



Oil & Natural Gas Corporation Ltd.

Corporate Presentation.

NOVEMBER, 2011

1 Industry scenario

2 Performance FY'11/H1-FY'12

- a) ONGC Group
- b) ONGC
- c) OVL
- d) MRPL

3 Initiatives



1. Industry Scenario

Drastic increase in financial volatility

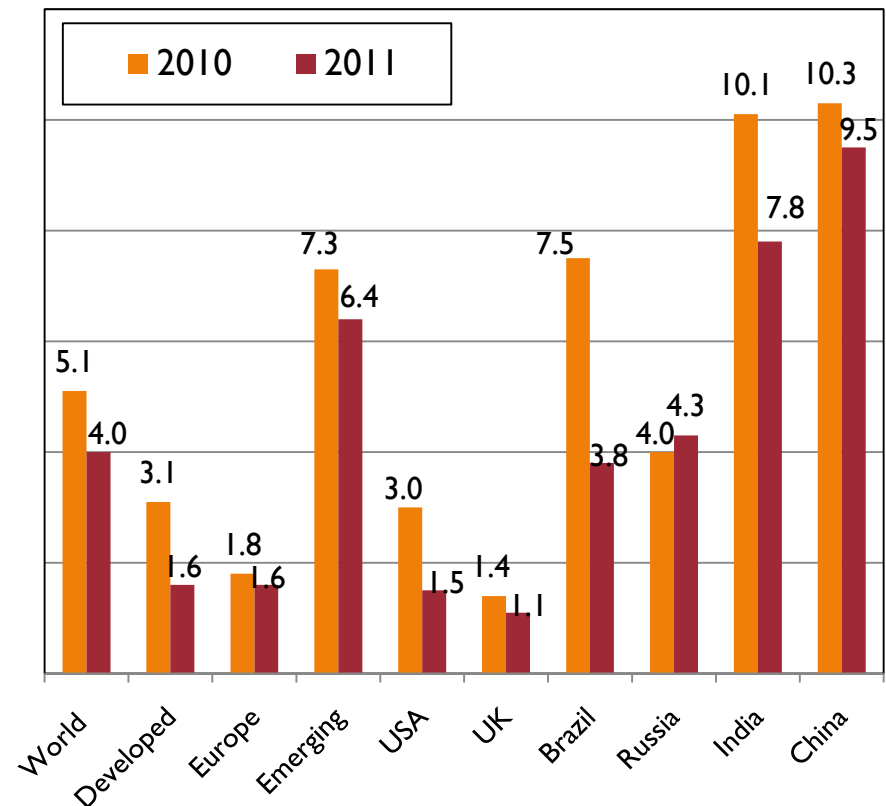
- ▶ World economy projected to grow 4.0% in 2011 & 4.5% in 2012

Accumulating signs of weakness in key advanced economies

Sovereign debt and banking sector problems in Euro area a concern

Indian economy stable - rather doing well; however, high inflation inimical to growth

Real GDP Growth % (Y-to-Y)



Oil demand

2010 witnessed second strongest year of global oil demand growth in last 30 years.

- ▶ Absolute demand expected to surpass pre-recession highs
- ▶ Oil demand grew by 2.4% in 2010; 84.95 mb/d in 2010 against 82.92 mb/d in 2009)

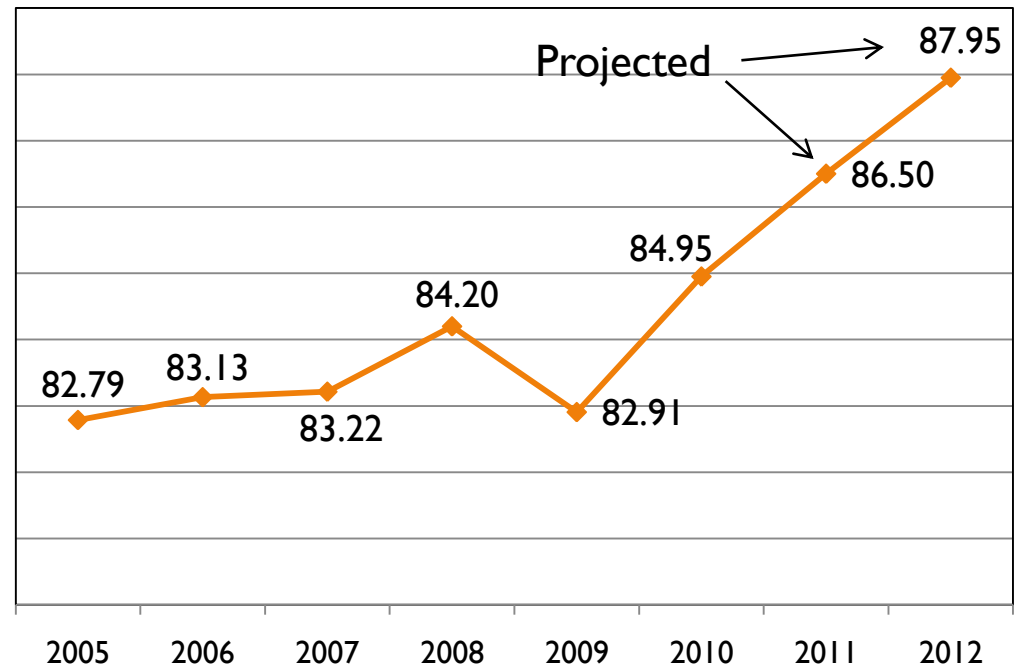
Projected demand

2011: 86.50 mb/d

2012: 87.95 mb/d

Most of the gains to come from emerging markets

Global liquid supply (mb/d)

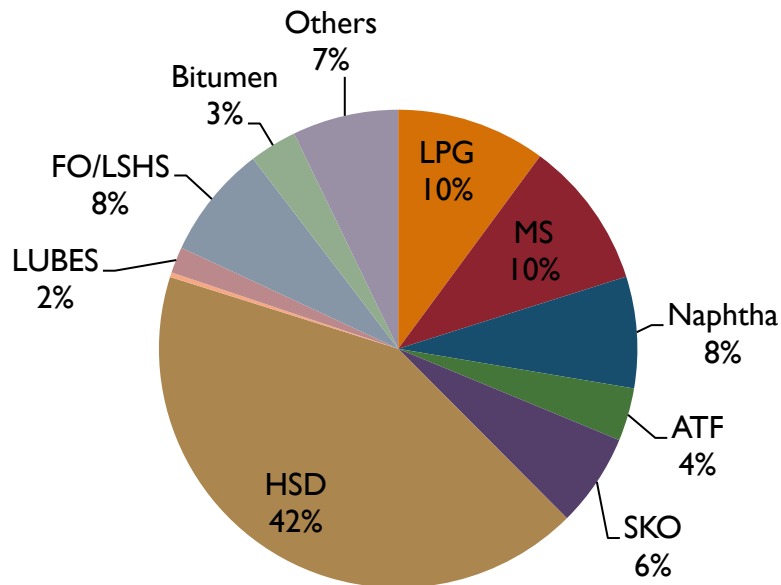


India: Rising consumption

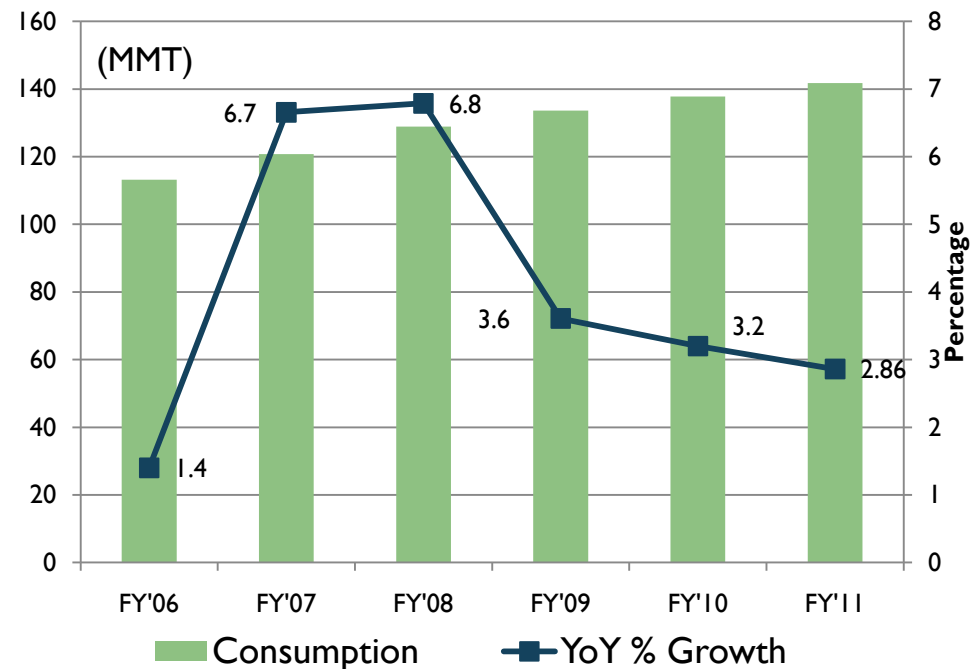
Petroleum products registers 2.86% increase in consumption during FY'11. Total consumption 141.75 MMT (137.80 MMT)

- ▶ On Y-to-Y basis consumption increased by 2.86%
 - ▶ MS increased by 10.78%; LPG by 9.07% & Diesel by 6.65%. FO /LSHS by (-6.45%)

Products basket



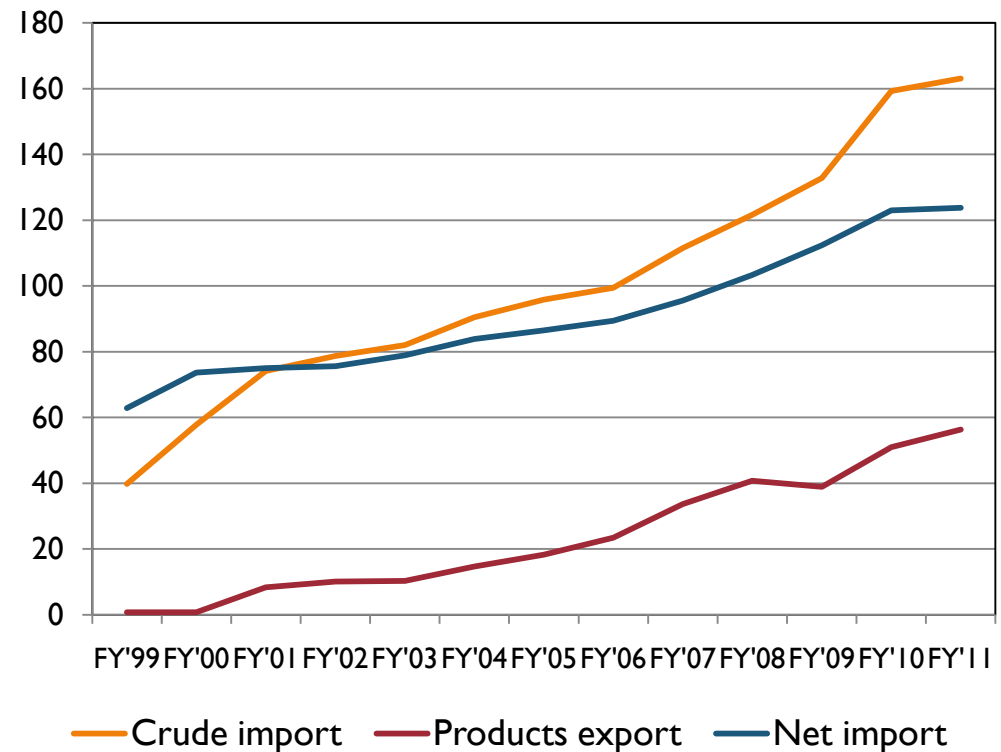
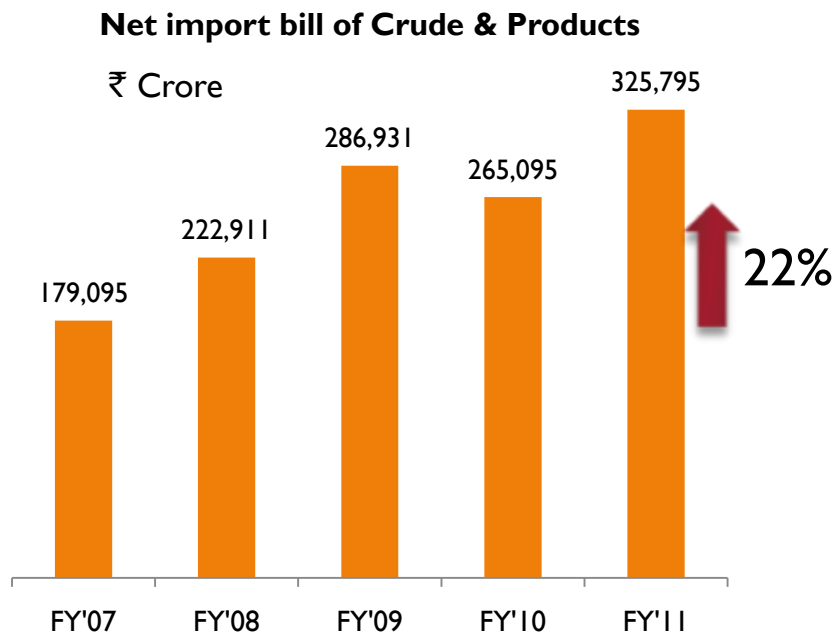
Consumption of Petroleum Products



Increasing import dependence on oil

- ▶ Import dependency increased from 71.85% to 76.54% in last 5 years
- ▶ In FY'11, net import bill for crude oil & petroleum products increases by 22%

Import & Export of Crude & Petroleum Products





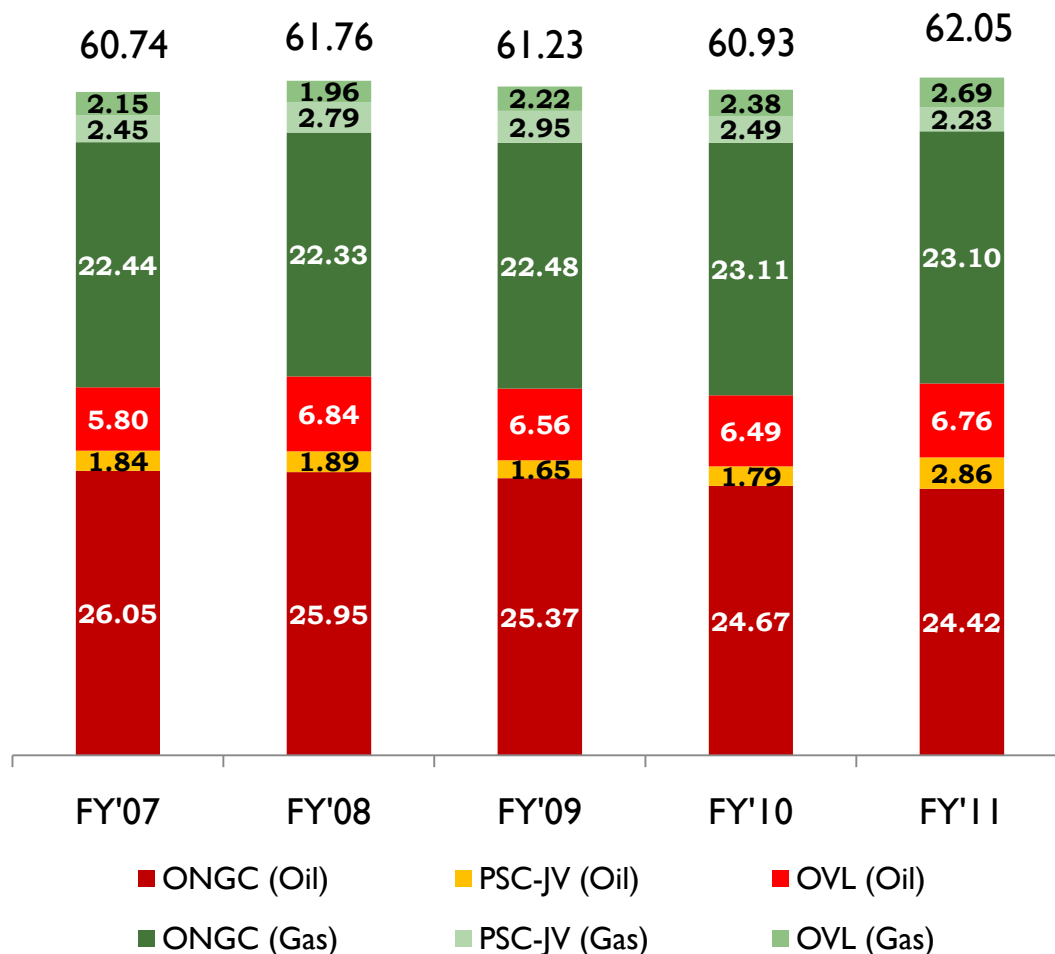
2. Performance

a) ONGC Group – FY'11

O+OEG Production



► Highest ever O+OEG production



Crude oil production (MMT)

	FY'10	FY'11
ONGC	24.67	24.42
PSC-JV	1.79	2.86
OVL	6.49	6.76
Total	32.95	34.04

Natural gas production (BCM)

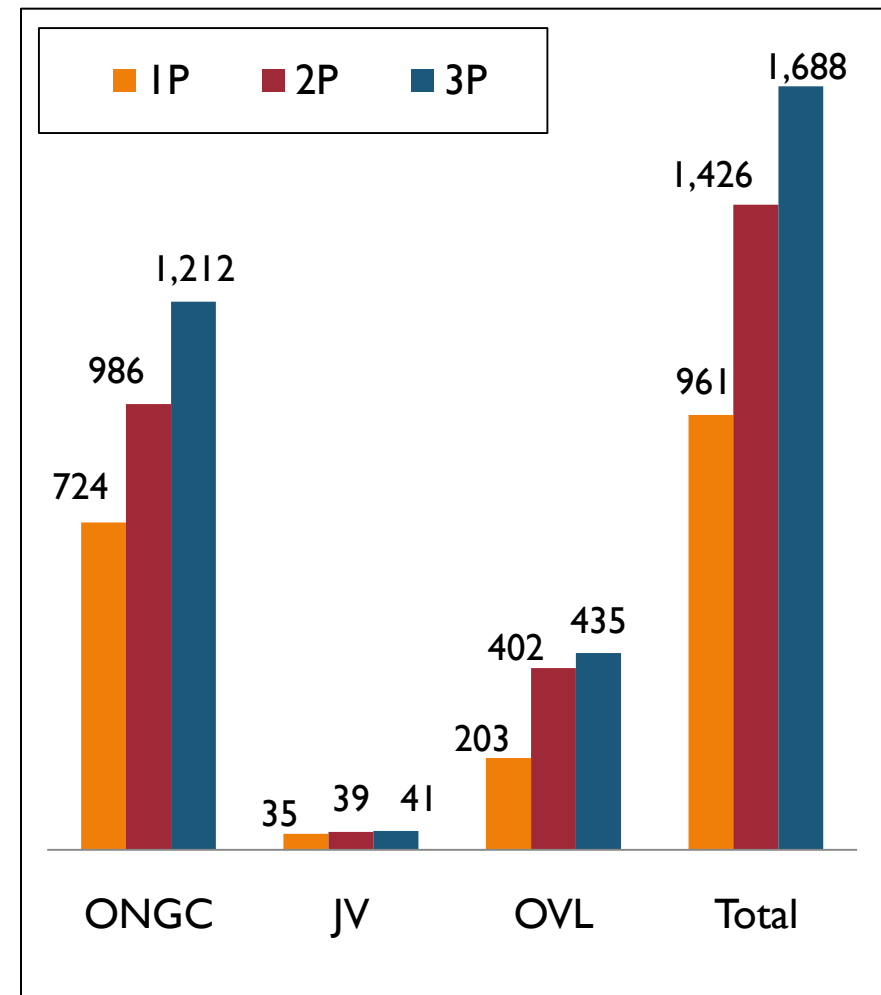
	FY'10	FY'11
ONGC	23.11	23.10
PSC-JV	2.49	2.23
OVL	2.38	2.69
Total	27.98	28.02

ONGC Group: O+OEG Reserves



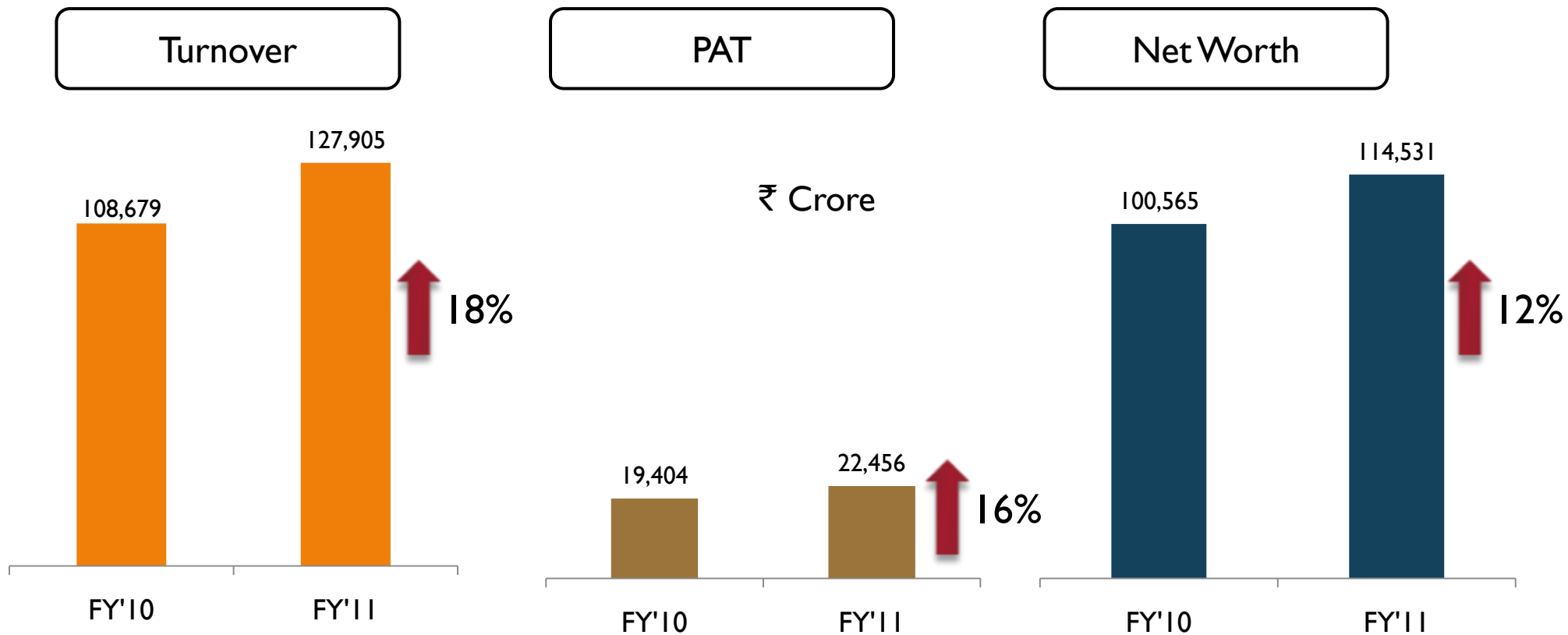
Total Reserves (3P): 1,688.29 MTOE

	Oil	Gas	Total
ONGC	552.61	659.38	1211.99
PSC JV	20.37	20.93	41.30
OVL	270.46	164.54	435.00
Total	843.44	844.86	1688.29



As on FY'11

▶ Highest-ever Turnover & PAT





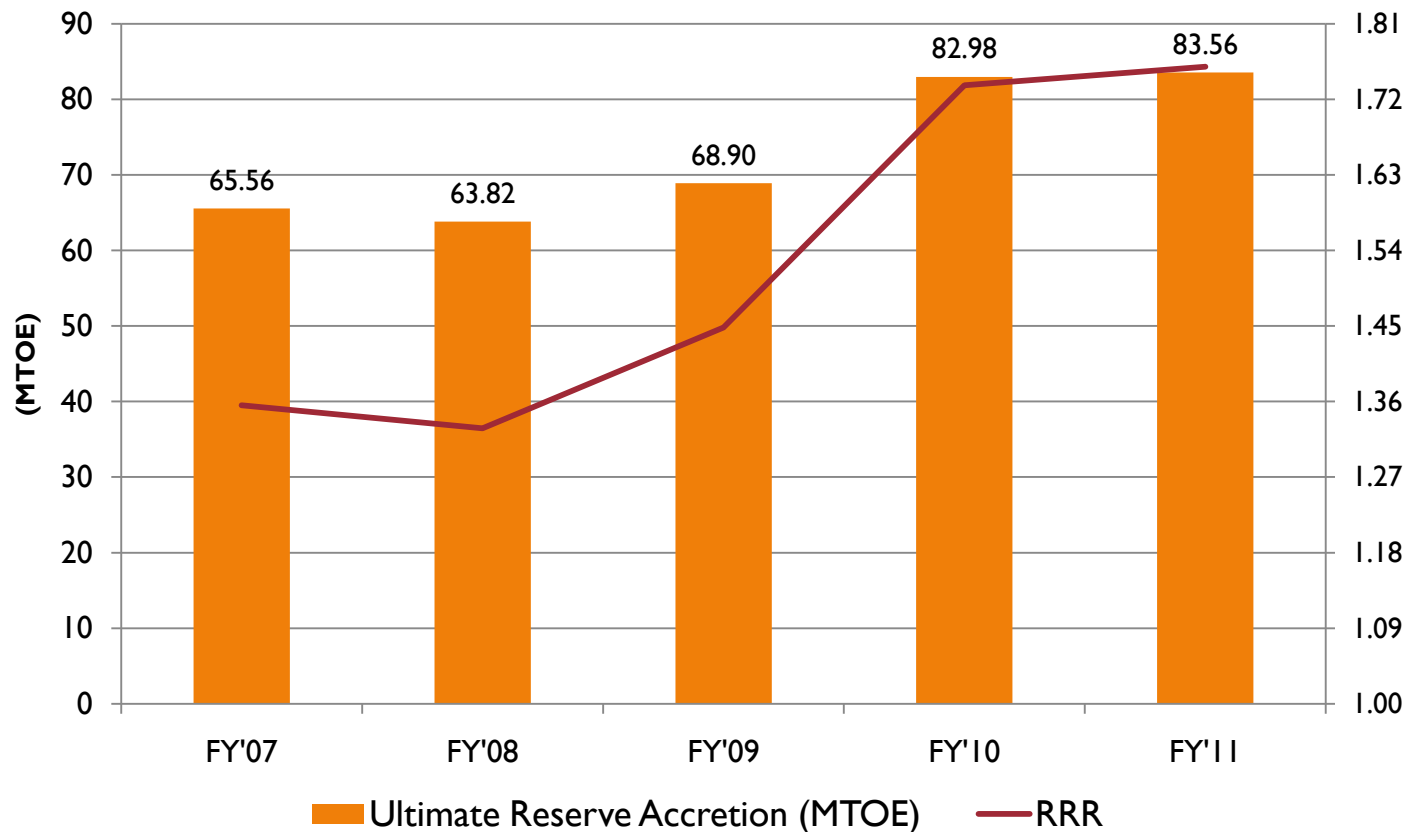
2. Performance

b) ONGC – FY'11

ONGC: Reserve accretion (3P)



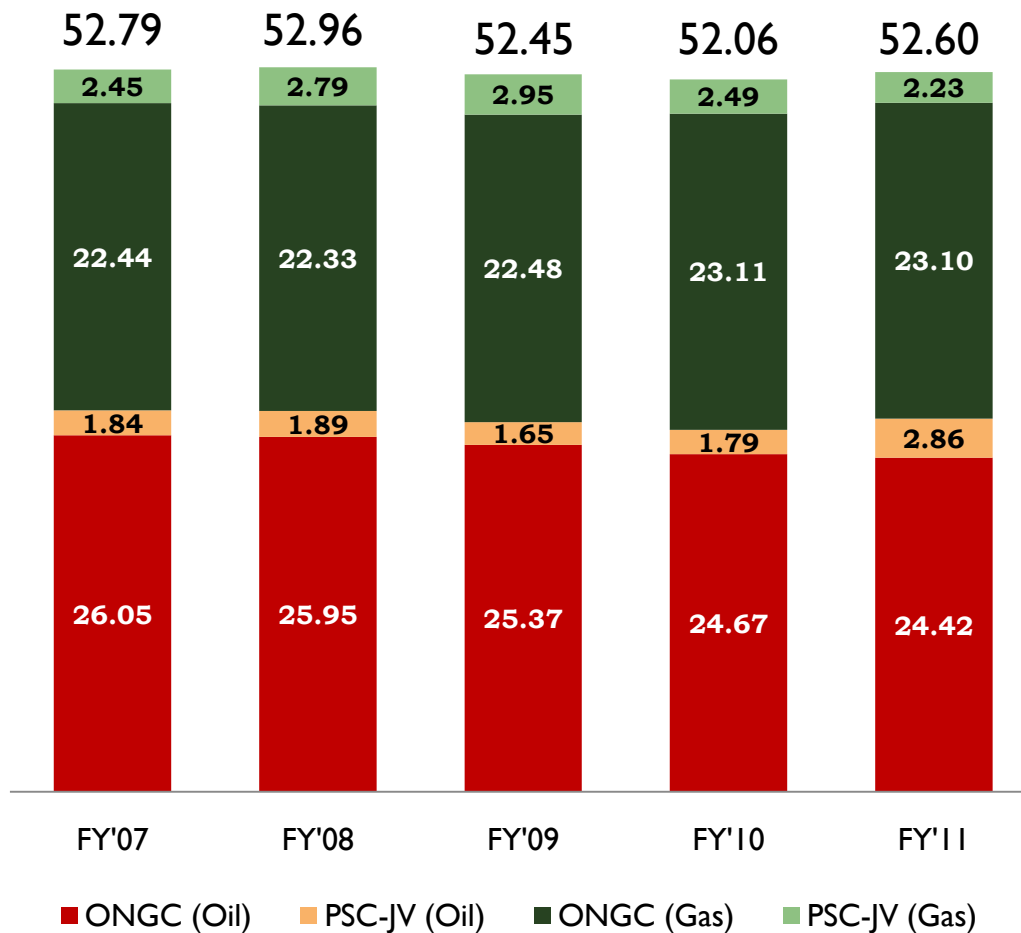
- ▶ 24 hydrocarbon discoveries (15 new prospects + 9 new pool)
- ▶ Ultimate Reserve accretion: 83.56 Mtoe the highest in last 2 decades
- ▶ FY'11: Reserve Replacement Ratio (RRR) is 1.76 (with 3P)



ONGC: O+OEG Production



► Domestic O+OEG production level maintained



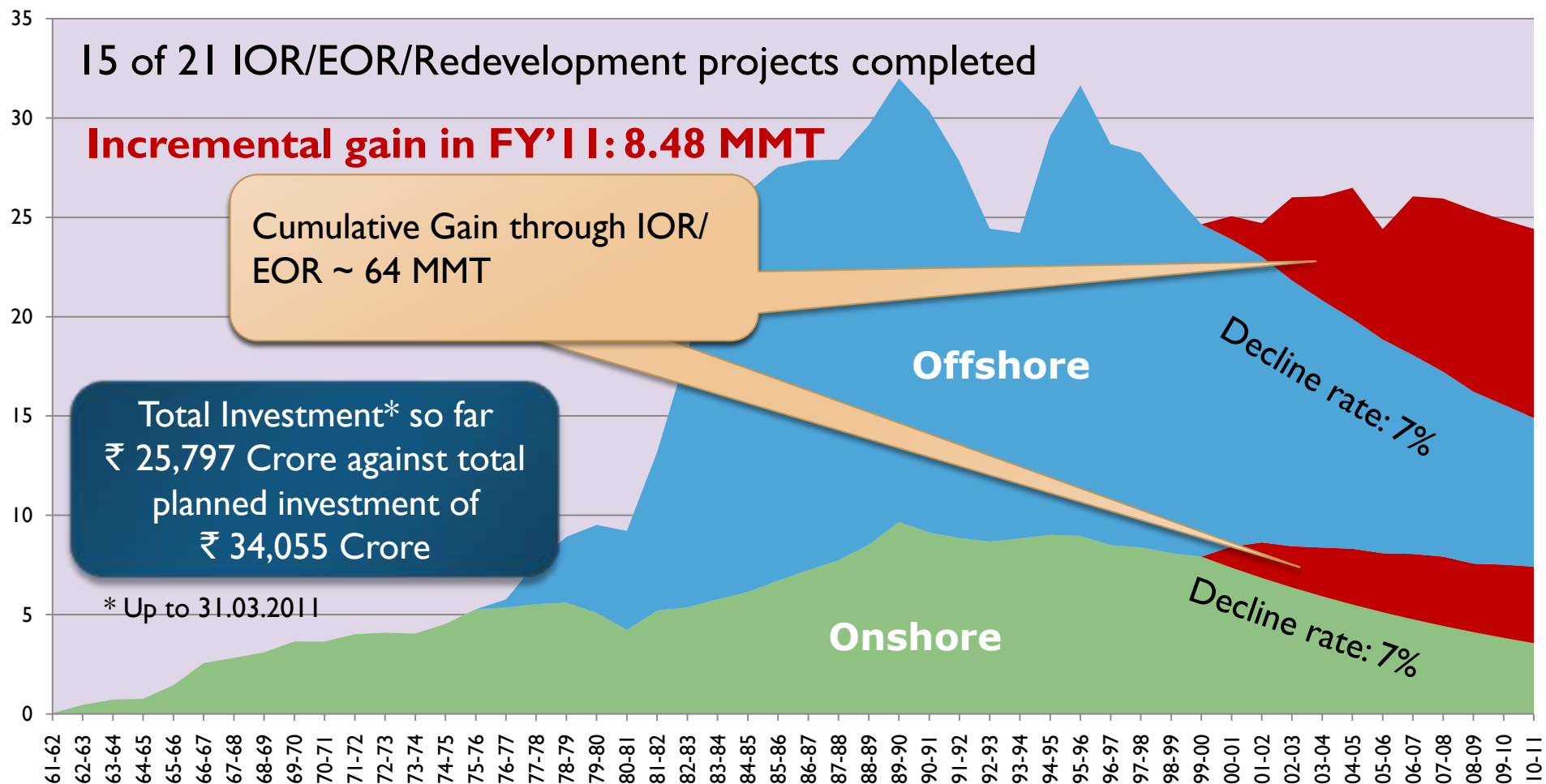
Crude oil production (MMT)		
	FY'10	FY'11
ONGC	24.67	24.42
PSC-JV	1.79	2.86
Total	26.46	27.28

Natural gas production (BCM)		
	FY'10	FY'11
ONGC	23.11	23.09
PSC-JV	2.49	2.23
Total	25.60	25.32

ONGC: IOR/EOR gains



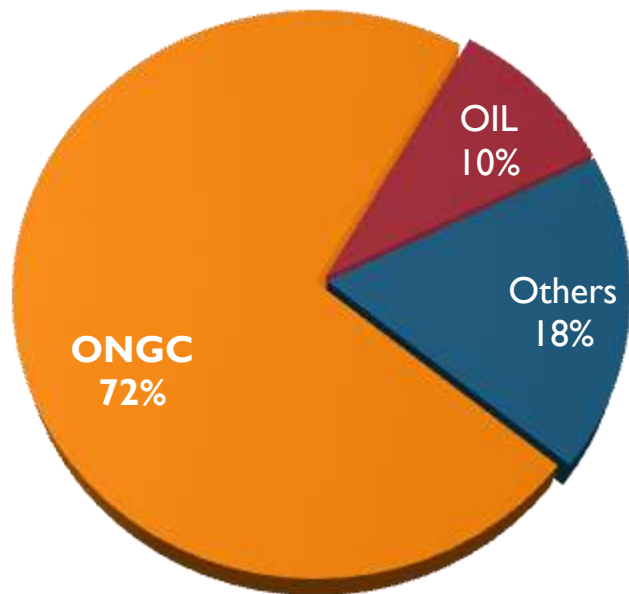
- ▶ Arresting decline rates in matured fields through IOR/EOR schemes
- ▶ Recovery factor increased from 28% (2000) to 33.5% (2011)



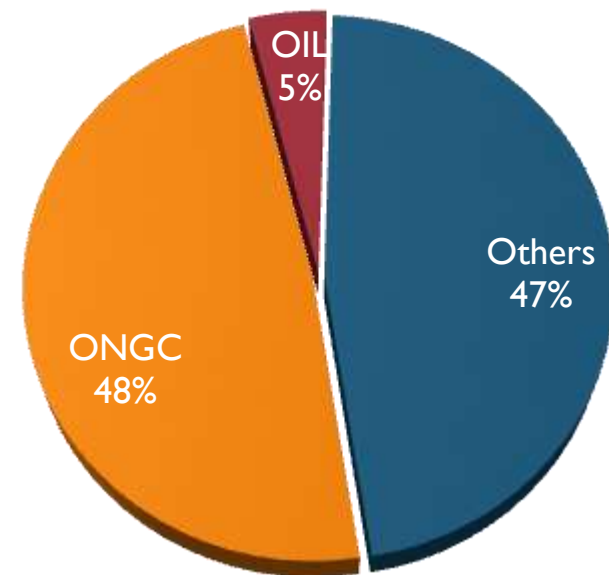
ONGC: O+OEG production

- ▶ ONGC accounted for 57% of country's O+OEG production in FY'11
- ▶ Crude oil: 72% & Natural Gas: 48%

Crude oil production



Natural gas production



ONGC's production includes its share in PSC JVs

Source: MoP&NG



2. Performance

b) Resources

Maximum NELP Exploration Licenses



ONGC has bid aggressively in NELP rounds; bagged 121 blocks - 51% of 235 blocks- awarded under 8 NELP rounds, either on own or in consortium

NELP rounds	I	II	III	IV	V	VI	VII	VIII	Total
Blocks awarded	24	23	23	20	20	52	41	32	235
Awarded to ONGC + ONGC Consortia	8+1*	16	13	14	8	25	19	17	121
Surrendered blocks (ONGC operated)	7	14	6	1	1				29
With ONGC (Operator)	2	1	6	11	3#	24	18	14	79
With ONGC (Non-Operator)				2	3	1	1	3	10

* KG-DWN-98/2 acquired subsequently

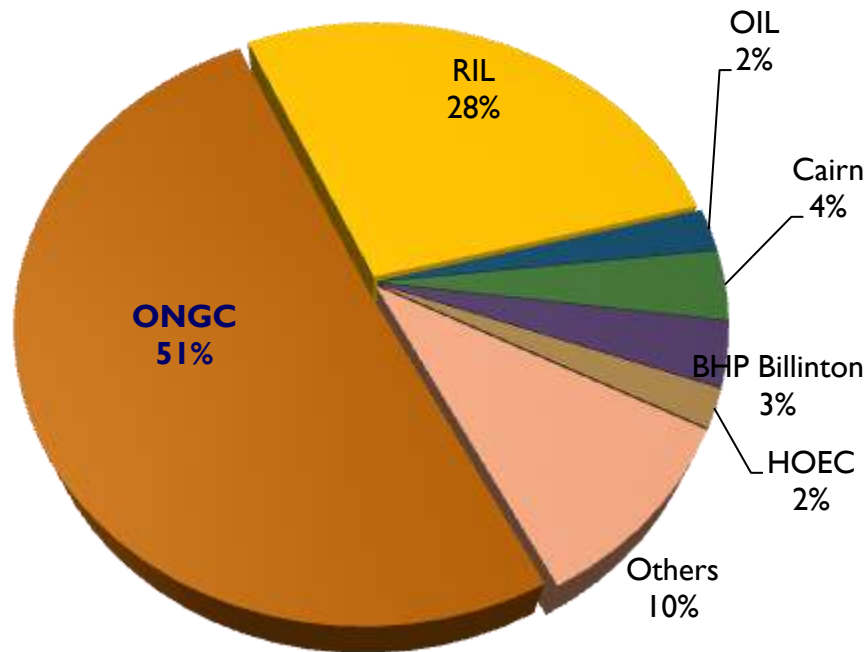
Acquired operatorship of VN-ONN-2003/1

NELP IX: Likely to get 10+2 out of 34 blocks offered

Acreeage holding

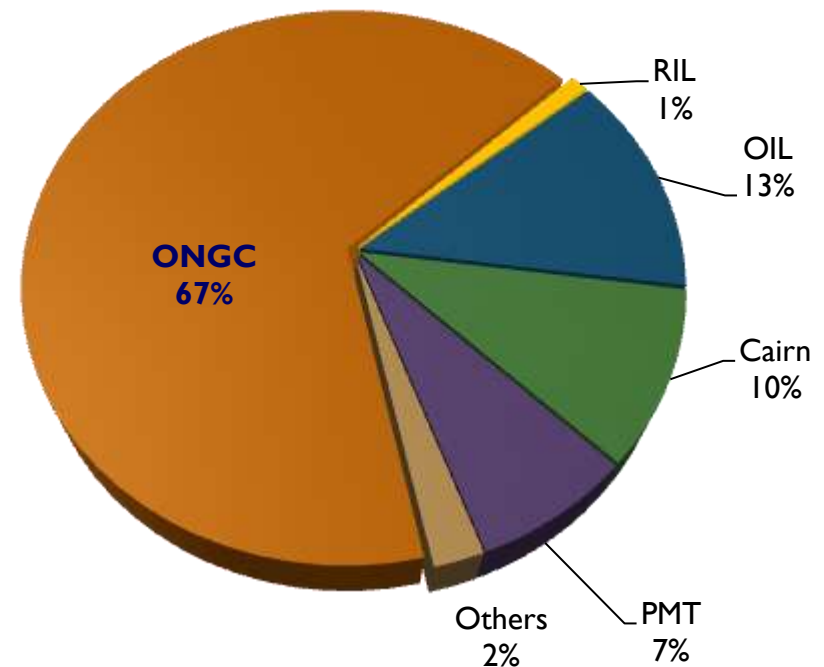
Despite deregulation and increasing private participation, ONGC is the largest exploration acreage and mining lease holder in India (PEL: 51% & ML: 67%)

PEL Areas (Sq. Km)



PEL Total area: 1,145,649 Sq.Km

ML Areas (Sq.Km)

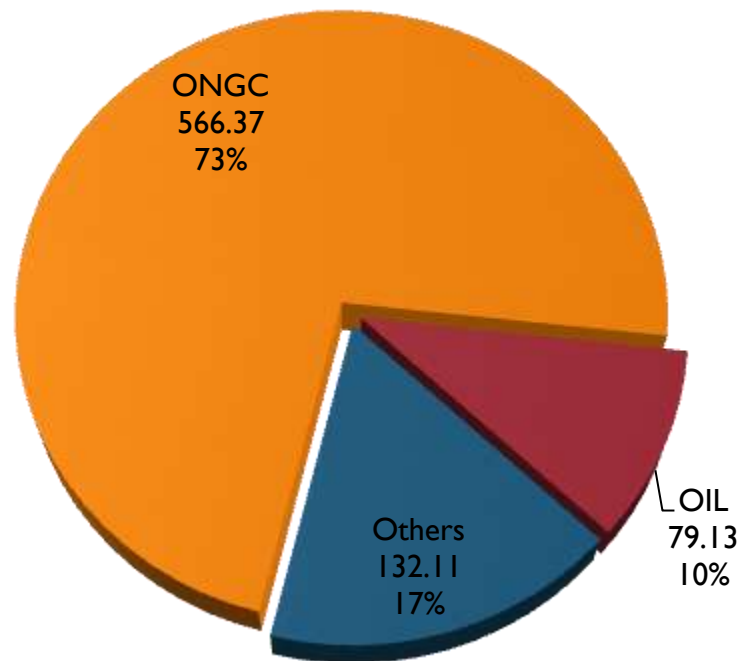


ML Total area: 37,196 Sq.Km

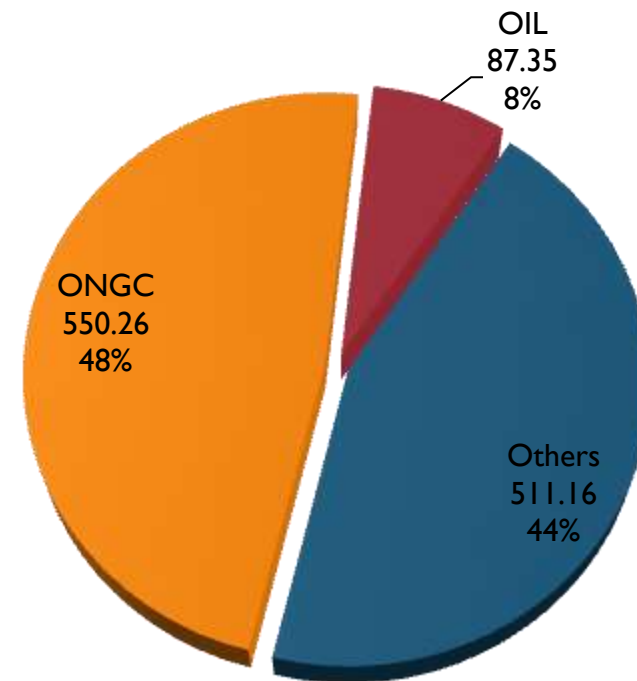
Hydrocarbon Reserves

ONGC accounts for 73% of Crude oil &
48% of Gas reserves of the country
~ 61% of O+OEG reserves

Crude Oil (MMT)



Natural Gas (BCM)



As on 01.04.2010

State-of-the-art exploration facilities



27+3*
Seismic Crews



77+44*
Drilling Rigs

87 (68+19*) Onland
34 (9+25*) Offshore

58+30*
Work Over Rigs



107
**Well Stimulation
Units**



27+46@
Logging Units

Globally comparable Production & Transportation facilities



OSV: Offshore Supply Vessels
MSV: Multi-purpose Supply Vessel

Hazira, Gujarat

- Handling Capacity: 42 MMSCMD Sour Gas
Products: LPG, C2-C3, LAN

Uran, Maharashtra

- Handling Capacity: 20 MMTPA Oil & 16 MMSCMD Gas
Products: LPG, ARN, SKO, ATF, Propane, HSD

Ankleshwar and Gandhar, Gujarat

- Handling Capacity: 0.1 MMTPA Oil & 1 MMSCMD Gas
Products: LPG, Naphtha

Tatipaka, Andhra Pradesh

- Handling Capacity: 0.1 MMTPA Oil
Products: Naphtha, SKO, HSD, Fuel Oil



LPG	Liquefied Petroleum Gas
SKO	Superior Kerosene Oil
C2-C3	Ethane- Propane
HSD	High Speed Diesel
LSHS	Low Sulphur Heavy Stock
ATF	Aviation Turbine Fuel
LAN	Low Aromatic Naphtha
ARN	Aromatic Rich Naphtha



2. Performance

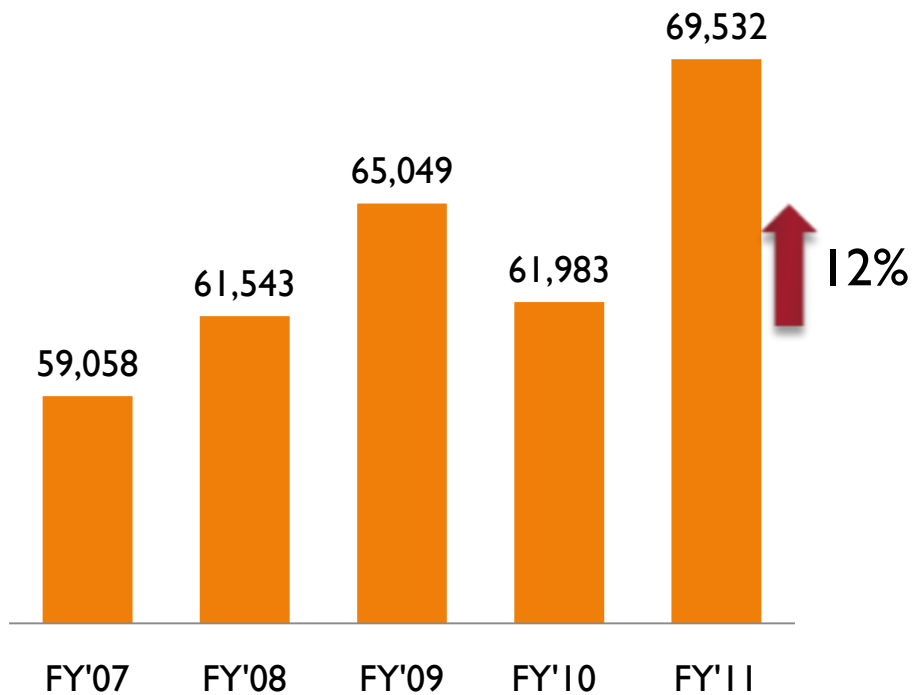
b) ONGC: Financials

ONGC: Turnover

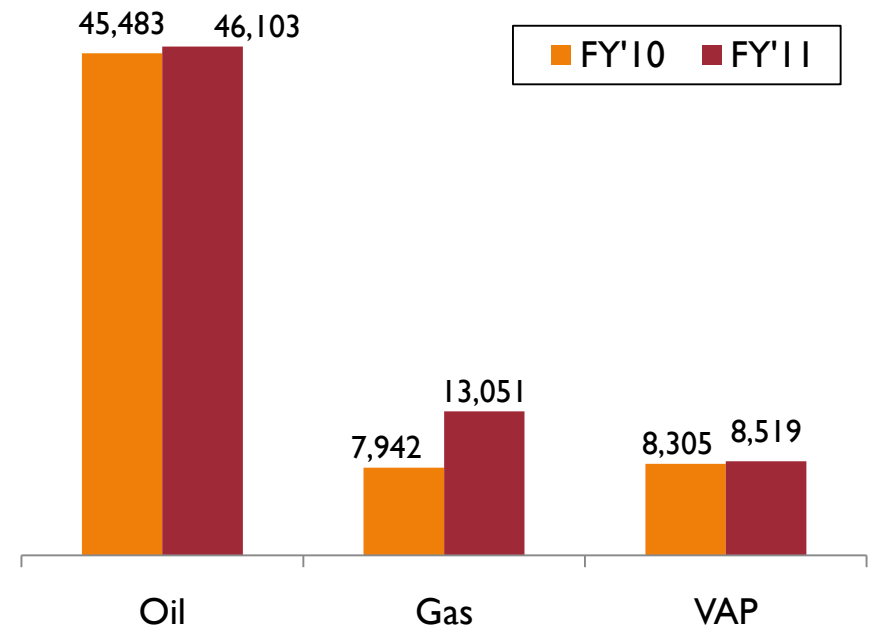


► Turnover up by 12%

₹ Crore



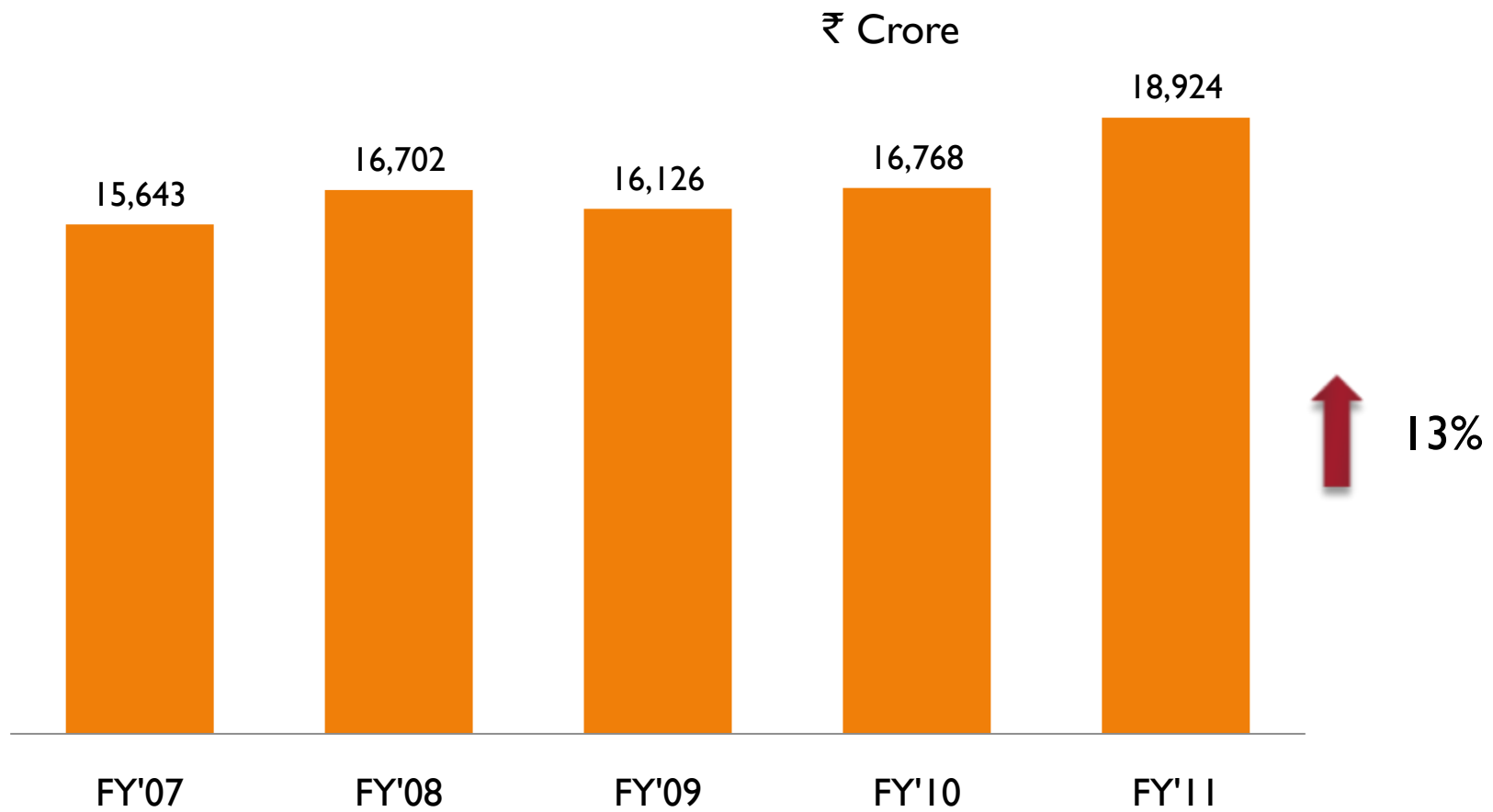
Revenue Sources (₹ Crore)



ONGC: Net Profit



▶ Highest-ever Net Profit; up by 13%

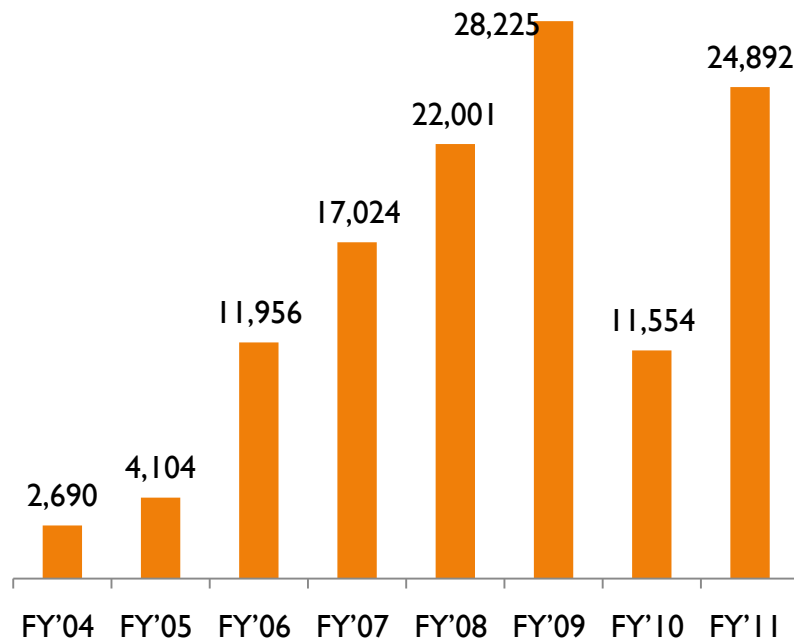


ONGC: Under Recovery



- ▶ FY'11: Total under-recovery ₹ 24,892 Crore
- ▶ HIFY'12: Total under-recovery ₹ 17,760 Crore (12,046 + 5,714)

Under Recovery (₹ Crore)



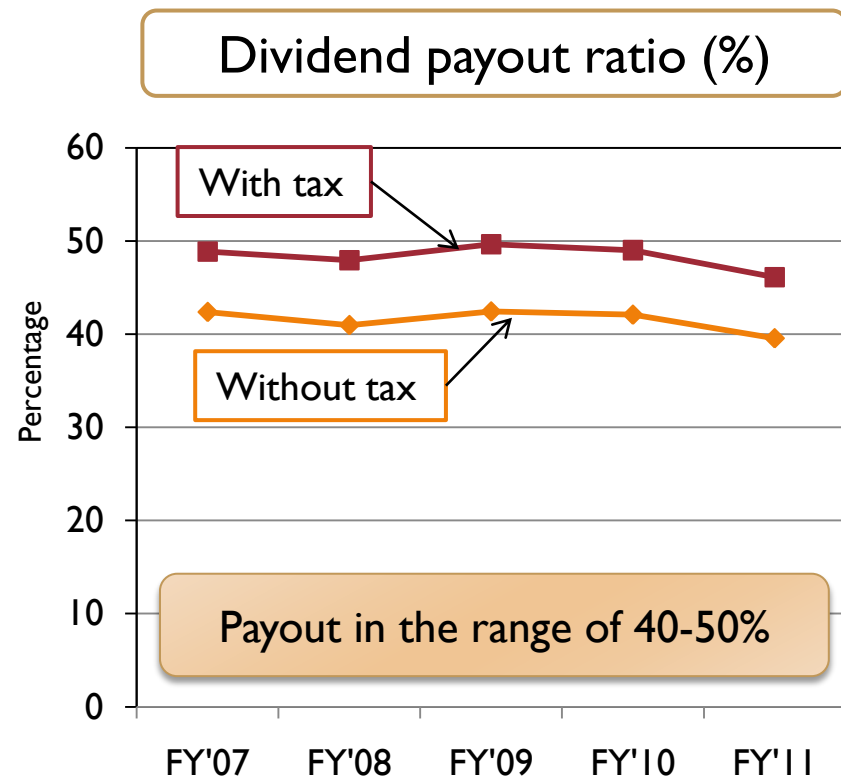
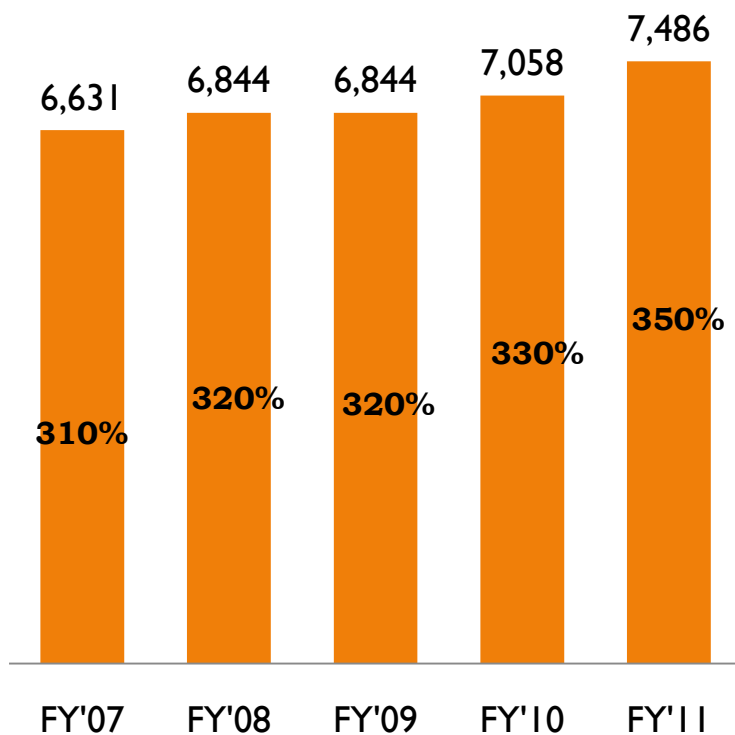
Crude Price (US\$/bbl)

Crude oil price realization (US\$/bbl)

	Realizable	Discount	Realized
FY'07	66.33	22.11	44.22
FY'08	85.54	32.64	52.90
FY'09	86.15	38.45	47.70
FY'10	71.65	15.71	55.94
FY'11	89.41	35.64	53.76*
HIFY'12	119.06	52.54	66.52

▶ Highest-ever Dividend payout of ₹ 7,486 Crore

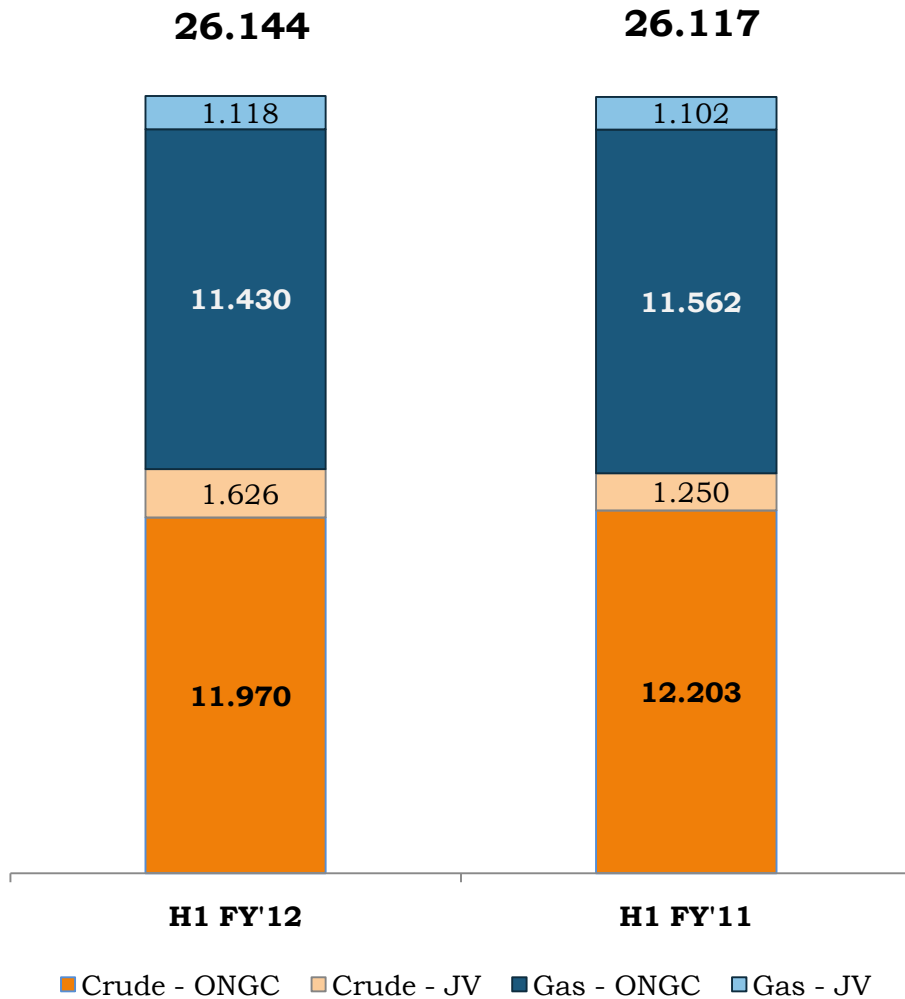
FY'11: Bonus (1:1) and Share split to ₹ 5 face value



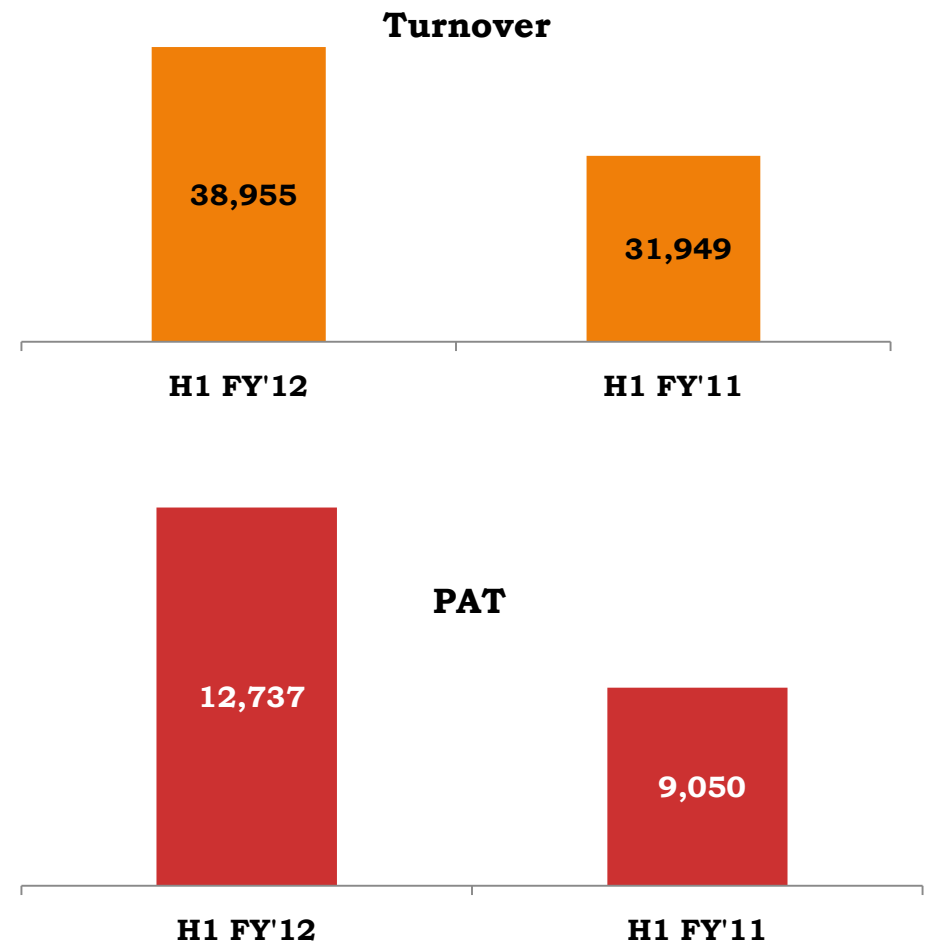
ONGC: H1 FY'12 - Performance



Oil & Gas production (MTOE)



Financials (₹ Crore)



ONGC: Financial Performance



Details	H1 FY'12	H1 FY'11	% variation
Sales Revenue (₹ Crore)	38,955	31,949	21.9
Net Profit (₹ Crore)	12,737	9,050	40.7
Subsidy Discount (₹ Crore)	17,760	8,534	108.1
Gross Realization (US\$/bbl)	119.06	79.99	48.8
Net Realization (US\$/bbl)	66.52	55.73	19.4
Gross Realization (₹/bbl)	5,389	3,687	46.2
Net Realization (₹/bbl)	3,011	2,569	17.2



2. Performance

c) ONGC Videsh Ltd

OVL: Global footprint

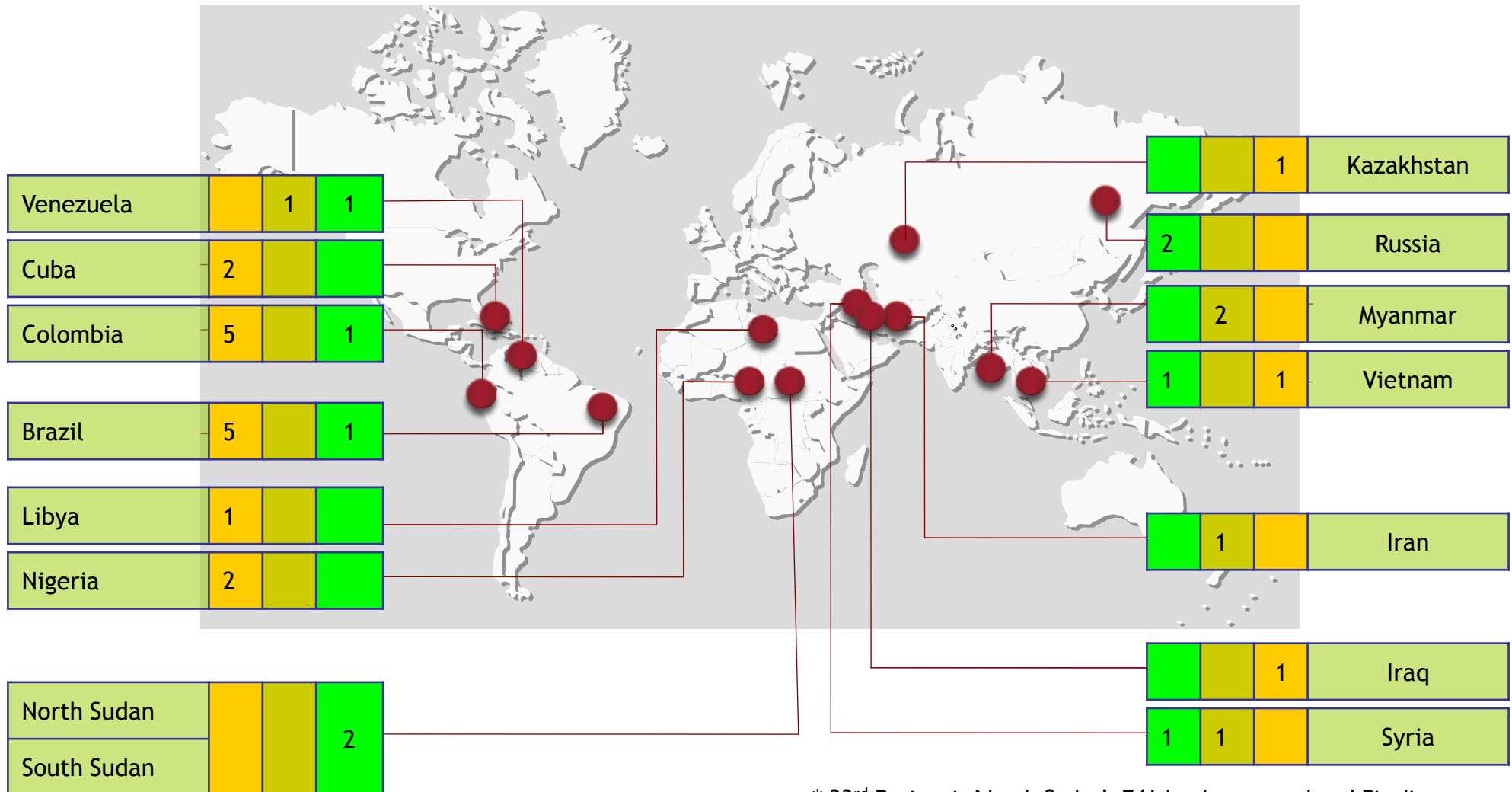


33* Projects in 15 Countries

18
Exploration

5
Discovered

9 Producing



* 33rd Project is North Sudan's 741 km long completed Pipeline

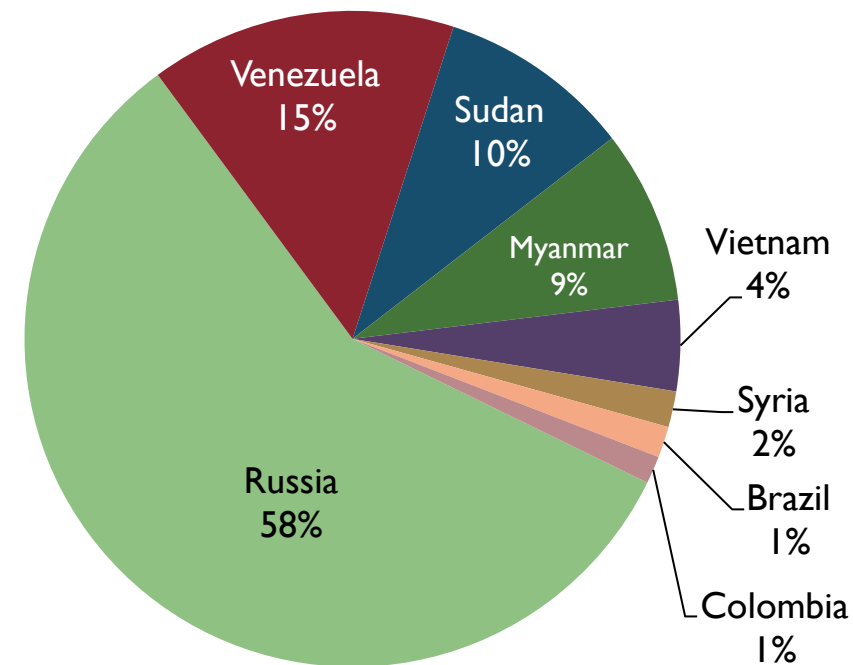
OVL: O+OEG reserves



▶ 435 Mtoe of ultimate reserves in 12 assets in 8 countries

	Oil (MMT)	Gas (BCM)	Total (Mtoe)
P1	104.57	98.34	202.91
P2	151.91	46.69	198.60
P3	13.98	19.51	33.49
Total	270.46	164.55	435.00

Geographical distribution



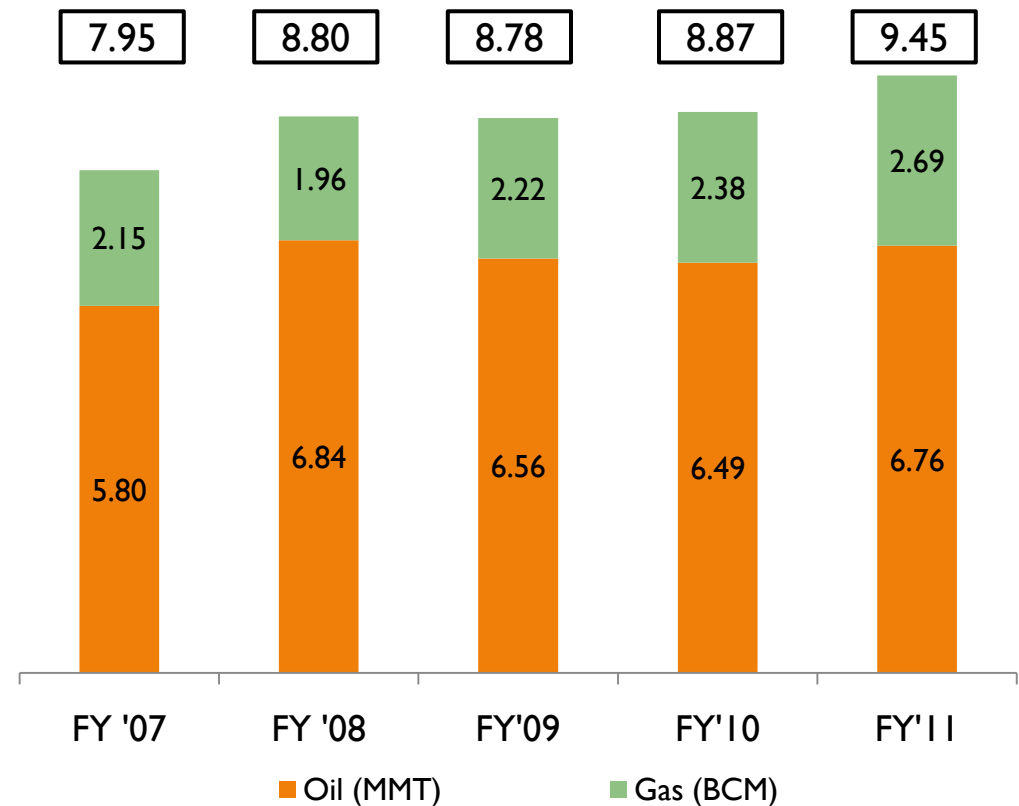
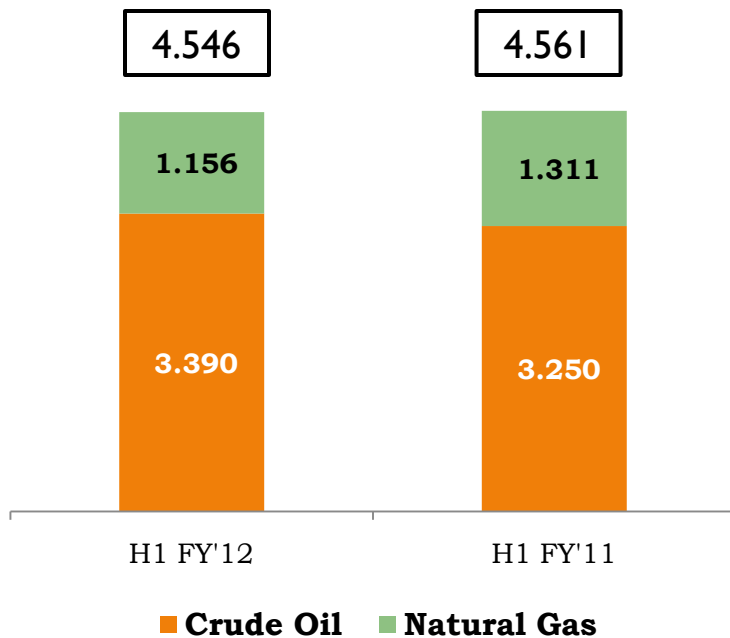
Overseas O+OEG Reserves (3P)

OVL: O+OEG production



▶ OVL registers highest-ever production: 9.45 Mtoe of O+OEG

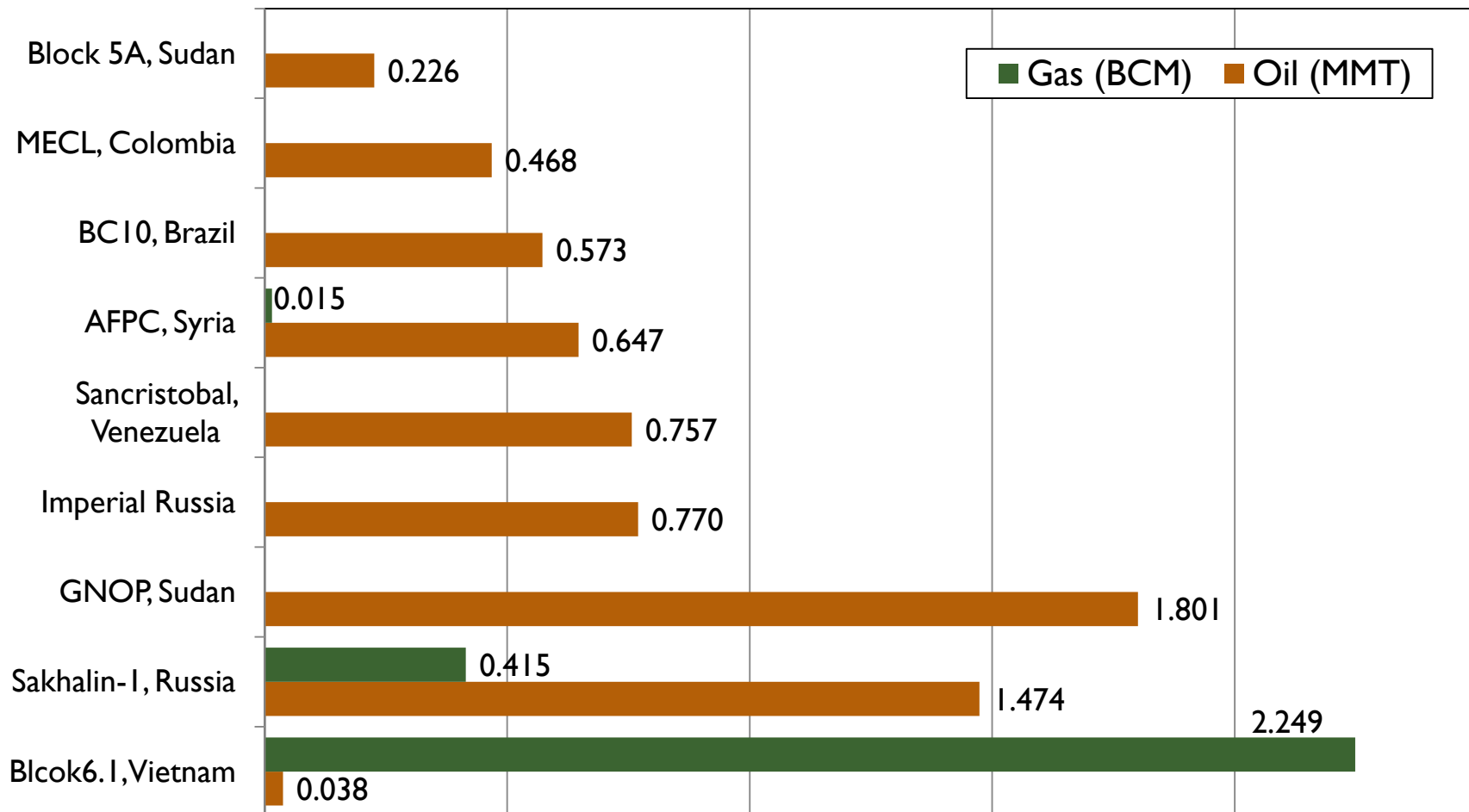
Odoptu field in Sakhalin commenced production from 15th Sept'2010 present production @54,000bbl/d



OVL: O+OEG production

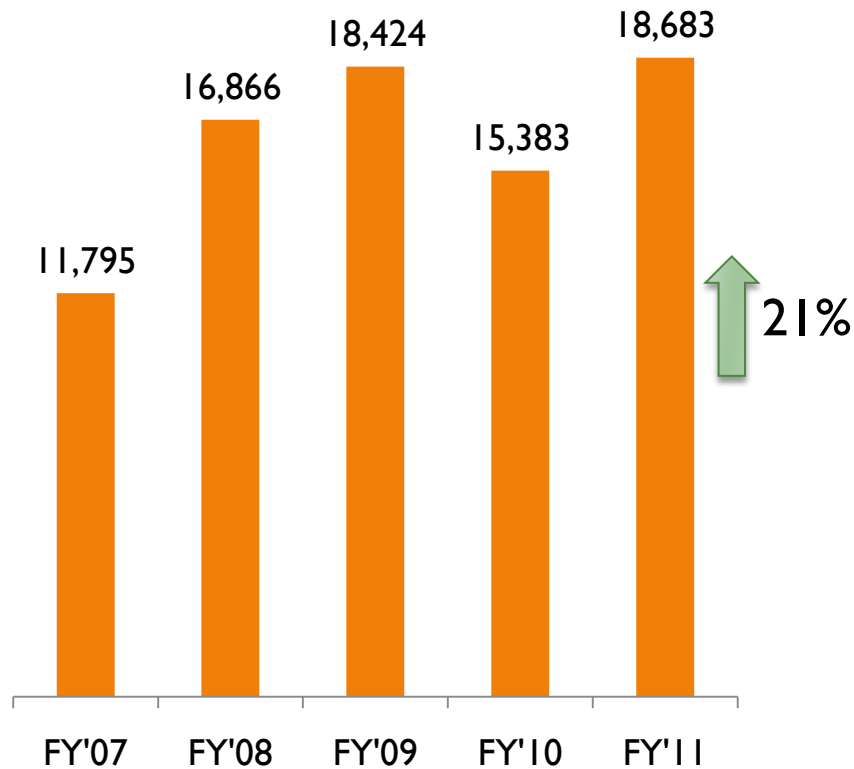


▶ 9 producing assets in 7 countries

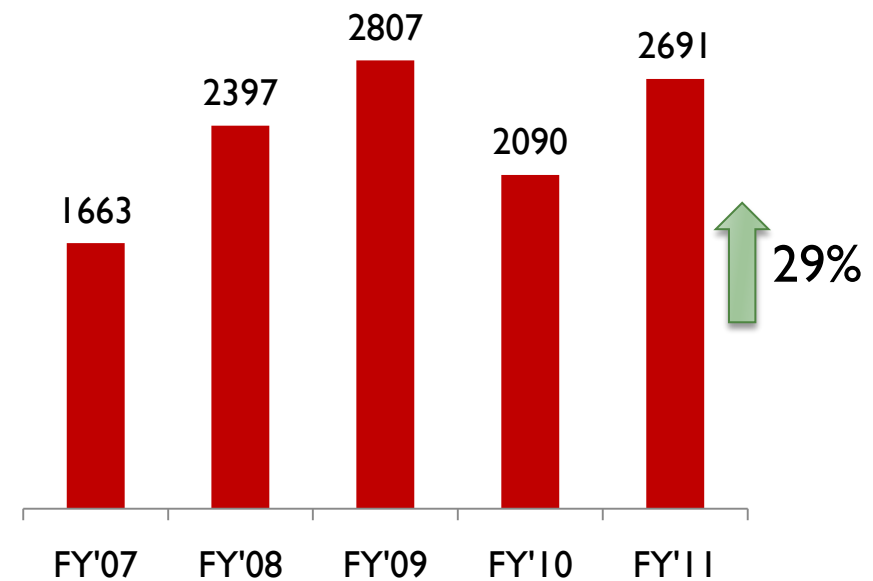


- ▶ Highest-ever Turnover of ₹ 18,683; up by 21%

Turnover (₹ Crore)



PAT (₹ Crore)



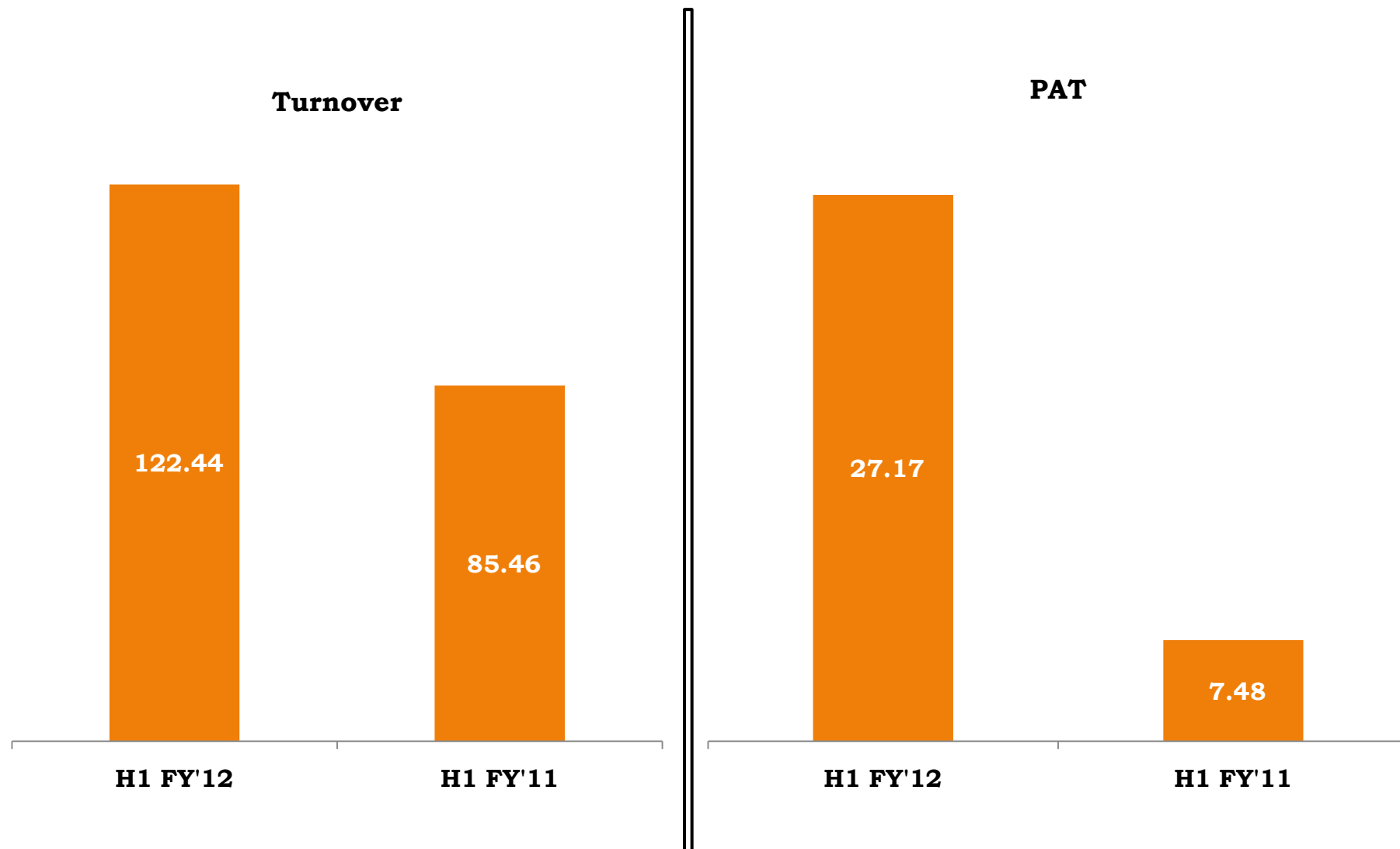
OVL: H1 FY'12 Performance



Financials (₹ Crore)

Turnover

PAT



Satpayev Block, Kazakhstan



- ▶ Acquired 25% participative interest in Satpayev exploration block in Kazakhstan,
- ▶ OVL signed agreement with KazMunaiGas on 16th April 2011
- ▶ Satpayev: a shallow water offshore block



Agreement signed on 16th April 2011 in presence of Dr. Manmohan Singh, Hon'ble Prime Minister of India and H.E. Nursultan Nazarbayev, President of Kazakhstan



2. Performance

d) MRPL

- ▶ 11.82 MMTPA capacity state-of-the-art Refinery
- ▶ Acquired majority stake & Management control on 28th March'2003
 - ▶ Currently holds 71.62% of equity (HPCL: 16.96% & others: 11.42%)



- ▶ Capacity being expanded to 15 MMTPA with estimated investment of ₹ 12,160 Crore
- ▶ Likely commissioning: Dec'2011

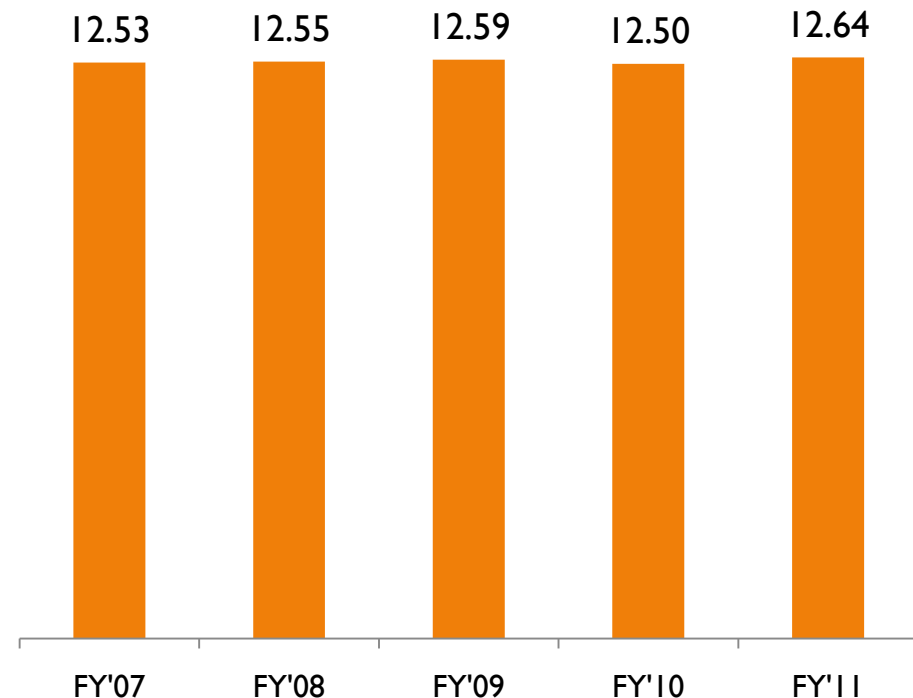
▶ Highest-ever Refinery Thru'put

- ▶ FY'11: Capacity utilization 107%

10th May'2011

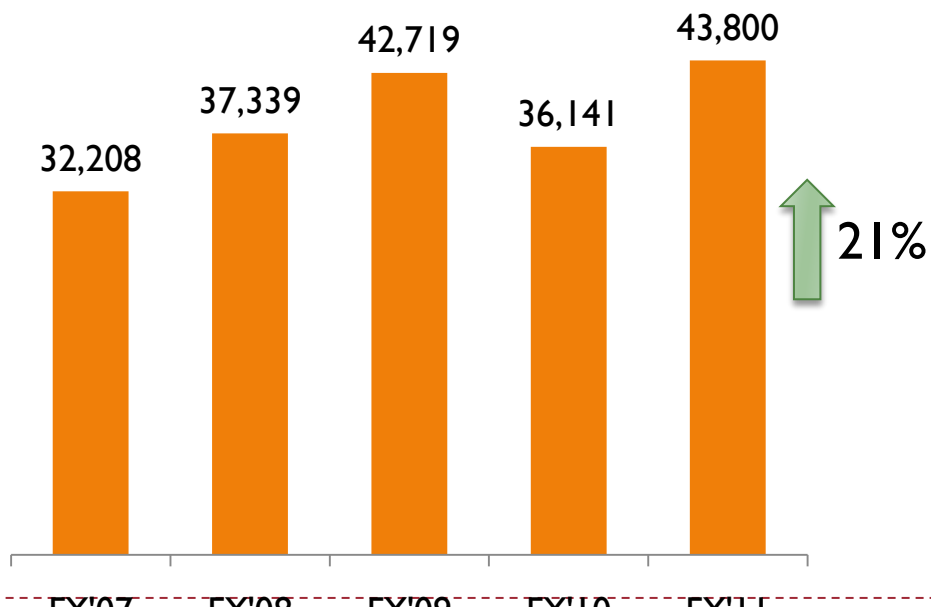
Bagged Petrofed
'Refinery of the Year'
award for excellent performance
during FY'10

Thru'put (MMT)

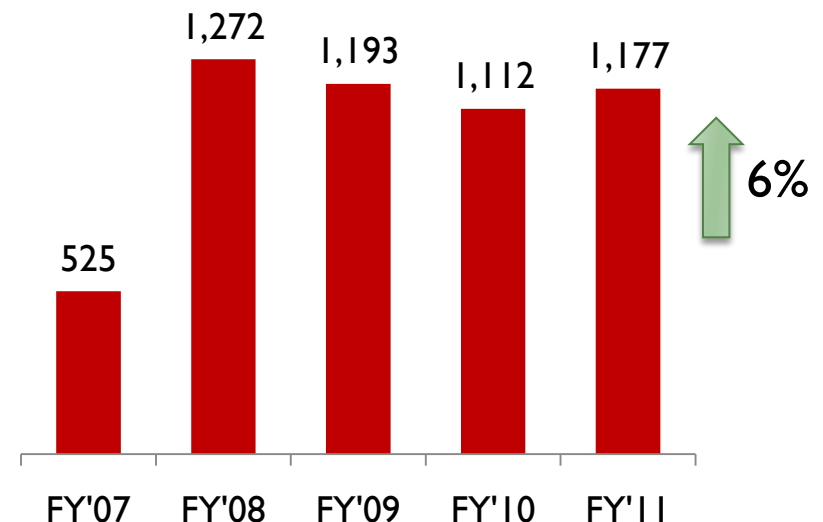


- ▶ Highest-ever Turnover; PAT up by 6%
- ▶ FY'11: export of product worth ₹ 14,604 Crore
- ▶ FY'11: Dividend @12%

Turnover (₹ Crore)



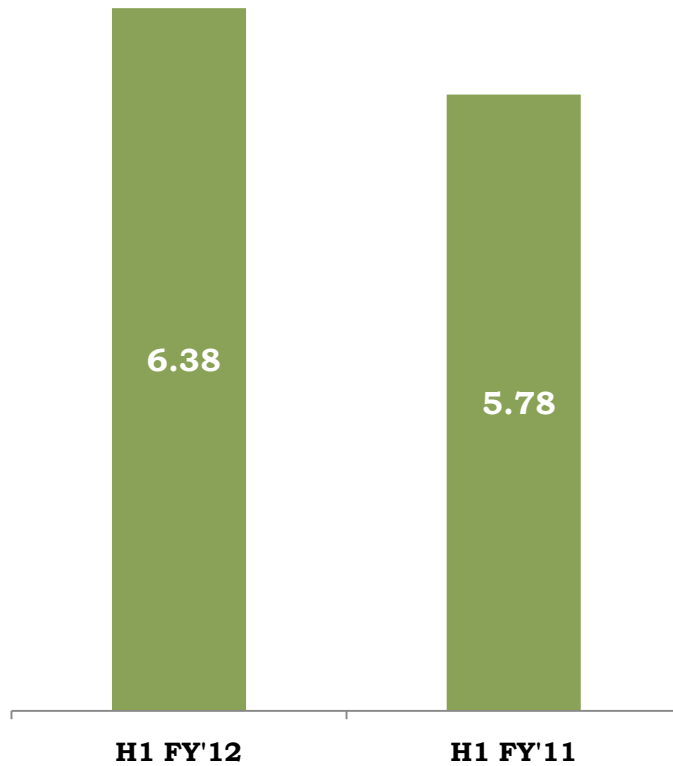
PAT (₹ Crore)



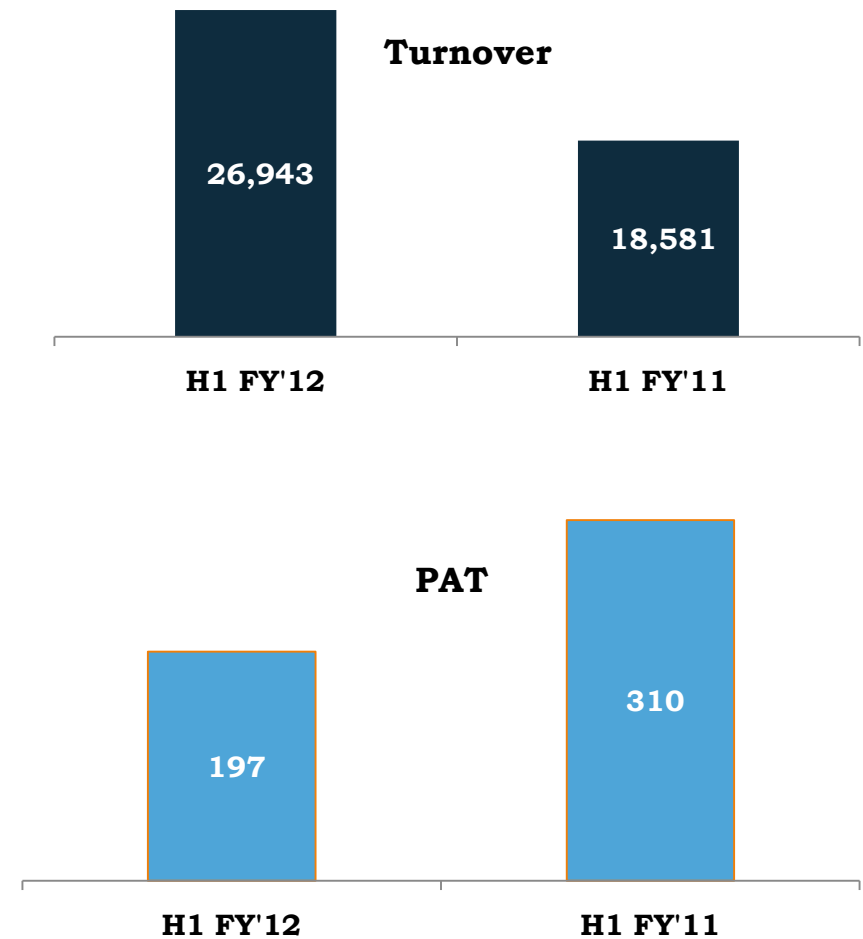
MRPL: H1 FY'12 Performance



Thruput (MMT)



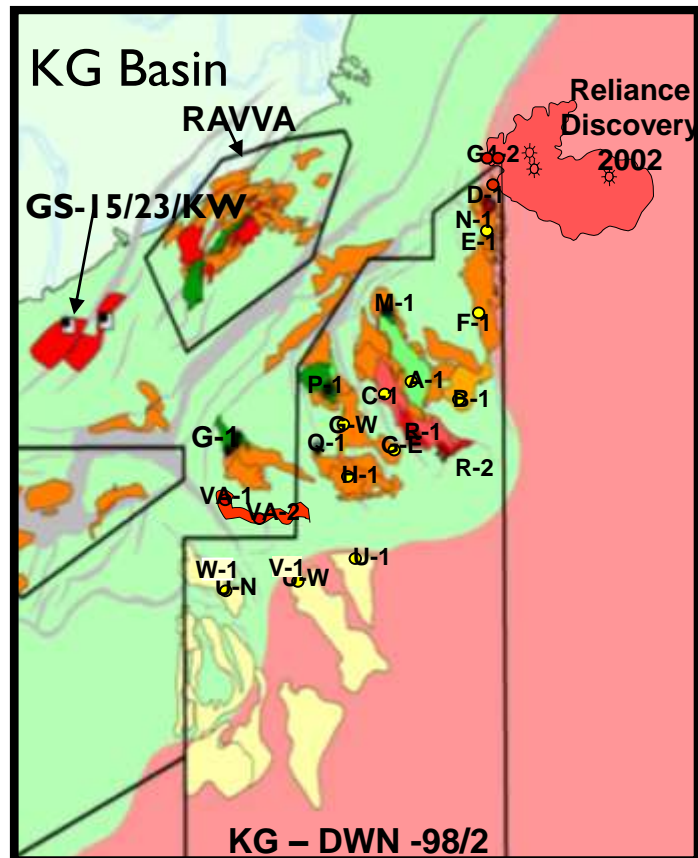
Financials (₹ Crore)





3. Initiatives

East coast discoveries to be monetized in 3 phases



Projects

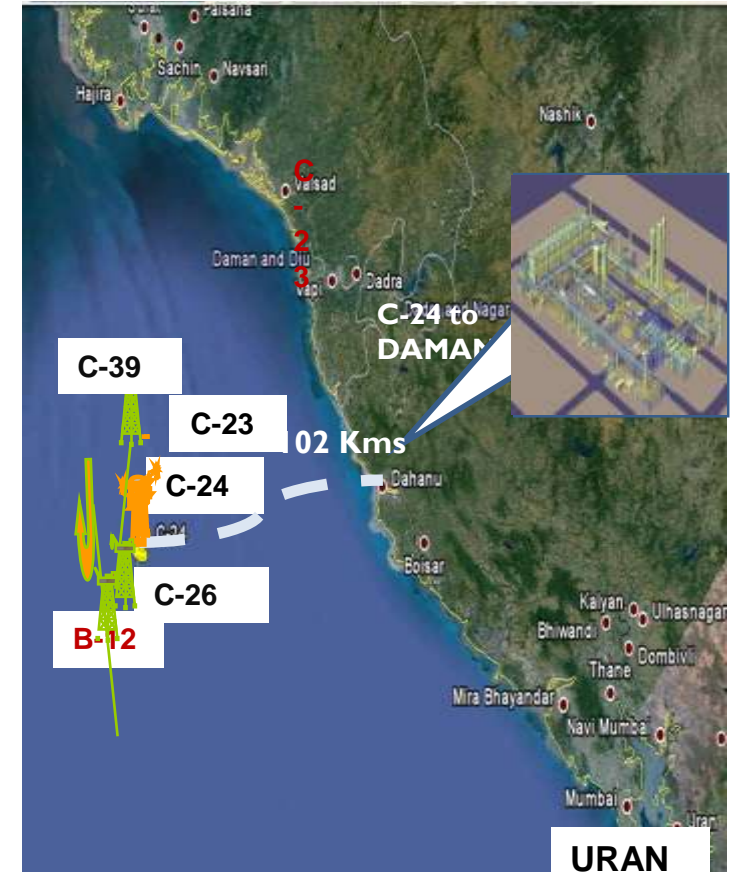
1. **G-I & GS-15**
2. **S-I & Vashista**
3. **KG-DWN-98/2**
4. **G-4-6, GS-29-I & G-4-5**

- Production commenced from GSI5.
- Production to commence from G-I field by May 2012.
- Development of other fields to start 2012-13 onwards

ONGC: Daman offshore development

Fast track development of prospects around B-12 & C-24

- ▶ Fields considered for development:
**Daman(Main), Daman (North),
C-24 & C-23**



New field development

Sl.	Project	Project Cost (₹ Crore)
1	Development of C-series Fields Phase I	3,195
2	Development of B-22 cluster Fields	2,921
3	Development of B-46 cluster Fields	1,457
4	Development of B-193 cluster Fields	5,633
5	Additional Development of D-1 Field	2,164
6	North Tapti Gas Field Development	755
7	G-1 & GS-15 Development	2,218
8	Development of Cluster -7 Fields	3,241
9	Development of WO-16 Cluster	2,523
10	Development of BHE & BH-35 Area	372

IOR/ Redevelopment projects

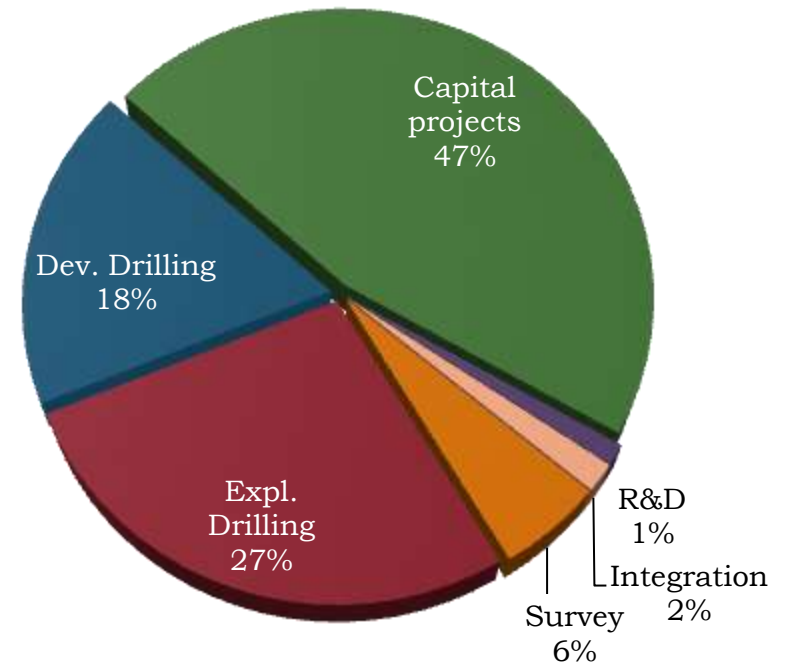
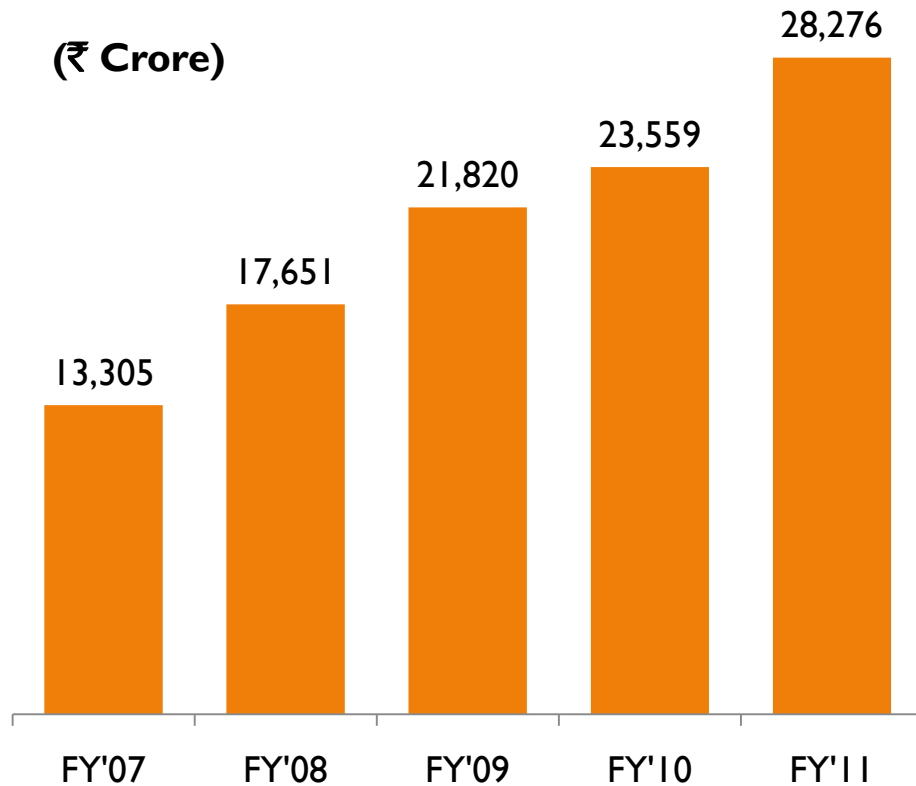
Sl.	Project	Project cost (₹ Crore)
IOR/ Redevelopment Projects		
1	Heera & South Heera Redevelopment	2,305
2	MHS Redevelopment Phase-II	8,813
3	MHN Redevelopment Phase-II	7,133
4	IOR Lakwa-Lakhmani	664
5	IOR Geleki	1,674
6	IOR Rudrasagar	439
E&P Infrastructure development		
1	Construction of new MHN Complex	6,326
2	Pipeline Replacement-2	3,796

ONGC: Capital Expenditure



- ▶ ₹ 104,610 Crore Capex in last 5 years
- ▶ FY'11: 98% of Capex on core activities

Revised Capex FY'12
– ₹ 31,316 Crore



Shale gas strikes in first R&D well in Damodar valley

- ▶ Shale gas integrated Pilot project to drill 4 wells, 2 in Raniganj, West Bengal and 2 wells in North Karanpura, Jharkhand to find the potential of Shale gas in India basins.



Shale gas at the well site RNSG-I

- ▶ First well RNSG-I proved presence of Shale gas on 25th Jan'2011
- ▶ R&D efforts continuing



Uran Flare Gas recovery Unit: 97,740 CER per annum equivalent

- **19 CDM Projects approved**
 - 6 registered with UNFCCC (accruable CERs 209,640 per annum for 10 years)
 - 2 under registration (accruable CERs 25,000+ per annum for 10 years)
 - 4 under development (accruable CERs 45000+ per annum for 10 years)
- Issuance of CER started – Total CER issued: 10,508; **ONGC- the only Indian PSU to achieve this feat**

UNFCCC has issued the first set of CERs to ONGC for its first registered CDM project, "Waste Heat Recovery Project at Mumbai High" on 18th March 2010.

UNFCCC: United Nations Framework Convention on Climate Change; CER: Certified Emission Reduction

51 MW Wind farm commissioned in Gujarat in 2008

102 MW Wind farm planned to be set up in Rajasthan



First 51 MW wind farm commissioned in Gujarat on 6th Sept 2008

- ▶ Investment ₹ 800 Crore
- ▶ Likely commissioning in FY'14



Equity holding: ONGC (26%), GSPC (5%), GAIL (19%); Sis & Fis (50%)

Project cost: ₹ 19,500 Crore

Scheduled completion: Q3, 2013

Dual feed cracker & polymer plants.

Feedstock: Naphtha stream from Uran, Hazira & C2+ Extraction Plant.

Contract for Dual feed cracker unit awarded to consortium of Linde AG & Samsung Heavy Engineering Industries at a cost of US\$1.4 bn.

Products

HDPE/ LLDPE	1,020,000 TPA
Poly-propylene	340,000 TPA
Benzene	150,000 TPA
Butadiene	115,000 TPA
Pyrolysis Gasoline	135,000 TPA
Carbon Black Feed Stock	75,000 TPA



Equity holding: ONGC (46%), MRPL (3%), to be tied up (51%)

Project cost: ₹ 5,750 Crore

Scheduled completion: Q4, 2012

Aromatic Petrochemical Complex producing Paraxylene & Benzene

Feedstock: MRPL naphtha & aromatic streams

Products

Paraxylene

920,000 TPA

Benzene

200,000 TPA



Equity holding: ONGC (50%), IL&FS (26%), GoT (0.5%), IPO & PE (23.5%)

Project cost: ₹ 3,500 Crore

Scheduled completion: Q2, 2012

726.6 MW (2x363.3) Power Project in Tripura for monetizing Tripura Gas

Mega power project status obtained from MoP, GOI

BHEL awarded contract for 726.6 MW Gas Turbine based CCPP on June 23, 2008

Transmission links for power evacuation – by a separate SPV (NETC) – OTPC, PGCIL & NE States, other beneficiaries.



Thank you

