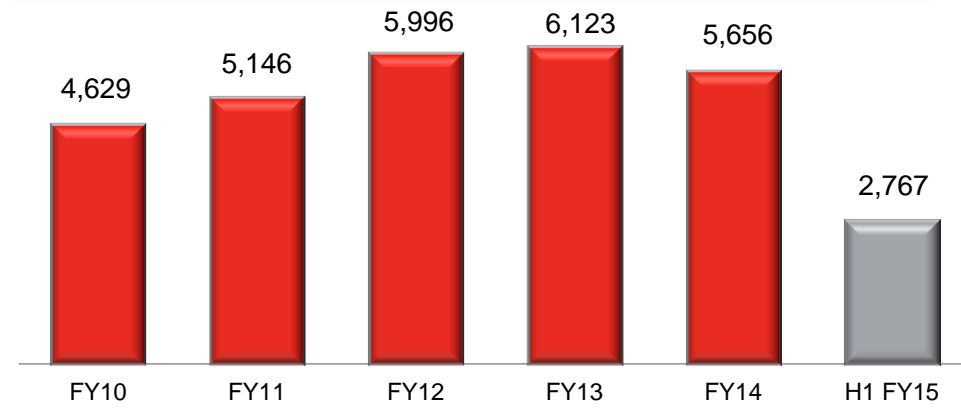


# Financial highlights

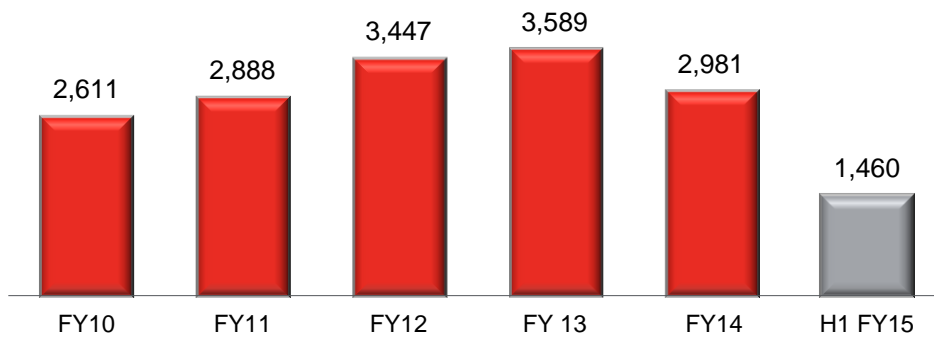
## Revenue (Rs. crore)



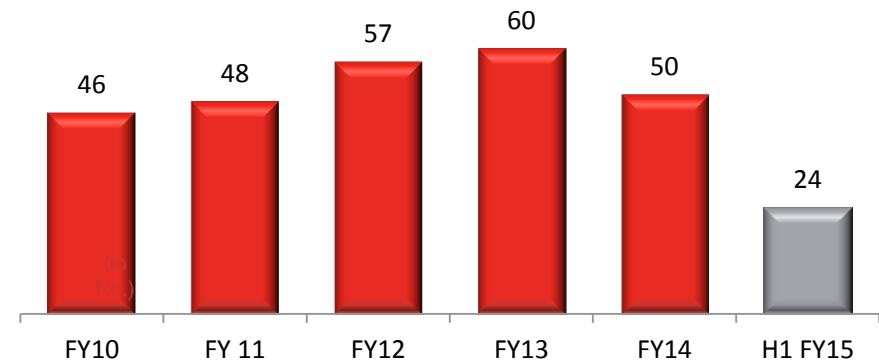
## EBITDA (Rs. crore)



## Net Profit (Rs. crore)

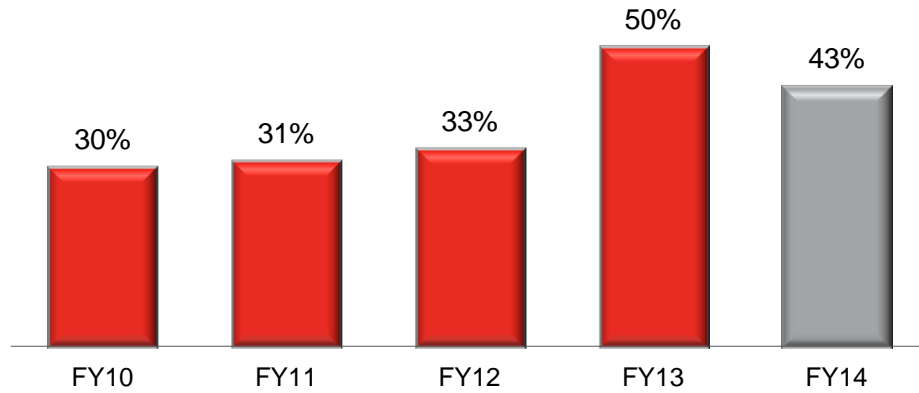


## Earnings Per Share (Rs.)

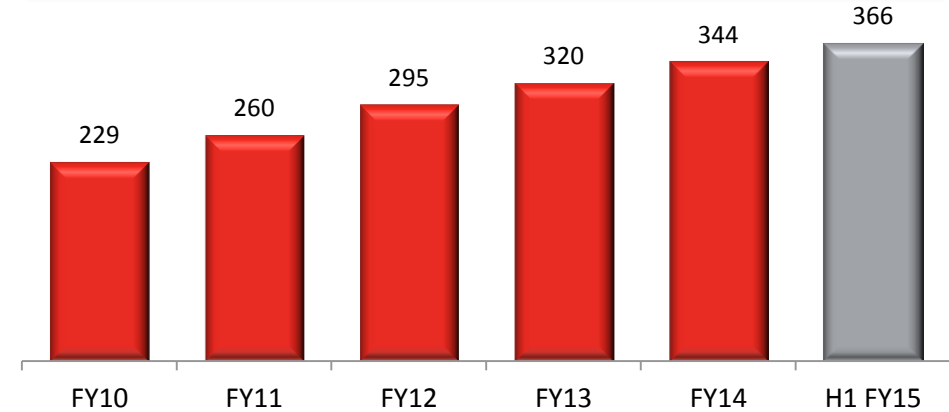


# Financial highlights

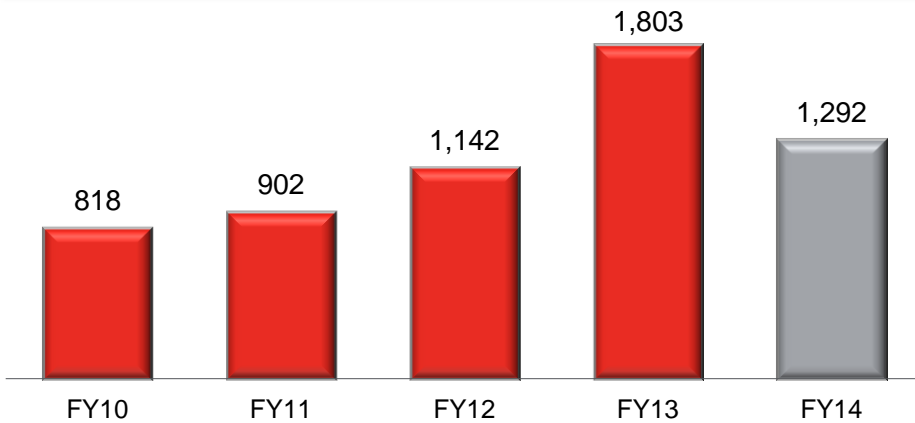
## Dividend Payout (% of PAT)



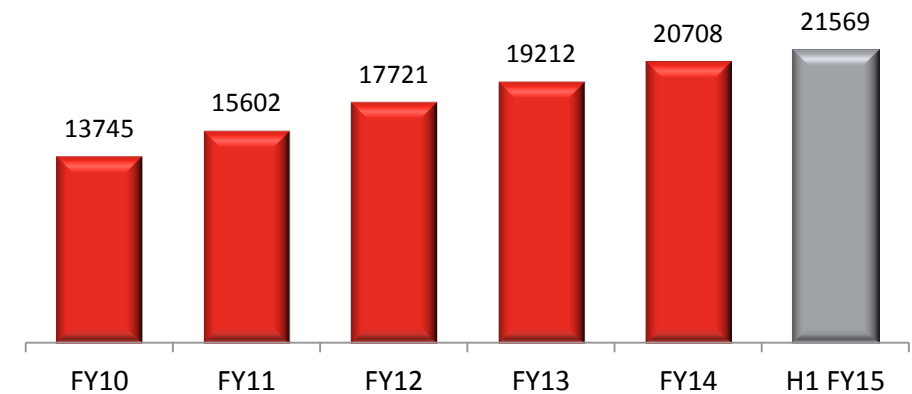
## Book Value Per Share (Rs.)



## Dividend Payment (Rs. Crore)



## Net Worth (Rs. Crore)





# Sharing of Subsidy and Crude Price Realisation

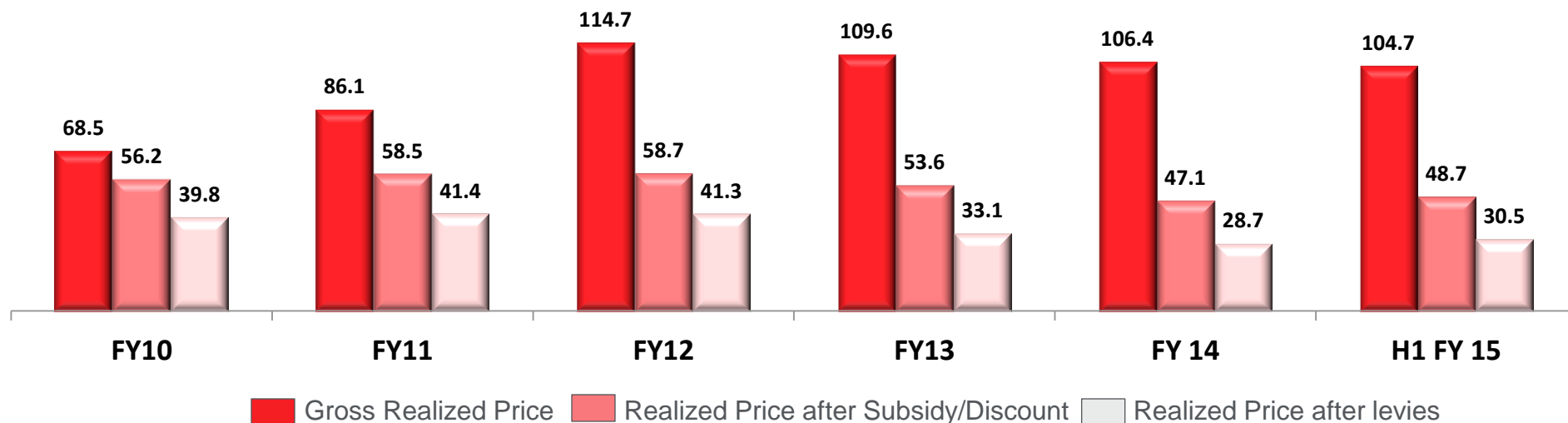
Rs. crore

	FY10	FY11	FY12	FY13	FY14	H1 FY15
ONGC	11554	24893	44,465	49,421	56,384	26,841
<b>OIL</b>	<b>1549</b>	<b>3293</b>	<b>7,352</b>	<b>7892</b>	<b>8,737</b>	<b>4,085</b>
GAIL	1327	2111	3,183	2687	1,900	1,000
<b>Total</b>	<b>14430</b>	<b>30297</b>	<b>55,000</b>	<b>60,000</b>	<b>67,021</b>	<b>31,926</b>

% Sharing

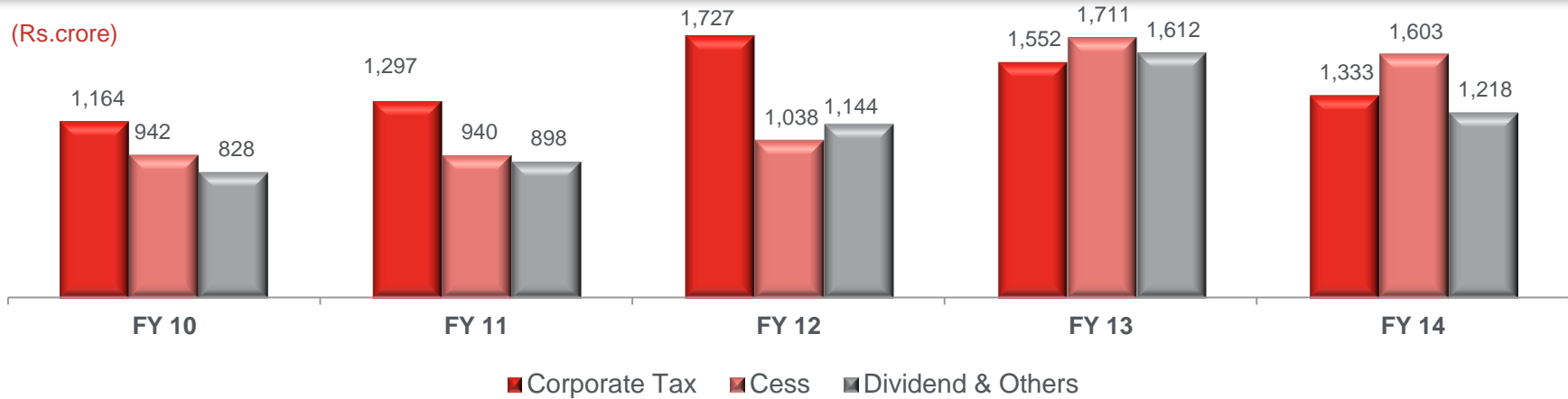
	FY10	FY11	FY12	FY13	FY14	H1 FY15
ONGC	80%	82%	81%	81%	84%	84%
<b>OIL</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>14%</b>	<b>13%</b>	<b>13%</b>
GAIL	9%	7%	6%	5%	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Realised Price (USD/Barrel)

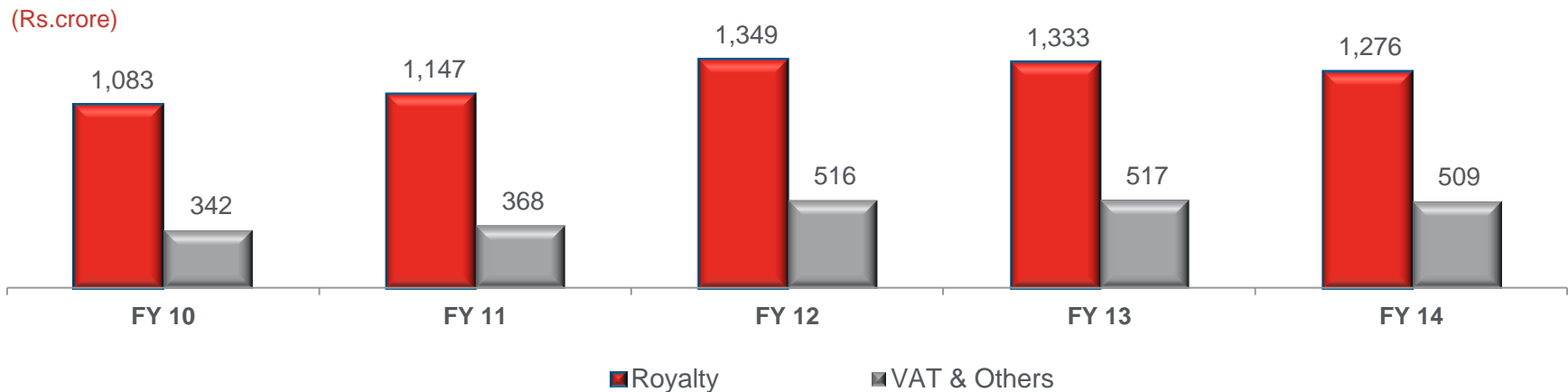


# Contribution to Exchequer

## Central Government



## State Government





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**Growth Strategy**

# Robust Strategy in Place

## Balanced growth of assets

- 📍 **Grow assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally**

## Improve rate of recovery

- 📍 **Implement a number of IOR<sup>1</sup> and EOR<sup>1</sup> techniques to develop maturing fields and to improve the recovery of crude oil reserves**

## Accelerate exploration and development

- 📍 **Invest in exploration and appraisal activities**

## Monetize natural gas resources

- 📍 **Focus on early commercialization of natural gas resources through new market opportunities**

## Vertical Integration

- 📍 **Diversify selectively into downstream sectors such as refining, petrochemicals, city gas distribution, etc.**

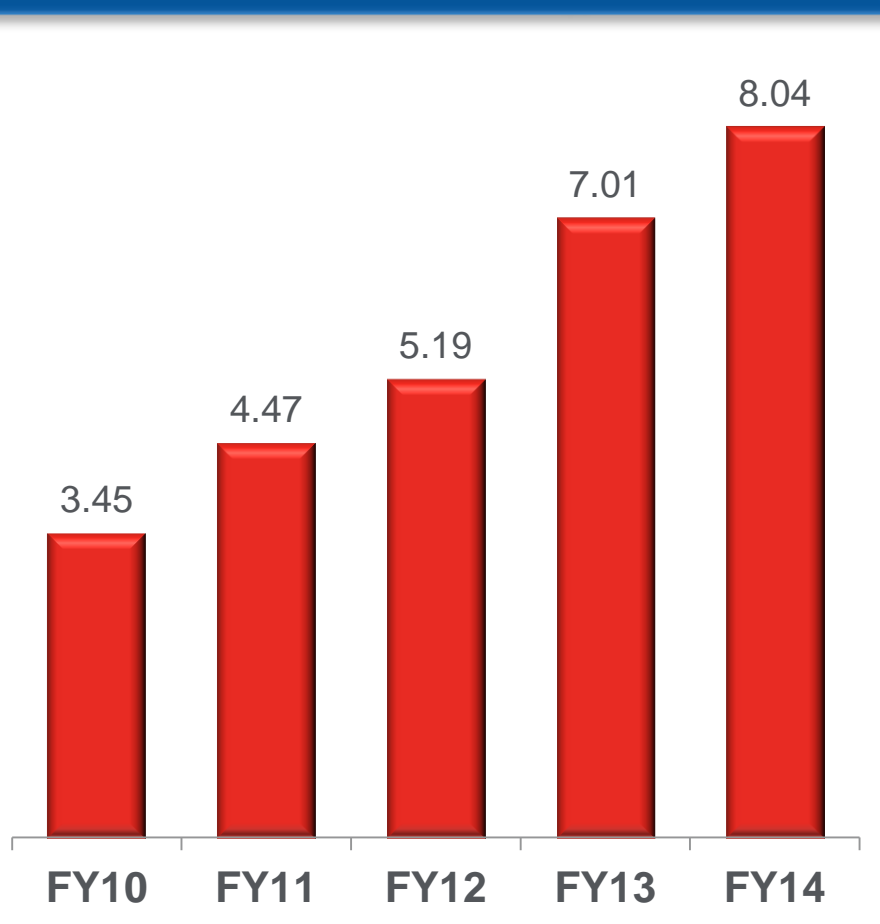
## Diversify into non-conventional energy

- 📍 **Installed and developed wind energy, solar power and shale oil<sup>2</sup>**

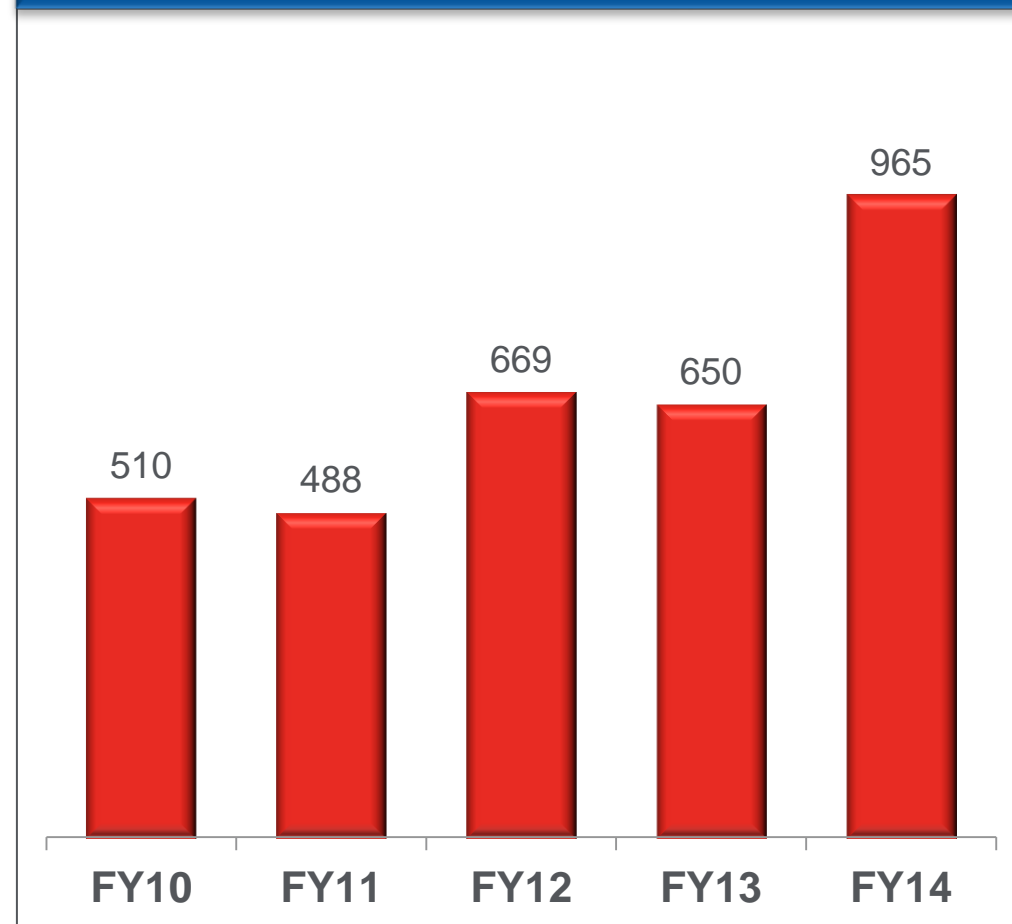
Note: 1. IOR/EOR stands for Improved Oil Recovery/Enhanced Oil Recovery  
2. Oil India has participating interest in shale oil assets in USA

# Enhanced production from IOR/EOR initiatives

Improvement in Production (mn. bbl)



Investment in IOR/EOR (Rs. Crore)

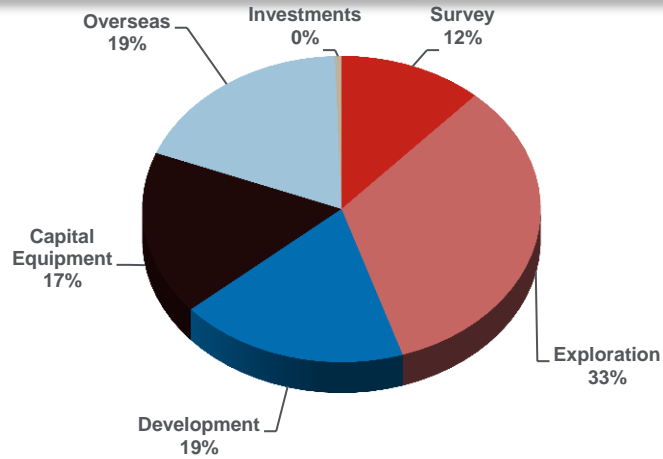


OIL has made investments of ~ Rs.3,300 crore in IOR/EOR initiatives during last five years

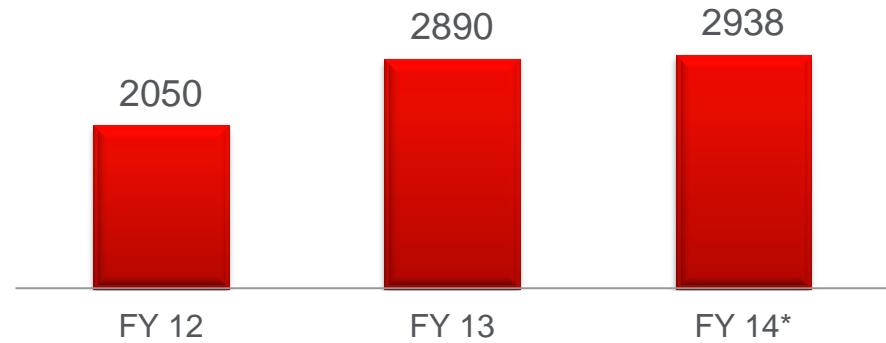


# Significant Investment Lined Up

## Annual Plan 2014-15: Rs.3,632 crore

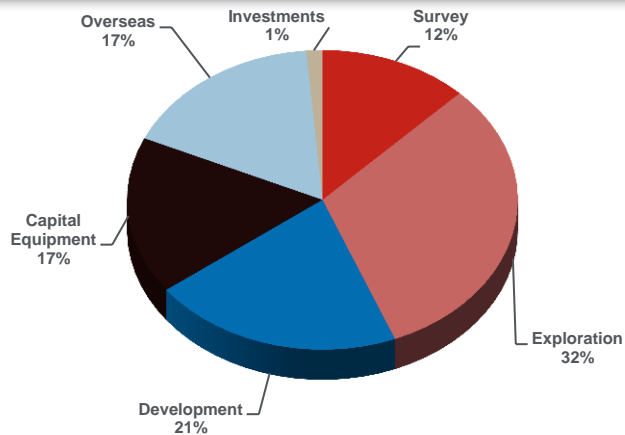


## Plan Expenditure (Rs. Crore)

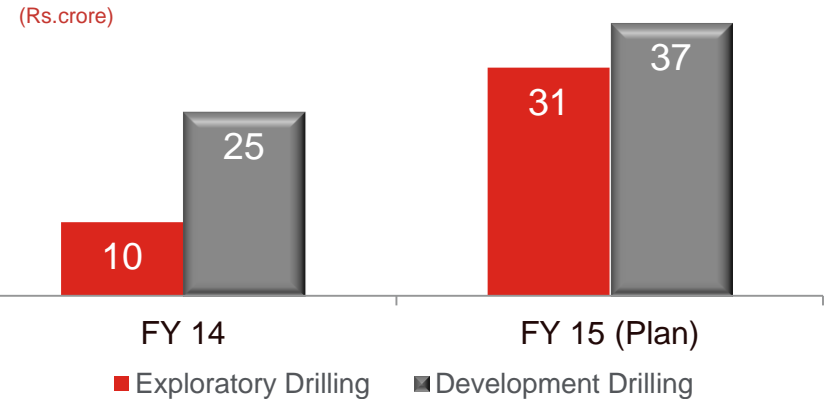


\* Plan expenditure for FY14 excludes investments in Mozambique acquisition

## XII 5 year Plan: Rs.19,003 crore



## Exploratory & Development Drilling



Substantial Increase in Exploratory and Development Drilling Planned

	2014-15 (Target)
<b>Crude oil production</b>	<b>3.63 MMT</b>
<b>Natural gas production</b>	<b>2,840 mmscm</b>

Steady and sustained Growth

Sound Financial Health

Strong operating track record

More than 5 decades of E&P expertise

Spreading wings: NE - Pan India - Global

Large prospective E&P acreage

Pioneer in Pipeline transportation

Entry into Offshore/ Deep Water Blocks

Entry into discovered and producing assets. Acquisition thrust continues

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

- *Thank You*