



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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ONGC/CS/SE/2014

4th December, 2014

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

Sub: News Clarification on the news item captioned “ONGC to invest USD 3 billion more in Mozambique Gas Field”

Dear Sir,

This has reference to your email dated 1st December, 2014 with respect to news item appearing in Economic Times dated 29.11.2014. Our clarification is reproduced below:

- a) ONGC Videsh Limited has completed the acquisition of 16% PI in Rovuma Area-1 Offshore block, Mozambique in FY'14. The sequence of events in chronological order is as below:
- On 7th January 2014, ONGC Videsh Limited (ONGC Videsh) and Oil India Limited (OIL) jointly acquired the 100% shares of Videocon Mozambique Rovuma 1 Limited (VMR1L), a BVI company from Videocon Mauritius Energy Limited (VMEL) in the ratio of 60:40 respectively. Subsequently, VMR1L has been renamed as 'Beas Rovuma Energy Mozambique Limited' (BREML) on 30th January 2014. BREML holds 10% Participating Interest (PI) in the block Rovuma Area 1 Offshore Mozambique ("Area 1").
 - Subsequently, on 28th February 2014, ONGC Videsh directly acquired additional 10% PI in Area- 1 from M/s Anadarko Moçambique Area 1 Limitada (Anadarko), who is also the operator of the block carrying out all operations on behalf of consortium members/ partners.
 - With this additional acquisition, ONGC Videsh's net PI in the Block Rovuma Area -1 Offshore Mozambique is 16%.
 - The acquisition price for 20% PI in Area-1 was about USD 5.1 billion of which ONGC Videsh's share in the acquisition price for its net 16% PI worked out to about USD 4.1 billion.
 - Area 1 had discovered large quantity of gas resources and Anadarko, the Operator of Area 1, is discussing with Government of Mozambique for providing necessary legal, contractual and financial framework for monetization of the discovered resources.
 - This monetization is planned by construction of LNG Trains in phases.
 - Once Final Investment Decision (FID) is approved for the monetization, capital expenditure will need to be made by each consortium member including ONGC Videsh Limited for the monetization.
 - Amount to be spent will depend on the contracts to be entered for the above monetization plan.
- At this stage, contracts for monetization of Projects are yet to be finalized hence the news item is based on anticipation.

- b) Acquisition of 16% PI by ONGC Videsh was informed to stock exchanges and the news is in public domain.

Thanking you,

Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.


(N K Sinha)
Company Secretary