OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office: Pandit Deendayal Upadhyaya Urja Bhawan 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070

CIN: L74899DL1993GOI054155

Website: www.ongcindia.com Email: secretariat@ongc.co.in

ONGC/CS/SE/2016 **October 22, 2016**

The BSE Limited, Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001 BSE Security Code No. 500312	**National Stock Exchange of India Ltd.** Exchange Plaza Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051 Symbol-ONGC; Series - EQ

Sub: **Verification/Clarification on a news item of October, 20, 2016 appearing in Mint titled "Bombay high court asks ONGC to release $20 million to Swiber"**

This has reference to your email dated 20.10.2016 on the above subject. Our reply/clarification in this regard is as under:

Brief Facts:

ONGC, Offshore Engineering Services had awarded three projects i.e Daman Development Project , Pipeline Replacement Project-4 & C-26 Cluster Pipeline Project to M/s Swiber Offshore Construction(SOC), Singapore a subsidiary of M/s. Swiber Holdings Pte Ltd. Singapore, with a total contract value of 771.30 MM USD .

ONGC learnt from the media on 28.07.2016 that M/s. Swiber Holdings Pte Ltd, Singapore has applied to wind up SOC and also filed an application to place SOC under provisional liquidation before the High Court of Singapore. The Court had appointed two persons of M/s. KordaMentha Pte Ltd as provisional liquidators of the Company. Subsequently, on 29.07.16, M/s. Swiber Holdings Ltd, along with its subsidiary SOC announced in the media that they have taken out an application to place Swiber Holdings & SOC under judicial management and interim judicial management.

To protect ONGC's interest, it was decided to immediately put on hold release of all further payments to M/s Swiber and to invoke bank guarantees. Caveats were also filed in Mumbai & Delhi Courts on 01.08.16. The Contractor M/s Swiber Offshore Construction and its Indian Counterpart filed 5 petitions in Bombay High Court against the invocation of the Bank Guarantees and sought to restrain ONGC from invoking the BGs. ONGC filed its replies to all petitions filed by the contractor, defending ONGC's right in invocation of the Bank Guarantees. In between 17 petitions were filed by the sub-contractors/vendors in the Court against the Contractor for their outstanding payments, also making ONGC as one of the respondents in which Court directed ONGC not to release any payment to M/s Swiber without taking permission of the court.

Present Status:

Bombay High Court decided on 18.10.2016 which is as under:

Parties are trying their best to arrive at an amicable settlement of their disputes. The parties are still trying to finalize the terms of the settlement and directed ONGC to release USD 11.1 million to the Judicial Manager, subject to a workable mechanism, so that this amount is utilized for the purpose of this project only and to deposit USD 8.44 million in the Court before the next date of hearing on 26th October 2016 at 12.30 p.m.

In this connection, we are to clarify that the matter is in the normal execution of contract/project and the amount due and payable towards contract/project execution is to be deposited in the court and there is nothing material in the aforesaid court decision in terms of Regulation 30 of the Listing Regulation, 2015.

Hope, this clarifies the queries raised by you.

Thanking you,

Yours faithfully,
for **OIL AND NATURAL GAS CORPORATION LTD.**

(V N Murthy)
Company Secretary

Phone: (Direct) 011-26754002 EPABX NO: 26750999, 26129000 FAX: 011-26129091