OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

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ONGC/CS/SE/2016 **26th 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: 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 ends FY'16 with continued growth in oil production; to fast track major deep water projects**

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 ends FY'16 with continued growth in oil production; to fast-track major deep-water projects

New Delhi 26th May, 2016

In its 282nd Board Meeting held on 26th May, 2016, ONGC presented the annual results for FY'16 while recommending a final dividend of 65%. The Company had earlier declared interim dividend of 105% for the year; thus the total dividend for FY'16 has been 170%.

1. ONGC Performance Highlights : FY'16

•	ONGC crude oil production recorded a rise for the second consecutive year. Offshore oil production has gone up by 2.1% rising from 16.19 MMT (FY'15) to 16.54 MMT (FY'16). ONGC Crude Oil production from nominated fields has gone up by 0.5%; from 22.26 MMT (FY'15) to 22.36 MMT (FY'16). ONGC's total Crude Oil production including its share in PSC Joint Ventures (JVs) during FY'16 has been 25.93 MMT against 25.94 MMT during FY'15
•	ONGC has notified 17 hydrocarbon discoveries this year (8 new Prospects & 9 New Pools; 7 in NELP & 10 in nominated areas; Oil & Gas:7 and Gas & Condensate: 10; Onshore: 7 and Offshore: 10).
•	The estimated accretion to In-place Hydrocarbons from ONGC operated areas in India during 2015-16 was 150.30 MMTOE, while accretion to Ultimate 2P Reserves was 65.58 MMToe.
•	Reserve Replacement Ratio (RRR), the ratio of reserve accretion to total oil and gas production in one year, stands at 1.51. ONGC, thus, maintains RRR at more than one for last 10 years (2P). Considering the global trends, this is a significant achievement.
•	Gross Revenue ₹ 78,569 Crore (against ₹ 83,094 Crore in FY'15)
•	Net Profit ₹ 16,004 Crore (against ₹ 17,733 Crore in FY'15)
•	Board recommended final dividend of 65% in addition to interim dividend of 105% paid earlier, making the total dividend for FY'16 at 170% (against 190%in FY'15)

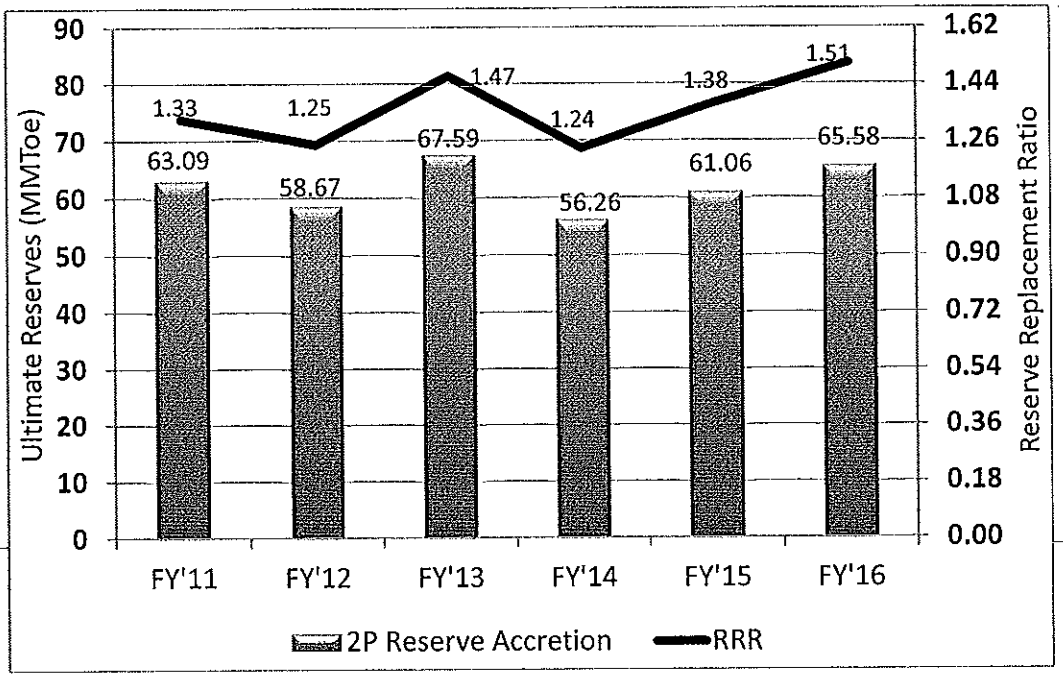
2. Ultimate 2P Reserve Accretion : FY'16

(in MMToe)

ONGC operated domestic areas	65.58
Domestic JVs	0.80
Total Domestic	**66.38**

3. Reserve Replacement Ratio (RRR) of ONGC-Operated Domestic Areas

2P Reserve Replacement Ratio (RRR) more than 1



4. Balance Recoverable Reserves as on 31st March, 2016

(in MMToe)

	Domestic		Overseas (ONGC Videsh)	Total
	ONGC - operated	Non-operated-JVs		
1P	691.28	18.59	201.70	911.57
2P	1074.30	22.88	596.13	1693.31
3P	1365.74	24.03	632.65	2022.42

5. Physical and Financial Results

Production Performance						
Particulars	**Q4FY'16**	**Q4FY'15**	**% Var**	**FY'16**	**FY'15**	**% Var**
Crude Oil – ONGC (MMT)	5.48	5.54	-1.1%	22.36	22.26	0.4%
Crude Oil – JV (MMT)	0.86	0.91	-5.5%	3.57	3.68	-3.3%
Total Crude Oil – (MMT)	**6.34**	**6.45**	-1.7%	**25.93**	**25.94**	-0.04%
Gas – ONGC (BCM)	4.91	5.43	-9.6%	21.18	22.02	-3.8%
Gas – JV (BCM)	0.33	0.38	-13.2%	1.35	1.50	-10.0%
Total Gas (BCM)	**5.24**	**5.81**	-9.8%	**22.53**	**23.52**	-4.2%
O+OEG (MMToe)	**11.58**	**12.26**	-5.5%	**48.46**	**49.46**	-2.0%
VAP (KT)*	**755**	**622**	21.4%	**2,955**	**2,723**	8.5%

* Includes 63 KT of C2 from Dahej Plant which was recycled back to Petronet LNG Limited (PLL) in Q4FY'16 (185 KT in FY'16).

Financial Performance (₹ in Crore)						
Particulars	**Q4FY'16**	**Q4FY'15**	**% Var**	**FY'16**	**FY'15**	**% Var**
Gross Revenue	16,424	21,683	-24.3%	78,569	83,094	-5.4%
Profit Before Tax (PBT)	6,347	6,256	1.5%	23,390	26,555	-11.9%
Profit After Tax (PAT)	4,416	3,935	12.2%	16,004	17,733	-9.8%

6. Impact of under-recovery discount to OMCs on Profits

(₹in Crore)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Discount (Contribution for meeting OMC's under-recovery)	1,096	36,300	56,384	49,421	44,466	24,892
Impact on Statutory Levies	167	5,340	8,628	7,362	6,667	3,558
Impact on Profit before tax	929	30,960	47,756	42,059	37,799	21,334
Impact on Profit after tax	**607**	**20,437**	**31,525**	**28,413**	**25,535**	**14,247**

7. Impact of Discount on Retention Price of Crude Oil:

Particulars	**FY'16**		**FY'15**	
	Q4	Year	Q4	Year
A. In USD per Bbl				
Pre-Discount Price	34.88	48.26	55.63	85.28
Discount	---	1.12	---	40.41
Post-Discount Price	**34.88**	**47.14**	**55.63**	**44.87**
B. Average ₹/USD Exchange Rate	**67.50**	**65.46**	**62.25**	**61.15**
C. in ₹ per Bbl				
Pre-Discount Rate	2,354	3,159	3,463	5,215
Discount	---	73	---	2,471
Post-Discount Price	**2,354**	**3,086**	**3,463**	**2,744**

8. Dividend payout during the last five years

(₹in Crore)

Year	Stand-alone PAT	Dividend		Tax on Dividend	Payout %	
		%	₹ in Crore		Including Dividend Tax	Excluding Dividend Tax
2010-11	18,924	175	7,486	1,215	45.98	39.56
2011-12	25,123	195	8,342	1,329	38.49	33.20
2012-13	20,926	190	8,128	1,301	45.06	38.84
2013-14	22,095	190	8,128	1,381	43.04	36.79
2014-15	17,733	190	8,128	1,626	55.00	45.83
2015-16	16,004	170	7,272	1,480	54.69	45.44

9. Consolidated Results

1.	**Consolidated Turnover ₹ 1,42,927 Crore (14.1% down from ₹ 1,66,389 Crore in FY'15)**
2.	**Consolidated Net Profit (PAT) ₹ 14,124 Crore (23.0 % down from ₹18,334 Crore in FY'15)**

10. ONGC Group of Companies

1.	**Oil and Natural Gas Corporation Ltd**
2.	**Subsidiaries:**
i	ONGC Videsh Ltd (Consolidated)
ii	Mangalore Refinery and Petrochemicals Ltd (Consolidated)
3.	**Joint Ventures**
i	Petronet LNG Ltd (Consolidated)
ii	Petronet MHB Ltd
iii	Mangalore SEZ Ltd (Consolidated)
iv	ONGC Mangalore Petrochemicals Ltd
v	ONGC Petro Additions Ltd
vi	ONGC Tripura Power Company Ltd (Consolidated)
vii	ONGC TERI Biotech Ltd
vii	Dahej SEZ Ltd (Unaudited)
4.	**Associate:**
i	Pawan Hans Helicopters Ltd (Unaudited)

11. ONGC Videsh Ltd

Production	Unit	FY'16	FY'15
Crude Oil	MMT	5.51	5.53
Natural Gas	BCM	3.41	3.34
Total Oil and Oil Equivalent Gas	MMTOE	8.92	8.87

During FY'16, there is an increase in oil and gas production by 0.6% as compared to previous fiscal year FY'15. The incremental production is primarily from Sakhalin-I (Russia) and block A-1/A-3 in Myanmar.

Financial	Unit	FY'16	FY'15
Gross Revenue	₹ Crore	12,772	19,149
Profit/(Loss) After Tax	₹ Crore	(2,094)	1,904

Despite higher production during FY'16, the decrease in profit is mainly due to lower oil prices and impairment provision in some of the assets.

- ONGC Videsh is currently producing about 183 thousand barrels of oil and oil equivalent gas per day and has total oil and gas reserves (2P) of about 596 MMtoe as on 31st March 2016.
- ONGC Videsh has participation in 36 projects in 17 countries including Azerbaijan, Bangladesh, Brazil, Colombia, Iran, Iraq, Kazakhstan, Libya, Mozambique, Myanmar, New Zealand, Russia, South Sudan, Sudan, Syria, Venezuela and Vietnam. Out of these 36 projects, 13 are producing, 4 are discovered/under development, 17 are exploratory and remaining 2 are pipeline projects.

12. Mangalore Refinery and Petrochemicals Ltd (MRPL)

Crude thruput:
MRPL recorded the Highest-ever Crude throughput of 15.69 MMT as against 14.65 MMT during FY 2014-15.

Turnover
The turnover stood at ₹ 50,864 Crore during the year as against ₹ 62,412 Crore during FY 2014-15.

Net profit (PAT)
Net Profit (PAT) is ₹ 1,148 Crore (against After Tax Loss of ₹ 1,712 Crore in FY 2014-15).

The decrease in sales is mainly on account of decline in product prices in line with international trends.

Polypropylene unit of MRPL started its commercial production in June 2015.

	MRPL domestic evacuation by direct marketing sales increased by 50% from 0.82 MMT (FY'15) to 1.61 MMT in FY'16 MMT thereby reducing dependency on exports.

Highlights:

A. Tapti Asset Transfer Agreement (TATA) signed on 12th April 2016

The Tapti Asset Transfer Agreement (TATA) was signed on 12th April 2016, between PMT JV (Panna-Mukta-Tapti Joint Venture) and ONGC for transfer of two bridge connected platforms (TPP/TCPP) along with the associated facilities for early monetization of its nearby marginal cluster fields of Tapti Daman Block in the Western Offshore. This is the first of its kind, asset transfer agreement in the E&P sector in India.

B. ONGC receives Scope Excellence award from Hon'ble President

ONGC received the 'Scope Excellence Award' under Maharatna category from Hon'ble President Mr. Pranab Mukherjee at New Delhi on 11th April, 2016 on the occasion of 7th Public Sector Day.

C. ONGC receives Conservation Award

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

D. Hazira Plant receives National Energy Conservation Award 2015

Hazira Plant of ONGC in Gujarat won the prestigious 'Certificate of Merit' in National Energy Conservation Award 2015 organized by Ministry of Power for adopting energy conservation measures.

E. ONGC strikes Gold at 12th South Asian Games

ONGC contingent of 38 players representing different sports won 28 Gold medals at 12th South Asian Games held at Guwahati and Shillong during 5-16 February, 2016. The tally of medals won by ONGC players is higher than the tally achieved by the second placed country Sri Lanka who got 25 Gold medals at the Games.

F. ONGC Energy Centre and IIT Kharagpur signed an Agreement to develop Technology on In-situ Uranium Leaching

ONGC Energy Centre (OEC) and IIT Kharagpur signed an Agreement on 29th April 2016 at IIT Kharagpur for Technology Development on "In-situ Leaching of Uranium (ISL)" through collaborative research. The project is planned to be completed in 36 months with a budget of around Rs. 432 Lakhs. A multi-disciplinary approach has been adopted and project team from IIT Kharagpur comprises of Principal Investigator from Department Chemical Engineering supported by Dept. of Geology and Dept. of Mining Engineering.

Major Projects completed during FY'16

Sl. No.	Project	Project Cost (₹ Crore)
1	Development of B-193 Cluster Fields	5,633
2	Development of Cluster-7 Fields	6,639
3	Pipeline Replacement Project-3, Western Offshore	1,417
4	C2-C3 plant Dahej	976
5	Integrated Development of G-1 and GS-15 fields	3,955
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	5,608
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	2,523
Total		**28,380**

- Eight projects with total investment of Rs. 26,929 completed in FY'15.

New Projects approved during FY'16

Sl. No	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	**47,906**

- Six projects with total approved cost of Rs. 27,948 Crore approved during FY'15

Discoveries :
ONGC has notified following new discoveries since declaration of Q3 results on February 11, 2016:

New Prospect Discovery:

a) **B-66#2, BOFF Nomination PML in Mumbai Offshore Basin, Western offshore, India.**
Exploratory well B-66-2 in BOFF Nomination PML in Mumbai Offshore Basin was drilled to a depth of 2,178m. Limestone in the interval 932 – 938m in Bassein formation of Middle to Late Eocene age on conventional testing, after a nitrified acid job, produced liquids @ 527 BPD (with 1% water and 25% sediments) and gas @ 50,366 m3/d through ½" choke.

b) **GKS101NAA-1, NELP Block GK-OSN-2010/1 in Kutch offshore sector of Western offshore, India.**

Exploratory well GKS101NAA-1 in NELP Block GK-OSN-2010/1 in Kutch offshore sector of Western offshore was drilled to a depth of 1734m. A sandstone interval (1291 - 1300 m) in Jakhau formation of Early Eocene age on conventional testing produced gas @ 45,873 m3/d through ½" choke. This discovery is a further consolidation of Tertiary play established in nearby GK-28/42 area.

New Pool Discovery:

a) **GSS041NAA-2, NELP Block GS-OSN-2004/1 in Kutch offshore sector of Western offshore, India**

Exploratory well GSS041NAA-2 in NELP Block GS-OSN-2004/1 in Kutch offshore sector of Western offshore was drilled to a depth of 5157 m. A sandstone, of Mesozoic age, in the interval (4459 – 4483 and 4422 - 4434 m) on conventional testing produced gas @ 1,56,563 m^3/d along with 4771 bbl/d of water through ½" choke. This discovery, below the thick Deccan Basalt, following the earlier discovery in this block, is a big step in consolidating the high potential Mesozoic petroleum system in Kutch Saurastra offshore.

With the above discoveries ONGC has notified total 17 (8 new prospect and 9 new pool) discoveries in FY 15-16.

Discoveries notified in FY 2016-17:

New Prospect Discovery:

1. **KGOSN2009/2-SRI-1, NELP Block KG-OSN-2009/2 in Krishna Godavari offshore Basin.**
Exploratory well KGOSN2009/2-SRI-1 in NELP Block KG-OSN-2009/2 in Krishna Godavari shallow offshore Basin was drilled to a depth of 4000m. A sandstone interval (3889 – 3882 m and 3866 – 3834 m) of Early Lower Cretaceous age on conventional testing flowed oil and gas at modest rate of 32 BPD and 820 m3/day respectively. This discovery provides a very significant lead for future exploration in this area.

2. **B-34-2, Nomination PML South & East Bassein, in Mumbai offshore basin, Western Offshore.**
   Exploratory well B-34-2 in nomination South & East Bassein PML, in Mumbai offshore basin, Western Offshore was drilled to a depth of 3200m. A sandstone interval (2903 - 2907 m) in Panna formation of Paleocene age on conventional testing flowed oil @ 870 BPD and gas @ 48,277 m3/day through ½"choke. This discovery extends the Panna play further south in the Bassein field.

For further information, please visit our website www.ongcindia.com

Conversion Rates:

₹-USD:65.46 (average for the Year FY'16)
₹-USD: 61.15 (average for the Year FY'15)

Listing references (as on 25th May 2016):

ONGC	BSE – ₹ 210.20 NSE – ₹ 210.15
MRPL	BSE – ₹ 65.00 NSE – ₹ 64.80

Disclaimer

This Press Release is intended to apprise the public regarding the highlights of Audited Financial Results of ONGC on standalone and consolidated basis, for the year ended 31st March, 2016 approved by the Board of Directors in their meeting held on 26.05.2016, in addition to informing about other major and / or related highlights/ developments which in view of the management may be considered as important. These are not to be taken as forward looking statements and may not be construed as guidance for future investment decisions by investors / stakeholders.

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