



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office : Jeevan Bharti Building, Tower-II, 124, Indira Chowk, New Delhi-110001

CIN No. L74899DL1993GOI054155

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

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ONGC/CS/SE/2016

Ms. Charmi Dharod,
Assistant Manager-Listing Compliance
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), MUMBAI - 400 051

Sub: Clarification on the press release titled "ONGC Videsh acquires 15% interest in Vankor Field located in East Siberia of the Russian Federation".

Madam,

This has reference to your email dated 06.06.2016 on the above subject. Our reply/clarification in this regard is as under point wise

1. Name of the target entity, details in brief such as size, turnover etc.;

Reply: The Target entity is JSC Vankorneft. JSC Vankorneft (Target) is a company organized under the laws of Russian Federation with its Registered office at 20, Shadrina Street, Turukhansk Village, Krasnoyarsk Region, the Russian Federation 663230. The Target is the owner of Vankor Field and North Vankor license. Rosneft Oil Company (the national oil company of Russia) held 100% shares in the Target prior to acquisition of 15% shares by ONGC Videsh. Rosneft Oil Company continues to hold the balance 85% shares in the Target. The Target holds Rosneft's (and Russia's) second largest field by production and accounts for 4% of Russian crude oil production.

2. Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";

Reply: No. The promoter / promoter group companies of ONGC Videsh do not have any interest in the Target other than the 15% shareholding acquired.

3. Industry to which the entity being acquired belongs;

Reply: Exploration and Production of Oil and Gas.

4. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);

Reply: The Target is in line with the main line of business of ONGC Videsh. The present transaction strengthens ONGC Videsh's presence in Russia and is consistent with its stated strategic objective of adding high quality international assets to its existing E&P portfolio. This acquisition also has significant strategic importance to India, both in terms of augmentation of India's Energy Security as well as adding a new dimension to the relationship between Rosneft and ONGC Videsh besides further strengthening the cooperation between the two countries.

5. Brief details of any governmental or regulatory approvals required for the acquisition;

Reply: The acquisition has already been completed with investment approval from the Government of India. The required approval of Russia's Federal Anti-Monopoly Services (FAS) was also taken prior to completing the acquisition.

6. Percentage of shareholding / control acquired and / or number of shares acquired;

Reply: The issued share capital of the Target comprises 11,895,655 shares of RUB 1 each and the 15% shareholding acquired by ONGC Videsh is represented by 1,784,349 shares.

7. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).

Reply: The Target is the owner of Vankor Field and North Vankor license in Russia. The acquisition would add about 4.53 MMToe per annum of production for the 15% share of ONGC Videsh with the current rate of production. JSC Vankorneft was incorporated on 12th February 2004. The turnover of the Target in 2013, 2014 and 2015 was about RUB 243.840 billion, RUB 271.228 billion and RUB 368.074 billion respectively.

Hope, this clarifies the queries raised by you.

Thanking you,

Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.



(V N Murthy)
Company Secretary