OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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

CIN No. L74899DL1993GOI054155

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

ONGC/CS/SE/2016 **30th May, 2016**

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

Sub: Investors' and Analysts' Meet

Dear Sirs,

Please refer to our letter of even no. dated 26.05.2016 on the above subject. Find enclosed the presentation made by the Company to share the business performance of the Company for FY'16 at the Investors' and Analysts' Meet held on **Friday, May 27, 2016** at Mumbai. The Presentation is also available on the website of the Company i.e **www.ongcindia.com**.

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

Enc : As above

Phone : (Direct) 23323201 PBX : 233108880, 23310878, 23310915 Grams : COMONG Telex : 031-66262 / 65184 Fax : 011-23316413 / 23311326

ओएनजीसी
ONGC

Investors' & Analysts' Meet FY'16

27th May 2016
Mumbai

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

ONGC Highlights: FY'16

- 17 hydrocarbon discoveries; 2P RRR: 1.51
- Domestic crude oil production level maintained at 25.93 MMT (25.94 MMT in FY'15)
- Western Offshore crude production up by 1% defying declining trend – 2nd consecutive year
- 29.6% of Crude oil production from IOR/EOR schemes and 13.7% from New fields

ONGC Highlights: FY’16

FY’16 Gross Revenue = ₹ 78,569 Crore (against ₹ 83,094 Crore in FY’15)

FY’16 PAT = ₹ 16,004 Crore (against ₹ 17,733 Crore in FY’15)

Subsidy in FY’16 has been ₹ 1,096 Crore against ₹ 36,300 Crore in FY’15

ONGC Videsh Highlights: FY’16

FY’16: ONGC Videsh production = 8.92 Mmtoe against 8.87 Mtoe in FY’15)

FY’16, Total Income = ₹ 12,772 Crore against ₹ 19,149 Crore in FY’15) – low crude price

FY’16: PAT = {(-) ₹ 2,094 Crore against ₹ 1,904 Crore in FY’15

Acquisition of 15% shares in Vankorneft, Russia - Vankor oil & gas field

MRPL Highlights: FY'16

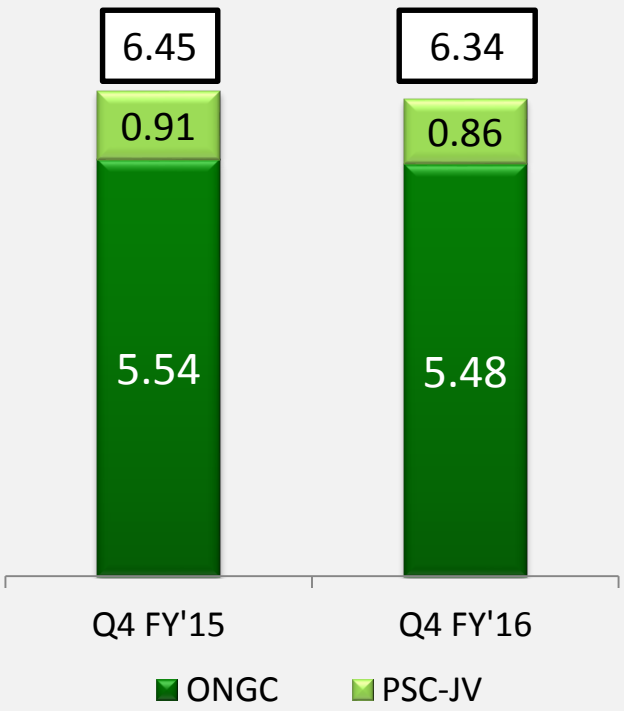
- MRPL registers highest-ever thu'put of 15.69 MMT in FY'16
- FY'16 Gross Revenue: ₹ 50,864 Crore (₹ 62,412 Crore in FY'15). PAT ₹ 1,148 Crore {(-) ₹ 1,712 Crore in FY'15}
- MRPL increases its equity in OMPL* (51%) for synergy of operations.
- All units under Phase-III refinery expansion project commissioned

OMPL: ONGC Mangalore Petrochemicals Ltd.

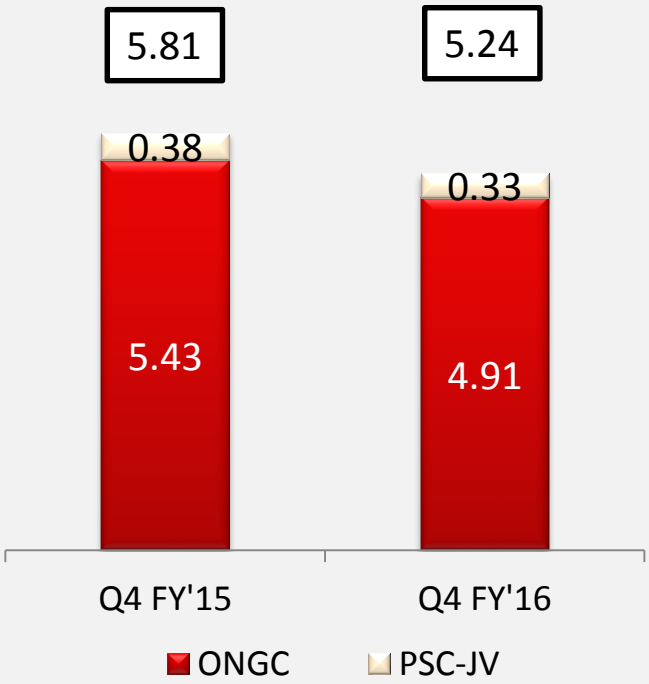
ONGC: Q4, FY'16

Domestic crude oil production levels maintained

Crude oil production (MMT)



Gas production (BCM)



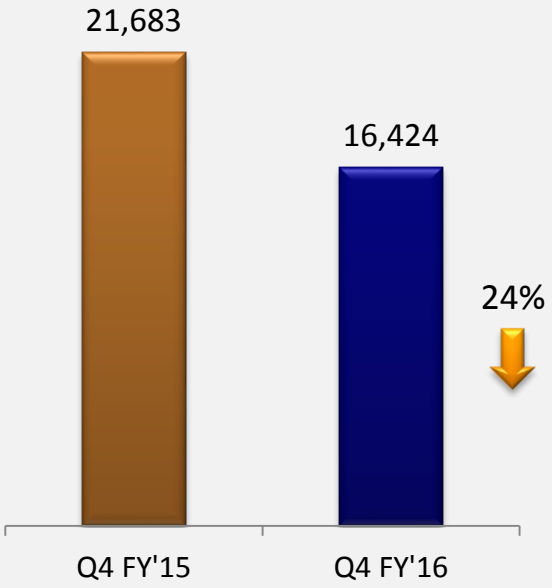
ONGC Financials: Q4, FY'16

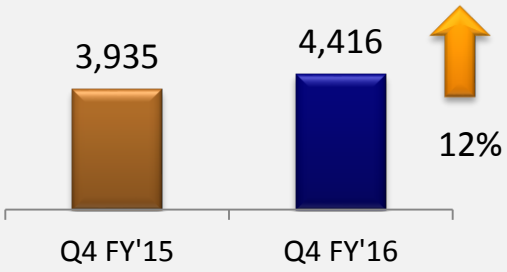
Gross Revenue down up by 24% ; PAT up by 12%

Turnover

PAT

₹ Crore





Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

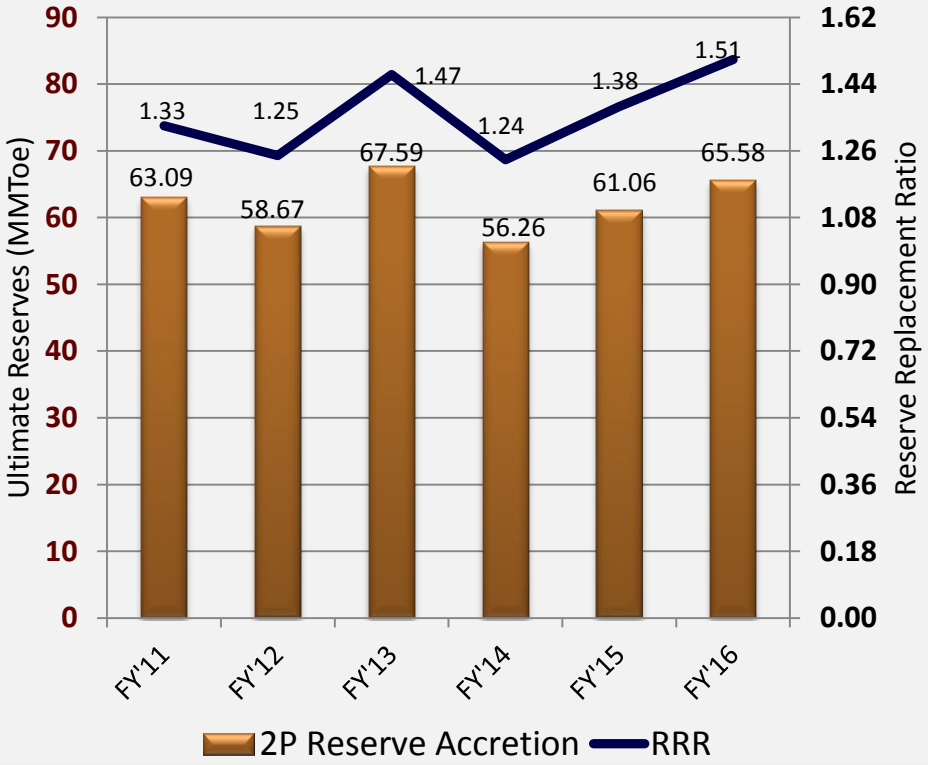
ONGC: Reserve Accretion

17 Oil & Gas discoveries (7 in NELP blocks)
Oil & Gas: 7; Gas & Condensate: 10 (Onshore: 7; Offshore:10)

New Prospects Discovery: 8		
1	KG-OSN-041-NASG#1 (Sarangi)*	Gas
2	KG-DWN-98/2-AF-1*	Oil & Gas
3	Rauvulapalem-1 (RVP-AA)	Gas
4	B-127N-1	Oil & Gas
5	KG-OSN-41NAML#AA (Malhar#1)*	Gas
6	MBS-O53-NAA#1*	Gas
7	B-66#2	Oil & Gas
8	GKS-101-NAA-1*	Gas

New Pool Discovery = 9		
1	KG-DWN-98/2A--M-4*	Oil & Gas
2	Komarada# 3	Oil & Gas
3	Gojalia # 14	Gas
4	North Kovilkalappal-06 (NKKAC)	Oil & Gas
5	Rokhia#62	Gas
6	West Penugonda#1 (WPG-AA)	Oil & Gas
7	Kesanapalli West # 47 (KW#47)	Gas
8	GK-28#10 (GK-28-10)	Gas
9	GSS-041-NAA-2*	Gas

2P Reserve Accretion = 65.58 MMToe; RRR# > 1

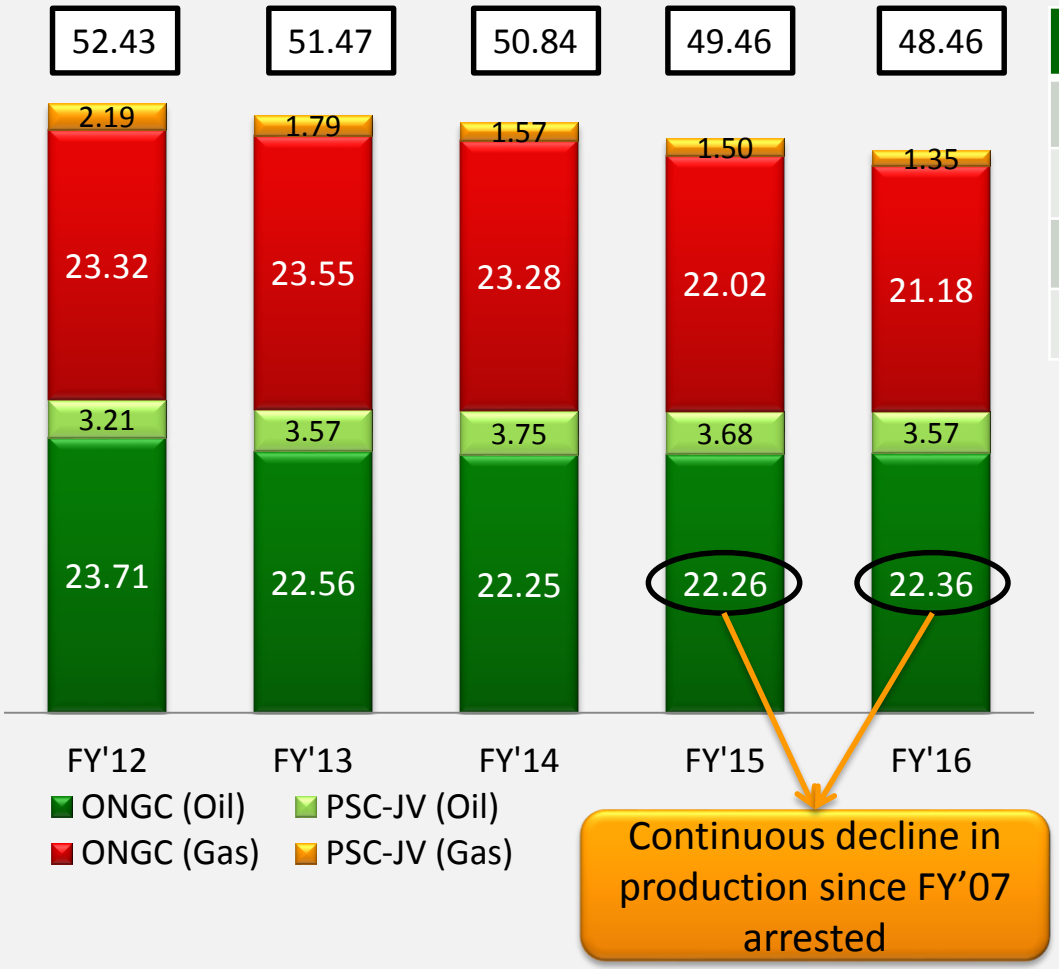


* NELP

From domestic ONGC operated fields

ONGC: Domestic Production

Domestic production = 48.46 MMtoe



Crude oil production (MMT)

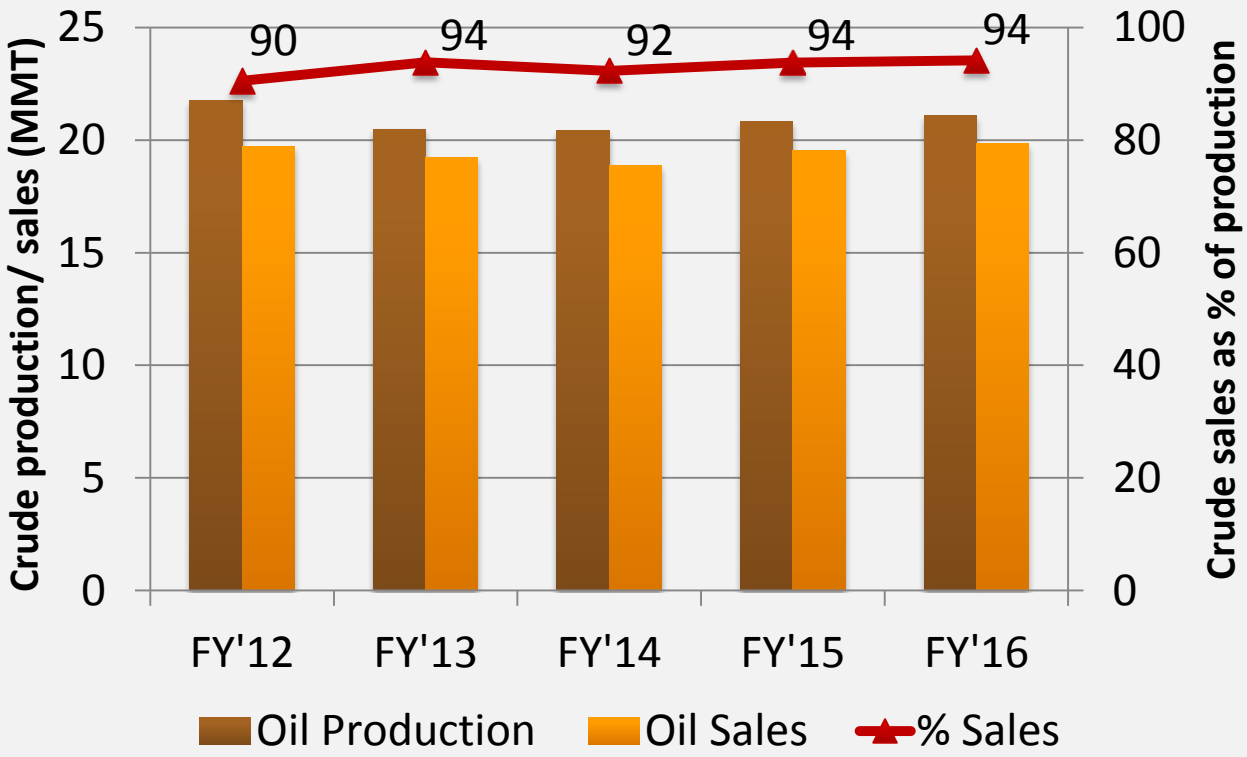
	FY'15	FY'16
ONGC	22.26	22.36
PSC-JV	3.68	3.57
Total	**25.94**	**25.93**

Natural gas production (BCM)

	FY'15	FY'16
ONGC	22.02	21.18
PSC-JV	1.50	1.35
Total	**23.52**	**22.53**
O+OEG	**49.46**	**48.46**

ONGC: Crude oil sales

Crude oil sales increased in last 5 years



Crude sales Increased from 90% in FY'12 to 94% in FY'16

ONGC: IOR/EOR

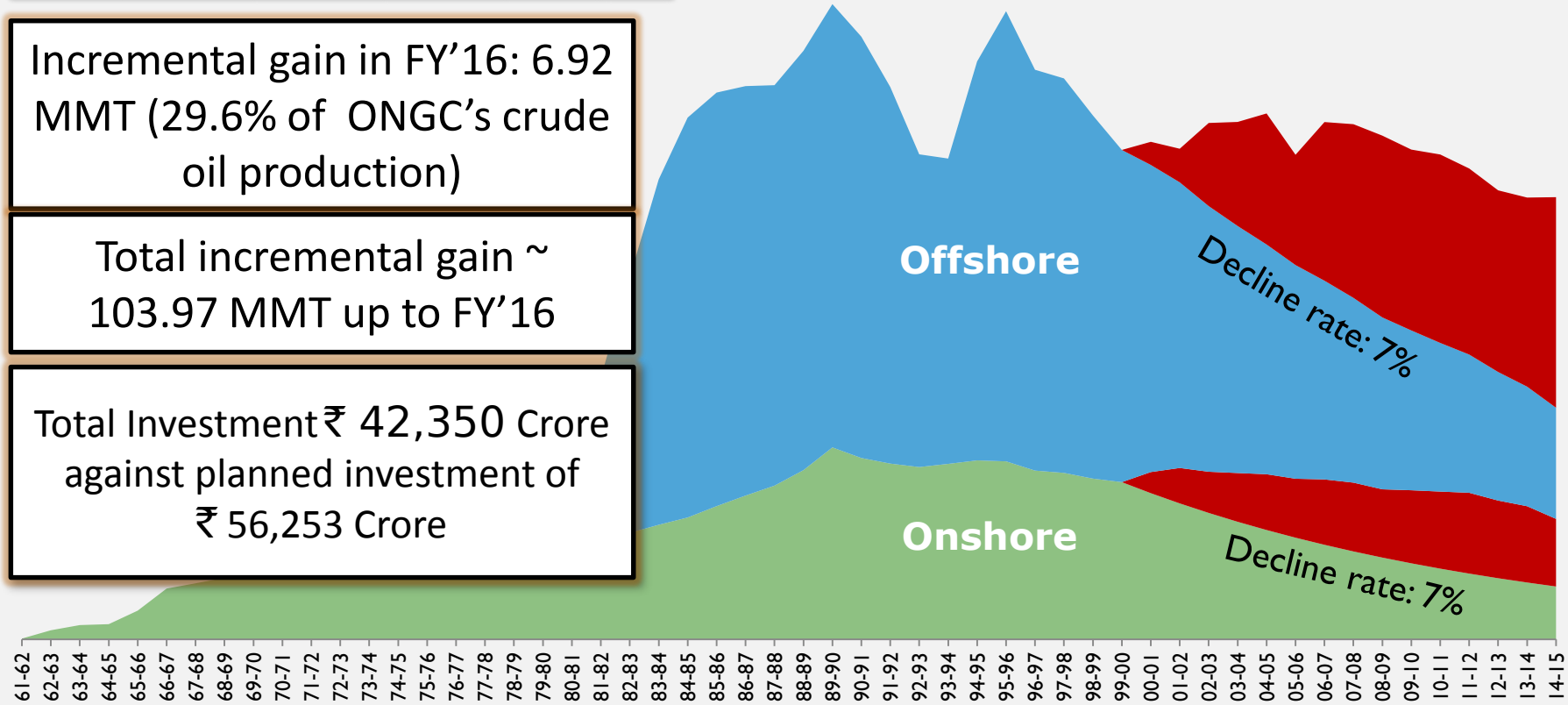
- 23 out of 28 IOR/EOR, Redevelopment projects completed

Total envisaged gain : 190 MMT

Incremental gain in FY'16: 6.92 MMT (29.6% of ONGC's crude oil production)

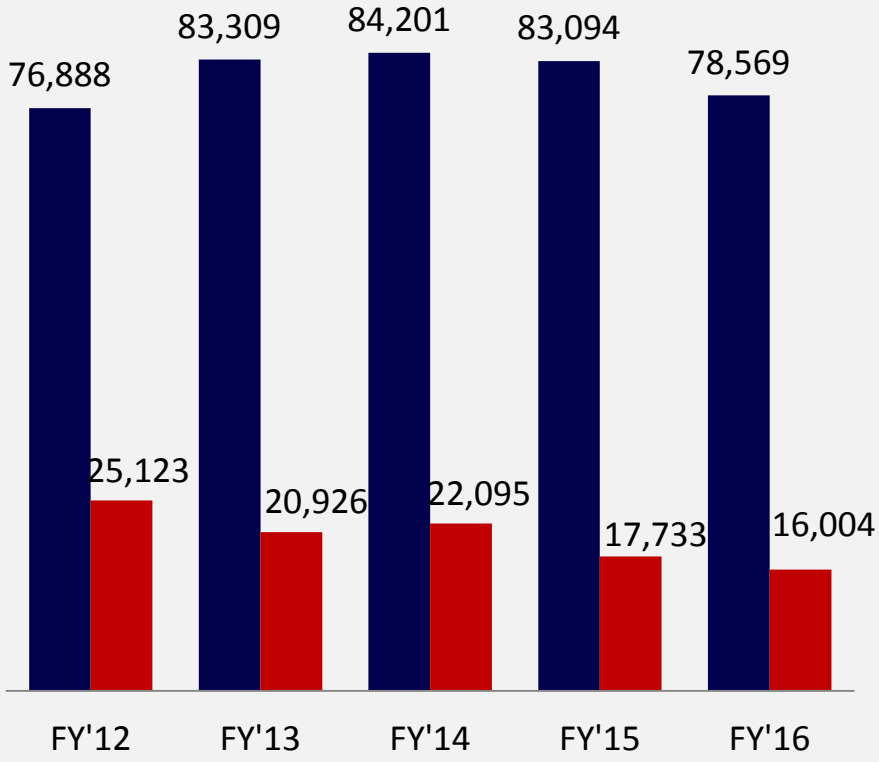
Total incremental gain ~ 103.97 MMT up to FY'16

Total Investment ₹ 42,350 Crore against planned investment of ₹ 56,253 Crore



ONGC: Financials

Gross Revenue & PAT (₹ Crore)



Reasons for lower profit in FY'16

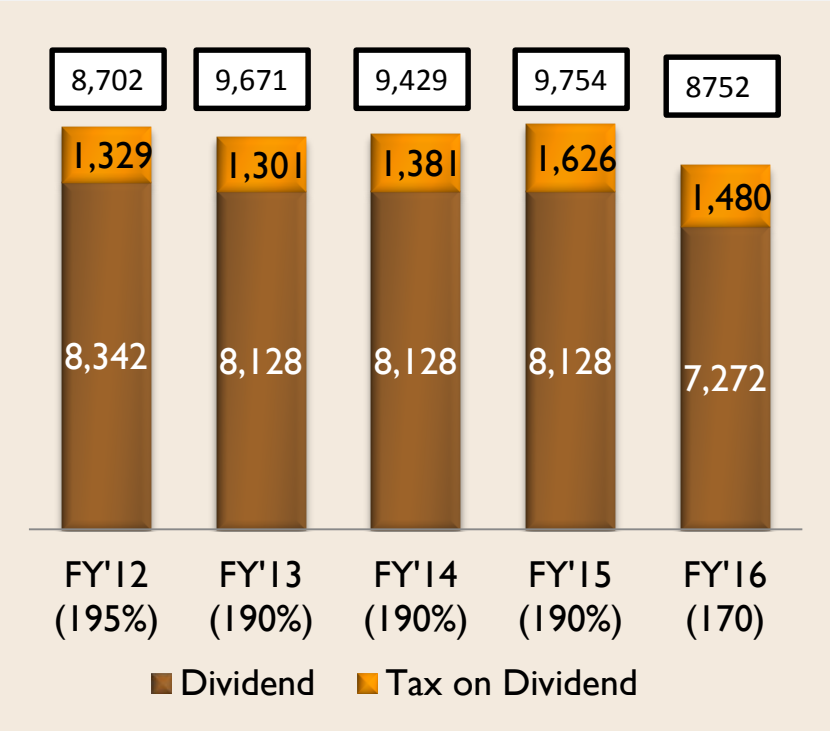
- Due to fall in international crude prices impacting JV crude revenue and VAP revenue
- Exceptional item for impairment

ONGC: Dividend

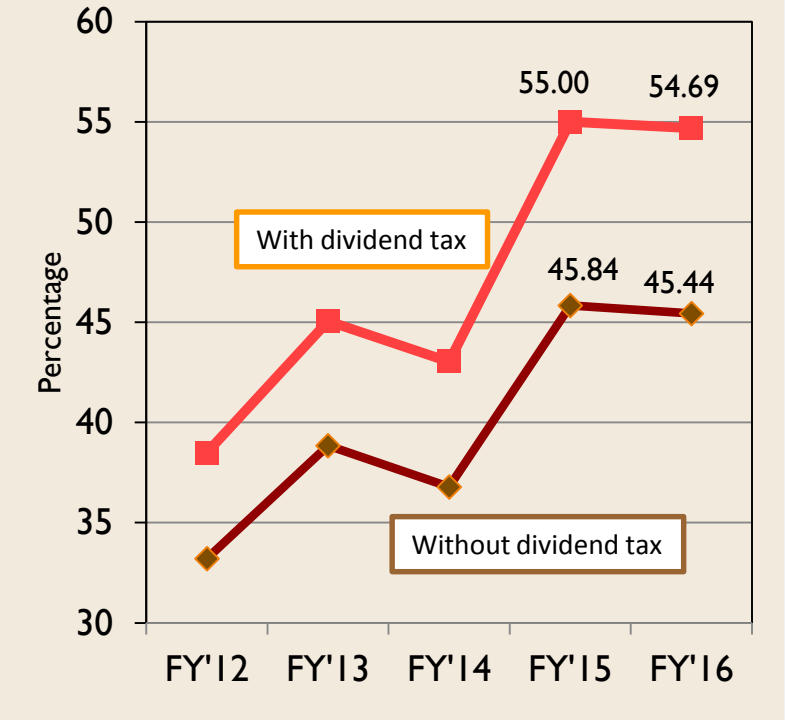
- **FY'16: Dividend 170%; total payout ₹ 7,272 Crore**

- Plus Dividend Tax of ₹ 1,480 Crore

Dividend (₹ Crore)

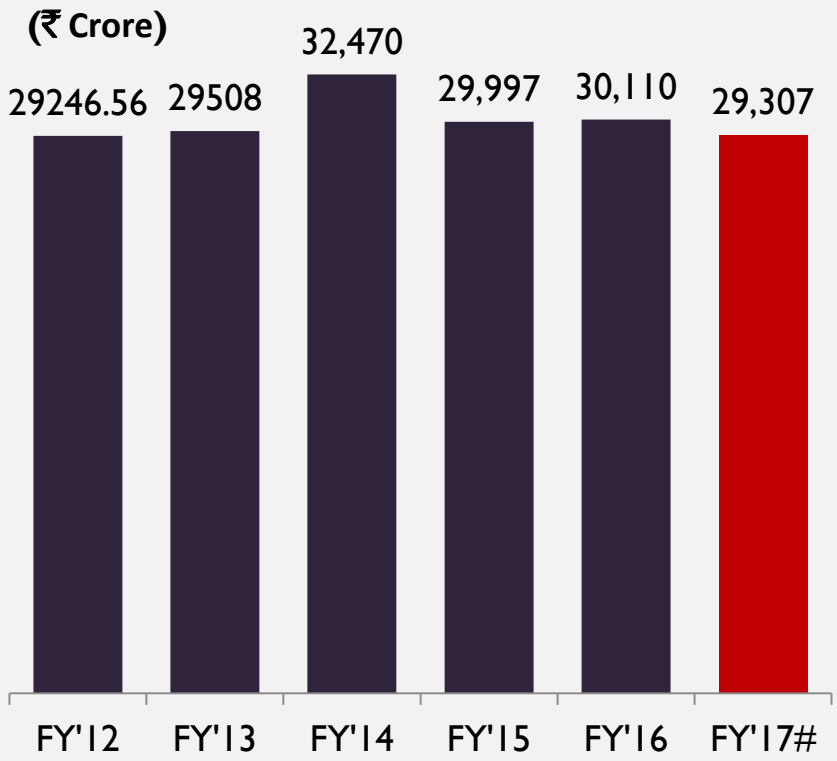


Dividend pay-out ratio (%)

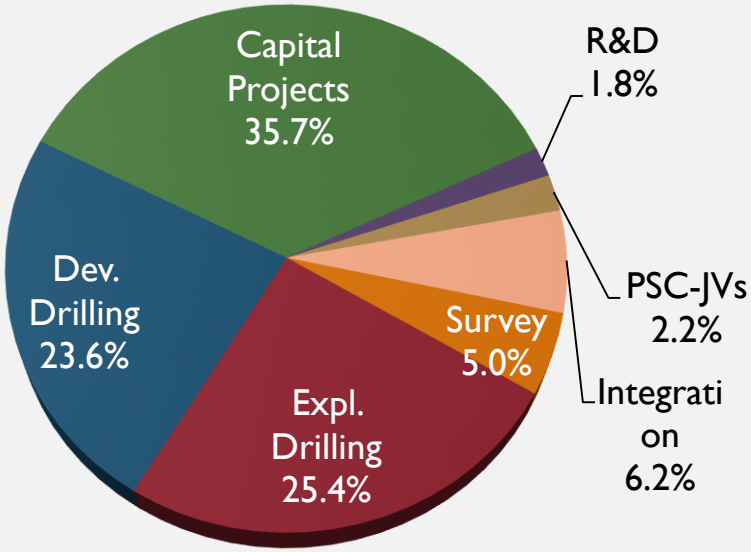


ONGC: Capex

- ₹ 151,332 Crore Capex in last 5 years



Capex FY'16



#Plan

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

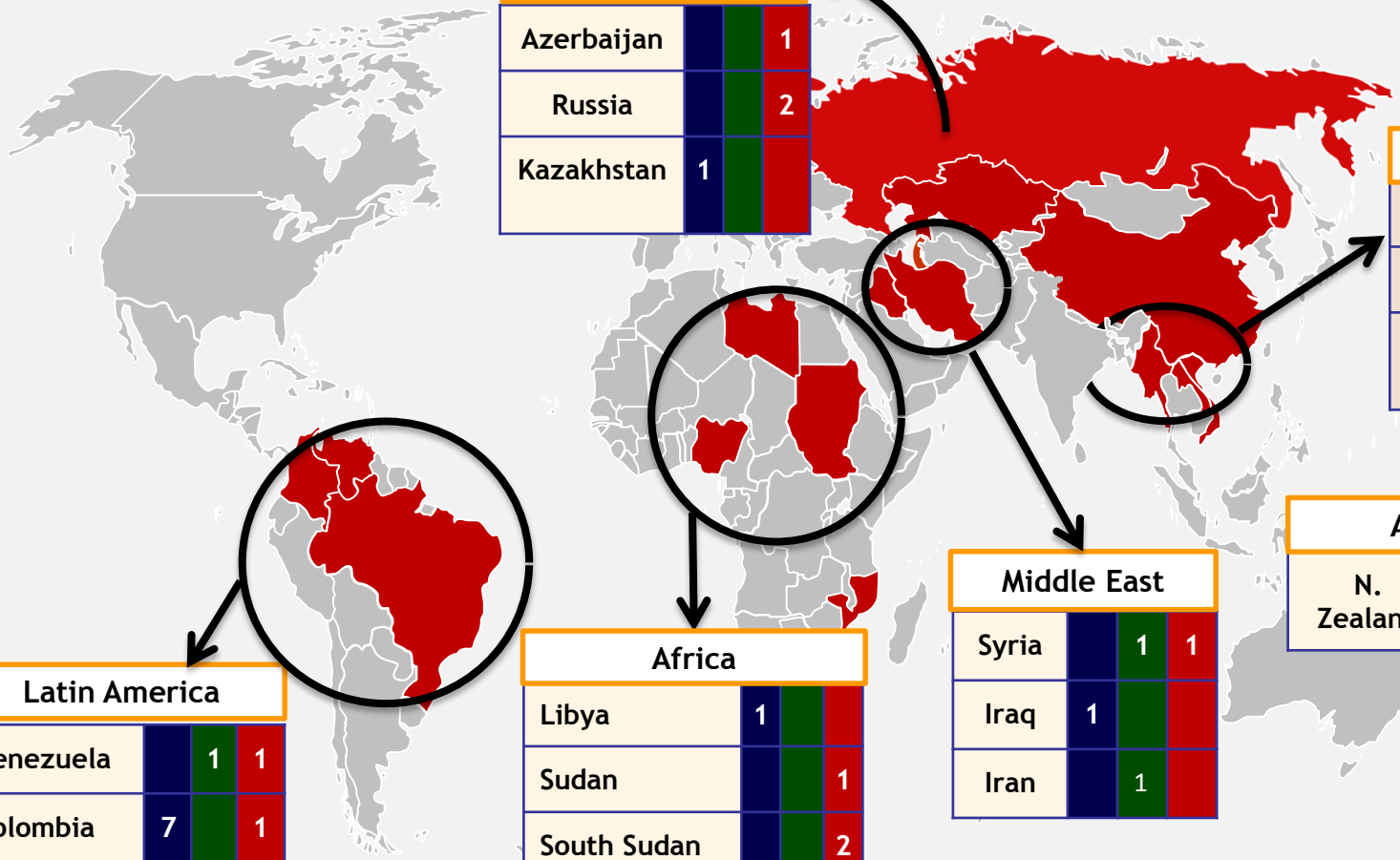
ONGC Videsh

- ONGC Videsh, a wholly owned subsidiary of ONGC

- Overseas investment
  US$ 24.8 billion till FY'16
- 2P Reserves of 596 MMTOE
- FY'16: Oil & Gas production 8.92 MMTOE (165,528 boe/day)

ONGC Videsh: Global footprint

36 projects in 17 countries	Producing: 13	Discovered/ Develop: 4	Exploration: 17	Pipeline: 2



CIS

Azerbaijan			1
Russia			2
Kazakhstan	1		

South East Asia

Vietnam	1		1
Myanmar	2		2
Bangladesh	2		

Latin America

Venezuela		1	1
Colombia	7		1
Brazil	1		1

Africa

Libya	1		
Sudan			1
South Sudan			2
Mozambique		1	

Middle East

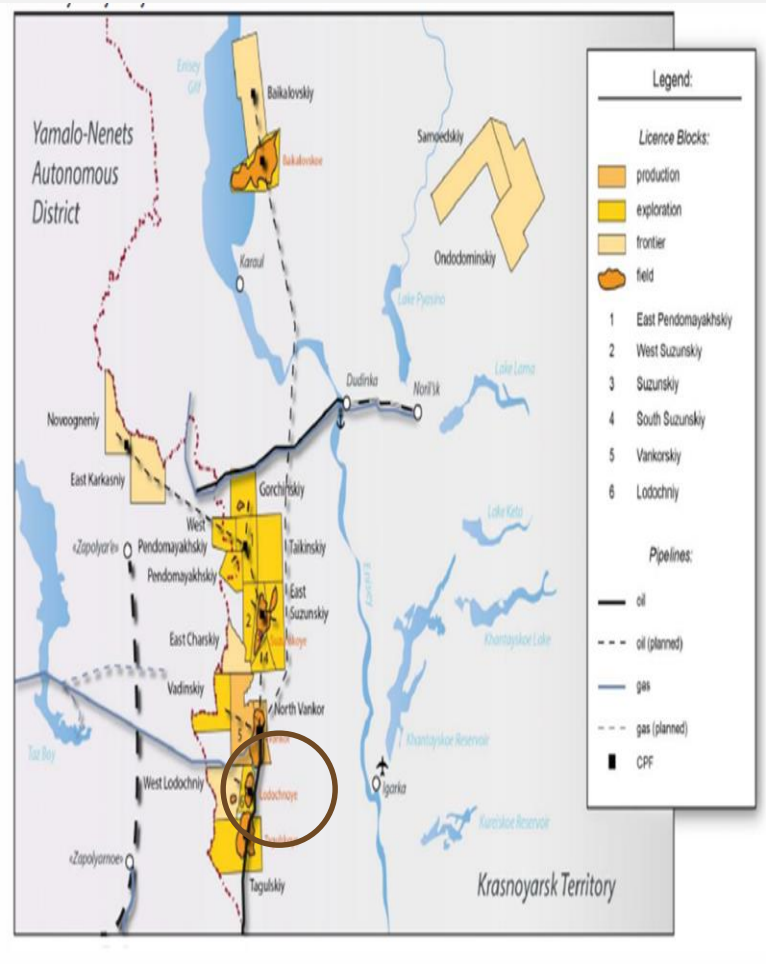
Syria		1	1
Iraq	1		
Iran		1	

Asia-Pacific

N. Zealand	1		

ONGC Videsh in Russia

Acquisition of 15% shareholding in Vankorneft of Russia



Vankor Field is an oil & gas field in Russia, located 130 km west of Igarka in the Turukhansk District in Eastern Siberia.

Estimated 2P reserves as on 31st May 2015 - 2,604 MMbbl of oil and 130 BCM of natural gas.

Discovered in 1998, production commenced in August, 2009. The field is operated by Russian NOC Rosneft through its subsidiary Vankorneft.

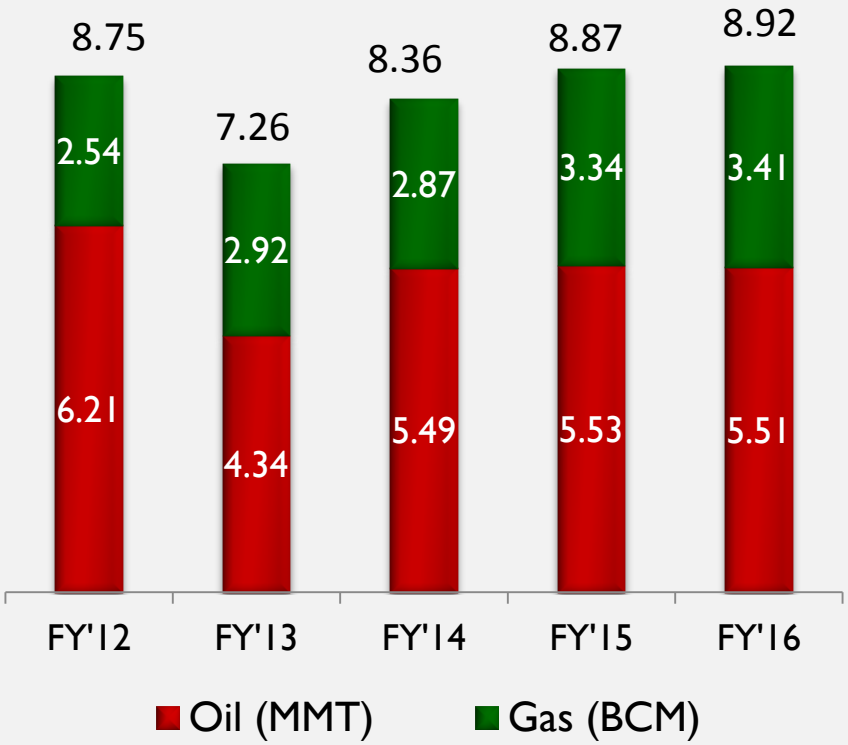
The present oil production is ~440,000 bopd.

The transaction is expected to be Closed by end of May, 2016.

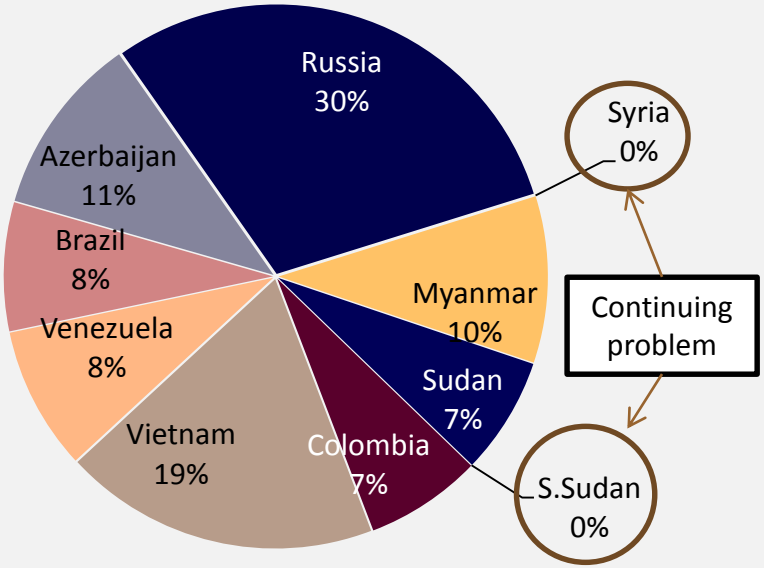
ONGC Videsh: Overseas Production

- FY'16 Production 8.92 MMtoe (FY'15: 8.87 MMtoe)

Incremental production from BC-10 (Brazil), Blocks A-1 & A-3 (Myanmar) and Shakhalin-1 (Russia)

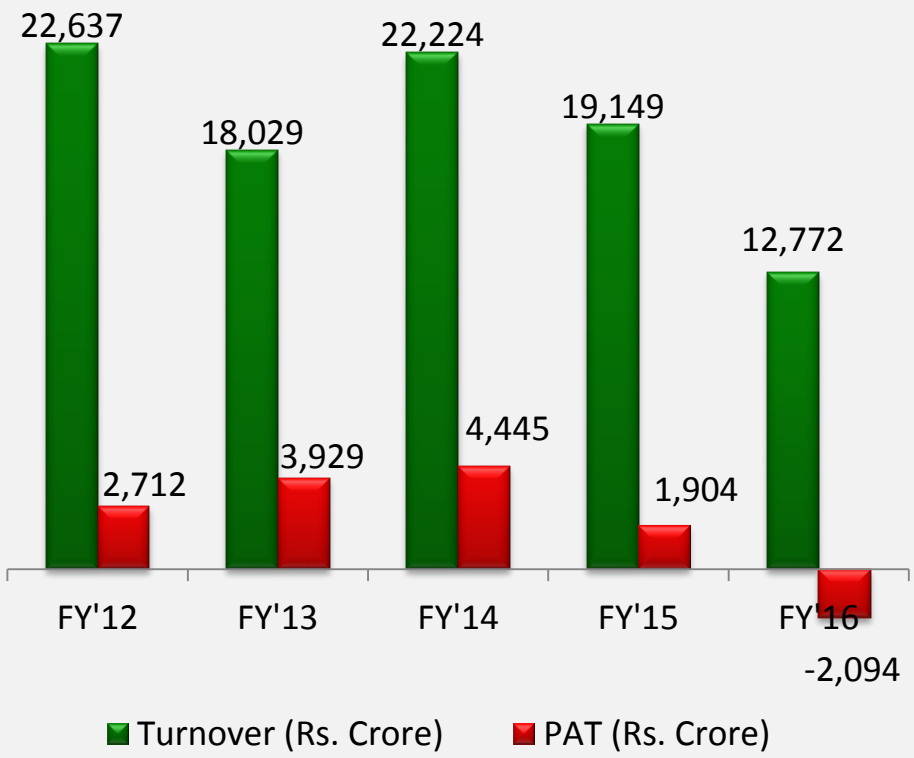


Country wise production



ONGC Videsh: Financials

Total Income & PAT (₹ Crore)



Lower Revenue & PAT due to

- Lower oil prices
- Higher financing cost & Exchange loss
- Higher depletion & impairment

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

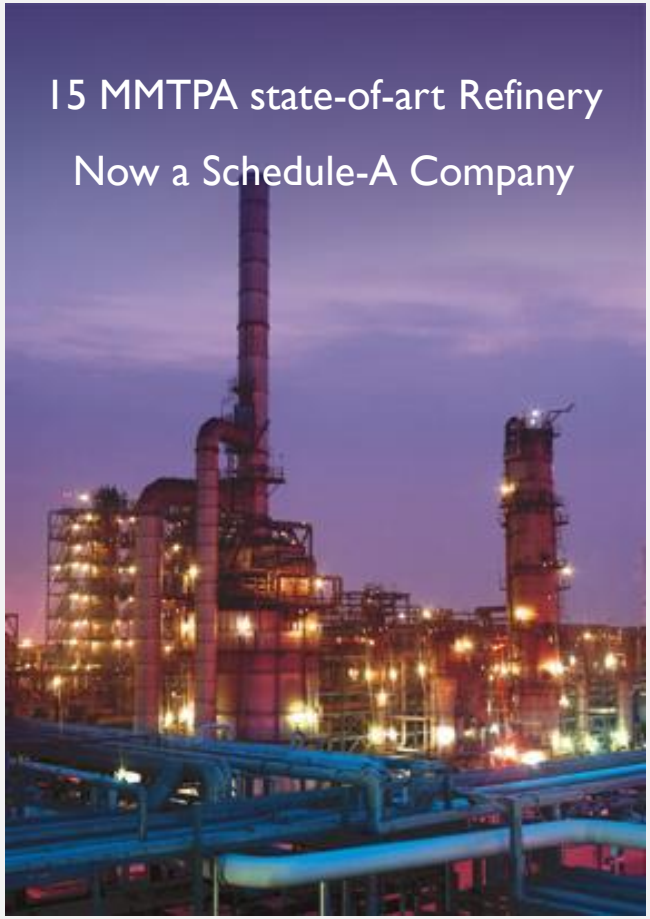
6 Integration projects

7 Pursuits

8 Commitments

Mangalore Refinery Petrochemicals Ltd.(MRPL)

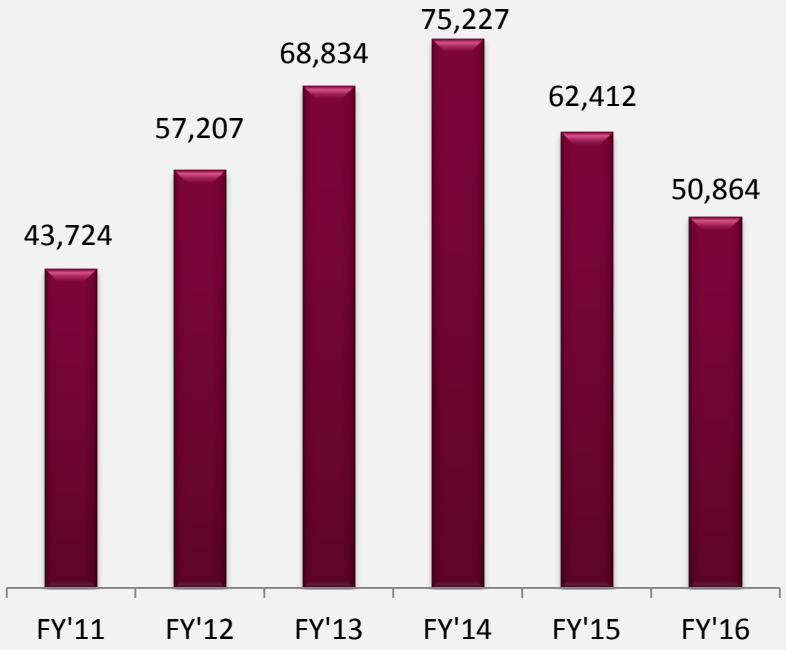
FY'16: Highest-ever Throughput of 15.69 MMT (14.65 MMT in FY'15)



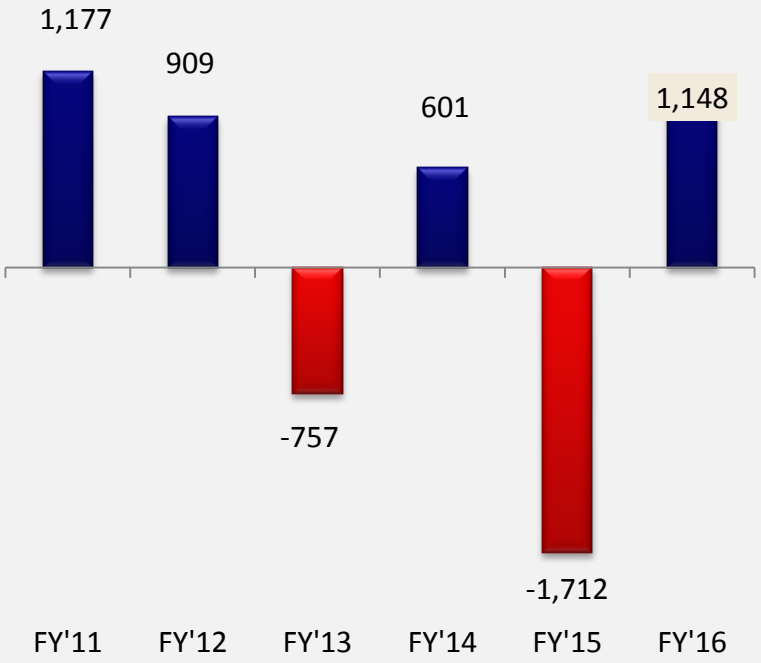
- All units under Phase-III refinery expansion commissioned
- Plan for opening of 100 retail outlets
- MRPL producing EURO IV grade of petrol & diesel and is equipped for commercial production of EURO V

MRPL Financials*

Turnover (₹ Crore)



Profit after Tax (₹ Crore)



* Stand-alone

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

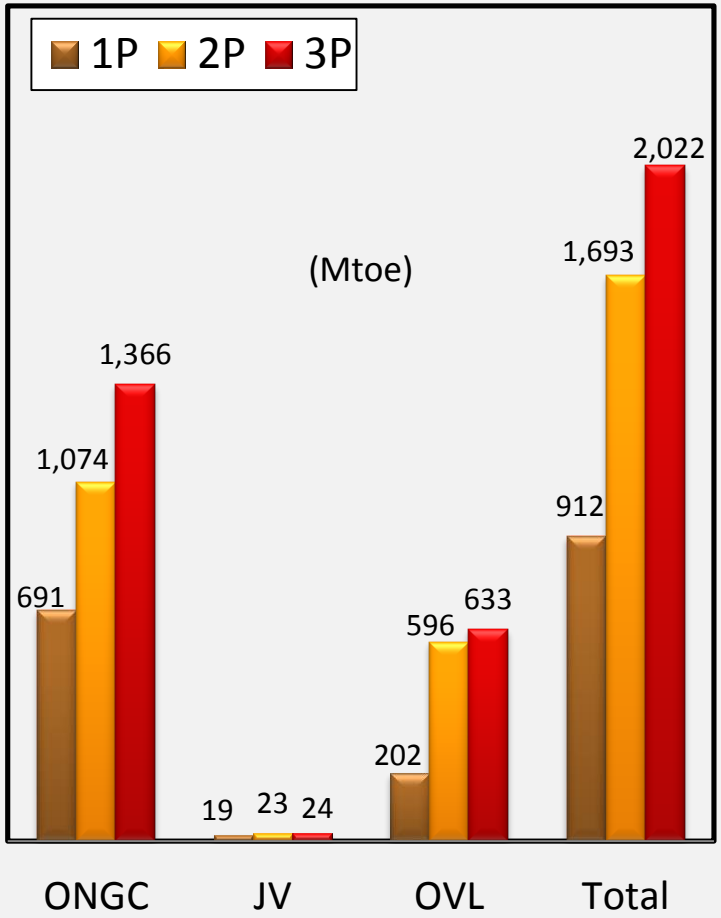
8 Commitments

ONGC Group: Reserves (as on 1st April 2016)

- 2P Reserves = 1,693.31 MMToe (ONGC: 67%; OVL: 32%)

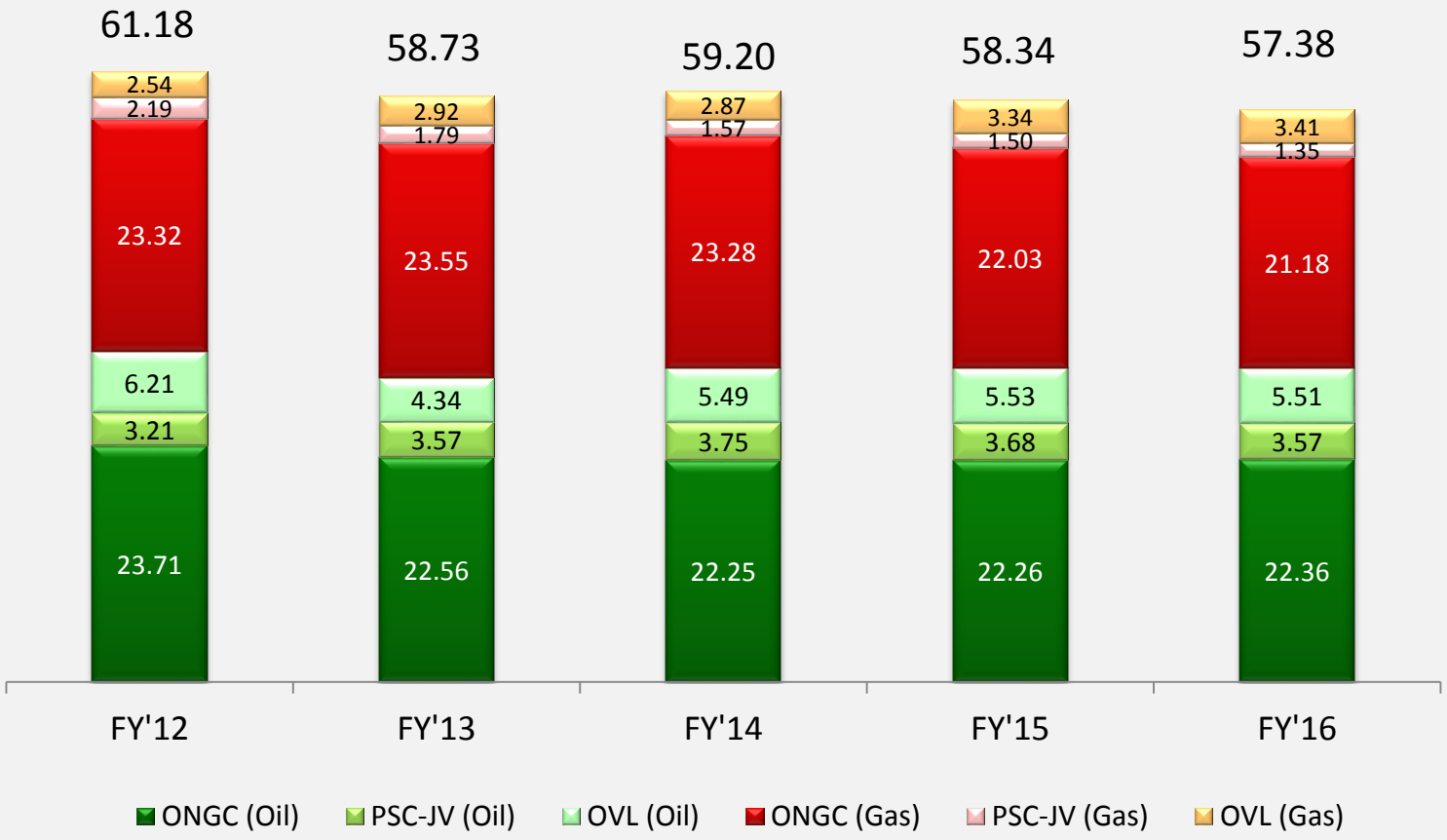
Reserves (2P)

Mtoe	Oil	Gas	Total
ONGC	472.12	602.18	1074.30
PSC JV	15.09	7.79	22.88
OVL	244.58	351.55	596.13
Total	**731.79**	**961.52**	**1693.31**

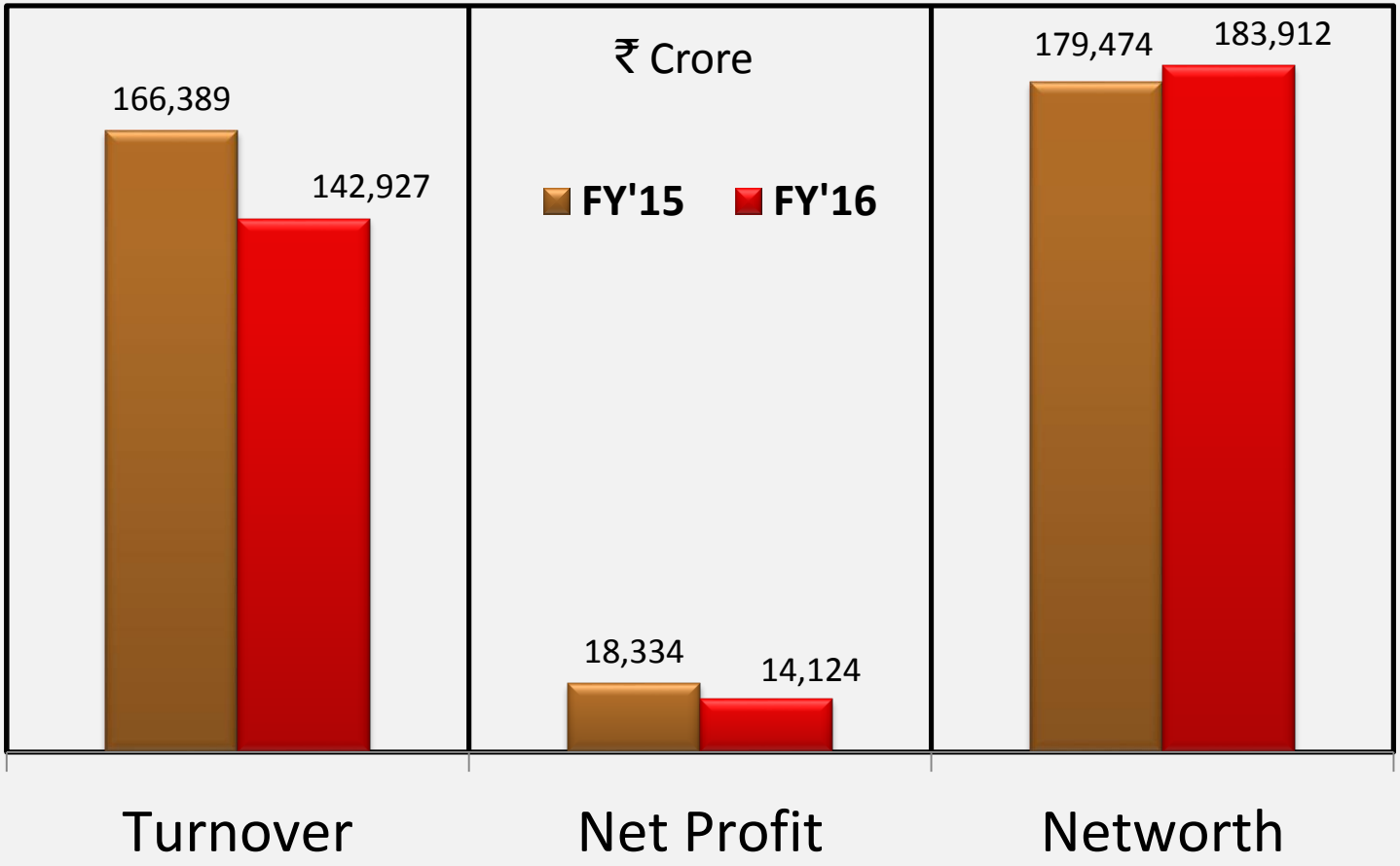


ONGC Group: O+OEG Production, FY'16

FY'16: Decline in production contributed by Onshore fields and JVs



ONGC Group: Financials, FY'16



Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

ONGC Mangalore Petrochemicals Ltd.

Aromatic Petrochemical Complex producing Paraxylene & Benzene

- Equity Structure*: MRPL-51%; ONGC-49%
- Now a subsidiary of MRPL – synergy between MRPL & OMPL

- Project cost: ₹ 6,875 Crore

Feedstock@	Products
Naphtha & Aromatic streams	Para-xylene: 914,000 TPA Benzene: 283,000 TPA

- Benzene & Para-xylene production started – October 2014

* wef 28th Feb 2015

@ MRPL

ONGC Petro Additions Ltd. (OPaL)

1.1 MMTPA Ethylene Cracker & Polymer plant

- Envisaged equity Structure: ONGC (26%), GAIL (15.5%) GSPC (0.5%), other PSUs (8%), Strategic Investor 25%, and IPO (25%).

- Project cost: ₹ 27,011 Crore
- Project status: Commissioning in progress

Feedstock@
C2: 0.535 MMTPA
C3: 0.271 MMTPA
C4: 0.167 MMTPA
Naphtha*: 1.5 MMTPA

Products
HDPE/LLDPE: 1,020 KTPA
Poly-propylene: 340 KTPA
Benzene: 150 KTPA
Butadiene: 115 KTPA
Pyrolysis Gasoline: 135 KTPA
Carbon Black Feed Stock: KTPA

* Hazira (1.2 MMTPA) & Uran (0.3 MMTPA)

@ From C2-C3 Plant

ONGC Tripura Power Company Ltd. (OTPC)

- 726.6 MW (363.3x2) Combined Cycle Gas Turbine (CCGT) thermal power plant

- 1st Unit operational since Jan'14.
- 2nd unit dedicated to nation by Hon'ble Prime Minister of India in Dec'14.

Equity holding: ONGC (50%), Govt. of Tripura (0.5%), IL&FS (26%) & IDFC (23.5%)

Project cost: ₹ 4,047 Crore. (Debt/Equity=75:25)

Biggest project in NE region considering investment in E&P, gas & power transmission

IL&FS: IL&FS Energy Development Company Limited

IDFC: India Infrastructure Fund-II through IDFC Alternatives Ltd's

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

Projects completed during FY'16

Sl No	Project Name	Project Cost ₹ Crore
1	Development of B-193 Cluster Fields	5633
2	Development of Cluster-7 Fields	6639
3	Pipeline Replacement Project-3, Western Offshore	1417
4	C2-C3 plant Dahej	976
5	Integrated Development of G-1 and GS-15 fields	3955
6	Construction of 23 Immediate Support Vessels	269
7	Upgradation of Konaban GCS & Pipeline Grid Project	253
8	Heera and South Heera Redev. Ph-II	5608
9	102 MW Wind Power Project	678
10	Development of Lower Pays in NBP-14 Block of NBP (D-1) Field	429
11	Development of WO-16 Cluster Fields	2523
	Total	**28,380**

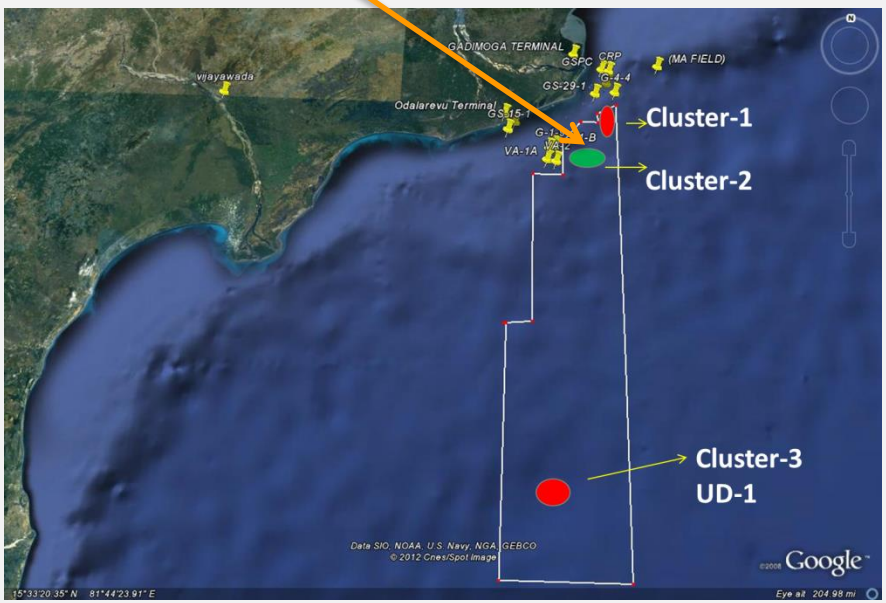
New Projects approved in FY'16

Sl. No	Name of Projects	Project Cost ₹ Crore
1	Redevelopment of Gamij field, Ahmedabad	1,881
2	Neelam Redev plan(NRP) for exploiting Bassin and Mukta play-Neelam field*	2,819
3	Field Development of NELP Block CY ONN-2003/1 Nagyalanka-KG Onland	4,954
4	Field development of Madanam Nelp-IV Block CY ONN-2002/2: (60% ONGC share)	390
5	Development Plan of Bokaro Block (80% ONGC share)	659
6	Life extension of 48 well Platforms (EDC-30.04.18)	3,191
7	FDP for the development of KG-DWN-98/2	34,012
	Total	**47,902.79**

KG-DWN-98/2

- KG-DWN-98/2 development being taken up with an investment of US$ 5,076 million

Cluster-2 being developed first



Peak oil: 77,305 bpd
Peak Gas: 16.5 mmscmd

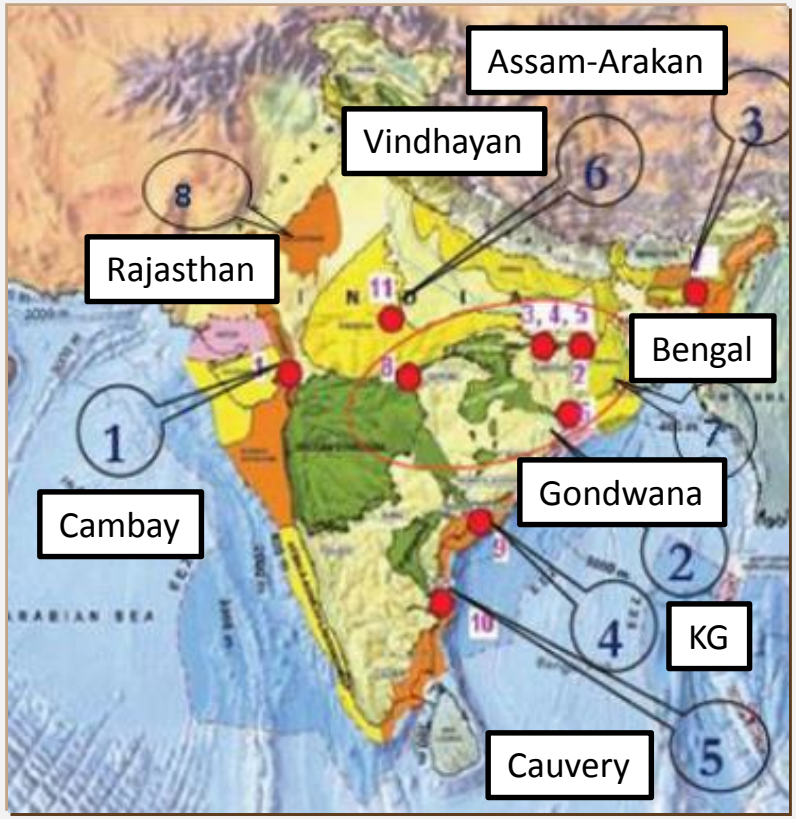
Cumulative production
Oil: 23.53 MMT
Gas: 50.71 BCM

First Gas: June'2019
First Oil: March'2020

Shale gas

ONGC the first to establish Shale gas presence in India

Potential Shale Gas basins

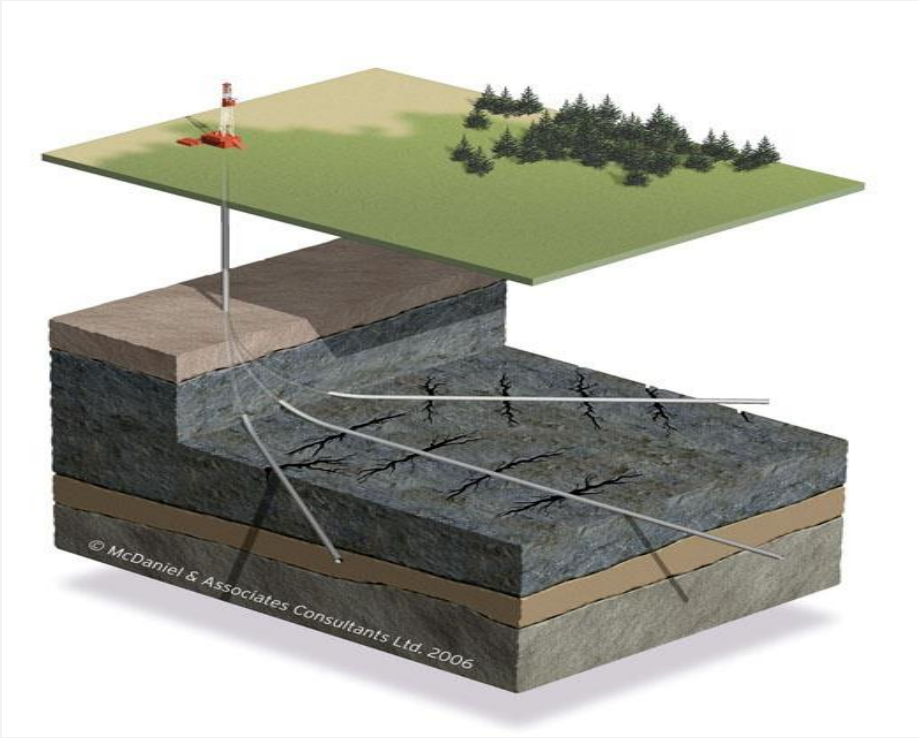


USGS estimates 63tcf of Shale gas resources in India

- ONGC exploring Cambay, KG, Cauvery & A&AA basins
- ONGC completed the first well in Cambay.
- 18 wells drilled for shale gas assessment in Cambay, KG, Cauvery and Assam & Assam-Arakan Basins.

CBM

CBM production commenced in 2010



- Operating in 4 blocks Jharia, Bokaro, North Karanpura and Raniganj
- In-place reserves of 83 BCM established
- Development operation in Bokaro and North Karanpura to commence in 2017

Gas Hydrates: The next frontier in unconventional

The US Geological Survey (USGS) estimated between 100,000 tcf and 270,000,000 tcf. Compared to natural gas reserves of just over 6600 tcf (BP Statistical Review of World Energy 2015)

US Department of Energy estimates 933 tcf (2012) gas in the country

ONGC has taken a lead role in the national mission for gas hydrates

Highlights

As on date two National Gas Hydrates Program (NGHP) Expeditions – **NGHP 01 in 2006 and NGHP 02 in 2015** – have been executed

Focus Areas:
NGHP 01 – Kerala-Konkan, Krishna-Godavari, Mahanadi & Andaman
NGHP 02 – KG and deep offshore Mahanadi

25 most prospective sites for NGHP 02 were identified **based on ONGC studies** during 1998-2003 on KG (offshore), Cauvery (offshore), Gulf of Mannar and Western offshore.

NGHP 02 was completed on 28th July 2015. 42 wells have been drilled under the mission. Initial results encouraging.

Pilot production testing planned for 2017-18 in KG area

Deepwater D/S Chikyu as deployed in NGHP 02

NGHP 02 estimates 134 tcf gas in 8400 sq. km in KG Basin

Presentation overview

1 Highlights

2 ONGC: Performance FY'16

3 Overseas operations

4 MRPL

5 ONGC Group

6 Integration projects

7 Pursuits

8 Commitments

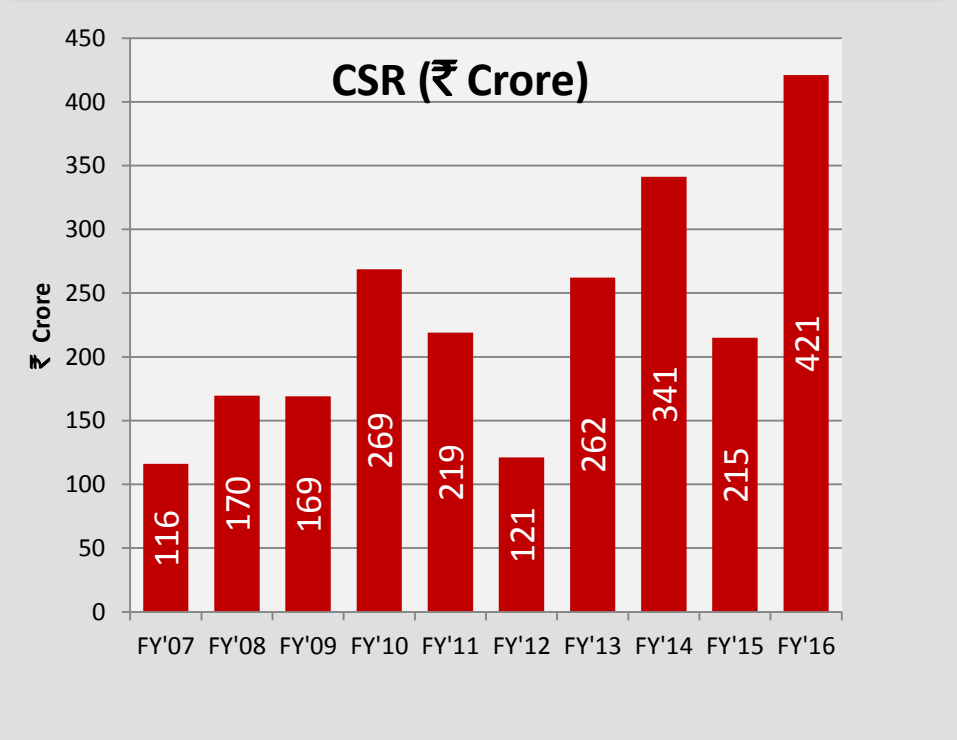
Caring society

Focus Areas

- Education
- Women empowerment
- Health care
- Entrepreneurship devl.
- Infrastructure devl.
- Care for differently abled
- Water management
- Environment protection
- Promotion of artisans
- Promoting sports

2% of PBT for CSR activities

CSR Expenditure ₹ 2,303 Crore in last 10 years



ONGC pursuing major projects - setting up Educational Institutes, Hospitals, Wind farm

ओएनजीसी
ONGC

Thank you