OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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CIN No. L74899DL1993GOI054155
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ONGC/CS/SE/2016 **March 17, 2016**

The Secretary **Bombay Stock Exchange Ltd,** Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, MUMBAI – 400 001 **BSE Security Code No. 500312**	The Manager Listing Department **National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block-G Bandra-Kurla Complex, Bandra (E), **MUMBAI – 400 051** **Symbol – ONGC; Series - EQ**

Sub: Press Release pursuant to Regulation 30 of the Listing Regulations.

Dear Sirs,

Pursuant to Regulation 30 of the Listing Regulations, please find enclosed a copy of the Press Release issued by ONGC with regard to the following:

Rosneft and ONGC Videsh sign Memorandum of Understanding (MOU)

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

Rosneft and ONGC Videsh sign Memorandum of Understanding (MOU)

Rosneft and ONGC Videsh signed a Memorandum of Understanding (MOU) for the acquisition of 11% shares in the Vankorneft in addition to the 15% shares for which the definitive agreements were signed earlier in September, 2015. Thus, ONGC Videsh would be acquiring a total of 26% shares in the Vankorneft. The MOU was signed by Managing Director of ONGC Videsh Limited Mr. Narendra K. Verma and Rosneft Chairman of the Management Board Mr. Igor Sechin in New Delhi on 16th March, 2016 in the presence of the Minister of State for Petroleum & Natural Gas, Government of India, Mr. Dharmendra Pradhan.

The MOU also provides for the Parties to explore the possibility to conclude Long-term crude oil and feedstock supply agreement(s) whereunder Rosneft (or its affiliates) would supply crude oil to the refineries of ONGC Videsh (or its affiliates) located in the Republic of India. For the purpose of such agreement(s) the Parties shall consider using crude oil produced by Rosneft (including Rosneft's share in Vankorneft) as the main stream with its option to substitute the main stream with alternative grades.

About Vankorneft

Vankorneft is wholly owned subsidiary of Rosneft that operates Vankor Field in Russia and was set-up in 2004. Vankor field is the largest oil field which has been discovered and brought to production in Russia in the last 25 years.

Vankor oil and gas condensate field is located in municipal regions of Krasnoyarsk Kray of northern part of East Siberia in the Russian Federation. Vankorneft holds Vankor and Severo (North) Vankor Field Licenses. The licenses validity has been extended till 2112. Vankor, the giant oil and gas producing field is a key provider of volumes to the East Siberia Pacific Ocean (ESPO) Pipeline. The field was discovered in the year 1988. Commercial oil production from the field started in the year 2009 and is currently producing about 440,000 bopd. Vankor field is under concession agreement subject to mineral extraction tax and export duty.

Background information:

ONGC Videsh is a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), the National Oil Company of India. It is India's largest oil and gas exploration and production company outside India. ONGC Videsh owns Participating Interests in 36 oil and gas assets in 17 countries and contributes to 14.8% of oil and 12.5 % of oil and natural gas production of India respectively. ONGC Videsh partnership with Rosneft started in 2001 when the former acquired 20% stake in the Sakhalin-I oil and gas project in the Russian Federation

ONGC is India's largest Public-sector corporation and produces 69% of India's crude oil and natural gas. Current market capitalization of ONGC is more than USD 26 billion. The Indian government holds a 68.94% stake in ONGC.

These materials contain statements about future events and expectations that are forward-looking in nature. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements expressed or implied by such forward-looking statements to differ. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.