



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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

CIN No. L74899DL1993GO1054155

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

ONGC/CS/SE/2014

10th October, 2014

Mr. Amit Phatak, Asst. Manager
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex
Bandra (E), MUMBAI – 400 051

Sub: News Clarifications

Dear Sir,

This has reference to your email dated 22nd September, 2014 with respect to news items appearing in the following newspapers:

- A. The Hindu Business Line –September 11, 2014 captioned “ Govt clears stakes sales in Coal India, ONGC, NHPC”.

Our Clarification: Govt of India holds 68.94% of the paid up equity share capital of ONGC. Any decision for divestment of the stake sale in ONGC is taken by the Government of India and ONGC has no role in this regard, except observing compliance post divestment.

- B. Financial Chronicle –September 17, 2014 captioned “ONGC plans big with small Daman Fields”.

Our Clarification: In this connection, we would like to clarify that ONGC had issued a Press Release dated 28.08.2014, which had been sent to your Exchange as well as to BSE in terms of clause 36 of the Listing Agreement. The same is enclosed for your reference.

- C. Financial Express –September 20, 2014 captioned “ ONGC pumps Rs. 81890 Cr to raise output as fields age”.

Our Clarification: In this connection, we would like to clarify that Chairman Speech delivered at the 21st Annual General Meeting (AGM) of the Company reflects likely plan expenditure of Rs.413160 million on aging oil fields and Rs.405737 million on prospective fields. We presume that the aforesaid figures have been aggregated to Rs. 818897 million in the news item. A copy of the Chairman Speech delivered at 21st AGM of the Company has already been filed with the Stock Exchanges on 20.09.2014. However, a copy of the same is enclosed for your reference.

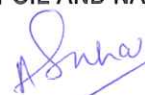
D. Financial Express –September 22, 2014 captioned “ ONGC Dahej Petrochem plant to start ops by June 2015”.

Our Clarification: ONGC petro additions Ltd (OPaL), is a joint venture company promoted by ONGC, GAIL & GIDC. OPaL is implementing a Petrochemical Plant at Dahej, Gujarat. The plant is likely to be mechanically completed by March, 2015 and likely to be commissioned by June 2015. During the sidelines of interaction with the Press after conclusion of 21st Annual General Meeting of ONGC on 19.09.2014, CMD, ONGC may have mentioned the same. We have nothing further to comment on the same.

This is for your information & record.

Thanking you,

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


(N K Sinha)
Company Secretary

The Bombay Stock Exchange Limited,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI – 400 001



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ONGC/CS/SE/2014

August 28, 2014

FAX/COURIER

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Sub: Press Release pursuant to Clause 36 of the Listing Agreement.

Dear Sirs,

Pursuant to Clause 36 of the Listing Agreement, please find enclosed a copy of the Press Release issued by ONGC with regard to the following:

ONGC Board approves investment of Rs. 5219 Crore to enhance Gas production from Daman Development Project in Western Offshore

This is for your kind information and record please.

Thanking you,

Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.


(N.K. Sinha)
Company Secretary

Encl : As above



Oil and Natural Gas Corporation Ltd.

Press Release

ONGC Board approves investment of Rs. 5,219 crore to enhance Gas production from Daman Development Project in Western Offshore

New Delhi, 28th August, 2014

ONGC will be investing Rs. 5219 crore towards Daman Development project to enhance production of Natural Gas and Condensate in its Tapti Daman Block in Arabian Sea. The investment decision has been approved by the ONGC Board in its 260th Meeting here today. The project is located about 90-100 Km from Daman coast and includes additional development of C-24 field and monetization of B-12 marginal fields (B-12-11, B-12-13 and B-12-15).

The production is expected by July 2016 with peak production rate of 8.35 MMSCMD of gas and 9,286 barrels of condensate per day. The cumulative production till 2034-35 is pegged at 27.67 Billion Cubic Meters (BCM) of gas and 5.01 Million Cubic Meters (MMm3) of condensate. The gas and condensate will be evacuated to Hazira through Tapti Process facilities of Tapti-JV.

The project envisages installation of seven Well Head Platforms, one riser Platform with associated pipelines and drilling of 28 wells. The project is scheduled for completion by pre-monsoon 2019.

Coming close on the heels of the Mumbai High South Redevelopment project (Phase-3) approved in the last Board meeting earlier this month for Rs. 5,813 crore, this approval flags the oil major's aggressive investment posture to ramp up production from the Western Offshore.

Other recent Corporate Highlights

i) MRPL PFCCU commissioned; second such Unit in India

ONGC Subsidiary Mangalore Refinery & Petrochemicals Ltd (MRPL), a Schedule A Company, has yesterday achieved the feed-cut in to Petrochemical Fluidized Catalytic Cracking Unit (PFCCU), one of the major secondary process units in its Phase III.

MRPL's PFCCU, with design capacity of 2.2 MMTPA, is the second such unit in the country and can produce about 20% of its product as polymer grade propylene apart from almost 25% of product as LPG. The PFCCU will enable MRPL to triple the LPG production from this 15MMTPA grass-root refinery. The technology for PFCCU is licensed from Technip Stone & Webster International Inc. and the Project was executed by Engineers India Ltd.

ii) ONGC fire service personnel felicitated with Fire Service Medal

Two Fire Service officers of ONGC were selected for prestigious Fire Services Medals for meritorious services by the President of India on the occasion of Independence Day 2014. CMD, ONGC has declared a cash award of Rs. 25,000 each for two officers.

On another occasion, Union Home Minister Mr. Rajnath Singh felicitated and decorated four officials of ONGC with the Fire Service Medals (which was declared on the occasion of 26th January, 2014) at a national level function in New Delhi on August 20, 2014.

iii) Two ONGCians get Arjuna Award, while 10th World Billiards Title is won by ONGCians

Two ONGCians, V. Diyu (Badminton) and Heena Shidhu (Shooting) have made it to the list of this year's Arjuna Award. With this, total national award tally by ONGCians has gone up to 27.

In another development, Pankaj Advani along with another ONGCian Rupesh Shah won the **World Team Billiards Championship** on 15th August, giving the perfect Independence Day Gift to the country.

Issued By

Oil and Natural Gas Corporation Ltd.

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Issued By :- Corporate Communications, Oil and Natural Gas Corporation Ltd. New Delhi

Across the world, there is a growing need for the greening of the energy basket. ONGC has also positioned itself suitably in terms of its green energy initiatives. In this direction, your Company is close to commissioning its second wind power farm of 102 MW in Rajasthan, while the first such unit in Gujarat is already generating 51 MW of power since 2009.

ONGC Energy Centre, a trust set up by your Company to pursue novel energy options, is pursuing high-end research and development in the area of alternative energy sources like geothermal, hydrogen, uranium etc.

As an integrated energy major, your Company has significant presence across the hydrocarbon value chain. Our subsidiary refinery, MRPL has performed remarkably well in FY14. The refinery achieved its highest ever throughput at 14.59 MMT. You will be happy to learn that MRPL has been elevated to Schedule 'A' CPSE status in FY14.

Your Company's joint ventures in petrochemicals - ONGC Petro Additions Ltd (OPAL) and ONGC Mangalore Petrochemicals Ltd (OMPL), are progressing well. While OMPL has already commissioned its plant at Mangalore and has started its trial production, OPAL project is expected to be completed during the next year. In the power segment, our joint venture ONGC Tripura Power Company Ltd (OTPC) in Tripura is pursuing construction of a gas-based power plant of 726.6 MW with two units. While the first unit is running successfully since January, 2014, the second unit is likely to be put on commercial operation in the next month.

Financial Performance

On the financial front, your Company registered the highest-ever Revenue at ₹642,028 million in FY14 - an increase of 1.1% over gross earnings in FY13. At ₹1,782,051 million, the ONGC Group Revenue was also the highest-ever. ONGC posted a higher net profit of ₹220,948 million in FY14 - a 5.6% growth over FY13, despite sharing the highest-ever contribution towards under-recovery at ₹563,843 million (14.1% higher than FY13).

Profit After Tax of ₹220,948 million during last fiscal, the highest by an Indian Company

Besides robust performance of ONGC, its subsidiaries have also performed impressively. In FY14, ONGC Videsh recorded its highest-ever Net Profit at ₹44,453 million. MRPL registered the highest-ever Turnover of ₹752,261 million and Profit After Tax of ₹6,010 million against a loss of ₹7,569 million in FY13.

Your Company has consistently been among the highest dividend payers in the country. Over the past 6 fiscals, we distributed over ₹373,670 million in dividends (excluding dividend tax). In FY14, ONGC paid interim dividend of ₹9.25 per share (185%) in two instalments (₹5.00 and ₹4.25). The Board of Directors recommended a final dividend of ₹0.25 per share (5%) making the aggregate dividend at ₹9.50 per share (that is, 190%) for FY14, same as in FY13.

The mechanism of sharing under-recovery of Oil Marketing Companies (OMCs) continued to impact our financial performance. In FY14 even as total under-recoveries dipped to ₹1,398,690 million (a drop of 13 percent from FY13 value), ONGC's share was highest-ever at ₹563,843 million. Our net-realized value per barrel of crude dropped to US\$40.97/bbl, a fall of over 14 percent from its FY13 realized price of \$47.85/bbl. The discount to OMCs in FY14 was at US\$65.75/barrel compared to US\$62.89/barrel in FY13.

However, developments so far in the current financial year have been reassuring for us. The phased increments of diesel prices and favourable global crude prices have already wiped off the under-recovery in diesel - its complete deregulation seems to be a real short-term possibility now. Once that comes through, there will be a reduced under-recovery sharing burden for your Company, essentially translating to a greater value for all of you.



Jeevan Asha - Treatment of Thalassemia affected children

Corporate Sustainability & CSR

ONGC's business model goes beyond mere profit motive. Sustainable Development is integrated premise of our operations model. As we strive to realize more value for our shareholders, we do also ensure social development of the country with minimum impact on environment. Our various engagements in line with the sustainable development model are well documented in our Annual Corporate Sustainability Report which is published regularly every year.

In appreciation of our contributions, the prestigious *Newsweek Green Rankings* has ranked ONGC globally 217th in 2013, which is 169 notches higher compared to our ranking in 2012.

Our Corporate Social Responsibility (CSR) initiatives reflect another area of your Company's strong commitment to inclusive growth. Our CSR programs have brought about a meaningful difference in the lives of communities living around our operational areas. In the last 7 years, your Company has contributed about ₹13,270 million towards its CSR activities. In FY14 alone we spent over ₹3,400 million.

Sports

Sports is another area where your Company is significantly invested. It has been a highly rewarding investment. I am proud to inform you that during the last four years, ONGC sportspersons have won as many as 29 international medals: 10 from Commonwealth Games 2010, 13 from Asian Games 2010 and 6 from Commonwealth Games 2014. Now, 40 ONGCians have headed to take part in the 17th Asian Games in Incheon, 2014, which is going to begin from today, i.e. 19th September, 2014. Your good wishes would be important for them.

You will be delighted to know that there are 27 National Award winning sportspersons in your Company: 1 Rajiv Gandhi Khel Ratan, 2 Padma Shree and 24 Arjuna Award winners. Moreover, our contribution to the field of sports received its highest recognition when Hon'ble President of India conferred your Company with the *Rashtriya Khel Pratishthan Puruskar* in August, 2014.



ONGC Sporting Heroes : Medal winners in 2014 Commonwealth Games

Corporate Governance

Your Company also takes immense pride in its robust corporate governance structure. We engage with our stakeholders with the best-in-class and industry-benchmarked corporate governance practices. You would be pleased to know that your Company has received 'Nil' comments from C&AG and Statutory Auditors for the year 2013-14. This is the eighth year in a row to receive the 'Nil' comments. I am sure you have already read the Corporate Governance Report which forms a part of the Annual Report.

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey sincere thanks and deep gratitude to you, our valued shareholders, for your continued confidence and trust. I am sure you will continue to be our greatest support while we create value for you as well as for the nation.

I acknowledge the unstinted support and valuable guidance from Ministry of Petroleum & Natural Gas, Government of India, without which our sustained quest for excellence would have not been possible. I acknowledge the support of various Ministries, Departments and Agencies of the Union Government, various State Governments and all other stakeholders. I also place on record our appreciation to our joint venture partners and our vendors for their cooperation. Let me also convey our deep appreciation to all the authorities in various countries, respective Embassies, High Commissions and other agencies who have been extending their support in our global ventures and continue to do so.

On behalf of the Board, I also wish to put on record our appreciation for the relentless efforts and dedicated contribution put in by the Team ONGC - the employees of your Company.

Thank you,

Jai Hind

D K Sarraf

D K Sarraf
Chairman and Managing Director



Statement to Shareholders

by
D K Sarraf
Chairman & Managing Director

21st Annual General Meeting
Oil and Natural Gas Corporation Limited
New Delhi - 19th September 2014



ONGC Group of Companies



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Dear Members,

half of the Board of Directors of your Company, ONGC, it is my privilege to me you all to its 21st Annual General Meeting.

Annual Report for the Financial Year ending 31st March 2014, along with the tor's Report, Audited Annual Accounts and Auditors Report of your Company been in the public domain for some time now. I take them as read.

happy to inform that your Company has demonstrated another year of strong tional and financial performance. I would like to share with you the rmance highlights of your Company over the last financial year, 2013-14.



Standing firm against the waves

ights

imate Reserve accretion of 84.99 Million Metric Tonne of oil equivalent (MMTOE) in ONGC erated domestic fields. This is the highest in the last twenty three years.

ieved Reserve Replacement Ratio (RRR) of 1.87. This is the 9th consecutive year that your mpany has achieved RRR more than one.

the first deepwater subsea well G1-11 in eastern offshore was completed and successfully it on production.

uccessfully established the presence of Shale Gas in the country and drilled the first Shale s well in Jambusar, Cambay Basin.

ieved highest-ever Gross Revenue of ₹842,028 million. The turnover of the ONGC Group at ide throughout of 14.53 Million Metric Tonne (MMT) (14.40 MMT in FY'13) and registered

ained Profit After Tax of ₹220,948 million - an increase of 5.58% over FY'13. This is despite highest-ever contribution to under-recovery of ₹563,843 million (14% increase over the evious year).

aid Dividend of 190% with total payout of ₹81,277 million.

NGC Videsh Limited, our wholly owned subsidiary, recorded highest-ever Net Profit of 14,453 million.

angalore Refinery & Petrochemicals Ltd (MRPL), another subsidiary, recorded highest-ever ide throughout of 14.53 Million Metric Tonne (MMT) (14.40 MMT in FY'13) and registered

highest-ever turnover of ₹752,261 million.

Reserve accretion of 84.99 MMTOE in the ONGC operated domestic fields; the highest in the last twenty three years.

happy to inform you that besides such encouraging operational achievements and impressive als on a sustained basis, your Company has received many national and international accolades the last fiscal year. Some of which are as follows:

anked 21st among global peers in the Oil & Gas category in the 'Forbes Global 2000 ankings' - up two notches from the previous year.
ne of the only two Indian companies, and the only Indian PSU, to feature in the 'Fortune orld's Most Admired Companies 2014' rankings.
latts Top 250 Global Energy Company Ranking 2013', the industry benchmark for cellence in the sector on a global level, has ranked ONGC 3rd in 'Exploration & Production ategory', and 22nd in overall Energy Company rankings.

- 'Best Employer' and 'Voice of Employee' Award in the AON Hewitt Best Employer Survey for 2013.
- 'Best Overall Safety Performance of Oil and Gas Onshore Assets' and 'Most Consistent Safety Performer Award' by Oil Industry Safety Directorate (OISD) for the year 2011-12.
- 'Best Enterprise Award' in the Maharashtra and Navaratna category at Women in Public Sector (WIPS) Award.

- Adjudged as the '14th Most Valued Brand' in the Best Indian Brands 2013 rankings published by Economic Times-Brand Equity. In fact we are the Most Valued Brand amongst non-banking PSUs. This is a remarkable testament of the strong inherent promise that Brand ONGC exudes.

First deepwater subsea well G1-11 in Eastern Offshore was completed and successfully put on production

The Economy

Global economy has found itself on a surer footing. The recovery in fundamental parameters and the macro-economic sentiment is largely attributable to the improving conditions in the advanced economies. The global GDP growth in 2013 was about 3%. Over 3.5% growth of US in the second half of 2013 provided the major boost. The Eurozone economy too, led by Germany, has entered a period of relatively more stability.

However, continued slowdown in emerging economies is still a matter of concern. As the contributions of these economies will continue to be the backbone of the global economy, recovery in their fortunes becomes a real imperative.

In India, our GDP growth rate remained moderate. For the second successive year, it registered a sub-5% growth - 4.7% to be precise. Steep fiscal and trade deficits and inflationary pressures have taken their toll on the health of the economy.

However, various initiatives by the new regime at the Centre and its focused approach towards delivery and growth have resulted in the current optimism. With greater stability of the domestic currency, narrowing trade deficit and the possibility of more rationalization of subsidy on the horizon, the economic outlook of the country appears quite positive.



CMD with Functional Directors

The Industry

As regard to the global oil & gas industry outlook, the geo-political issues in various parts of the world have been the most influencing factors. Otherwise, on the back of a growing production from non-OPEC countries, primarily North America, the supply scenario has remained comfortable. This comfort has reflected in the stability of oil prices throughout the year, averaging at about \$108/bbl. Of late in 2014, oil prices have been showing a trend of further softening which is certainly a good news for energy-starved economies like India.

Indian E&P Industry

Crude oil production during FY'14 was largely flat at 37.77 MMT compared to 37.66 MMT in the previous financial year. However, there was a substantial drop in the natural gas output. The production was pegged at 35.39 billion cubic metres (BCM) against 40.68 BCM in the preceding fiscal. While crude oil imports increased by over 2% to 189.24 MMT in FY'14, LNG import remained almost flat at 10.76 MMT against 10.80 MMT in FY'13.

As you all know, the growing energy deficit does not augur well for the country's economic fundamentals. The rising import bill is already exerting a considerable strain on country's trade balance. Depreciation of rupee vis-à-vis dollar further compounded the problem. Despite an actual drop in the dollar value of import bill for crude oil, about 10 percent escalation in terms of rupee value was recorded.

However, the situation has evidently improved in the current financial year with the drop in international crude prices. With the oil prices reaching below \$100/bbl in the recent days and with the relative stability of rupee, the outlook of Indian E&P industry is quite positive.

ONGC Operational Performance

Your Company has always maintained a strong focus on organic growth and has consistently delivered on this front. In FY'14, our exploratory endeavours have resulted in 14 oil & gas discoveries. We have accrued Ultimate Reserve of 84.99 MMTOE during FY'14 - the highest in the last 23 years. With this, our RRR for the year stood at 1.87. This is the 9th consecutive year that your company achieved a RRR more than one - signifying strong business continuity in the future.

In terms of production, your Company remained the largest producer of crude oil and Natural gas in the country. Your Company maintained its production from its own domestic fields at 45.53 MMTOE against 46.11 MMTOE in FY'13. The total Oil plus Oil-equivalent Gas (O+OEG) production of ONGC Group in FY'14 (including ONGC Videsh and ONGC's share in Production Sharing Contracts) has been 59.2 MMTOE against 58.73 in FY'13.

As you all know, our major oil & gas producing fields are ageing and showing natural decline. However, Management has been taking all requisite measures to arrest this trend and uphold production from such fields. We have deployed the best-in-class technologies in our Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) schemes applied in these fields. Our efforts have paid off well - with 7.46 MMT in FY'14 alone, which is about 33% of ONGC's domestic crude production. Thus, till FY'14, a cumulative incremental gain of 87.41 MMT has been achieved. A total of ₹413.160 million Capex has been planned for such interventions across 24 projects, out of which 19 have already been completed.

Established the presence of Shale Gas in the country and drilled the first Shale gas well in Jambusar, Cambay Basin

We are also committed towards expeditious development of our oil and gas reserves. Out of 15 prospective projects taken up for development, 7 projects are already complete and 8 are under various stages of implementation. Some of these projects like C-24, B-22 Cluster, SB-14, B-46, BHE & BH-35, North Tapti, C-Series and D-1 are already on stream and producing. These projects, with an estimated capital outlay of over ₹405,737 million, are geared up to produce additional 45.66 MMT of crude oil and 67.44 BCM of natural gas.

Out of the other major planned projects, management is especially focused on the development of Daman and KG-DWN-982. Development of Daman, a cluster of several discoveries in western offshore, has already been approved by the Board with an investment of ₹52,190 million, envisaging peak production of about 8.5 MMSCMD and start-up of production by July, 2016. All out efforts are also being made to ensure production from KG-DWN-982 by 2018.

Overseas Operations

ONGC Videsh, our overseas business arm, is well known to you all with respect to its efforts in sourcing equity oil and gas from global opportunities.

Despite problems in Syria and South Sudan, ONGC Videsh has produced 8.36 MMTOE in FY'14. This is 15 percent increase over the last year's volumes. Furthermore, ONGC Videsh has acquired several blocks in Mozambique, Brazil, Bangladesh and Myanmar with a total investment of US\$ 5.71 billion - which will add significant volumes in the coming years. You would be happy to know that investments made by ONGC Videsh during 15-month period from January 2013 to March 2014 (₹417,820 million) amounted to more than half of investments made by ONGC Videsh since its inception in 1965 to end-2012.

As on date, ONGC Videsh has 35 projects in 16 countries. Out of these, 13 are producing assets. According to a survey conducted by Indian School of Business, Hyderabad, in collaboration with Brazil's Fundacao Dom Cabral, ONGC Videsh has been recognized as the 'Most Internationalized Indian Company'.



Spreading wings across the globe - OVL has 35 projects in 16 countries

Unconventional, Alternate and non-E&P forays

The success of US in Shale Gas has set off a worldwide push for tapping the unconventional sources. Your Company has also prioritized suitable actions for exploration and exploitation of such available sources. Mandated by the Government of India, we have taken structured initiatives in this direction.

In FY 2013-14, we drilled the first shale well at Jambusar, Cambay Basin, Gujarat, and total 7 wells so far in the same basin. In the process, we have established the presence of shale gas in Cambay basin. Earlier you may recall, your Company had established the presence of Shale gas in Damodar basin in West Bengal even before the announcement of Shale gas policy by the Government of India.