



ऑयल इंडिया लिमिटेड
Oil India Limited



Oil India Limited

Investor Presentation

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Oil India Limited



Company background

Oil India Ltd.: An Introduction



Rich Heritage

- Over 5 decades of experience in oil & gas sector
- Credited with creation, operation and maintenance of a fully-automated crude oil pipeline



Strong Parentage with Government of India (GoI)

- GoI ownership of 67.64%
- Awarded 'Navratna' status in 2010
- Second¹ largest national oil and gas company in India



Integrated and fully serviced Oil & Gas (O&G) Player

- Presence across Oil & Gas Value Chain
- Integrated infrastructure and In-house expertise

Dominant India and Expanding Global Presence

- Domestic: 55 blocks; 86,194 sq. km
- International: 13 blocks; 74,721 sq. km



Strong Reserve Base

- Total 2P² reserves of over 121 mmtoe
- Consistent reserve replacement ratio of well over 100%

Experienced Management Team

- Senior management team with strong in-house technical expertise in Company's core business



Consistent Growth and Robust Balance Sheet

- Q1 FY16 Revenue: Rs.3,160 crore, PAT: Rs.775 crore
- FY15 Revenue: Rs.11,020 crore, PAT: Rs.2,510 crore

Oil India is a leading Oil & Gas 'Navratna' Company engaged in Exploration, Development, Production and Transportation of Crude Oil and Natural Gas

Note: 1.Based on total proved plus probable oil and natural gas reserves and production
2.Proved plus probable reserves

Our vision

Fastest Growing Energy Company with Highest Profitability

Delight Customers with Quality Products and Services at Competitive Prices

Team, Committed to Honesty, Integrity, Transparency and Mutual Trust creating Employee Pride

Fully Committed to Safety, Health and Environment

Learning Organization, Nurturing Initiatives, Innovations and Aspirations with Best Practices

Responsible Corporate Citizen Deeply Committed to Socio-economic Development in its Areas of Operations

**“The Fastest Growing Energy Company With a Global Presence
Providing Value to Stakeholders”**

Key Highlights

Acquisition of 50% stake in producing property in License 61 Block in Russia

Acquisition of 50% PI in Blocks SS04 and SS09 in Bangladesh

Acquisition of 60% PI in Block YEB & M-4 in Myanmar

Discovery of Gas in Kakinada Project

Commissioned additional Wind Energy project for 54 MW in Gujarat & MP

Commissioned 5 MW Solar power project in Rajasthan

Key Highlights (Contd.)

Reaffirmation of International Credit Ratings : **Baa2** by Moody's and **BBB-** by Fitch

Maiden Foreign Currency Bond Issue of US\$ 1 billion

Highest ever Capex of Rs.3,773 crore in FY 15, 104% of the Planned Capex

Implementation of New Natural Gas Pricing Guidelines with linkage to international prices

Sharp reduction in subsidy burden as a result of regulatory developments

Shareholding Structure



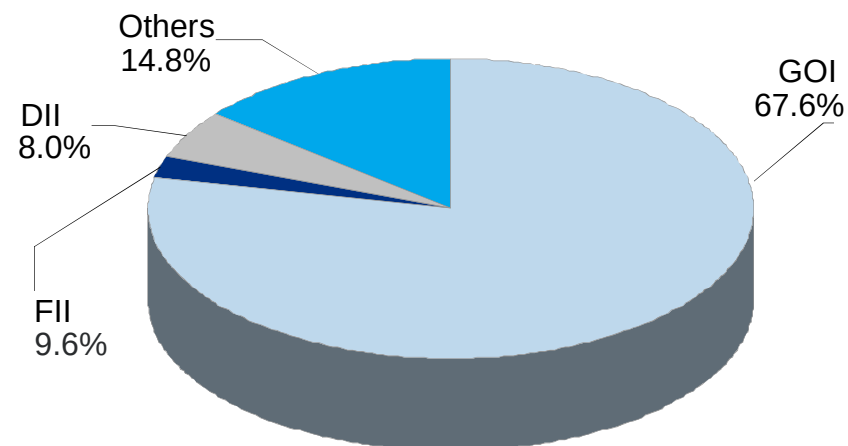
Listed on BSE / NSE

**Number of shares
601.14 mn**

**Dividend FY15
Rs.20 /Share**

**Share price (52 Week High / Low)
Rs.669 / Rs.420**

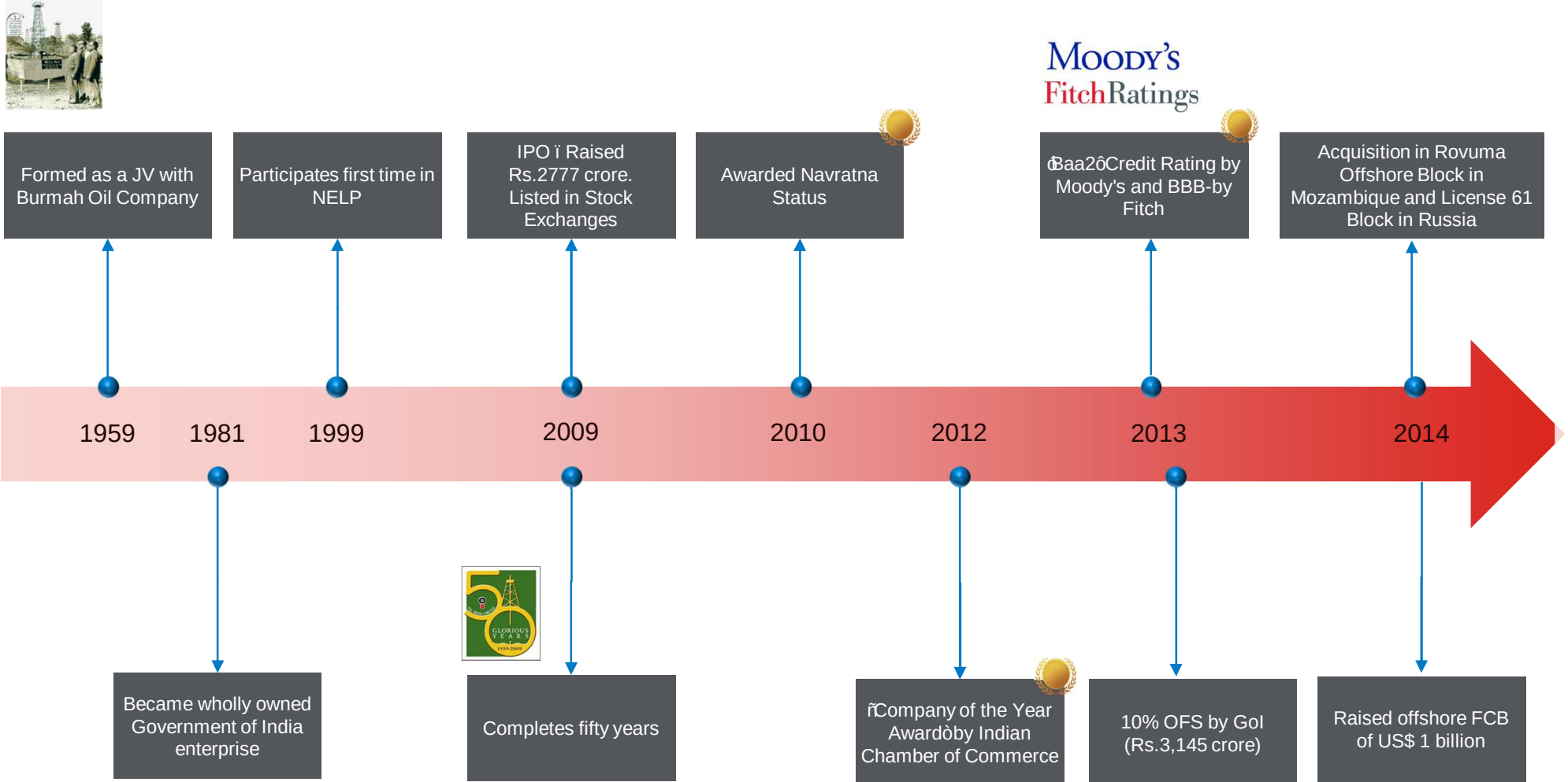
**Market Cap¹
Rs.26,670 crore**



Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
HSBC Bank (Mauritius) Ltd.	1.99%
HDFC Standard Life Insurance Co. Ltd.	1.01%
Life insurance Corporation of India	0.93%
HDFC Trustee Co. Ltd. - Top 200 Fund	0.90%
HDFC Trustee Co. Ltd.- HDFC Equity Fund	0.88%
ICICI Prudential Life Insurance Co. Ltd.	0.76%

1. As on 24.08.2015

Oil India: Milestones and Track Record



Over 50 Years of Experience in Oil & Gas Sector

Strong Parentage and Experienced Management Team

Strong Parentage of Govt. of India

2nd Largest Public Sector E&P company

- ◆ Became a Public Sector Undertaking in 1981
- ◆ Govt. owns 67.64% and Central Public Sector Enterprises (IOCL, BPCL & HPCL) own 8.9%
- ◆ 2 Government nominees on the Board

Awarded 'Navratna' Status in 2010

- ◆ Status accords complete autonomy in Company's operations except;
- ◆ M&A or equity investment in a single JV / Wholly owned subsidiary
 - ◆ **Domestic:** Up to Rs.1,000 crore or 15% of net worth
 - ◆ **International:** Up to Rs.3,000 crore or 25% of net worth

Best In-Class Management Team



U P Singh
Chairman & MD
IAS, Additional Secretary
in MoP&NG

- ◆ Appointed Chairman & Managing Director in July, 2015
- ◆ During his rich and varied experience as an IAS officer, he has held various administrative positions in both the State & Central Govt.
- ◆ Prior to joining MoP&NG, he was Joint Secretary, Ministry of Steel.



R S Borah
Director (Finance)
Over 30 years of O&G
Industry experience

- ◆ Appointed Director (Finance) in October, 2013
- ◆ Experience in diverse fields of financial management, audit and strategic planning



Sudhakar Mahapatra
Director (Expl. & Dev.)
Over 33 years of O&G
Industry experience

- ◆ Appointed Director (E&D) in August, 2014
- ◆ Experience in diverse fields of exploration management under PSC/JV regimes, E&P business development process



Biswajit Roy
Director (HR & BD)
Over 32 years of O&G
Industry experience

- ◆ Appointed Director (HR & BD) in May, 2015
- ◆ Experience in diverse functions including Marketing, Operations, Business Development, Human Resources,



P K Sharma
Director (Operations)
Over 33 years of O&G
Industry experience

- ◆ Appointed Director (Operations) in June, 2015
- ◆ Experience in the E&P industry in India and abroad

Awards



Platts Top 250 Global Energy
Company Rankings
2014



Forbes Global 2000
1,638th Rank
2013

BUREAUCRACY Today

BT Star
Best PSU
2013



Indian Chamber of Commerce
Company of the Year
2012

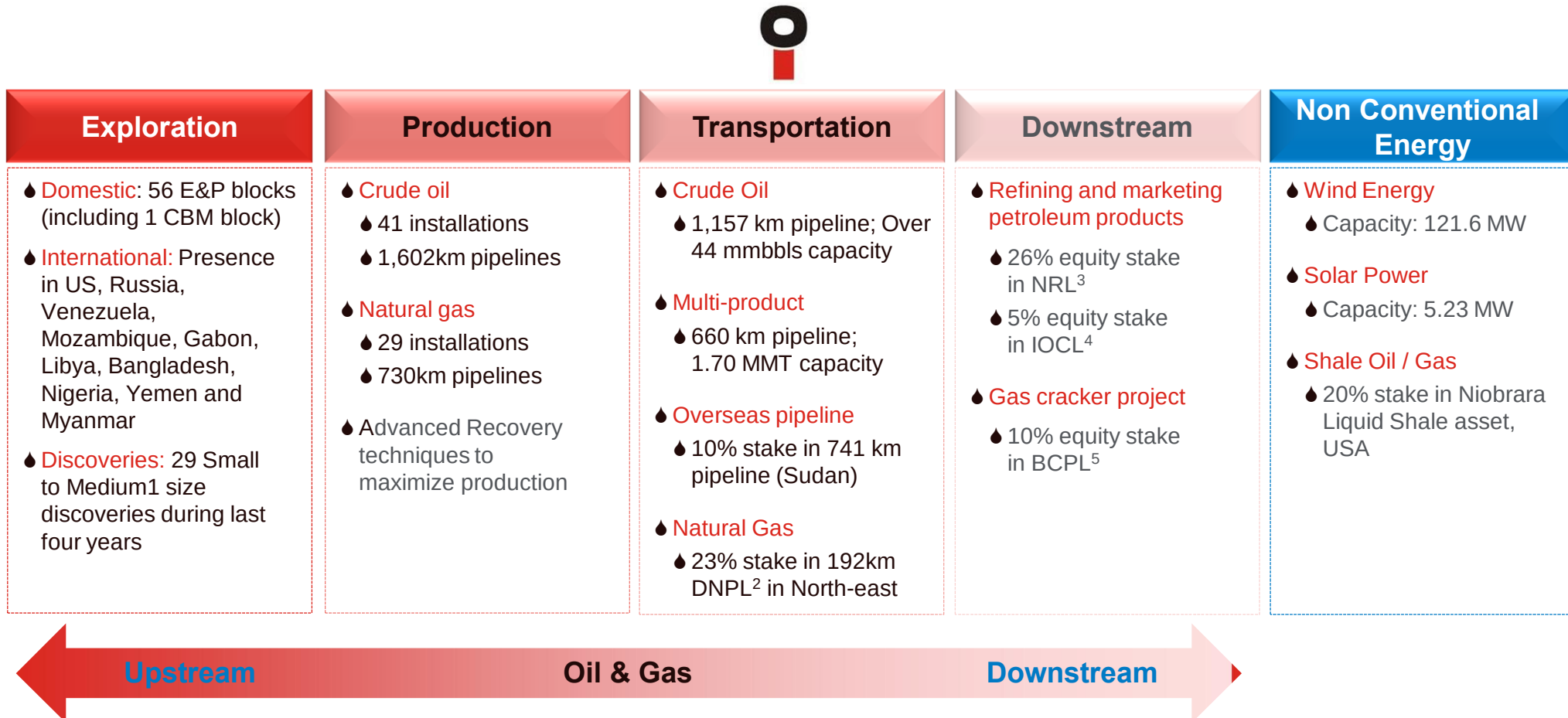
NDTV

NDTV Business Leadership
award in Oil & Gas Sector
2012



Golden Peacock Award
Corporate Governance
2012

Integrated and Diversified Oil & Gas Player



Note:

1. Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30mn barrels of oil and oil equivalent gas.

2. DNPL ĩ Duliajan-Numaligarh Pipeline Limited.

3. NRL ĩ Numaligarh Refinery Limited.

4. IOCL ĩ Indian Oil Corporation Limited

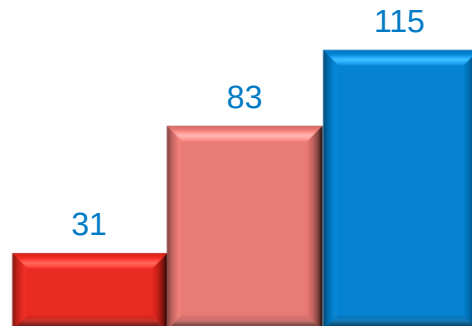
5. BCPL ĩ Brahmaputra Cracker and Polymer Limited

Fully serviced E&P Company and diversifying into non-conventional energy

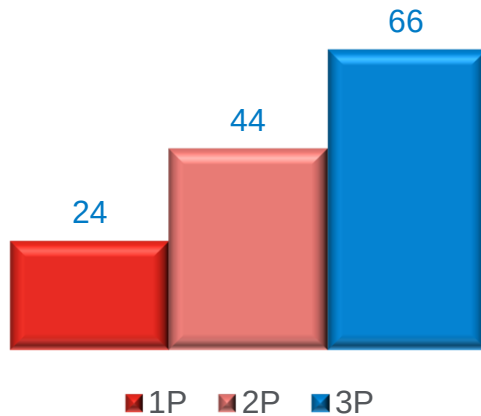
Large and Diversified Reserve Base

Large Reserve Base with attractive Oil & Gas Mix

Crude Oil
(MMT)

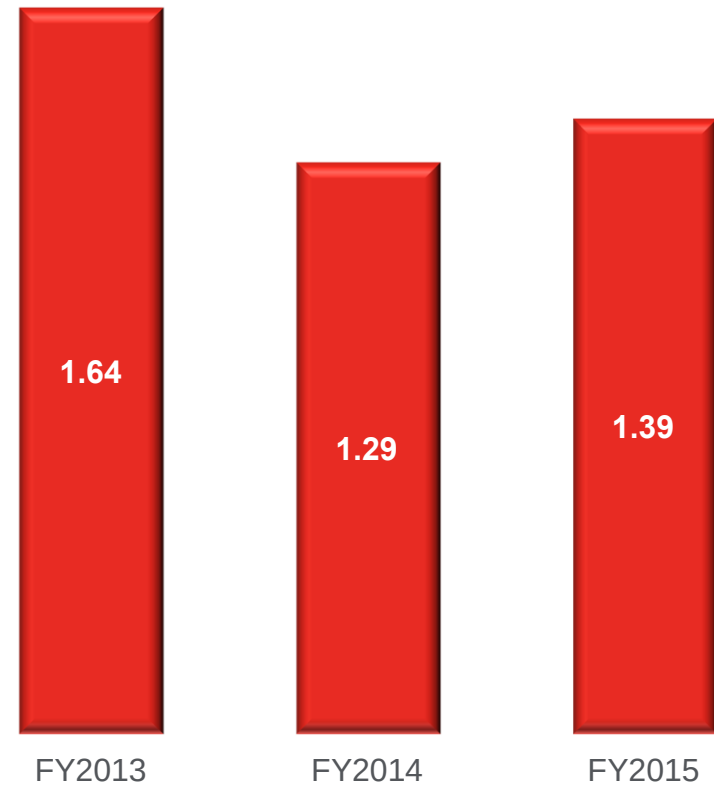


Natural Gas
(BCM)



■ 1P ■ 2P ■ 3P

Reserve Replacement Ratio (2P reserves)



Significant reserve base of over 121 MMTOE
Track record of Reserve Replacement Ratio >1.0x

Downstream Operations

- 📍 OIL intends to continue an active strategy of vertical integration into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas
- 📍 Vertical integration strategy aimed at achieving:
 - Diversification of revenue sources
 - Improving profitability by extending operations into higher-margin segments of the product value chain

Refining and Marketing

- 📍 26% equity stake in Numaligarh Refinery Limited (NRL).
- 📍 The other equity holders in NRL are BPCL and the Government of Assam



Gas cracker Project

- 📍 10% equity stake in Brahmaputra cracker and Polymer Limited (Assam)
- 📍 Process natural gas, naphtha or any other petroleum product
- 📍 Distribute and market petrochemical products in India and abroad



Renewable Energy/LNG projects

- 📍 Commissioned Wind Energy Project in Rajasthan, Gujarat and MP.
- 📍 LNG: MOU with Kakinada Seaports





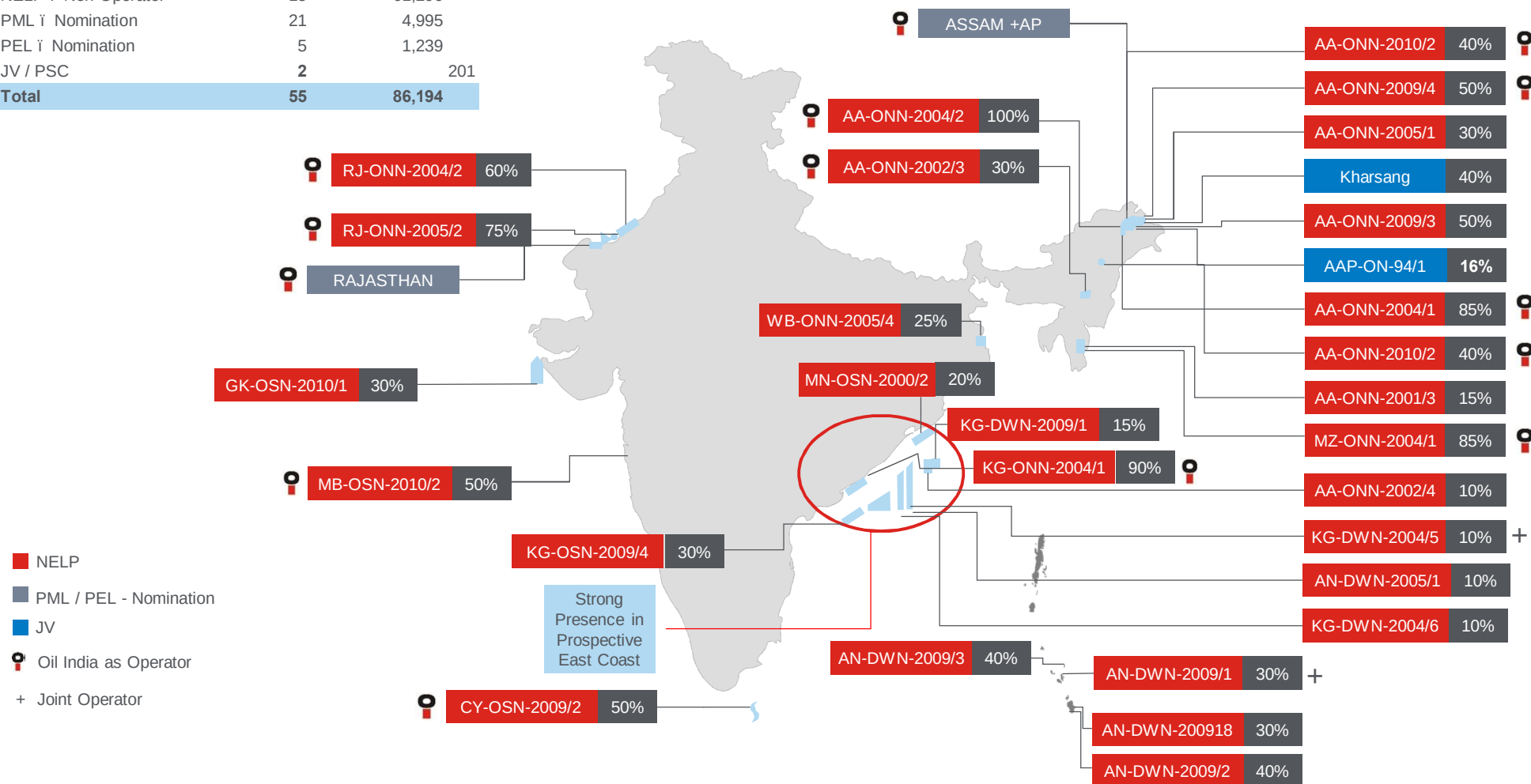
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**Asset and
reserve overview**

Domestic Asset Overview

Blocks	No	Area (sq. km.)
NELP ĩ Operator	12	18,463
NELP ĩ Non-Operator	15	61,296
PML ĩ Nomination	21	4,995
PEL ĩ Nomination	5	1,239
JV / PSC	2	201
Total	55	86,194



Significant India Presence in Regions with Demonstrated Commercial Production or Known Accumulation of Hydrocarbons

PML ĩ Petroleum Mining Lease, PEL ĩ Petroleum Exploration License, PSC ĩ Production Sharing Contract

Major Domestic Projects

Mizoram

- ◆ Block awarded in NELP-VI round
- ◆ Block lies in north-east India flanked by Bangladesh in the West and Myanmar in South & East
- ◆ OIL : 85% (Operator), Shiv-vani : 15%
- ◆ Area: 3,213 SQKM

Status Update

- ◆ Seismic Acquisition, Processing & interpretation of:
 - ◆ 2D (API): 1,352 GLKM
 - ◆ 3D (API): 613 SQKM
- ◆ Drilling of 1st well (Aibawk-1) is in progress
 - ◆ Drilled to the depth of 4153 meters
 - ◆ Production testing in progress



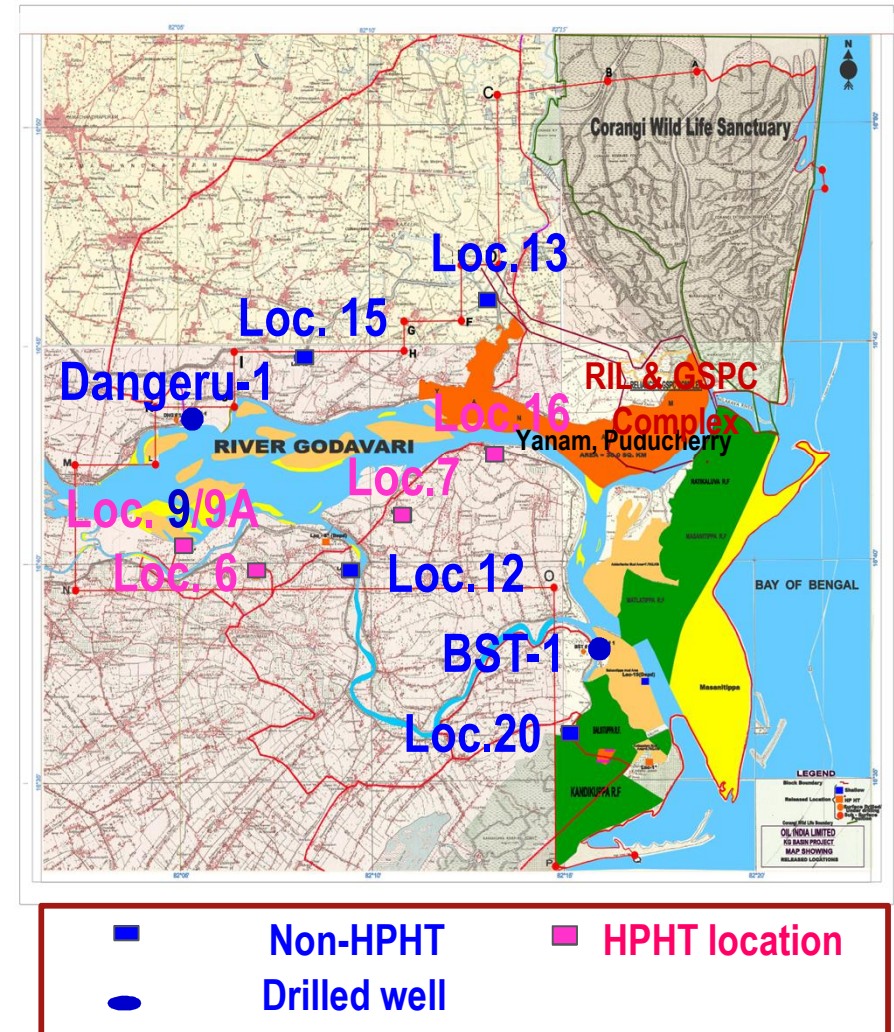
Major Domestic Projects (Contd)

KG Basin

- ◆ Block awarded in NELP-VI round
- ◆ Block lies at north-eastern end of the onshore part of Krishna-Godavari Basin.
- ◆ OIL : 90% (Operator), GGR : 10%
- ◆ Area: 541 SQKM

Status Update

- ◆ Seismic Acquisition, Processing & interpretation of:
 - ◆ 2D (API): 300.16 GLKM
 - ◆ 3D (API): 407.37 SQKM
- ◆ Drilling & testing of 1st well completed
 - ◆ Hydrocarbon discovery made
- ◆ Final logging in 2nd well in progress



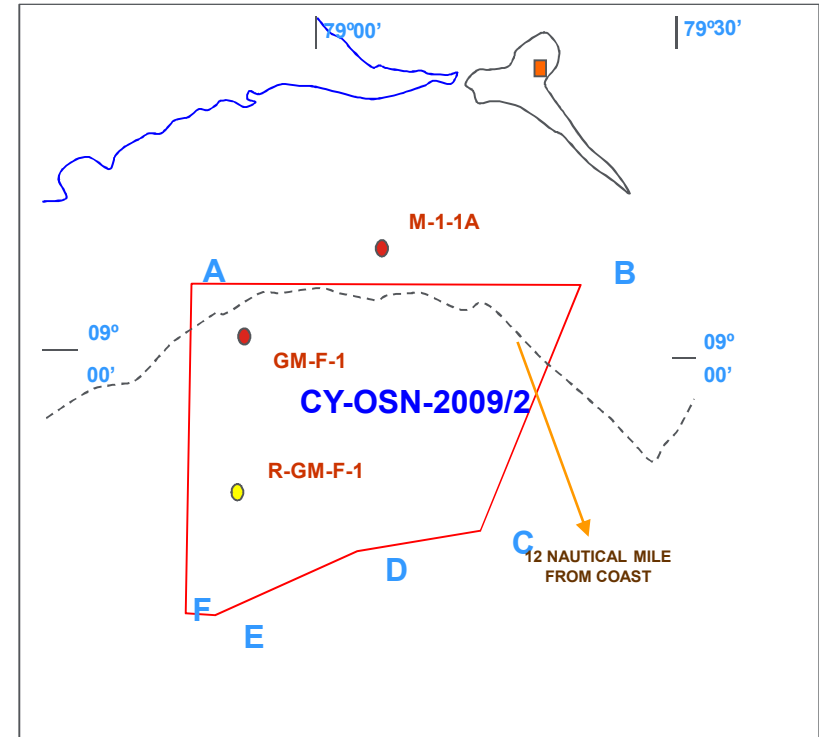
Major Domestic Projects (Contd)

Cauvery Basin

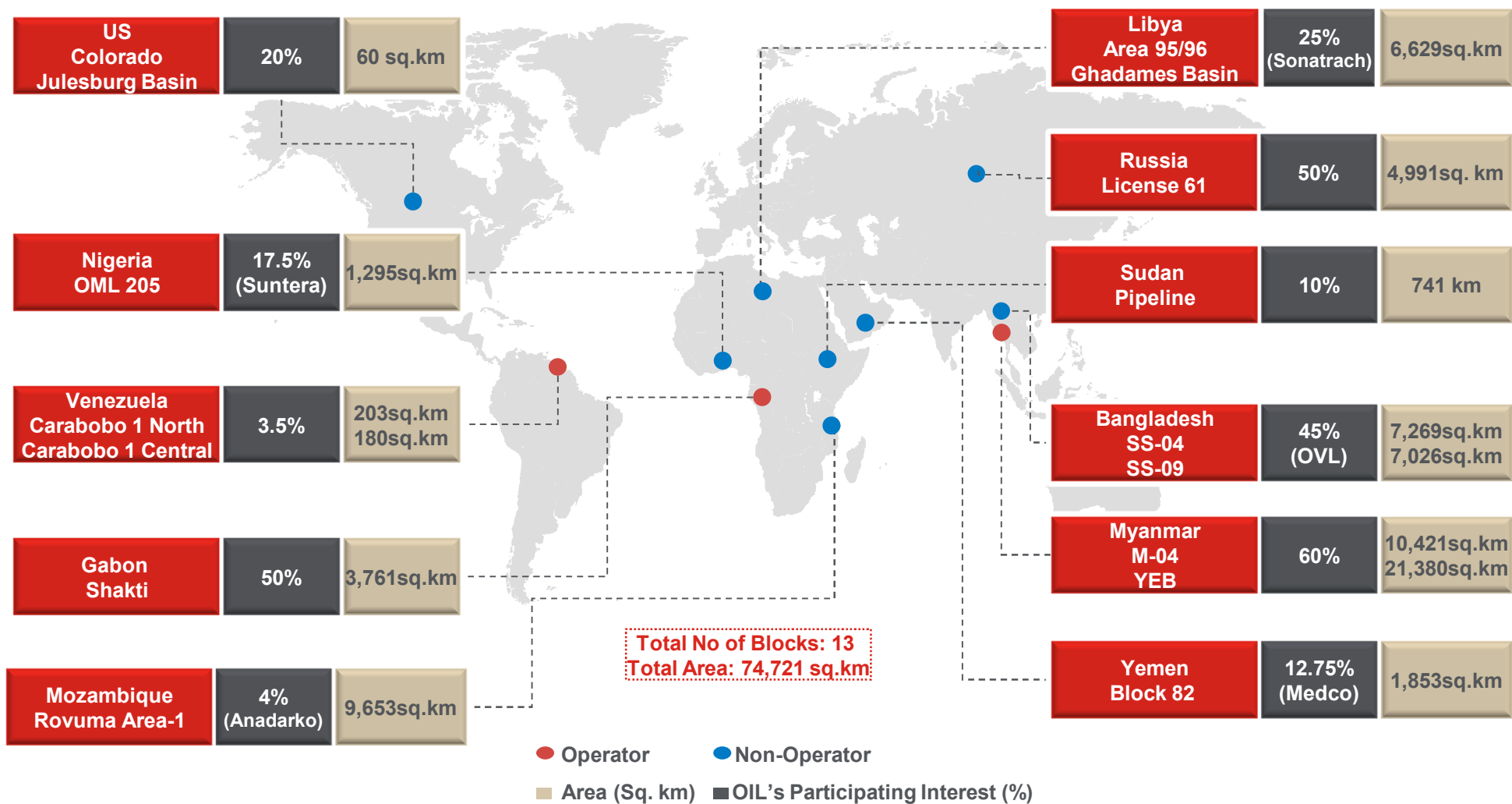
- ◆ Block awarded in NELP-VIII round
- ◆ Block lies at Gulf of Mannar
- ◆ Water Depth: 401 meters
- ◆ OIL : 50% (Operator), ONGC : 50%
- ◆ Area: 1621 SQKM

Status Update

- ◆ Seismic Acquisition, Processing & interpretation of:
 - ◆ 2D (API): 511 GLKM
 - ◆ 3D (API): 1621 SQKM
- ◆ Pre-drilling activities in progress
- ◆ Expected to spud the well by Q4 FY16



International Asset Overview



Strong International Footprint with Balanced Presence in Exploration Acreages & Producing Properties

Major Overseas Projects

Project Carabobo, Venezuela

- ◆ Equity access to crude oil on long term basis
- ◆ Significantly low subsurface risk
- ◆ Two blocks in Orinoco Heavy Oil Belt
- ◆ Block Area 383 Sq. Km
- ◆ ~ 30 billion barrels of Oil in place from Project Carabobo
- ◆ Production started from Dec 2012

Current Status

- ◆ 31 wells under production
- ◆ Current production ~ 18000 bopd
- ◆ Production expected to reach 90000 bopd by end of 2017
- ◆ Revenue from the Project US\$ 199 Million till 31.03.2015 (OIL share US\$ 7 Mn)

Consortium Partners

PDVSA	71%
Repsol	11%
OVL	11%
INDOIL (OIL 50% & IOCL 50%)	7%

Partner in major discovered heavy oil field with huge resource potential

Major Overseas Projects (Contd...)

Area 1 Rovuma, Mozambique

- ◆ OIL jointly with OVL acquired 10% stake in Offshore Mozambique Area 1 in January 2014
- ◆ Acquisition Cost: USD 2519 million, (US\$ 1007 million by OIL)
- ◆ Area : 9653 SQ KM.
- ◆ Location : Rovuma tertiary deltaic basin extending from coastal part
- ◆ Water depths over major gas fields are in the range of 800i 1600 meters
- ◆ 45-75 tcf recoverable resources in Area 1
- ◆ Resource size supports 50 MMTPA of LNG
- ◆ Strategically located to supply LNG to buyers from Asia and Middle.

Key Highlights

- ◆ Financial Close expected Q3 2016
- ◆ First LNG expected Q1 2020
- ◆ More than 2/3rd of the volume of Initial Development Phase already committed

Consortium Partners

Anadarko	26.5%
Mitsui	20%
ENH	15%
BPRL	10%
BREML (OIL 40% & OVL 60%)	10%
OVL	10%
PTTEP	8.5%

Discovered asset with high reserve base in a world class gas basin with significant future upside potential

Major Overseas Projects (Contd...)

License 61, Tomsk Region, Russia

- ◆ Acquired 50% PI at US\$35 mn. w.e.f. 1st Jan 2014
- ◆ Also funding Development Capex of US\$ 45 mn and production bonus of US\$ 5 mn
- ◆ Contains seven known oil fields having 2P reserve of 117.1 Mn bbl
- ◆ The License has over 25 prospects and leads

Project Profile

- ◆ Near Term Production : 5,000 BOPD
- ◆ Expected peak production: 22,600 BOPD
- ◆ Projected Pay back period : 7 years
- ◆ Processing facilities of 15,000 BOPD in place
- ◆ Pipeline agreements for crude evacuation in place

Location

- ◆ Western Siberia

Area

- ◆ 4,991 SQ. KMS

Current Status

- ◆ Three rigs currently deployed
- ◆ Seismic API of 1000 LKM is under progress
- ◆ Current production > 2300 BOPD

Consortium Partners

PetroNeft Resources	
OIL	50%

Low cost entry into one of the most hydrocarbon prolific region of Western Siberia
Average acquisition cost ~ US\$ 2 per bbl of 2P reserve

Major Overseas Projects (Contd...)

Myanmar : Block YEB and Block M-4

- ◆ Awarded in 2013 offshore licensing round by Republic of Union of Myanmar
- ◆ Production Sharing Contracts signed in December 2014
- ◆ Shallow Offshore - Maximum WD: 600 ft
- ◆ Familiar geology
- ◆ Inherent benefits attached to exploration assets
- ◆ High risk high reward

Current Status

- ◆ EIA/ SIA studies in progress prior to entry into assessment phase

Area

- ◆ M4 (10,421 Sq. Km),
- ◆ YEB (21,380 Sq. Km)

Resource Base

- ◆ M4 : Gas
- ◆ YEB : Oil

Consortium Partners

OIL

60%

Mercator Ltd.	25%
Oilmax Energy Pvt. Ltd.	10%
Oil star	5%

Exploring neighbours: a strategic move

Major Overseas Projects (Contd...)

Bangladesh : Block SS-04 and SS-09

- Blocks awarded in the Bangladesh offshore bidding round 2012
- Production Sharing contract signed in Feb 2014
- Shallow water block (WD: 0-200 m)
- Inherent benefits attached to the exploration assets

Current Status

- Environmental Impact Assessment study Blocks completed. Report awaited.
- 2D seismic acquisition to commence Q3, FY 16

Area

- SS-04 (7269 Sq. Km),
- SS-09 (7026 Sq. Km)

Reserve / Resource

- Block SS-04 : 1710 bcf
- Block SS-09 : 3795 bcf

Consortium Partners

OVL	45%
OIL	45%
BAPEX	10%



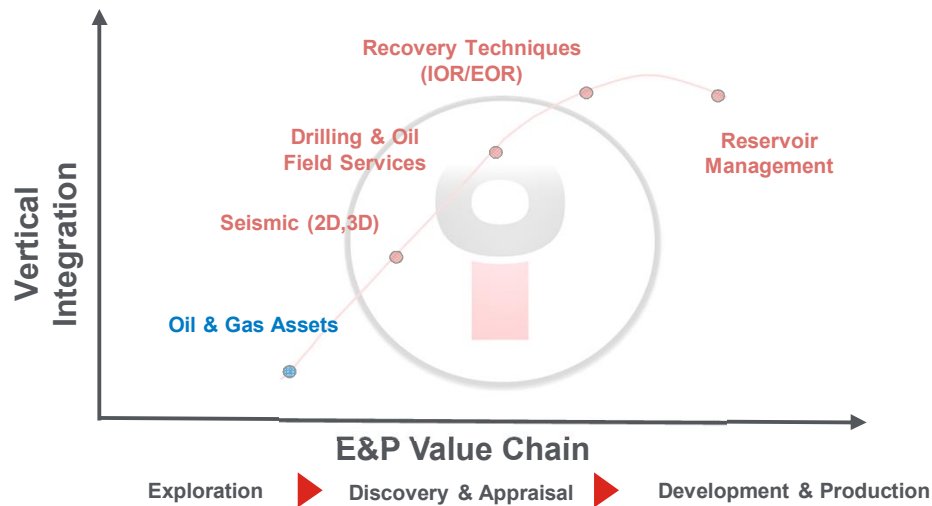
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Strategic strengths

Solid Infrastructure Base with Strong In-House Capabilities

Vertically Integrated E&P Operations with Solid Infrastructure



Infrastructure to Support E&P Activities



Production and Storage Facilities



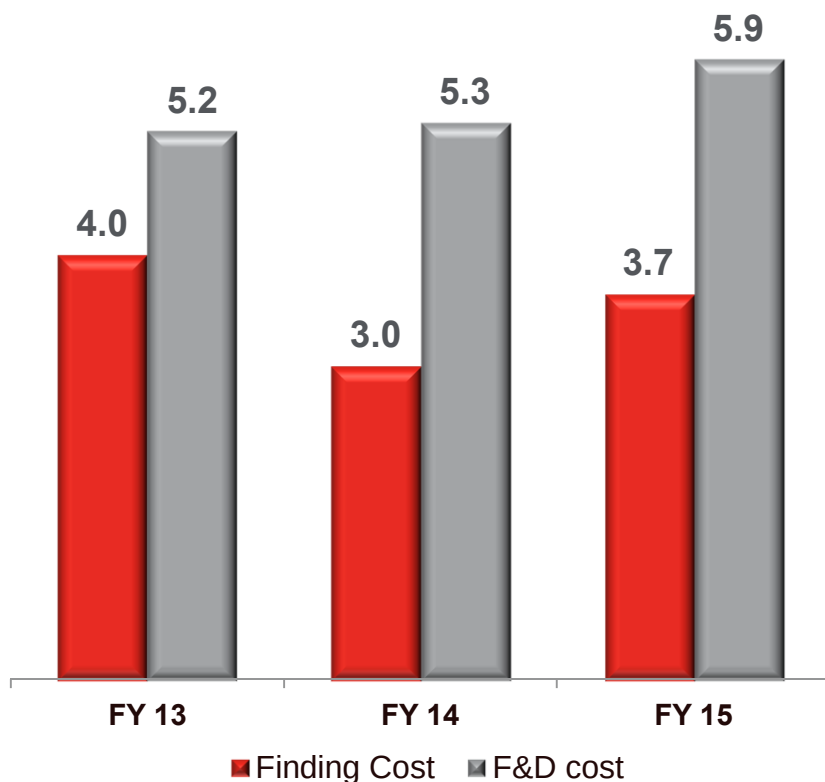
In-house Expertise and Integration across Oil & Gas Infrastructure

Attractive Cost Structure

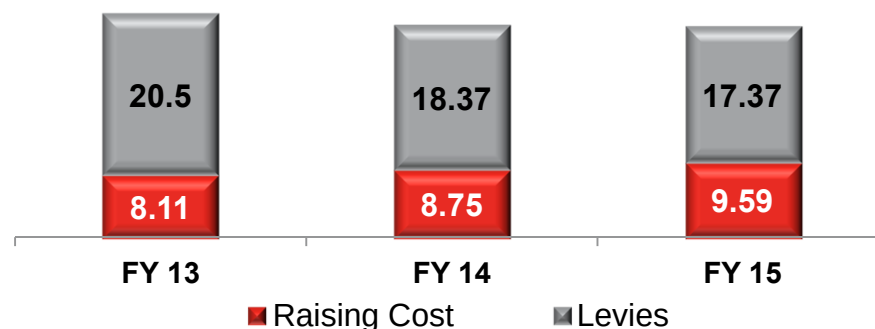
OIL has the Advantage of Low Finding and Development Costs

- ◆ OIL's integrated oil and gas infrastructure enables the company to manage costs efficiently by optimizing manpower costs, using in-house services, adapting cost-saving technology, effectively using geological data and expertise

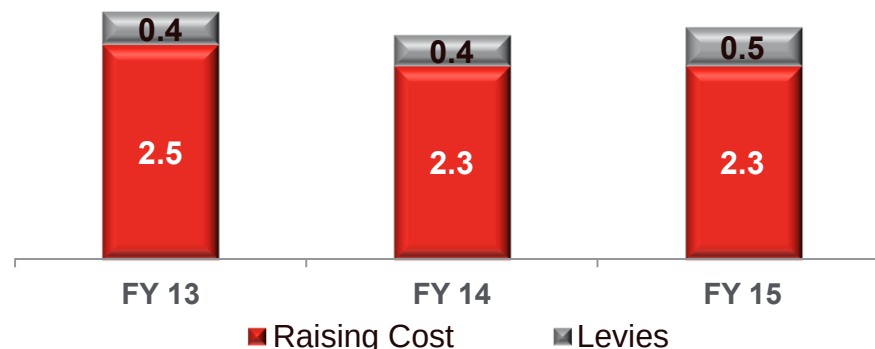
Finding & Development Cost (USD/BOE)



Crude Oil Production Cost (USD / bbl)



Natural Gas Production Cost (USD/ MMBTU)

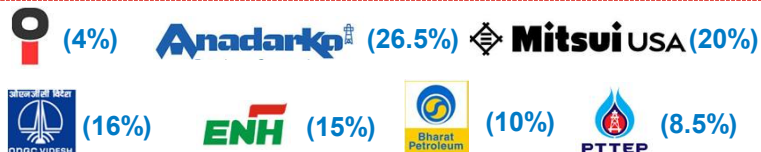


Growth Focus on Key International Projects

Rovuma Basin, Offshore, Mozambique

- Recoverable resources of 45-75 tcf
- First production and revenue is expected in FY2019

Participating Interest



Area 95 / 96, Onshore, Libya

- Drilling of five wells completed
- Hydrocarbon discoveries in all wells

Participating Interest



Block Shakthi, Onshore Gabon

- OIL's first overseas discovery as a operator
- Two Appraisal wells drilled. Close grid 2D Seismic Data being acquired

Participating Interest



Project 1, Carabobo, Onshore, Venezuela

- 31 wells are on production with current average total production of 16,000 bopd

Participating Interest



Carrizo Shale Asset, USA

- 113 wells on production with average daily production of ~500 bopd (OIL's share)

Participating Interest



License 61, Onshore, Russia

- Current average production ~2200 bopd

Participating Interest



Production from international assets is expected to support growth in production going forward

Note: tcf = trillion cubic feet, boepd = barrel oil equivalent per day



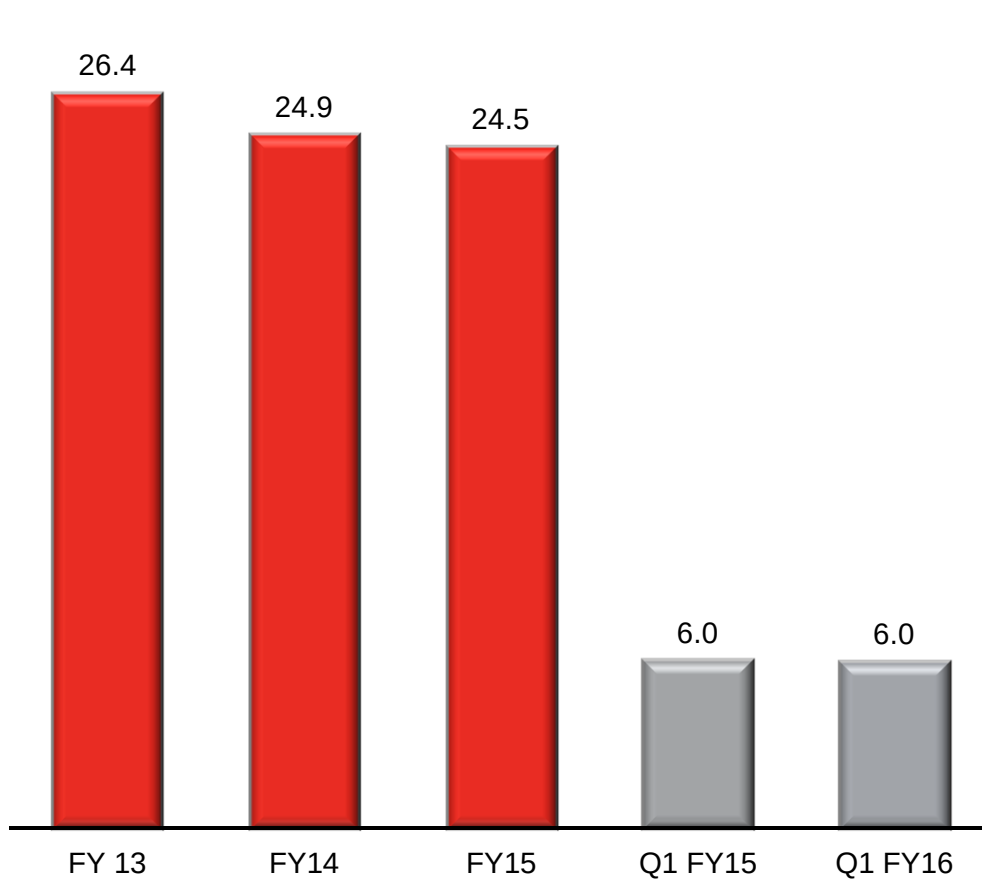
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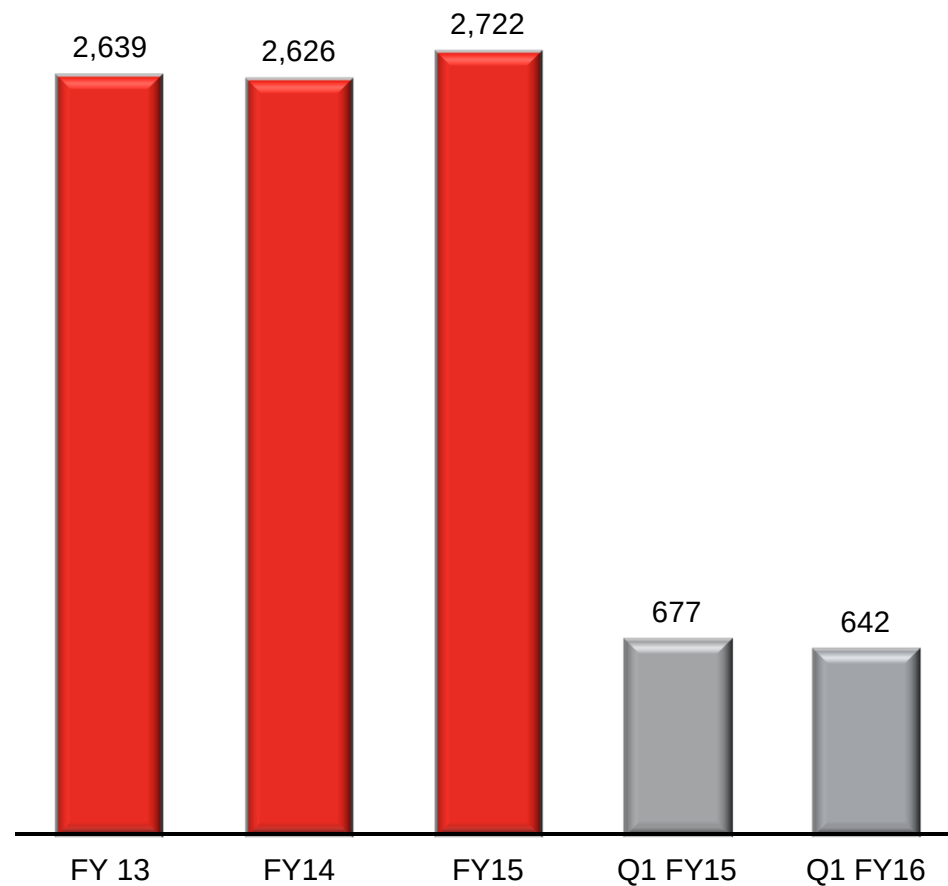
**Operating and
Financial Highlights**

Crude Oil and Natural Gas Production

Crude Oil Production (mn. bbl)

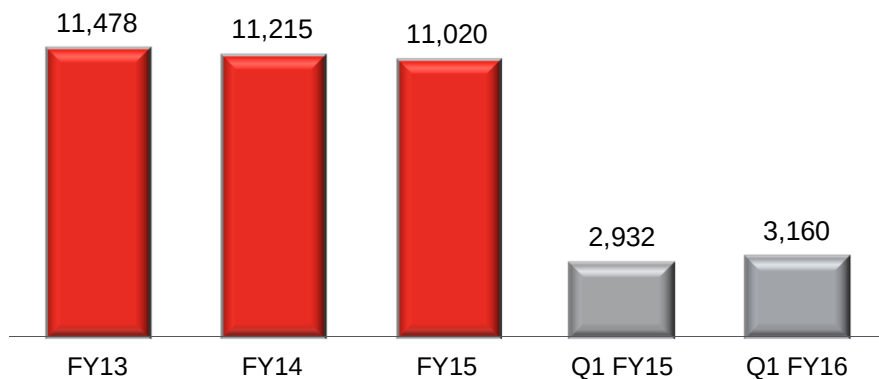


Natural Gas Production (mm scm)

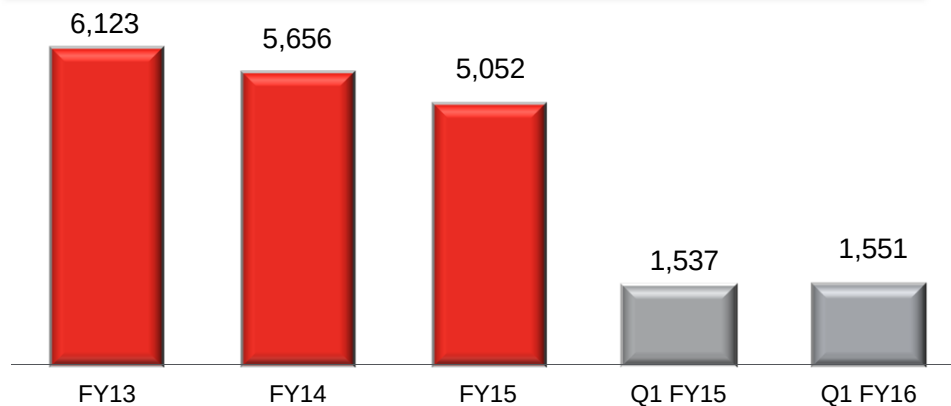


Financial highlights

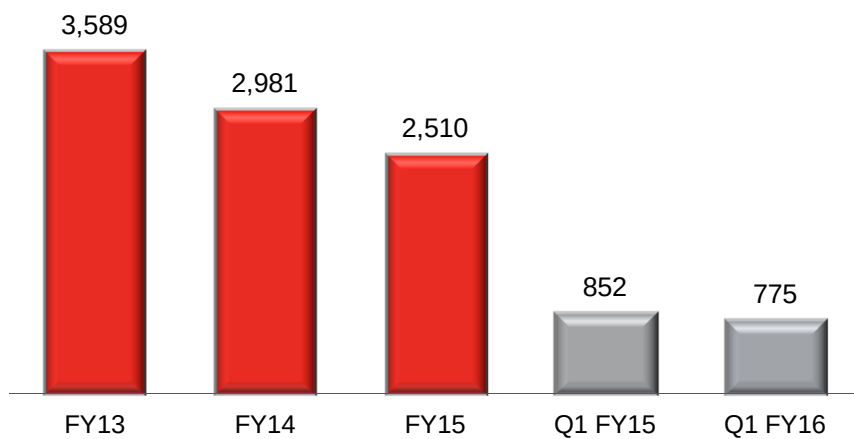
Revenue (Rs. crore)



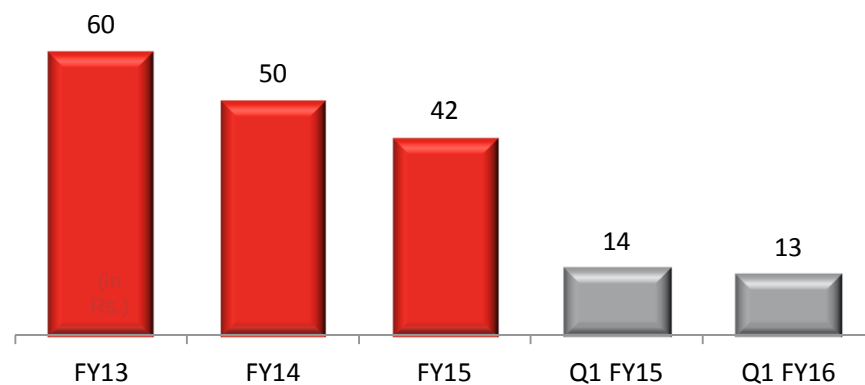
EBITDA (Rs. crore)



Net Profit (Rs. crore)

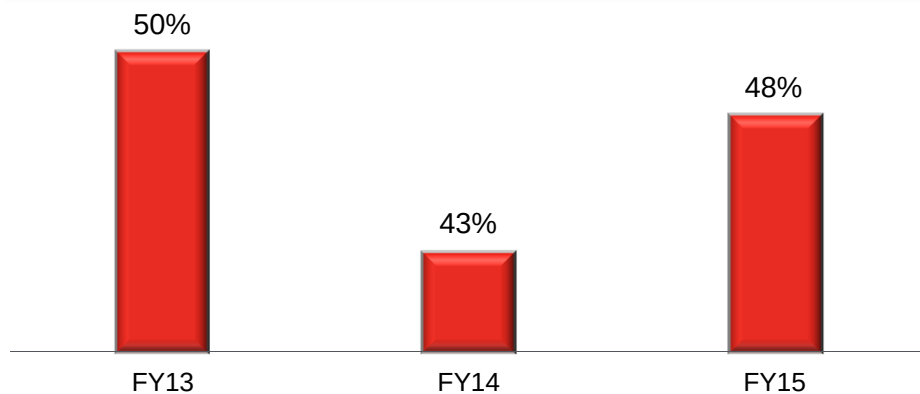


Earnings Per Share (Rs.)

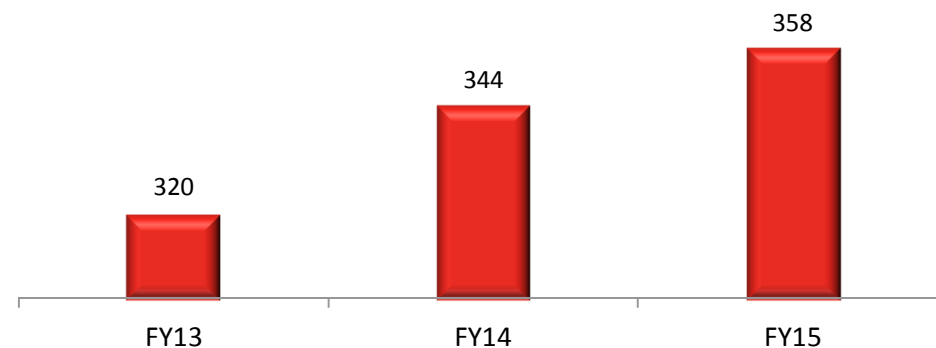


Financial highlights

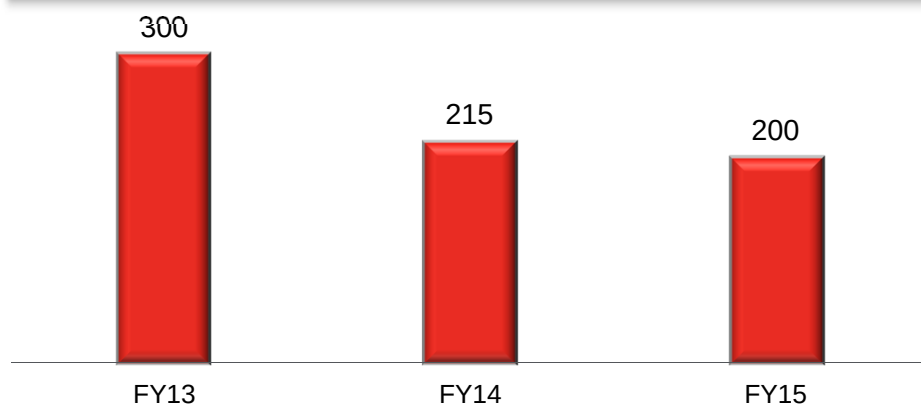
Dividend Payout (% of PAT)



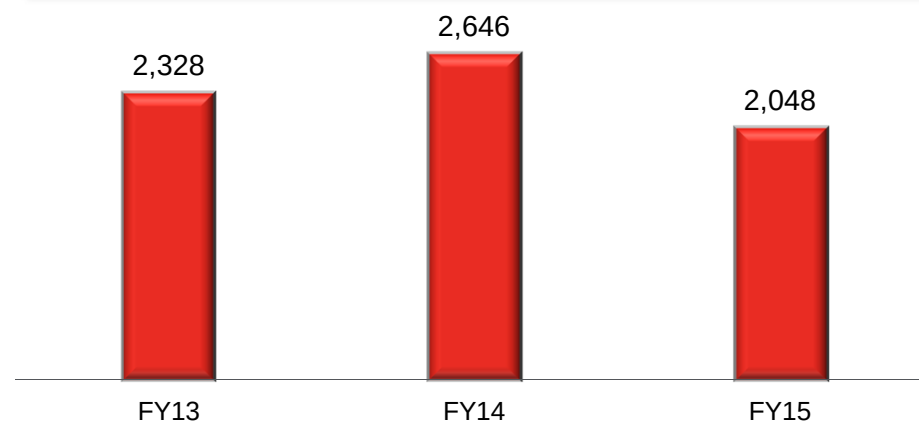
Book Value (Rs./ Share)



Dividend Percentage

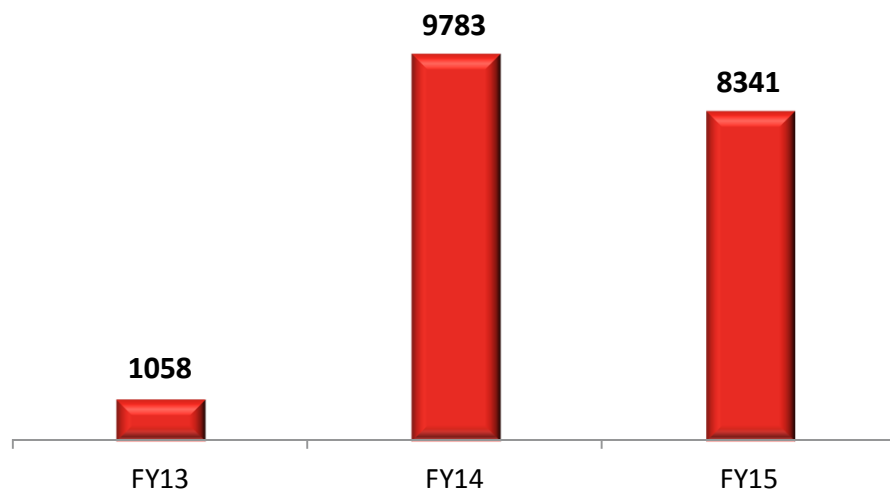


Operating Cash Flow (Rs. Crore)

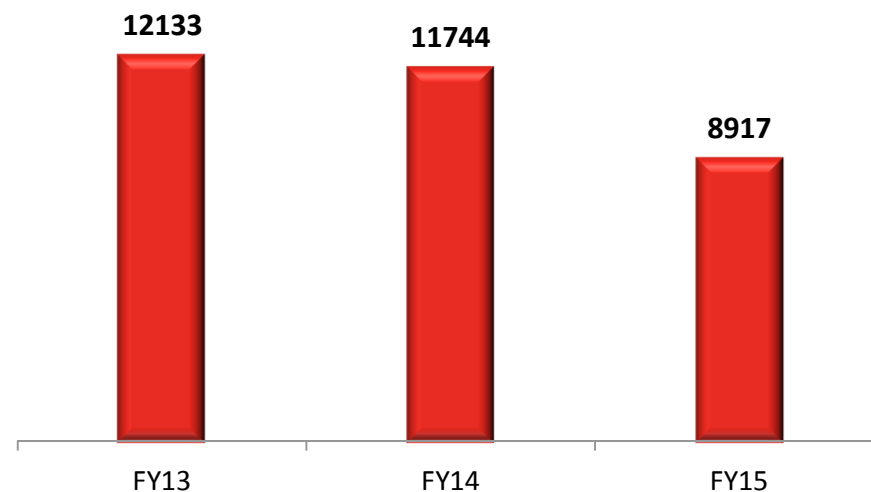


Strong Liquidity with Low Leveraging

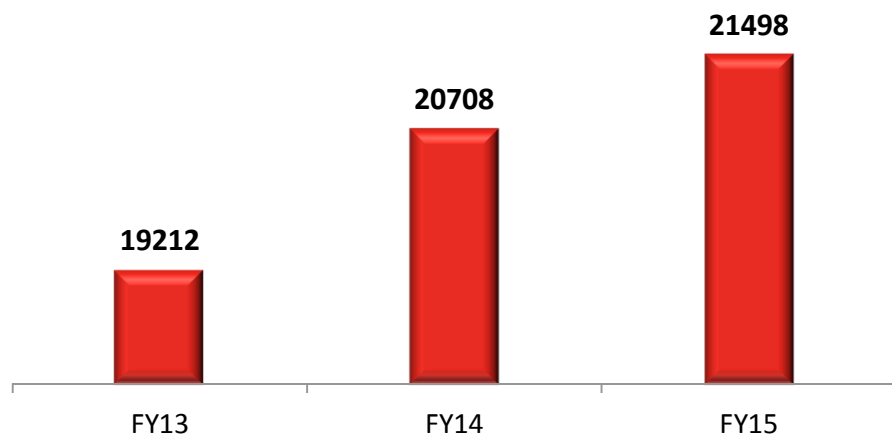
Total Debt (Rs. Crore)



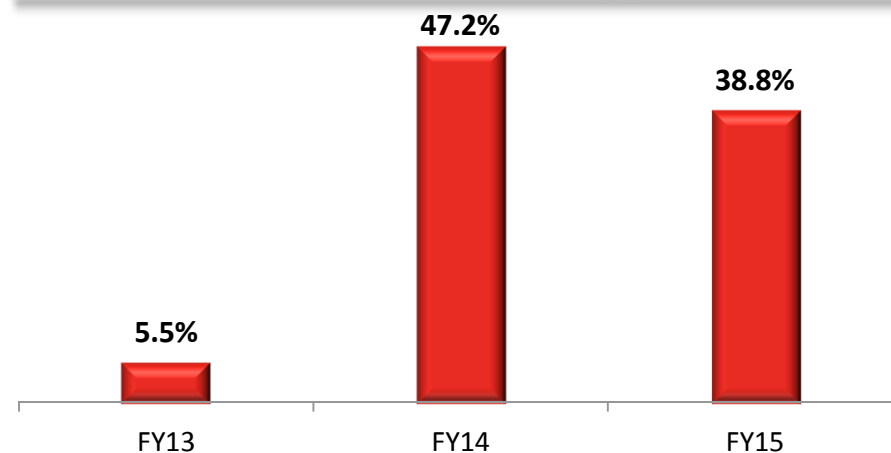
Strong Cash Balance (Rs. Crore)



Net Worth (Rs. Crore)



Debt Equity Ratio



Government Policy and Outlook on Subsidy

Outlook on Subsidy

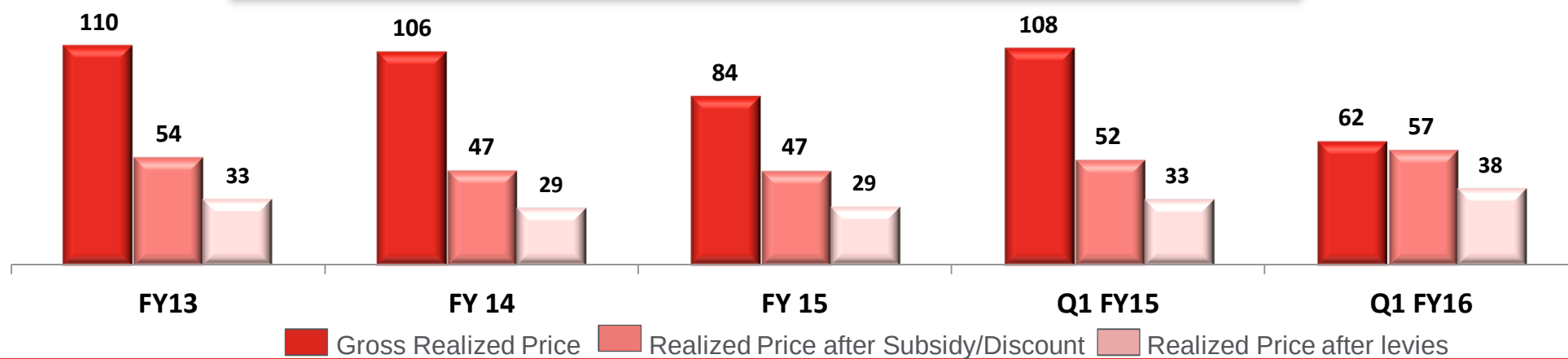
- ◆ **Petrol Prices De-regulated in June 2010**
- ◆ **Diesel Prices De-regulated in October 2014**
- ◆ **Direct Benefit Transfer Scheme for LPG (DBTL) fully implemented effective 1st April 2015.**
Subsidy on Domestic LPG to be borne by Govt.
- ◆ **Subsidy for PDS Kerosene in excess of Rs.12/ litre only will be shared by OIL/ ONGC**

Sharing of Subsidy by Upstream Companies

Rs. Crore

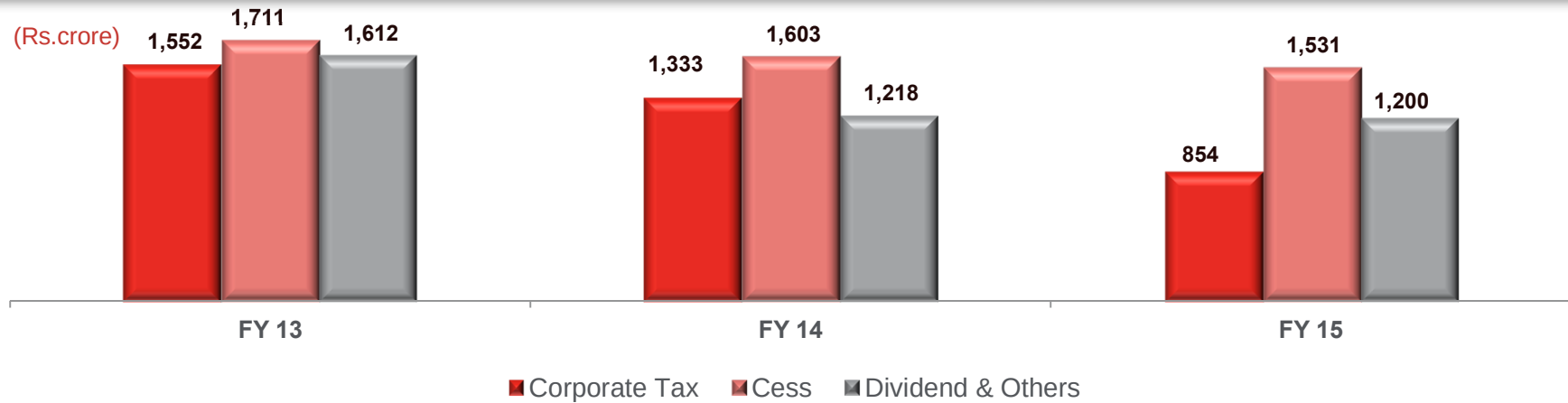
	FY13	FY14	FY15	Q1 FY15	Q1 FY16
ONGC	49,421	56,384	36,300	13,200	1,133
OIL	7,892	8,737	5,523	1,847	167
GAIL	2,687	1,900	1,000	500	-
Total	60,000	67,021	42,822	15,547	1,300

Crude Price Realisation (US\$/bbl)

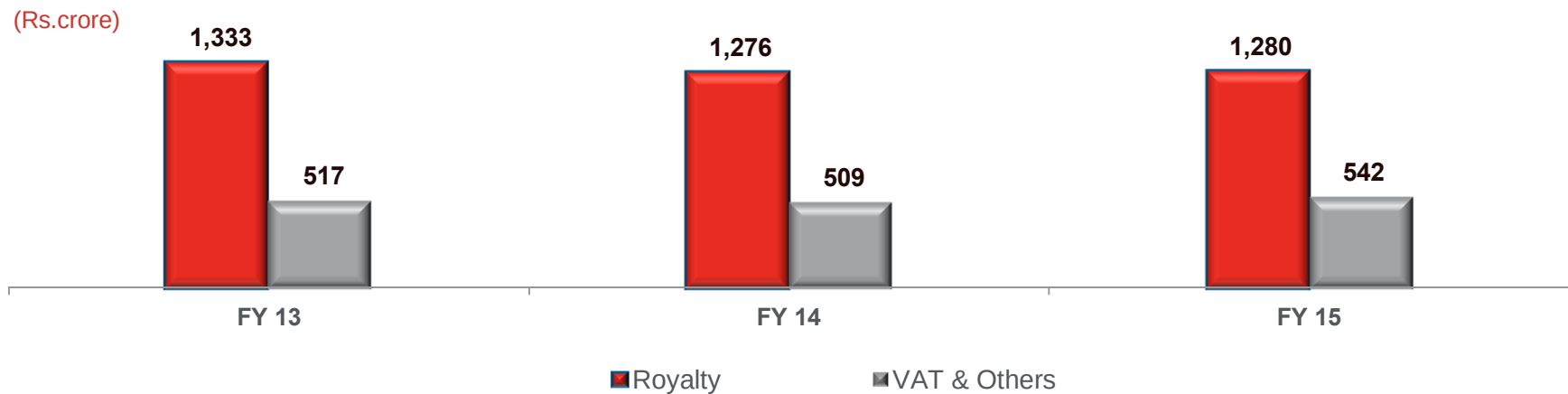


Contribution to Exchequer

Central Government



State Government





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Growth Strategy

Robust Strategy in Place

Balanced growth of assets

- ◆ Grow assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally

Improve rate of recovery

- ◆ Implement a number of IOR and EOR techniques to develop maturing fields and to improve the recovery of crude oil reserves

Accelerate exploration and development

- ◆ Invest in exploration and appraisal activities

Monetize natural gas resources

- ◆ Focus on early commercialization of natural gas resources through new market opportunities

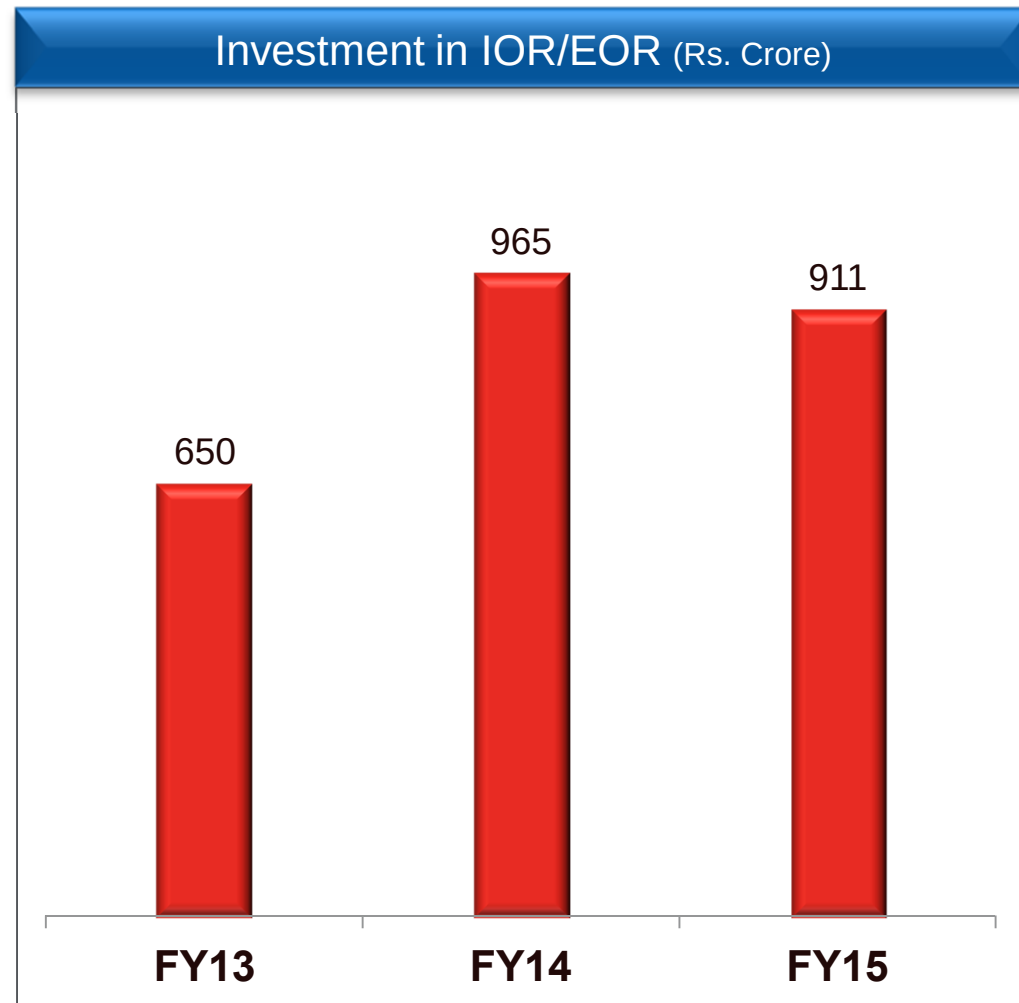
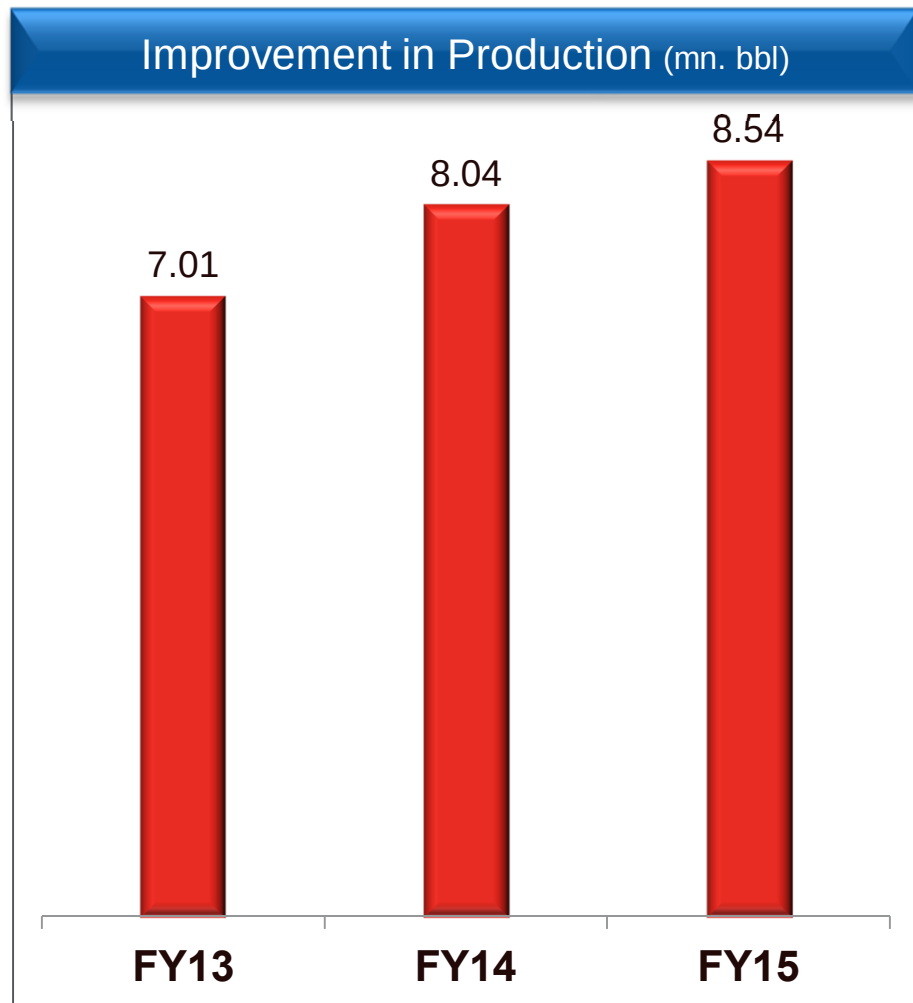
Vertical Integration

- ◆ Diversify selectively into downstream sectors such as refining, petrochemicals, city gas distribution, etc.

Diversify into non-conventional energy

- ◆ Installed and developed wind energy, solar power and shale oil²

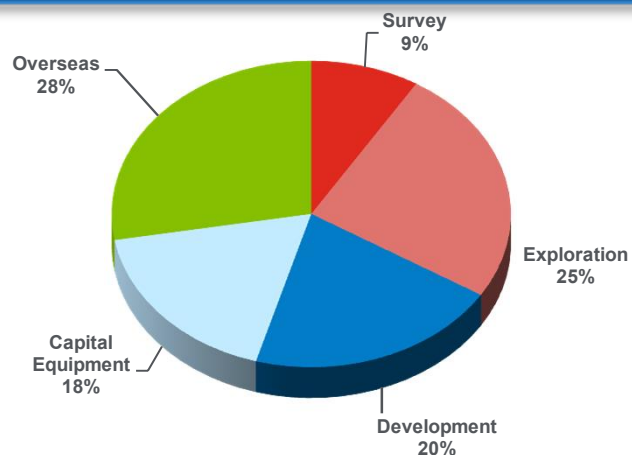
Enhanced production from IOR/EOR initiatives



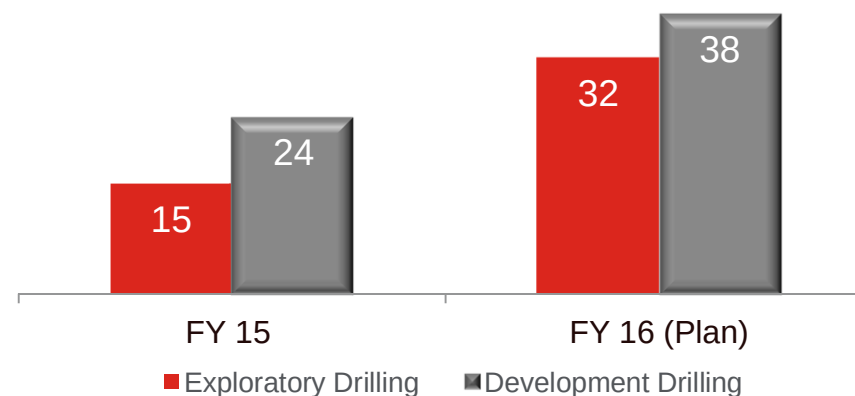
OIL has made investments of ~ Rs.3,700 crore in IOR/EOR initiatives during last five years

Significant Investment Lined Up

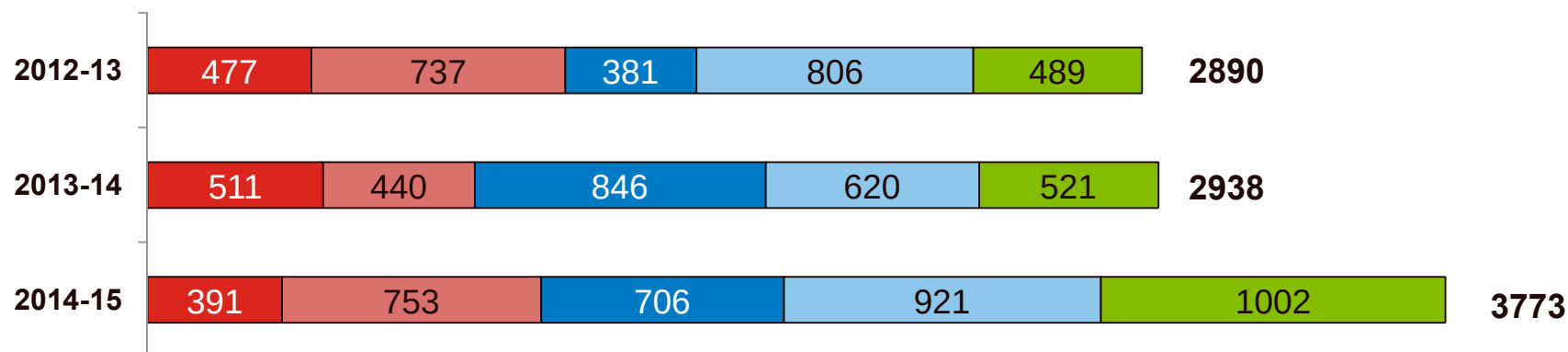
Annual Plan 2015-16: Rs.3,917 crore



Exploratory & Development Drilling (No. of Wells)



Plan Expenditure (Capex) (Rs. Crore)



■ Survey ■ Exploratory Drilling ■ Development Drilling ■ Capital Equipment ■ Overseas Projects

Capex in 2013-14 doesn't include investment of Rs.6413 crore in Mozambique acquisition

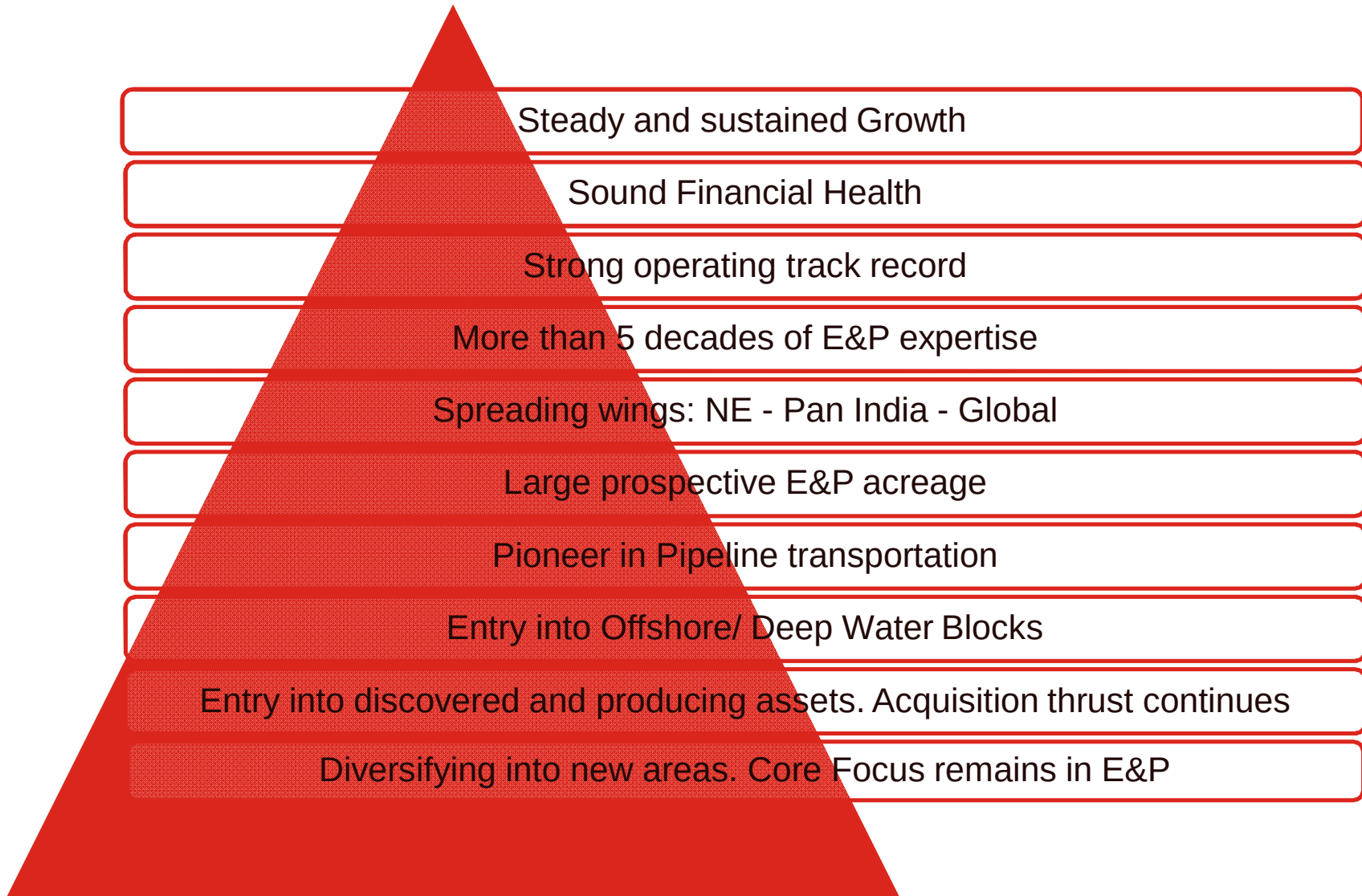
Perspective Plan 2030

- ◆ M/s McKinsey & Company engaged for a comprehensive study of organization structure, talent strategy and business processes to deliver the envisaged growth.
- ◆ Objectives of the study:
 - ◆ To create Perspective Plan 2030 and revisit strategy with objective to accelerate growth with specific intermediate milestones
 - ◆ To have a comprehensive re-look and define ideal organization structure and size.
 - ◆ To define workflows for key areas and best operating practices to deliver improved performance
 - ◆ To craft a robust talent acquisition and management process along with the methodology to meet these growth aspirations
 - ◆ To define the key cultural elements that would be needed for meeting aspirations and the blueprint to maintain and evolve the existing culture

Production Guidance for FY16

	2015-16 (Target)
Crude oil	3.63 MMT
Natural gas	3,010 mmscm

Conclusion



- *Thank You*