



# OIL AND NATURAL GAS CORPORATION LIMITED

## SECRETARIAT

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ONGC/CS/SE/2016

11<sup>th</sup> February, 2016

|                                                                                                                                                       |                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Bombay Stock Exchange Limited,</b><br>Corporate Relationship Department<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort<br>MUMBAI – 400 001 | <b>National Stock Exchange of India Ltd.</b><br><b>Listing Department</b><br>Exchange Plaza<br>Bandra-Kurla Complex<br>Bandra (E)<br>MUMBAI – 400 051 |
| <b>BSE Security Code No. 500312</b>                                                                                                                   | <b>Symbol-ONGC; Series - EQ</b>                                                                                                                       |

**Sub: Press Release**

Dear Sirs,

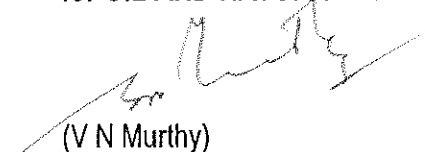
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Press Release issued by ONGC on the following subject:

- **ONGC declares results for Q3 FY'16, Net profit down by 64%**
- **Notifies 14 discoveries so far in FY'16**

This is for your kind information and record please.

Thanking you

Yours faithfully,  
for OIL AND NATURAL GAS CORPORATION LTD.

  
(V N Murthy)  
Company Secretary

Encl : As above



# Oil and Natural Gas Corporation Ltd.

Press Release

- **ONGC declares results for Q3 FY'16, Net profit down by 64% ;**
- **Notifies 14 discoveries so far in FY'16**

New Delhi February 11, 2016

In its 278<sup>th</sup> Board Meeting held on February 11, 2016, ONGC presented the Quarterly results for the quarter ended December 31, 2015.

## 1. ONGC Performance Highlights : Q3 FY'16

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • <b>Q3 FY'16 Gross Revenue ₹ 18,547 Crore (against ₹18,980 Crore in Q3 FY'15)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| • <b>Net Profit ₹ 1,286 Crore in Q3 FY'16 as against ₹ 3,571 Crore in Q3 FY'15.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <div>• Four hydrocarbon discoveries have been notified.<ol style="list-style-type: none"><li>1. <b>Oil &amp; Gas discovery in the well West Penugonda#1 (WPG-AA), Godavari Onland PML, KG Basin.</b></li><li>2. <b>Gas discovery in the well Kesanapalli West # 47 (KW#47), Godavari Onland PML, KG Basin.</b></li><li>3. <b>Gas discovery in the well MBSO53NAA#1, NELP Block MB-OSN-2005/3 in Mumbai Offshore Basin, Western offshore.</b></li><li>4. <b>Gas discovery in the well GK-28#10 (GK-28-L), GK-28 PML, Kutch Offshore, Western Offshore basin.</b></li></ol><p>With these discoveries ONGC has notified total 14 new discoveries (6 new prospect and 8 new pool) so far in FY'16.</p></div> |
| • <b>No under-recovery discount considered in Q3 FY'16 as against ₹ 9,458 Crore in Q3 FY'15, letter awaited from the Government.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 2. Production Performance

|                                   | Q3           |              |              | 9 Months      |               |              | Actual<br>FY'15 |
|-----------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|-----------------|
|                                   | FY16         | FY 15        | % Var        | FY16          | FY 15         | % Var        |                 |
| Crude Oil – Nominated blocks(MMT) | 5.295        | 5.300        | (0.1)        | 15.881        | 15.617        | 1.7          | 20.826          |
| Crude oil – JVs – (MMT)           | 0.886        | 0.952        | (6.9)        | 2.707         | 2.765         | (2.1)        | 3.680           |
| Condensate                        | 0.347        | 0.360        | (3.6)        | 0.999         | 1.106         | (9.7)        | 1.437           |
| <b>Total Crude Oil –(MMT)</b>     | <b>6.528</b> | <b>6.612</b> | <b>(1.3)</b> | <b>19.587</b> | <b>19.488</b> | <b>0.5</b>   | <b>25.943</b>   |
| Gas – Nominated blocks(BCM)       | 5.434        | 5.618        | (3.3)        | 16.272        | 16.597        | (2.0)        | 22.023          |
| Gas – JVs (BCM)                   | 0.337        | 0.393        | (14.2)       | 1.018         | 1.126         | (9.6)        | 1.500           |
| <b>Total Gas (BCM)</b>            | <b>5.771</b> | <b>6.011</b> | <b>(4.0)</b> | <b>17.290</b> | <b>17.723</b> | <b>(2.4)</b> | <b>23.523</b>   |
| <b>Value Added Products (KT)</b>  | <b>758</b>   | <b>711</b>   | <b>6.6</b>   | <b>2,078</b>  | <b>2,101</b>  | <b>(1.1)</b> | <b>2,723</b>    |

## 3. Financial Results

| ( ₹in Crore)            |               |        |        |               |        |        |        |
|-------------------------|---------------|--------|--------|---------------|--------|--------|--------|
| Particulars             | Q3            |        |        | 9 Months      |        |        | FY'15  |
|                         | FY'16         | FY'15  | % Var  | FY'16         | FY'15  | % Var  |        |
| Gross Revenue           | <b>18,547</b> | 18,980 | (2.3)  | <b>62,147</b> | 61,409 | 1.2    | 83,093 |
| Profit Before Tax (PBT) | <b>1,654</b>  | 5,166  | (68.0) | <b>17,043</b> | 20,299 | (16.0) | 26,555 |
| Profit After Tax (PAT)  | <b>1,286</b>  | 3,571  | (64.0) | <b>11,588</b> | 13,798 | (16.0) | 17,733 |

3.1 The company has assessed the indications of significant impairment as at 31<sup>st</sup> December 2015 due to fall in crude oil prices in the international market, and accordingly the company has tested its Cash Generating Units for the impairment. As a result, an amount of ₹ 3,994 Crore has been provided as impairment loss and shown as exceptional items for the quarter and nine months ended 31<sup>st</sup> December 2015. Consequentially, profit before tax and profit after tax for the quarter and nine months ended 31<sup>st</sup> December 2015 is lower by ₹ 3,994 Crore and ₹ 2,612 Crore respectively.

#### 4. Impact of Under-recovery Discount to OMCs on Profits

| (₹ in Crore)                |        |       |          |        |        |
|-----------------------------|--------|-------|----------|--------|--------|
| Details                     | Q3     |       | 9 Months |        | FY'15  |
|                             | FY'16* | FY'15 | FY'16    | FY'15  |        |
| Gross Discount              | -      | 9,458 | 1,729    | 36,300 | 36,300 |
| Impact on Statutory Levies  | -      | 1,299 | 265      | 5,354  | 5,340  |
| Impact on Profit Before Tax | -      | 8,159 | 1,464    | 30,946 | 30,960 |
| Impact on Profit After Tax  | -      | 5,386 | 957      | 20,427 | 20,437 |

**\*No under-recovery discount has been considered as letter awaited from the Government**

#### 5. Crude oil price realised from nominated blocks:

| Particulars                    | Q3    |       | 9 months |       | FY'15 |
|--------------------------------|-------|-------|----------|-------|-------|
|                                | FY'16 | FY'15 | FY'16    | FY'15 |       |
| A. In USD per BBL              |       |       |          |       |       |
| Pre-Discount Price             | 44.34 | 75.95 | 52.95    | 95.41 | 85.28 |
| Discount                       | -     | 40.43 | 2.39     | 54.20 | 40.41 |
| Post-Discount Price            | 44.34 | 35.52 | 50.56    | 41.21 | 44.87 |
| B. Average ₹/USD Exchange Rate | 65.93 | 62.00 | 64.78    | 60.77 | 61.15 |
| C. In ₹ per BBL                |       |       |          |       |       |
| Pre-Discount Price             | 2,923 | 4,709 | 3,430    | 5,798 | 5,215 |
| Discount                       | -     | 2,507 | 155      | 3,294 | 2,471 |
| Post-Discount Price            | 2,923 | 2,202 | 3,275    | 2,504 | 2,744 |

## 6. Highlights

### 6.1 Discoveries:

**So far, total 14 discoveries have been made by ONGC in 2015-16**

Following **four** hydrocarbon discoveries have been made since declaration of results for **H1**:

#### **I. Oil & Gas discovery in the well West Penugonda#1 (WPG-AA), Godavari Onland PML, KG Basin.**

ONGC made oil & gas discovery in Exploratory well, West Penugonda#1 (WPG-AA) in Godavari Onland PML of KG Basin in the State of Andhra Pradesh. The well was drilled down to a depth of 4200m to explore sands within Raghavapuram shale formation of Cretaceous age. On conventional testing, produced Oil @ 3.4 m3/d and gas @ 71,275 m3/d, through 6 mm bean. **This new pool discovery** proves the potential of the area between Penugonda / North Penugonda and Kavitam area in the 7 year Godavari onland PML.

#### **II. Gas discovery in the well Kesanapalli West # 47 (KW#47) Godavari Onland PML, KG Basin.**

ONGC made gas discovery in the well Kesanapalli West-47 (KW-47), in Adavipalem-Ponnamanda PML of KG basin in the State of Andhra Pradesh. The well was drilled down to a depth of 2390m to explore the Matsyapuri formation of Miocene age. On conventional testing produced Gas @ 30,000m3/d through 5mm bean. This new pool discovery, outside the Kesanapalli field pool limit, will lead to field extension and will also augment gas production.

#### **III. Gas discovery in the well MBSO53NAA#1, NELP Block MB-OSN-2005/3 in Mumbai Offshore Basin, Western offshore.**

ONGC made gas discovery in Exploratory well MBSO53NAA#1 in NELP Block MB-OSN-2005/3 in Mumbai Offshore Basin. The well was drilled down to a depth of 2612m to explore Chinchini formation of Pliocene age. On conventional testing in the interval 932 – 938 m produced gas @ 47,128 m3/d through ½" choke. Another sand in the interval 585 – 589m also in Chinchini formation of Pliocene age too produced gas @ 21,282 m3/d through ½" choke. This is the first discovery beyond the shelf margin and also in Pliocene formation for the first time in Mumbai offshore basin.

**IV. Gas discovery in the well GK-28#10 (GK-28-L), GK-28 PML, Kutch Offshore, Western Offshore basin.**

ONGC made gas discovery in Exploratory well GK-28#10 (GK-28-L) in GK-28 PML in Kutch Offshore of Western Offshore Basin. The well was drilled down to a depth of 1520m to explore Nakhtarana (Paleocene age) Jakhau (Early Eocene age), Chhasra (Mid Miocene age) formations and Deccan basalt. The interval 1452 – 1520 m in Deccan Trap on barefoot testing produced gas @ 1,34,846 m3/d through ½" choke. This is the first gas pool discovered in Deccan basalts in entire Western Offshore and may prove significant in terms of adding much needed critical gas volumes to GK-28/GK-42 development project.

**6.2 Other Highlights**

**I. ONGC Videsh and Rosneft Confirm Successful Cooperation**

ONGC Videsh Limited and Rosneft signed an Agreement of Confirmation of successful completion of the first stage pre-completion actions in relation to the creation of a joint venture in JSC "Vankorneft" on 24th December, 2015. The document was signed in continuation of the agreement of sale and purchase of a 15% share in Vankorneft and the shareholders agreement in regard of the enterprise management.

**II. MoU signed between ONGC & OIL for collaboration on IOR-EOR & Oilfield studies**

ONGC and OIL have signed a MoU on 23<sup>rd</sup> December 2015 for Joint collaboration leading to mutually beneficial R&D projects fulfilling commitment under the head of "JIP- Joint Industries Project" mandated in the sectorial innovation council report of Govt. of India for E&P sector.

**III. Aryabhata-2, High-performance Computing Cluster inaugurated at GEOPIC**

Aryabhata-2, a High-performance Computing Cluster system at GEOPIC, has been inaugurated on 26<sup>th</sup> January 2016. Aryabhata-2, among world's top 500 supercomputers, comprises 250 compute nodes (~6000 cores), 21 front end servers and 23 high end graphic workstations. 650 TB of enterprise class SAN storage, served through 56 Gbps FDR Infiniband interconnect provides the desired resources for much needed number crunching applications. With the adoption of this super computer, advanced processing applications such as Reverse Time Migration (RTM), 3D Surface Related Multiple Attenuation (SRMA), 5D Regularisation, etc. can now be successfully adopted in ONGC.

**IV. Hazira Plant receives National Energy Conservation Award 2015**

Hazira Plant won the prestigious 'Certificate of Merit' in National Energy Conservation Award 2015 organized by Ministry of Power for adopting energy conservation measures. The National Energy Conservation Awards are presented to Industries and other

establishments every year by the Ministry of Power with the objective of promoting energy conservation among all sectors of economy

**V. ONGC receives Conservation Award**

ONGC received Oil and Gas conservation award from the Minister of State (I/C) P&NG Shri Dharmendra Pradhan on 18th January, 2016 on the occasion of Oil & Gas Conservation Fortnight-16 in New Delhi for ONGC's role in spreading message of oil & gas conservation.

**Issued By**

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