



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

ONGC/CS/SE/2018

31.10.2018

National Stock Exchange of India Ltd. Listing Department Exchange Plaza Bandra-Kurla Complex Bandra (E) Mumbai – 400 051 Symbol- ONGC ; Series - EQ	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001 BSE Security Code No.- 500312
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Sub: Clarification with respect to news article appeared on The Hindu Business Line dated 12.10.2018, titled "ONGC terminates rig conversion deal with Mercator".

Sir/ Madam,

This has reference to your e-mail dated 12.10.2018 on the captioned subject. In this connection we would like to submit herewith the clarification sought by the stock exchange(s).

Thanking You,

Yours faithfully,

For Oil and Natural Gas Corporation Ltd.

M E V Selvam
Compliance Officer &
Company Secretary

Encl: As Above (1 page)

**CLARIFICATION - WITH RESPECT TO NEWS ARTICLE APPEARED ON THE HINDU BUSINESS LINE
DATED 12.10.2018**

- a) *Whether such event stated in published news were taking place? If so you are advised to provide the said information along with the sequence of events in chronological order.*

Oil And Natural Gas Corporation Ltd. (hereinafter referred to as Company) had awarded the contract for conversion of its Mobile offshore Drilling unit (MODU) Sagar Samrat to a mobile offshore production unit (MOPU) on 17/11/2011 to the consortium of M/s Mercator Oil & Gas Ltd. Mumbai, M/s Mercator Offshore (P) Pte Ltd, Singapore and M/s Gulf Piping Co. W.L.L., UAE (GPC). The scheduled completion date of contract was 31/5/2013. The conversion project was under execution at Abu Dhabi yard of M/s GPC. Thereafter, the converted Unit was to be commissioned at the offshore location in Mumbai.

Completion date of the contract was extended time to time based on request of the contractor. However, contractor failed to meet his numerous catch up plans submitted for completion of the project. In view of above, company had issued 14 days' notice to the consortium on 25/9/2018 to initiate remedial actions acceptable to the Company towards completion of the project failing which the contract shall stand terminated i terms of provisions of the contract. Remedial measures/plan submitted by the contractor in response to the notice of termination was examined by the Company from a holistic perspective and it was found to be not feasible and/or practical. In view of above, Company has terminated the contract on 10/10/2018 and has invoked the Performance Bank Guarantee submitted by the Consortium against the contract as per the contract provisions. M/s Mercator Oil & Gas Ltd – leader of the consortium has filed Arbitration Petitions on 26/9/2018 and 16.10.2018. The petitions are pending. Pursuant to termination of the contract, Company is working on the alternate ways for completion of the balance work of the project.

- b) *The material impact of the article on the company.*

The news article will have no material impact on the Company.

- c) *Whether company are aware of any information that has not been announced to the exchanges under Regulation 30 of listing regulations. If so, you are advised to provide the said information and the reasons for not disclosing the same to the Exchange earlier as required under Regulation 30 of listing Regulations.*

The available information is stated under (a) above.

