



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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ONGC/CS/SE/2014

December 23, 2014

FAX/COURIER

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Dear Sir,

Sub: Clarification on Newspaper report

Kindly refer to your email dated December 18, 2014 seeking comments of ONGC on the recent news item which appeared in "The Business Line" dated December 18, 2014, Page No. 03, captioned "Technip wins Rs. 800-cr contract to build onshore terminal in AP for ONGC".

Kindly note that ONGC had on 29.05.2013 sent a copy of its press release to the Stock Exchanges titled **"ONGC declares impressive Annual Performance, notifies two more discoveries, to invest Rs. 4124 Crore in KG Offshore"**. In the aforesaid Press Release sent to stock exchanges it was stated that "ONGC Board approved an investment of USD 751.65 million (Rs. 4124.35 Crore) for integrated development of Vashista S-1 Fields for production of Natural Gas from KG Offshore...."

Subsequently, ONGC has awarded execution of Vashishta & S1 Onshore Terminal through International Competitive Bidding (ICB) to M/s Technip on 09.05.2014 on Lump Sum Turn Key (LSTK) basis, including taxes and duties of Rs. 669,60,26,000 + USD 11,302,220+EUR 5,287,590 with total financial impact of Rs. 786.08 Crore.

It may kindly be noted that ONGC has not put out any press release with regard to above award of the contract to M/s Technip. Further, award of such contracts are in the ordinary course of business of ONGC and this need not be intimated to the Stock Exchanges.

We hope this clarifies the situation. A copy of the press release dated 29.05.2013 sent to Stock Exchanges is attached for your kind perusal.

Thanking you

Yours faithfully
For Oil And Natural Gas Corporation Ltd.


(N K Sinha)
Company Secretary



Oil and Natural Gas Corporation Ltd.

Press Release

ONGC declares impressive Annual Performance, notifies two more discoveries, to invest Rs. 4124 crore more in KG Offshore

Dated: 29th May, 2013

In its 243rd Board Meeting on 29th May, 2013, ONGC presented an impressive Annual Financial Result for FY'13 while declaring two new discoveries in May 2013.

The two new notified discoveries are:

New Prospect Discovery:

- 1. KGOSN041NANL#2, NELP Block KG-OSN-2004/1, KG Shallow Offshore basin.**

Exploratory well KGOSN041NANL#2 in NELP Block KG-OSN-2004/1 in KG Shallow Offshore basin was drilled to a depth of 2000m.

Depth Interval 1231 – 1249m, on conventional testing flowed gas @ 66601 m³/day through 1/4" choke.

This is the 4th discovery in this block, adding further value towards making it a commercial proposition.

New Pool Discovery:

- 1. GK-42 # 3, (GK-28 PML, Kutch Shallow Offshore, Western offshore basin)**

Exploratory well GK-42 # 3 in GK-28 PML, Kutch Shallow Offshore, Western offshore basin was drilled to a depth of 1480 m.

Interval 1274.5 – 1276.5m, on conventional testing produced gas @ 2,24,544 m³/day.

The new pool discovery will add value to GK-28/GK-42 areas which ONGC plans to put on production, adding a new producing basin in geological map of India.

Performance Highlights FY'13

o	Total 22 Discoveries made in FY'13 which includes 12 New Prospects (4 offshore, 8 Onshore) and 10 New pools (5 offshore, 5 onshore).
o	ONGC's ultimate reserve accretion of 84.84 MTOE from domestic acreages is highest in last 22 years.
o	Domestic oil and gas production (including JV share) was at 52.41 mtoe against 52.43 in FY'12 (Oil 26.12 mtoe against 26.92 mtoe in FY'12 and Gas 25.33 bcm against 25.51 bcm in FY'12)
o	<p>Net Profit decreases 40%, from ₹5,644 Crore in Q4FY'12 to ₹3,387 Crore in Q4FY'13.</p> <p>Annual net profit of ONGC decreases 16.7%, from ₹25,123 Crore in FY'12 to ₹20,926 Crore in FY'13.</p>
o	Discount to OMCs to meet their under-recoveries decreased to ₹12,312 Crore as compared to ₹14,170 Crore in Q4 FY'12. For FY'13 this was ₹49,421 Crore as compared to ₹44,466 Crore in FY'12 - up by 11.1 %.
o	<p>Dividend: Recommended payout of final dividend of ₹0.5/- (paise fifty only) per equity share of ₹5 each fully paid up for the Financial Year 2012-13 which works out to 10% on the equity share of ₹5 each. This is in addition to an interim dividend of ₹9/- (Nine rupee only) per equity share on 8,555,490,120 equity shares of ₹5 each. Total dividend payout would be ₹428 Crore against ₹8,342 Crore in FY'12)</p>

ONGC Exploration & Production (E&P) Highlights:

B.1 Exploration

1	Total 22 Discoveries made in FY'13 which include 12 New Prospects (4 Offshore, 8 Onshore) and 10 New pools (5 Offshore, 5 onshore).
2	ONGC's ultimate reserve accretion of 84.84 MTOE from domestic acreages is highest in last 22 years.
3	Reserve Replacement Ratio of 1.84 (against RRR of 1.79 in FY'12) is the 8th consecutive year of maintaining reserve replacement over one.

B.2 Reserve Accretion in 2012-13

	Ultimate (MTOE)
Domestic	84.84
JV Domestic	4.23

B.3 Reserve Replacement ratio of ONGC-operated domestic areas

Year	Ultimate Reserve Accretion (MTOE)	Production MTOE	Reserve Replacement Ratio
2007-08	63.82	48.28	1.32
2008-09	68.90	47.85	1.44
2009-10	82.98	47.78	1.74
2010-11	83.56	47.51	1.76
2011-12	84.13	47.03	1.79
2012-13	84.84	46.11	1.84

B.4 Aggregate (Balance) Reserves (MTOE) as on 31.03.2013

	ONGC	JV	SVL	Total
1P	741.00	31.93	196.41	969.34
2P	1021.24	34.15	395.61	1451.00
3P	1290.52	35.99	432.92	1759.43

C. Production
Production Performance – FY'13

	FY'13	FY'12
Crude Oil – ONGC (MMT)	22.56	23.71

Crude oil – JVs – (MMT)	3.56	3.21
Total Crude Oil – (MMT)	26.12	26.92
Gas – ONGC (BCM)	23.55	23.32
Gas – JVs (BCM)	2.19	2.19
Total Gas (BCM)	25.33	25.51
Total VAPs (MMT)	03.15	03.22

D. Financials

(₹ in Crore)						
Particulars	Q4FY'13	Q4FY'12	% Var	FY'13	FY'12	% Var
Sales Income	21,460	18,976	13.1	82,552	76,130	8.4
Net Profit	3,387	5,644	-40	20,926	25,123	-16.7

- 1 64.6% of the Turnover derived from sale of Crude Oil(Incl. JV), 20 % from sale of Natural Gas(Incl.JV), 15.4% from sale of Value-Added-Products (VAPs) viz. LPG, Naphtha etc

E.1 Subsidy Impact on Profit

(₹ in Crore)					
	2012-13	2011-12	2010-11	2009-10	2008-09
Gross Discount	49,421	44,466	24,892	11,554	28,225
Impact on Statutory Levies	7,362	6,667	3,558	1,629	4,292
Impact on Profit before tax	42059	37,799	21,334	9,925	23,933
Impact on Profit after tax	28,413	25,535	14,247	6,551	15,798

E.2 Impact of Discount on Rate of Crude Oil:

Particulars	FY 2012-13		FY 2011-12	
	Q4	FY	Q4	FY
A. In USD per Bbl				
Pre Discount Rate	113.97	110.74	121.64	117.40
Discount	63.12	62.89	77.32	62.69
Post Discount Rate	50.85	47.85	44.32	54.71
B. /USD Ex. Rate	54.17	54.45	50.29	47.95
C. In ₹ per Bbl				
Pre Discount Rate	6,174	6,030	6,117	5,629
Discount	3,419	3,424	3,888	3,005
Post Discount Rate	2,755	2,606	2,229	2,624

F. Consolidated Group Results of ONGC Group consisting of:

1.	Oil and Natural Gas Corporation Ltd
Subsidiaries:	
2.	ONGC Videsh Ltd (Consolidated)
3.	Mangalore Refinery and Petrochemicals Ltd (Consolidated)
4.	Joint Venture Entities:
i	Petronet LNG Ltd
ii	Petronet MHB Ltd
iii	Mangalore SEZ Ltd (unaudited)

iv	ONGC Mangalore Petrochemicals Ltd
v	ONGC Petro Additions Ltd (unaudited)
vi	ONGC Tripura Power Company Ltd (consolidated)
vii	ONGC TERI Biotech Ltd
viii	Dahej SEZ Ltd (unaudited) (unaudited)

5. Associate:

i	Pawan Hans Helicopters Ltd (unaudited)
1.	Group Turnover of ₹165,849 Crore (up 9.8 % from ₹151,100 Crore in FY'12)
2.	Net Profit of the Group ₹24,220 Crore (down 13.9% from ₹28,144 Crore in FY'12)

F.1 ONGC Videsh Ltd. (OVL) in FY'13

1.	Production of 7.264 MTOE as compared to 8.753 MTOE in FY'12 (Less production primarily due to unrest in Syria and Sudan/ South Sudan)
2.	Total revenue of ₹18,029 crore against ₹22,637 crore in FY'12
3.	Highest ever Profit after tax ₹3,929 Crore, up 44 % over ₹2,721 Crore in FY'12
4.	OVL has 32 projects (11 producing, 14 exploration, 5 development and 2 pipeline) spread over 16 countries. 11 producing assets are spread in 9 countries namely Sudan, South Sudan, Russia, Vietnam, Brazil, Columbia, Venezuela, Syria and Azerbaijan.

F.2 Mangalore Refinery & Petrochemicals Ltd. (MRPL) in FY'13

1.	Highest ever Crude Thru'put 14.40 MMT, up from 12.82 MMT in FY'12
2.	Highest ever Turnover of ₹68,834 Crore, up 19 % from ₹52,207 Crore in FY'12.

3.	Net loss of ₹(-757) Crore
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G. Dividend payout during the last five years

(₹ in Crore)						
Year	PAT	Dividend		Tax on Dividend	Payout %	
		%	₹ in crore		Including Dividend Tax	Excluding Dividend tax
2008-09	16,126	320	6,844	1,163	49.66	42.44
2009-10	16,768	330	7,058	1,187	49.17	42.09
2010-11	18,924	330	7,486	1,215	45.98	39.56
2011-12	25,123	195*	8,342	1,329	38.49	33.20
2012-13	20,926	190	8,128	1,319	45.14	38.84

* Based on number of shares after split of shares and issue of bonus shares

Investment: ONGC Board approved an Investment of USD 751.65 Million (₹ 4124.35 Crore) for the Integrated development of Vashishta and S-1 fields for production of natural gas from KG offshore. The development would comprise 4 subsea wells tied back to onshore processing facility at Odalarevu. The project is expected to be completed by April 2016. Vashishta field (water depths of 500 to 700 meters) can deliver an ultimate recovery of 9.56 BCM over a period of 9 years, with peak production of 3.55 MMSCMD for the first five years. S1 field (water depths of 250 meters) can deliver an ultimate recovery of 6.22 BCM over a period of eight years (peak production of 2.2 MMSCMD for the first five years).

Other highlights of 2012-13

1. ONGC sets a new water-depth drilling record of drilling up to 10,385 feet of water in Krishna Godavari Basin
2. The additional reserves discovered in D-1 field makes it the 3rd biggest oil field of ONGC. ONGC christens the oil field as 'N B Prasad', after its visionary chairman, considered as the architect of India's offshore oil industry.
3. **Highest-ever PAT for OVL during 2012-13**
During FY'13, ONGC Videsh Limited (OVL) earned the highest-ever profit of ₹

3,929 Crore, an Increase of 44.4% as compared to the previous year. Net worth of OVL increased from ₹19,941 Crore to ₹29,184 Crore due to increase in equity share capital of ONGC from ₹1,000 Crore to ₹5,000 Crore. The oil production during the year was lower mainly due to adverse geo-political situation in Syria and South Sudan.

4. ONGC registers one of the largest CDM projects in world

ONGC has registered the OTPC Power Project of its ONGC Tripura Power Corporation Limited (OTPC) as a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). This 726.6 MW gas-based power generation plant in Tripura is a fuel-substitution project, which would mitigate over 1.6 million tons of Carbon-dioxide emissions per year for the next 10 years. Fetching 1.6 million carbon credits per year, this is one of the biggest CDM projects in the world. With this registration, ONGC now has 10 registered CDM projects- a rare feat globally.

5. Trunk Pipeline from Khoraghat GGS1 to Borholla GGS commissioned

The Trunk Pipeline from Khoraghat GGS1 to Borholla GGS was commissioned on May 11, 2013. The trunk pipeline is of 8" size and 65 Km long, crossing rivers in four places. The entire crude from Khoraghat and Nambur fields will now be transported through this pipeline to Borholla GGS, reducing the tanker transportation cost as well as offset the environmental pollution arising out of the operations. The project cost is around Rs 49.8 Crores and is expected to save Rs. 3.5 Crore per year.

6. ONGC rises to 155th position in Forbes Global ranking, up 16 notches from last year. Declaring the audited financial results and overall annual results of ONGC Group for FY'13 to the media on 29th May 2013, soon after the ONGC Board meeting, CMD Mr. Sudhir Vasudeva said, 'Our focus on our long-term strategy Perspective Plan 2030 has gathered momentum. This fiscal's score card showcases our record performance in Reserve accretion, Sustainability and sound Financial management. We would renew our focus on the key performance indicators that will guide ONGC to reach greater heights in the coming years.' While he complimented employees for an all-round impressive performance, he also thanked all shareholders for understanding various compulsions of the energy major and yet reposing sustained confidence and trust in its management.

For further information, please visit our website www.ongcindia.com

Conversion Rates:

INR/1 USD: 54.45 (average for the Year FY'13)

INR/1 USD: 47.95 (average for the Year FY'12)

Listing references (as on 29th May 2013):

ONGC BSE - ₹333.35

NSE - ₹332.25

MRPL BSE - ₹43.40
NSE - ₹43.45

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