



Oil & Natural Gas Corporation Ltd.

Investors' Meet, Mumbai, 31st May 2011

Presentation overview



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Highlights

2

Industry scenario

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Performance FY'11

4

Initiatives



1. Highlights

- ▶ **ONGC group registers highest-ever O+OEG production**
 - ▶ 62.05 Mtoe against 60.93 Mtoe in FY'10 (up 1.83%)
 - ▶ OVL's contribution increases to 9.45 Mtoe against 8.87 Mtoe in FY'10 (up 6.5%)



Highlights: FY'11



- ▶ Highest reserve accretion (3P) in last 2 decades
 - ▶ 83.56 Mtoe Ultimate Reserve (3P) accretion in ONGC operated domestic fields



Highlights: FY'11



- ▶ MRPL records highest-ever Thru'put
 - ▶ Thru'put 12.64 MMT; 1.2% higher than FY'10



Highlights: FY'11



- ▶ ONGC's Net Profit ` 18,924 Crore; the highest-ever
 - ▶ Despite under-recovery of ` 24,892 Crore
 - ▶ Up 13% over ` 16,768 Crore during FY'10



Highlights: FY'11



- ▶ Dividend 350% total payout ` 7,486 Crore
 - ▶ The highest-ever payout
 - ▶ Plus Dividend Tax of ` 1,241 Crore

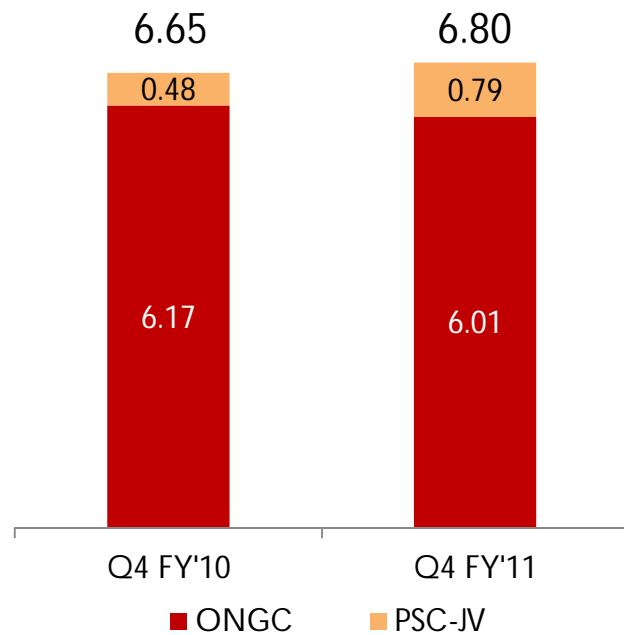


ONGC Domestic: Q4, FY'11

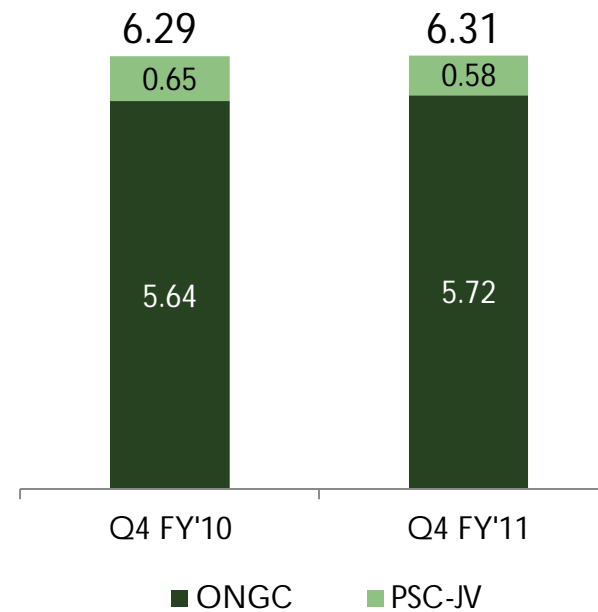


▶ Domestic crude oil production up by 2.1% in Q4, FY'11

Crude oil production (MMT)



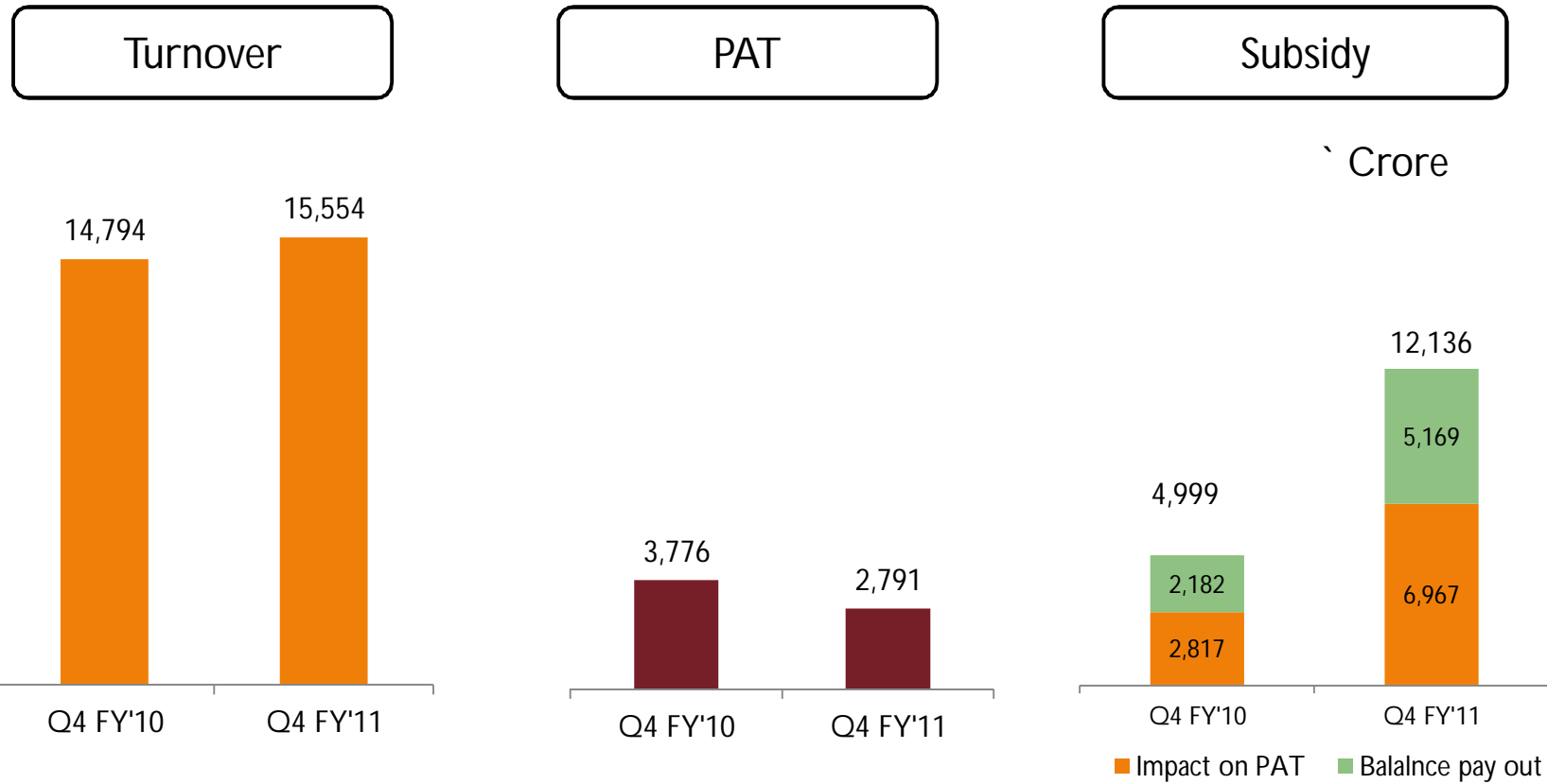
Gas production (BCM)



ONGC Financials: Q4, FY'11



▶ Lower PAT due to higher subsidy payout





2. Industry Scenario

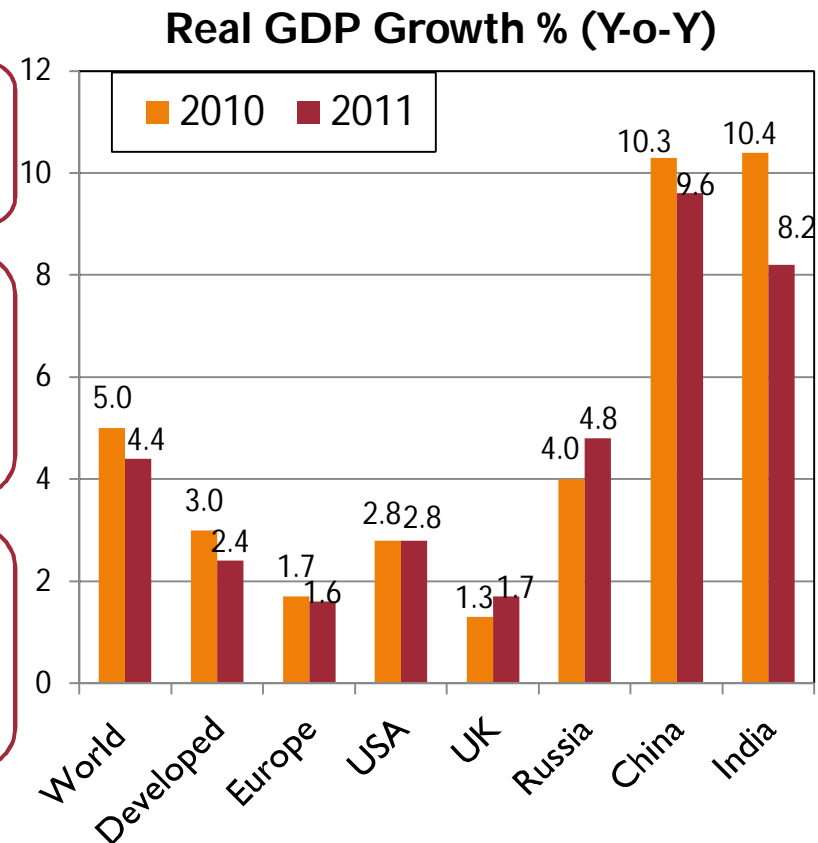
The world witnessing two speed economy

- ▶ World economy projected to grow 4.4% in 2011 & 4.5% in 2012

In advanced economies growth remains subdued

In contrast, emerging markets contending with problems of excessively rapid growth

Indian economy rather doing well; however, inflation may be a spanner in India's growth story



Oil demand



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

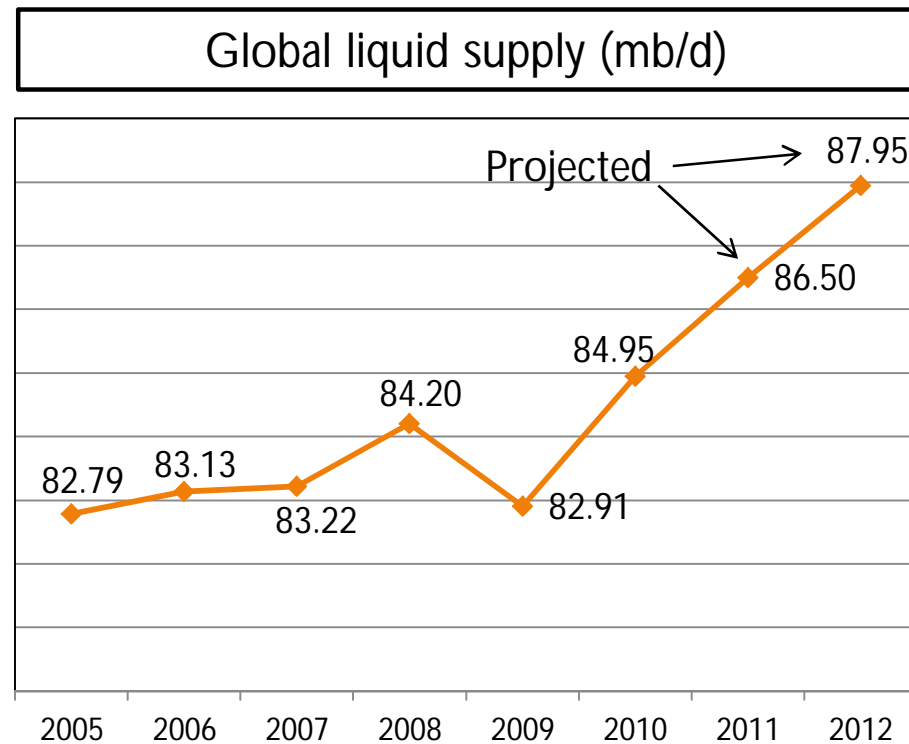
- ▶ Absolute demand expected to surpass pre-recession highs
- ▶ Oil demand grew by 2.4% in 2010; 84.95 mb/d in 2010 against 82.92 mb/d in 2009)

Projected demand

2011: 86.50 mb/d

2012: 87.95 mb/d

Most of the gains to come from emerging markets

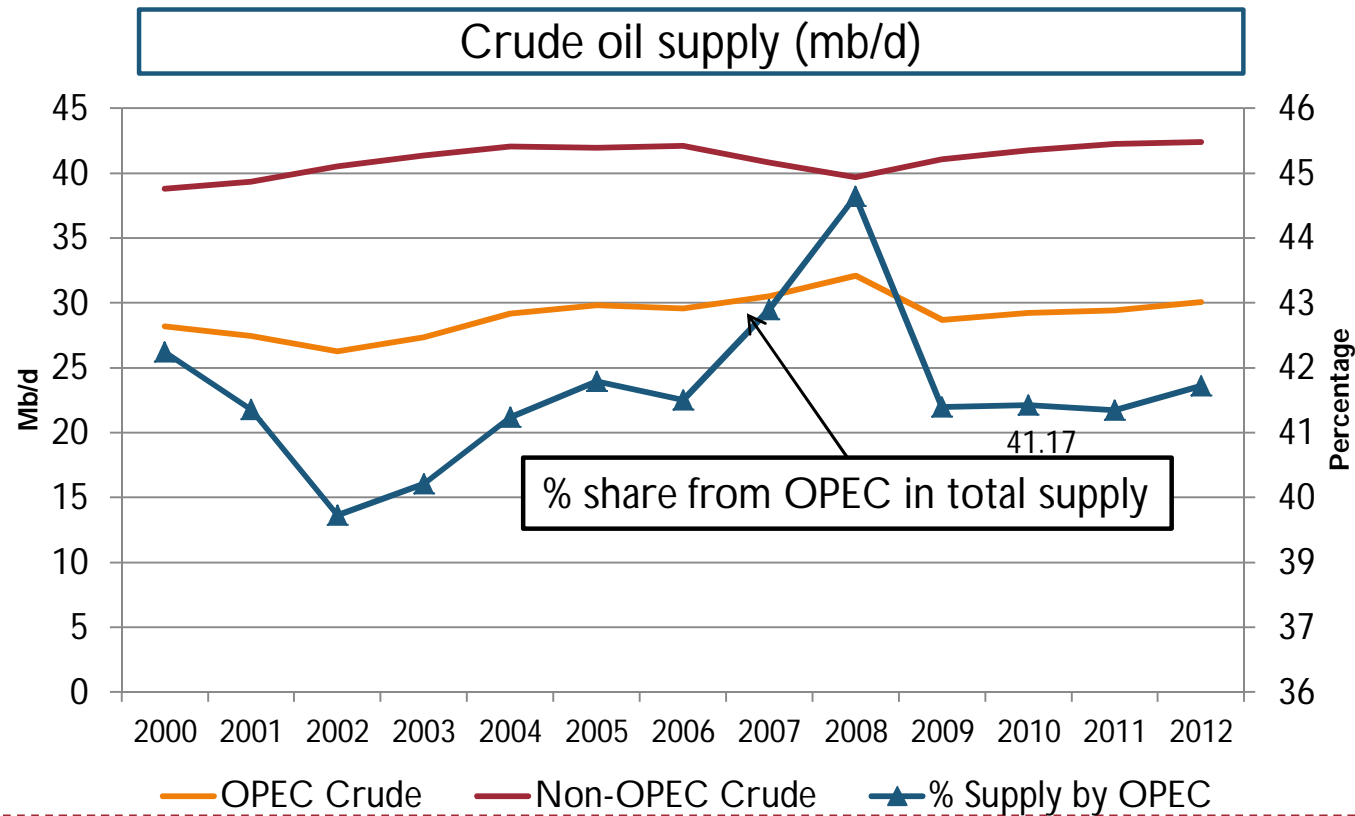


Oil supply



2010: OPEC supply 29.21 mb/d (41.17%) against non-OPEC supply of 41.75 mb/d (58.83%)

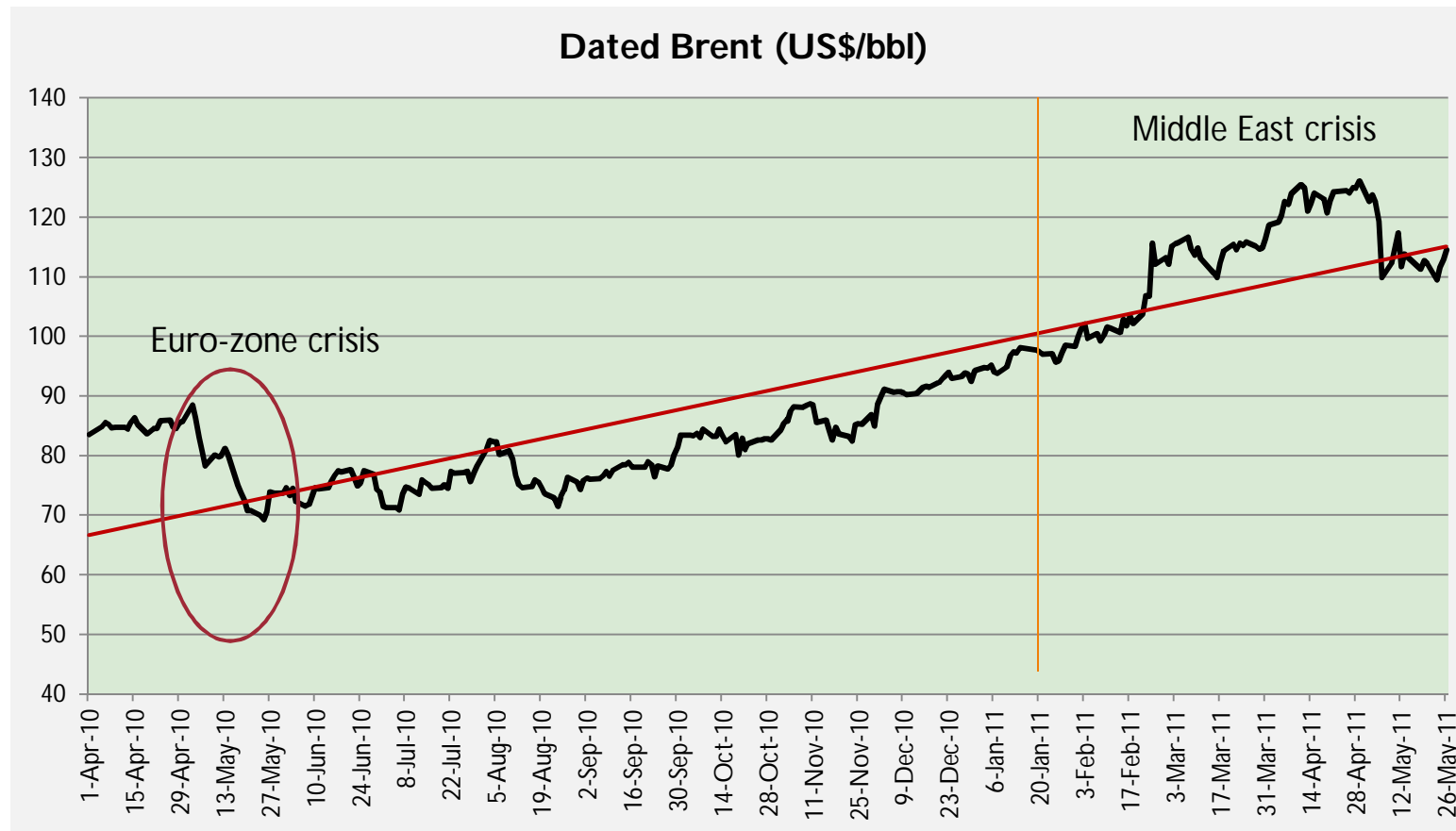
- ▶ Gains in non-OPEC supplies & ramping up of Iraqi production sufficient to meet bulk of incremental demand



Crude oil price

Boiling crude oil price real concern for the country

- ▶ Middle East developments changes the market dynamics

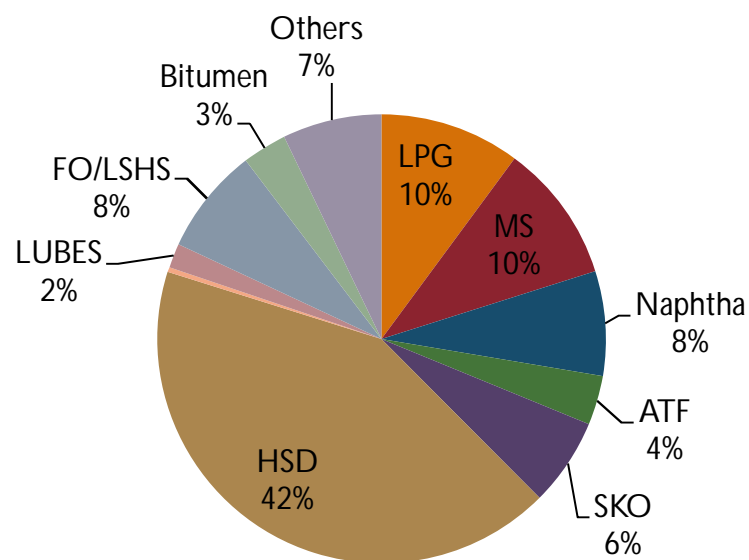


India: Rising consumption

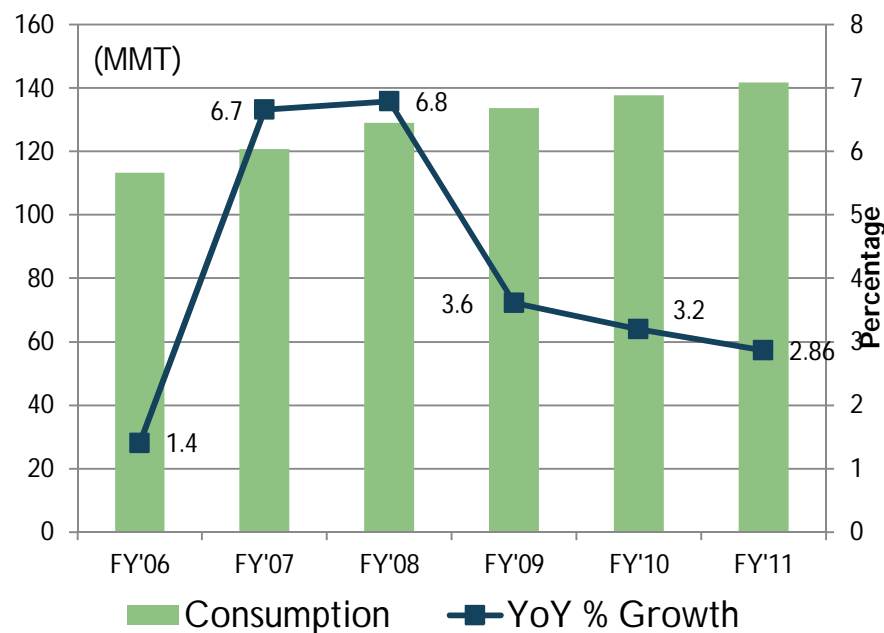
Petroleum products registers 2.86% increase in consumption during FY'11. Total consumption 141.75 MMT (137.80 MMT)

- ▶ 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



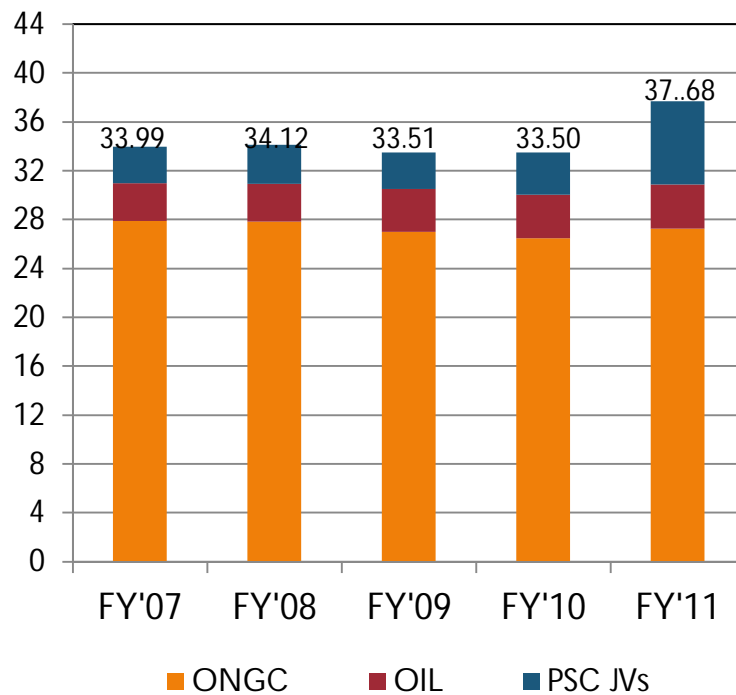
India: Oil & Gas production



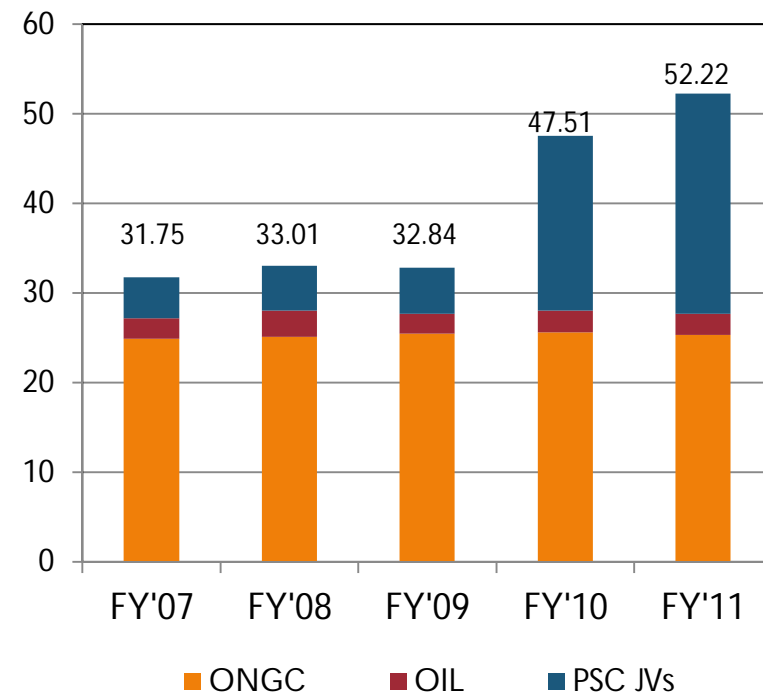
Rajasthan field contributes to enhance crude oil production in FY'11

- ▶ Gas production increases with higher contribution from East Coast

India: Crude oil production (MMT)



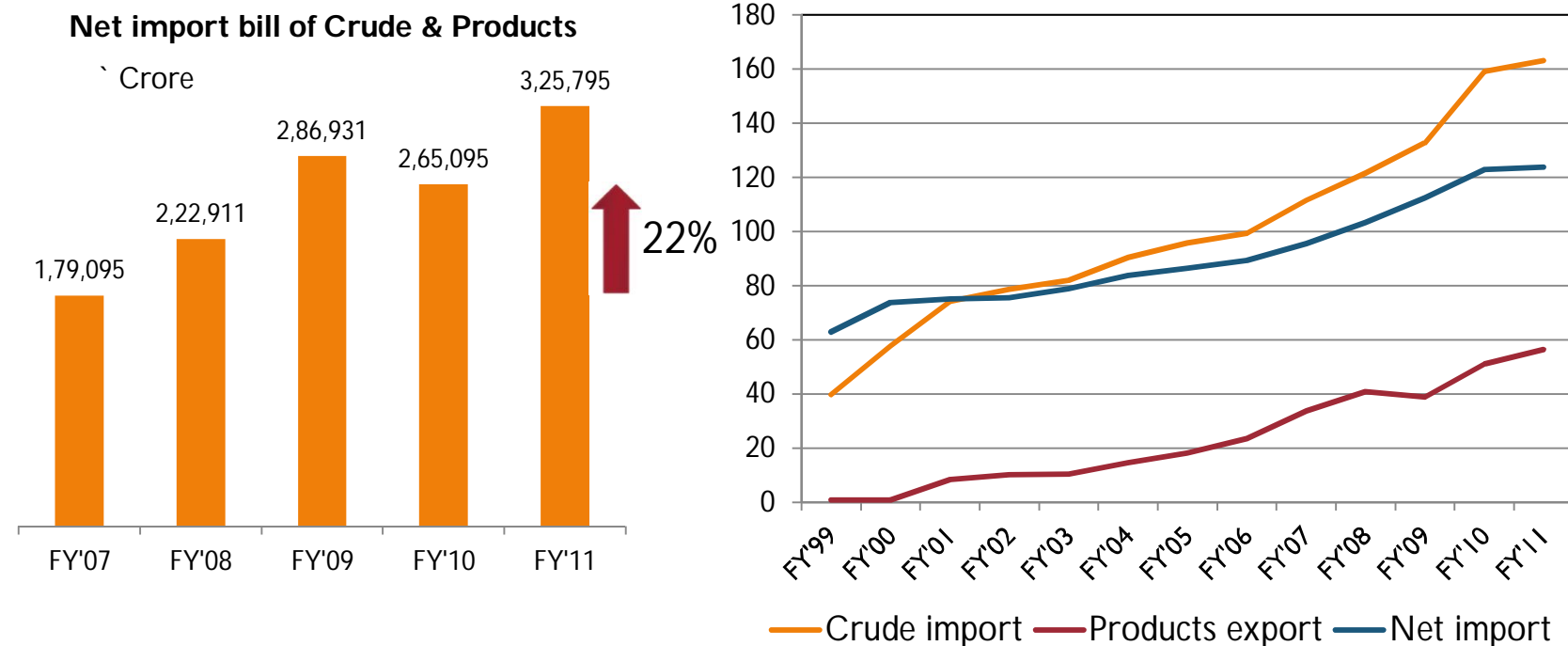
India: Natural Gas production (BCM)



India: Import dependence

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%





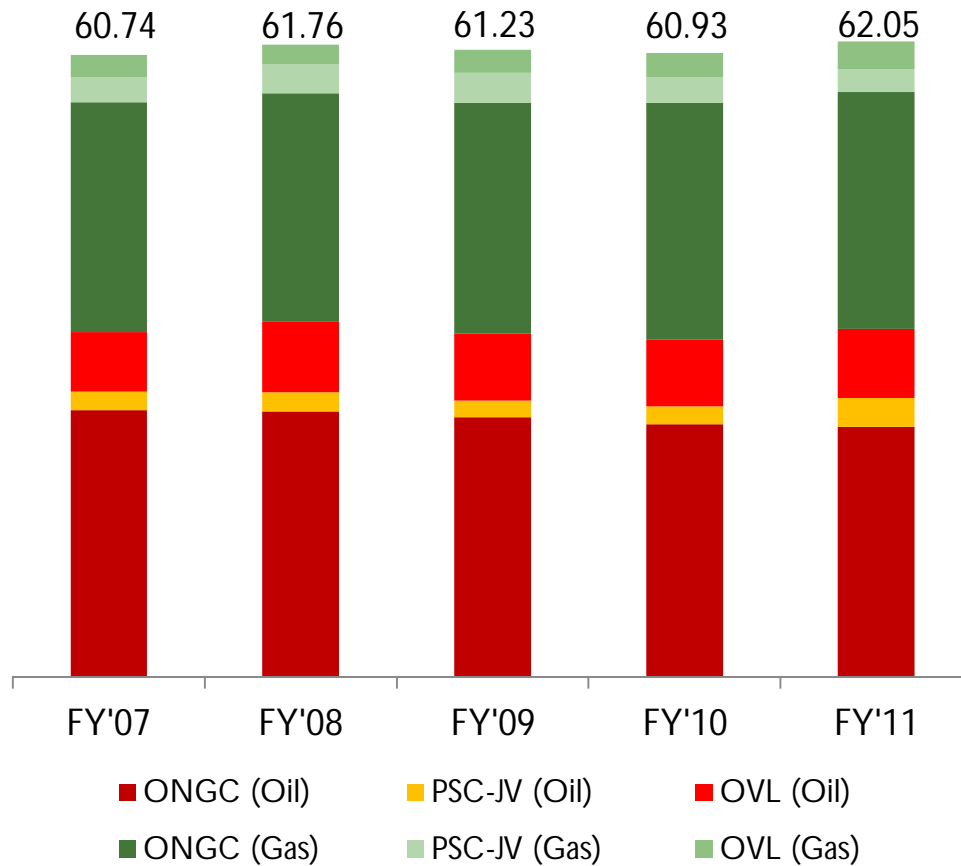
3. Performance FY'11

ONGC Group

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)

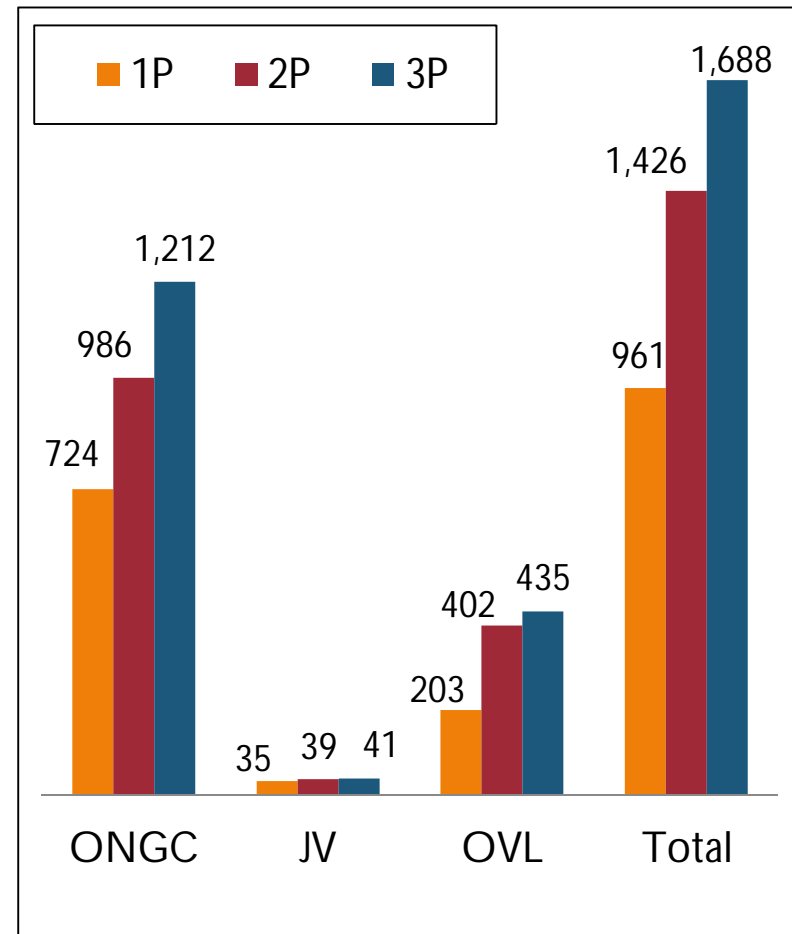
	FY'10	FY'11
ONGC	23.11	23.10
PSC-JV	2.49	2.23
OVL	2.38	2.69
Total	27.98	28.02

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

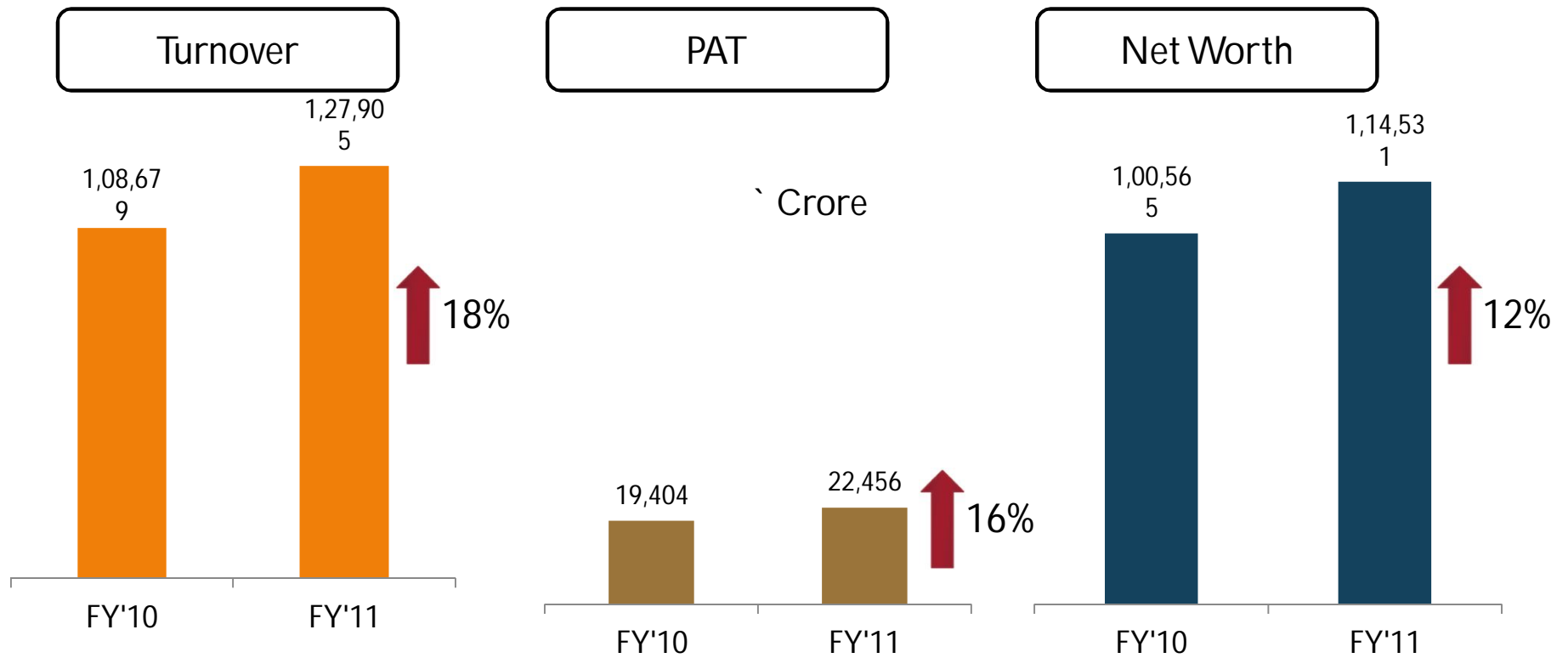


As on FY'11

ONGC Group: Financials



▶ Highest-ever Turnover & PAT





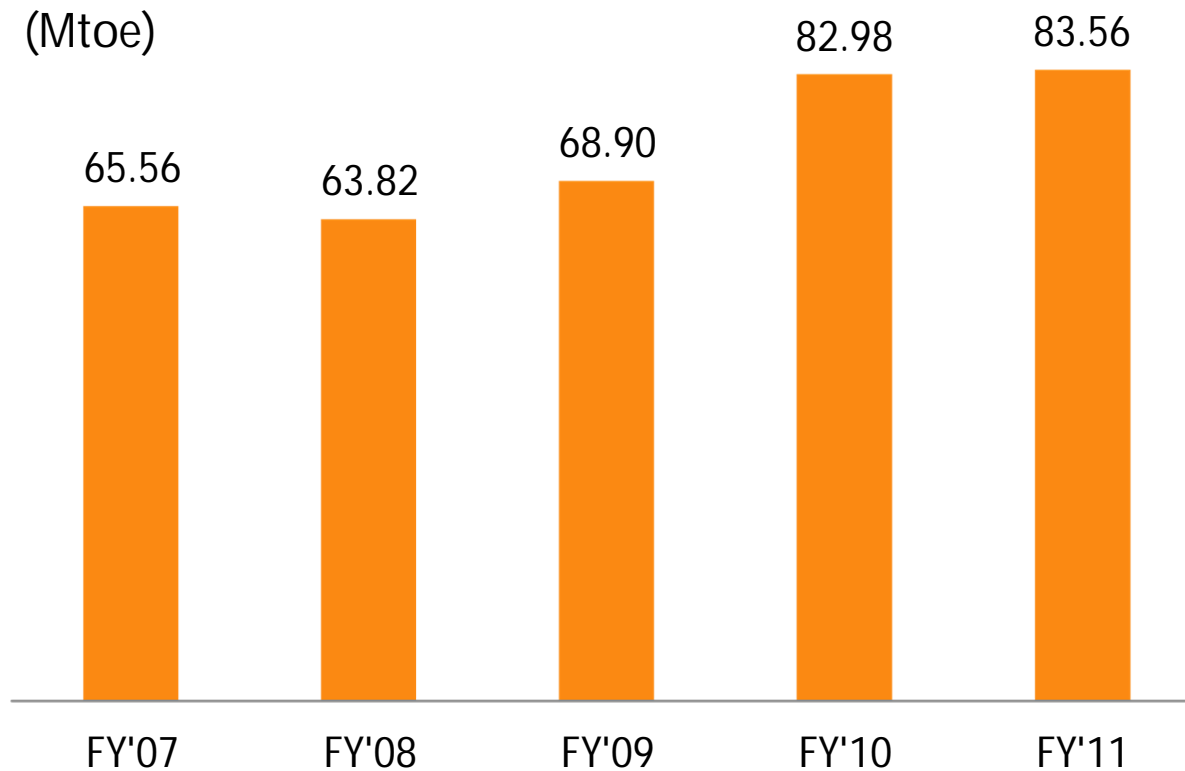
3. Performance FY'11

ONGC

ONGC: Reserve accretion (3P)



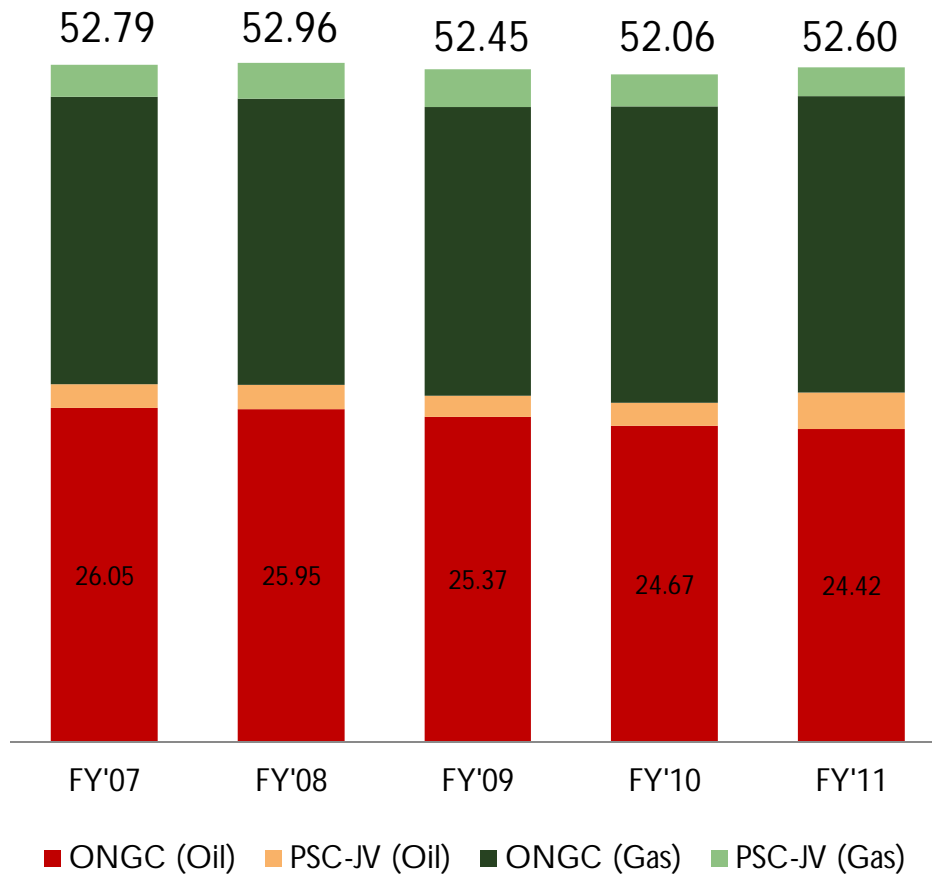
- ▶ 24 hydrocarbon discoveries (15 new prospects + 9 new pool)
- ▶ Ultimate Reserve accretion: 83.56 Mtoe the highest in last 2 decades
- ▶ FY'11: Reserve Replacement Ratio (RRR) is 1.76 (with 3P)



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

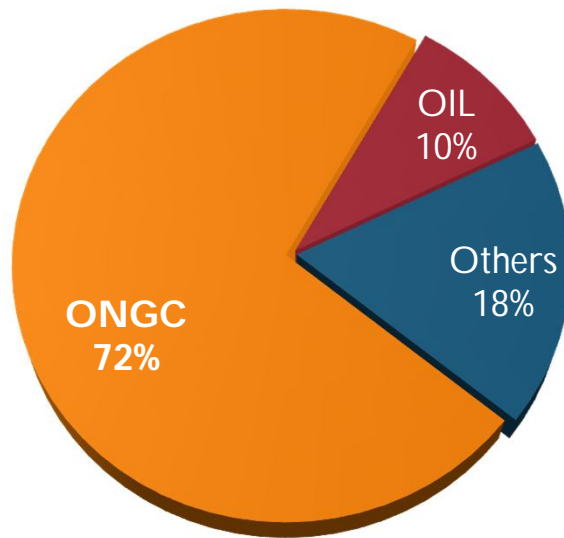
Natural gas production (BCM)		
	FY'10	FY'11
ONGC	23.11	23.09
PSC-JV	2.49	2.23
Total	25.60	25.32

ONGC: O+OEG production

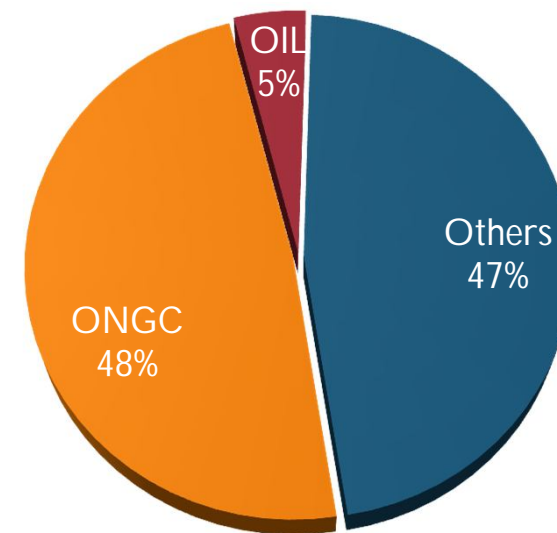


- ▶ ONGC accounted for 57% of country's O+OEG production in FY'11
- ▶ Crude oil: 72% & Natural Gas: 48%

Crude oil production



Natural gas production



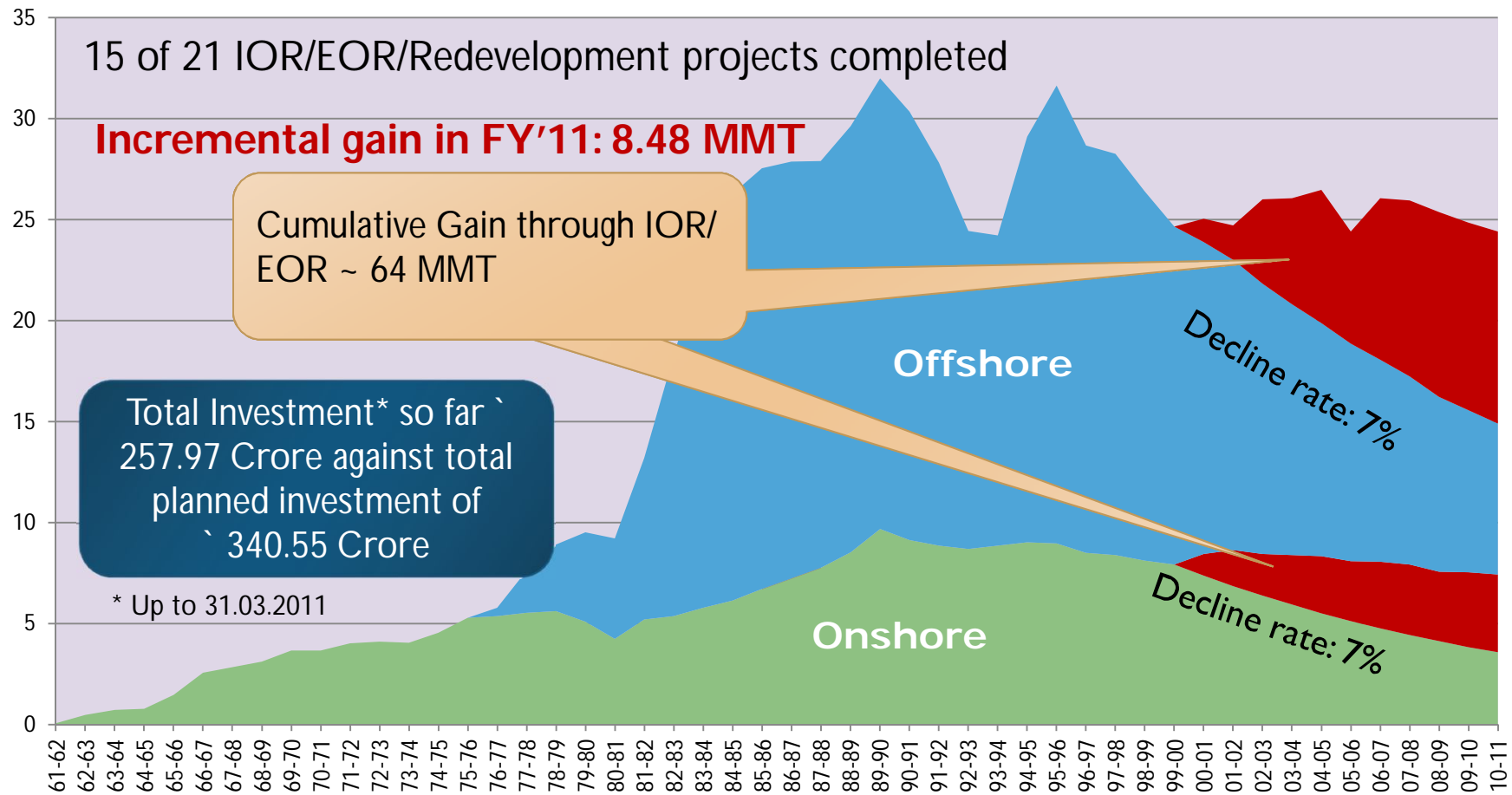
ONGC's production includes its share in PSC JVs

Source: MoP&NG

ONGC: IOR/EOR gains



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





3. Performance FY'11

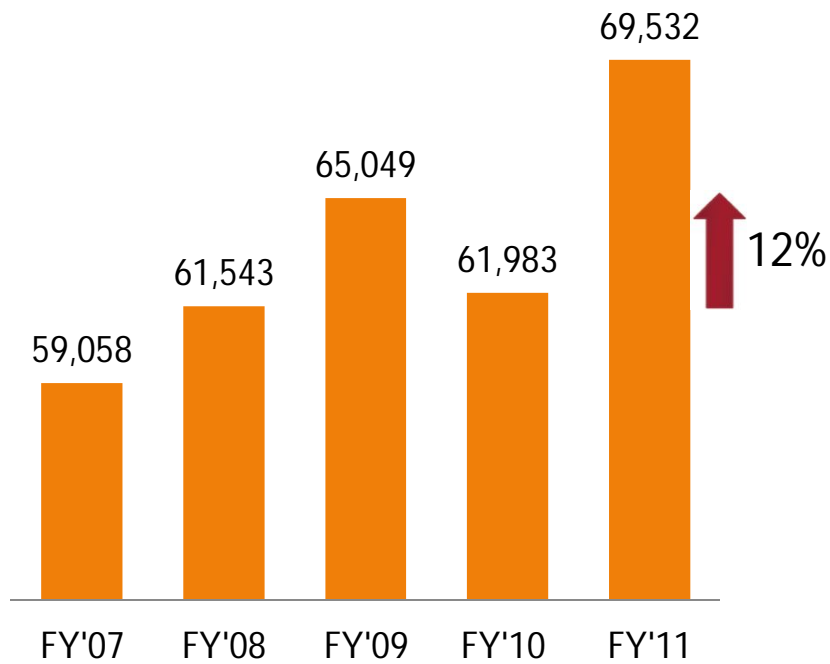
ONGC: Financials

ONGC: Turnover

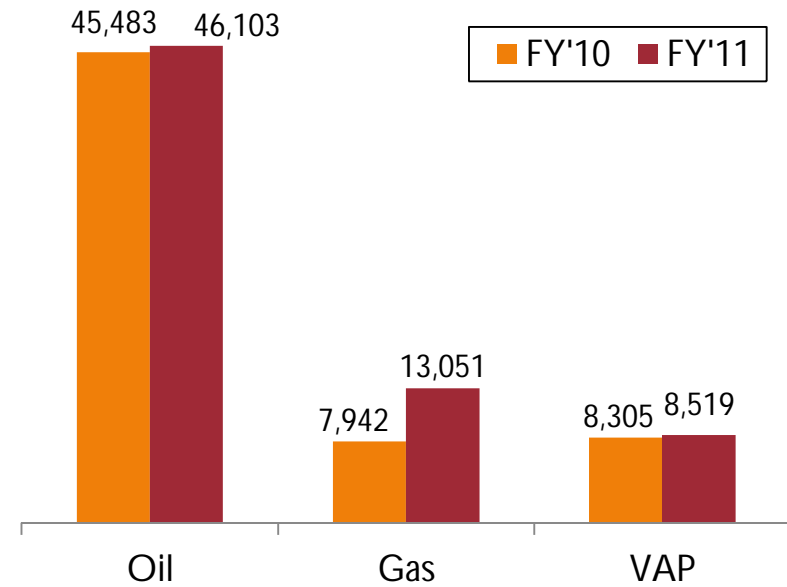


▶ Turnover up by 12%

₹ Crore



Revenue Sources (₹ Crore)

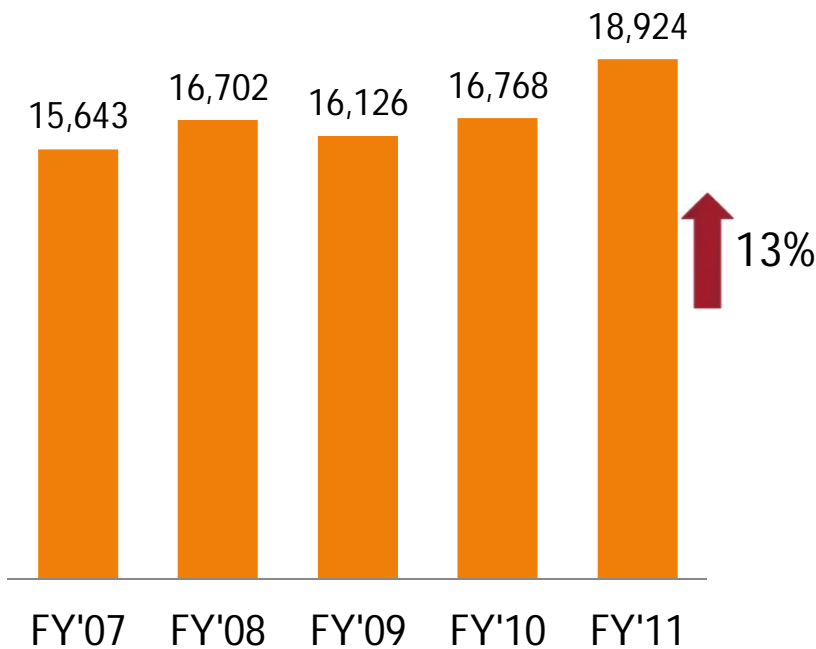


ONGC: Net Profit



- ▶ Highest-ever Net Profit; up by 13%

₹ Crore



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*

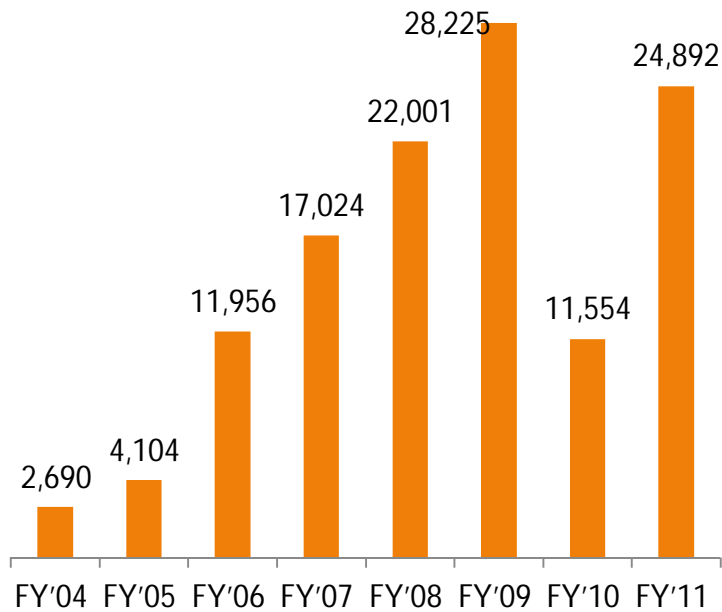
* Due to impact of higher subsidy

ONGC: Under Recovery

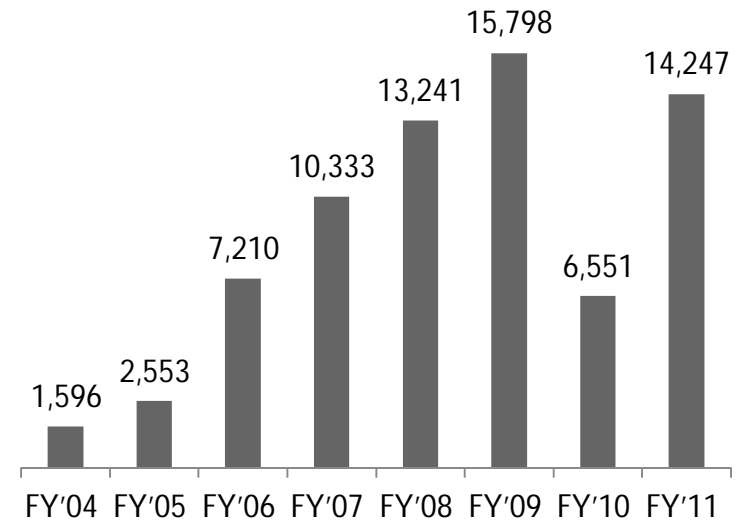


► FY'11: Total under-recovery ` 24,892.43 Crore

Under Recovery (` Crore)



Impact on PAT (` Crore)

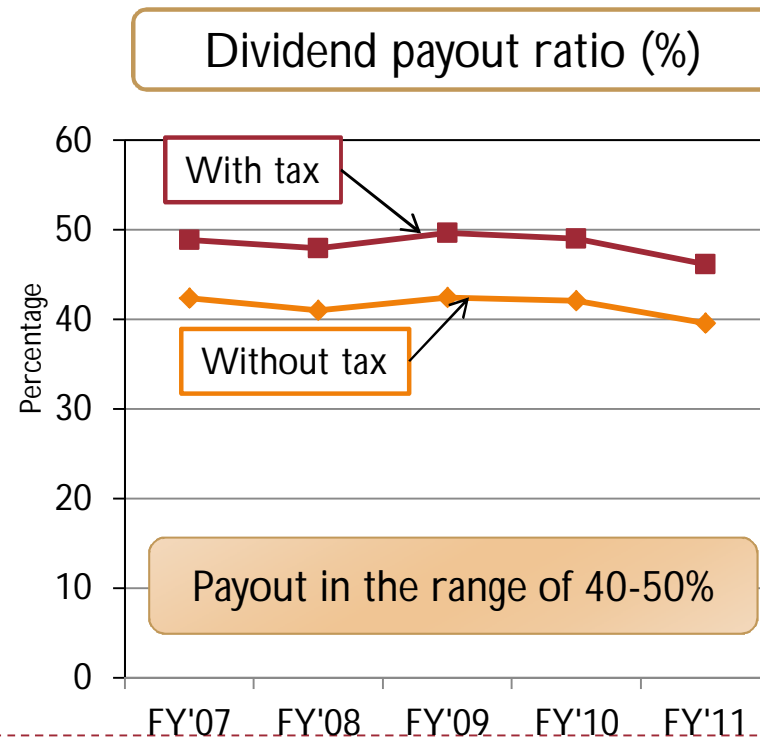
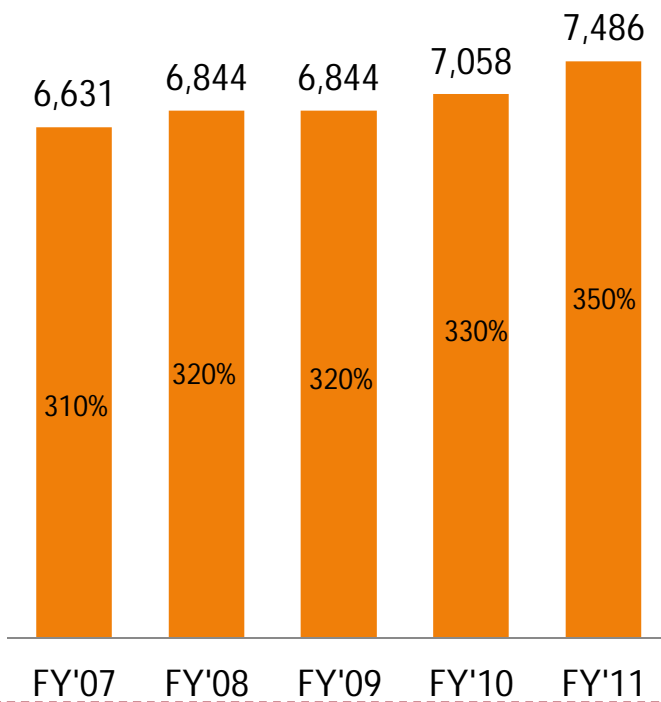


ONGC: Dividend



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

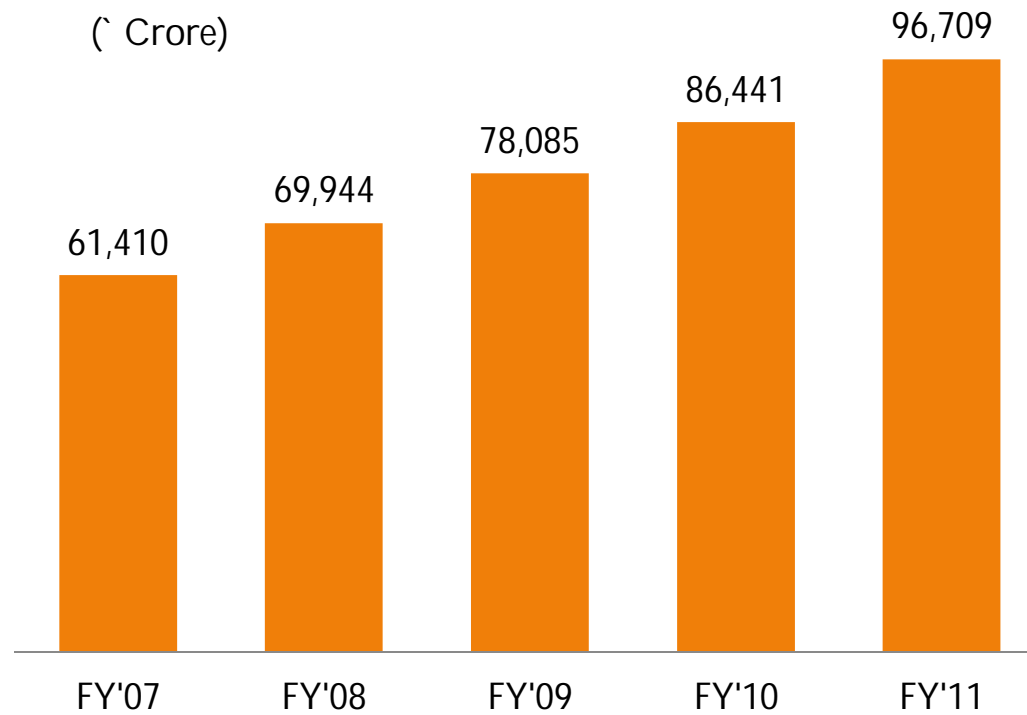
FY'11: Bonus (1:1) and Share split to ` 5 face value



ONGC: Net worth



- ▶ Net worth up by 12%





3. Performance FY'11 ONGC Videsh Ltd.

ONGC Videsh Ltd. (OVL)



- ▶ OVL wholly owned subsidiary of ONGC
- ▶ International E&P company operating in 14 countries with 33 projects



- ▶ India's biggest MNC & second largest E&P company in India
- ▶ Overseas investment more than `59,000 Crore

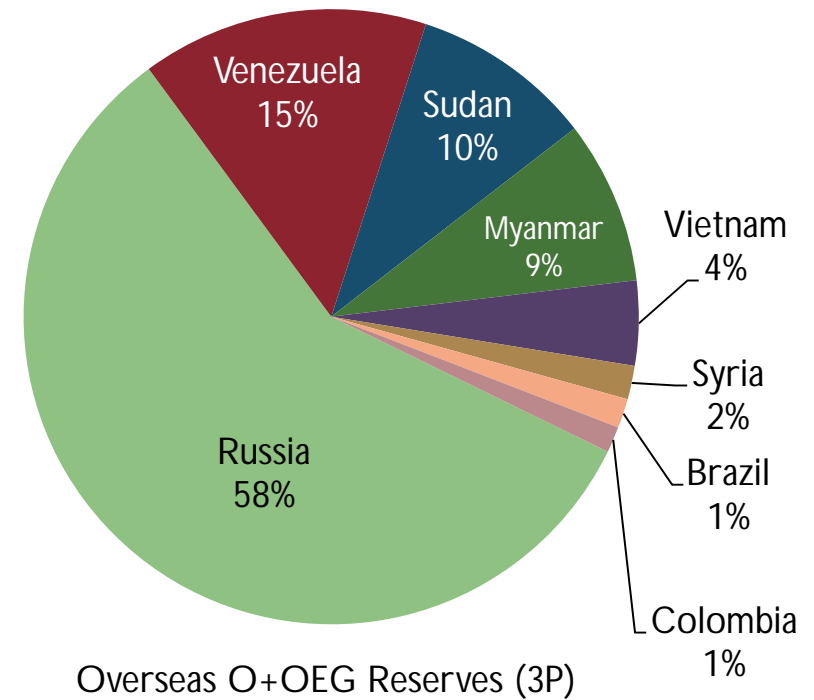
OVL: O+OEG reserves



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

Geographical distribution

	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



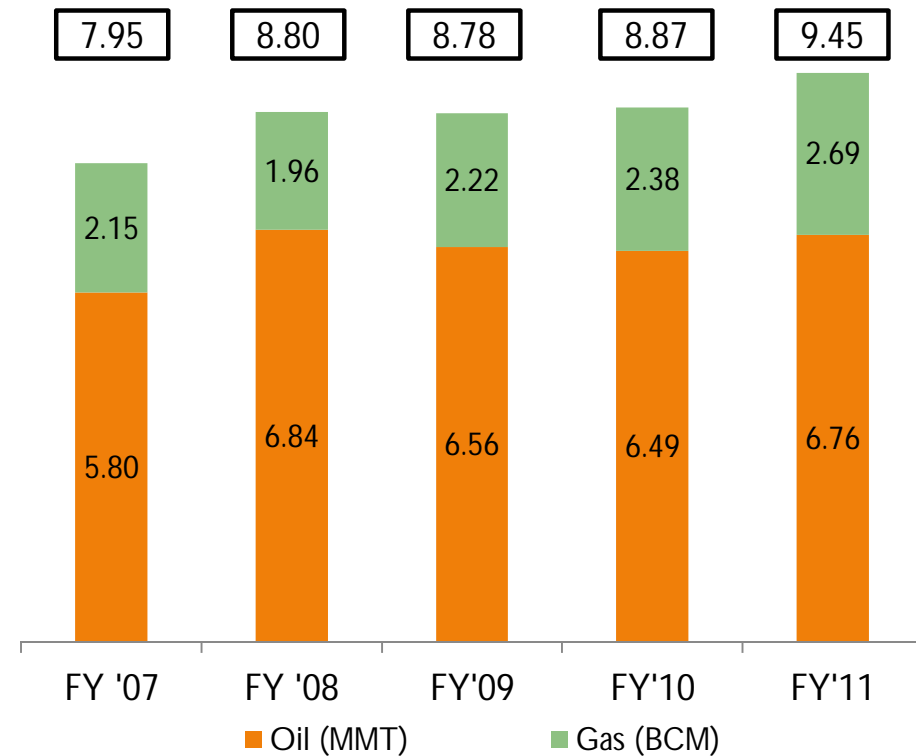
OVL: O+OEG production



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

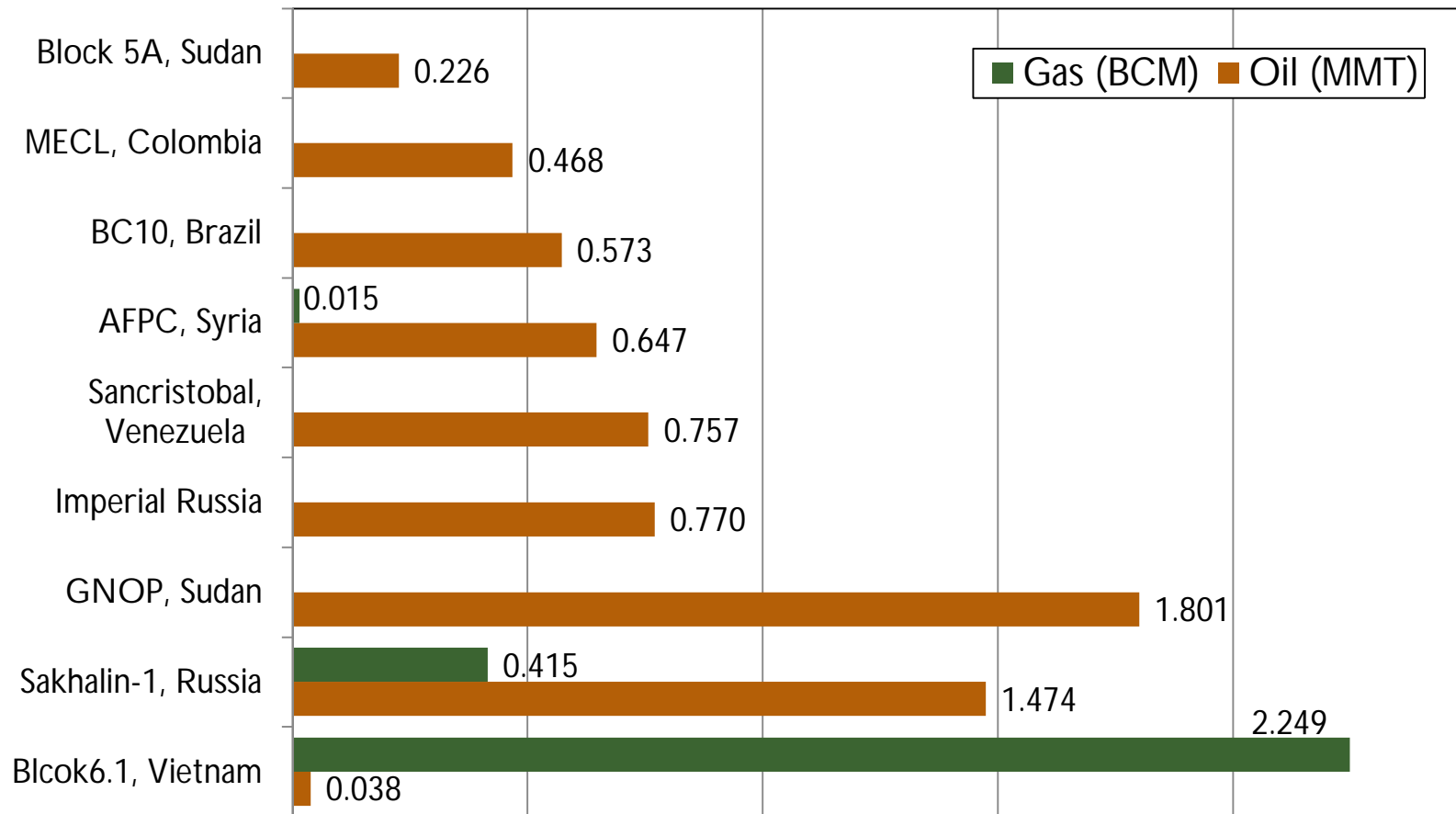
Odoptu field in Sakhalin commenced production from 15th Sept'2010 present production @54,000bbl/d

Gas production adds on from BC-10 Brazil



OVL: O+OEG production

- ▶ 9 producing assets in 7 countries

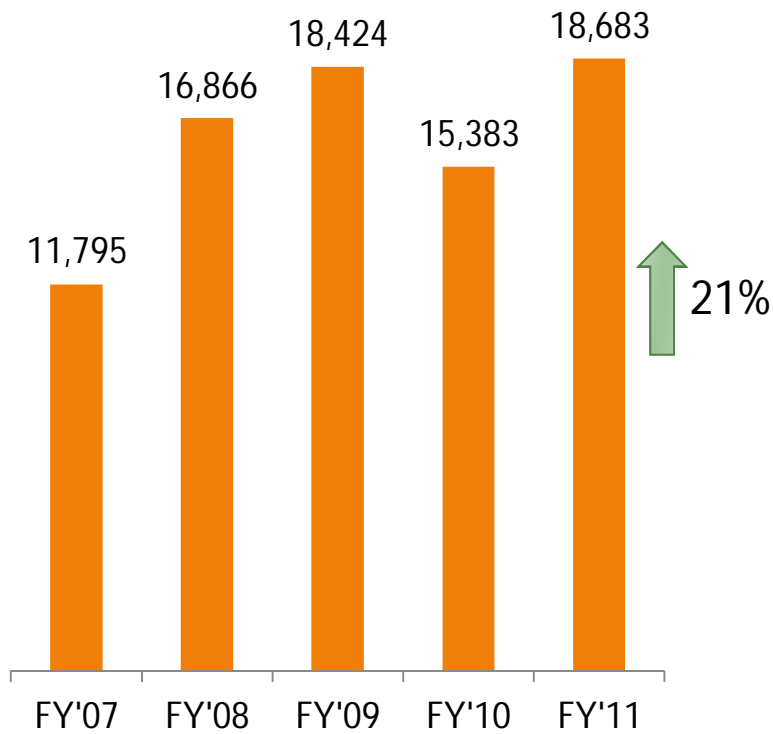


OVL: Financials

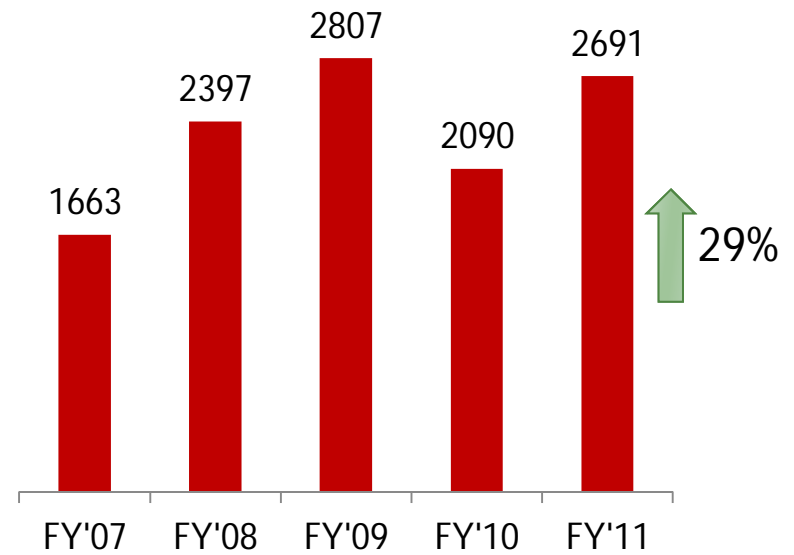


▶ Highest-ever Turnover of ` 18,683; up by 21%

Turnover (` Crore)



PAT (` Crore)



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

OVL signs MOU with Uzbekneftega

- ▶ MOU for cooperation in E&P sector in Uzbekistan & third countries
- ▶ OVL signed MOU with Uzbekneftegaz (UNG) on 17th May, 2011 in presence of H.E. Mr. Rustam Azimov, First Deputy Prime Minister, Minister of Finance of Uzbekistan





3. Performance FY'11

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%)



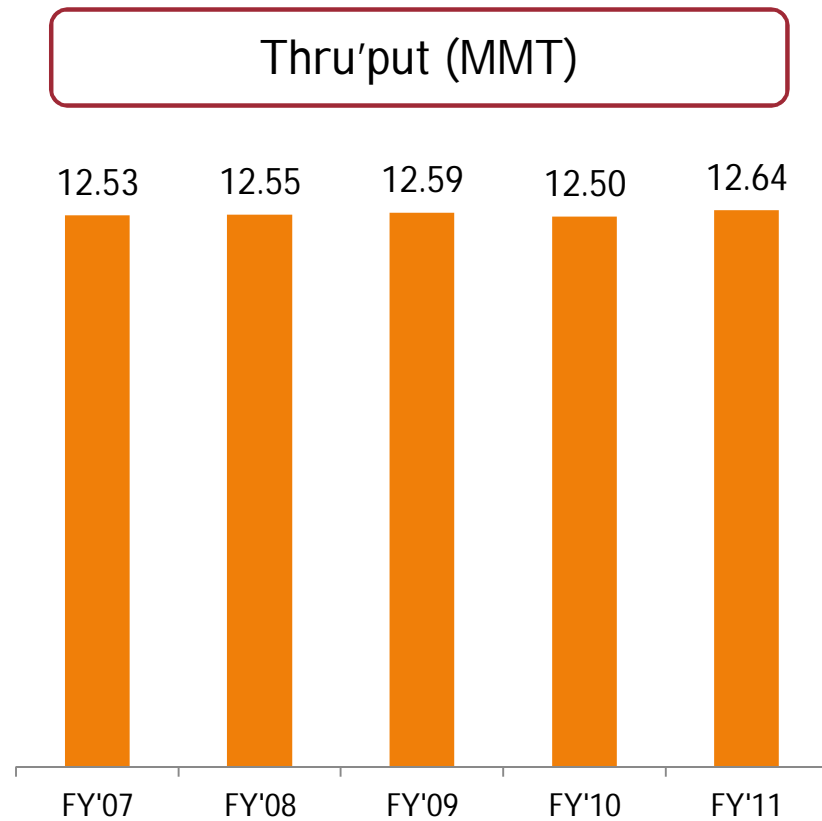
- ▶ Capacity being expanded to 15 MMTPA with estimated investment of ` 12,160 Crore
- ▶ Likely commissioning: Dec'2011

MRPL: Thru'put



- ▶ 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



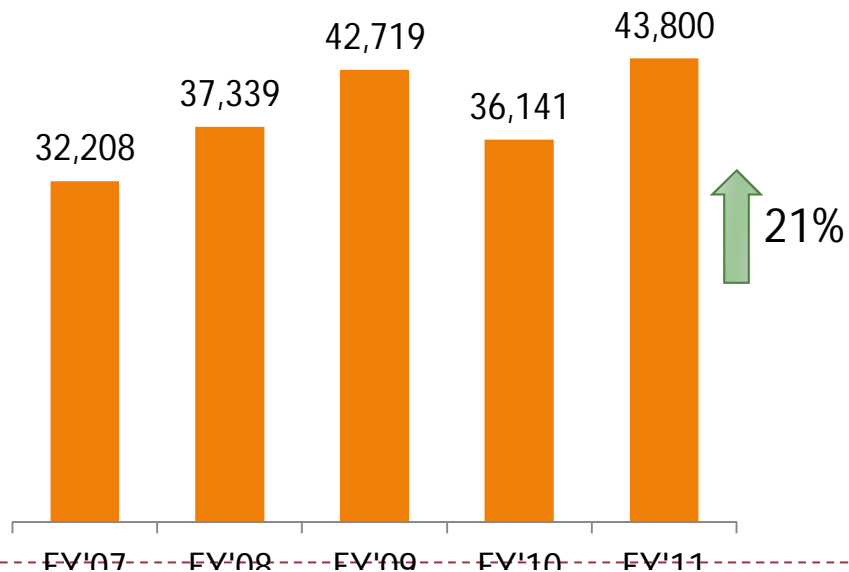
MRPL: Financials



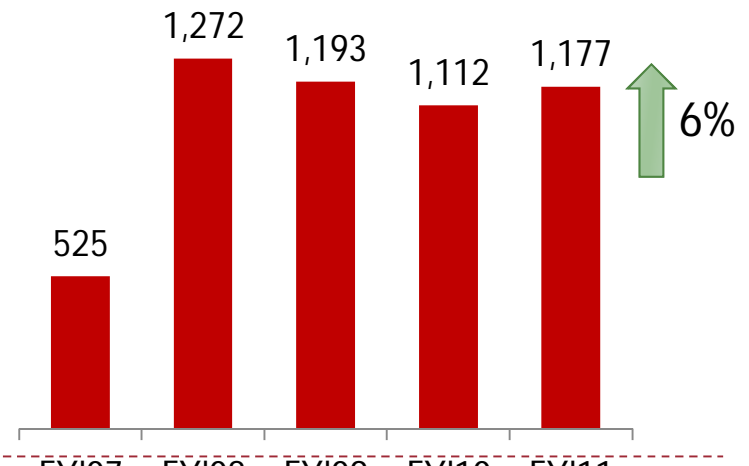
▶ Highest-ever Turnover; PAT up by 6%

- ▶ FY'11: export of product worth ` 14,604 Crore
- ▶ FY'11: Dividend @12%

Turnover (` Crore)



PAT (` Crore)

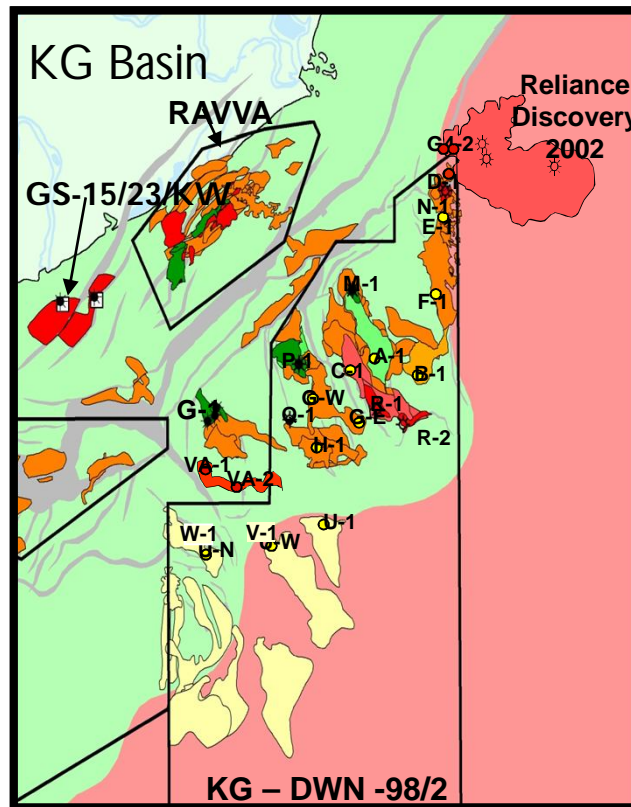




Initiatives

East Coast Offshore Development

East coast discoveries to be monetized in 3 phases



Projects

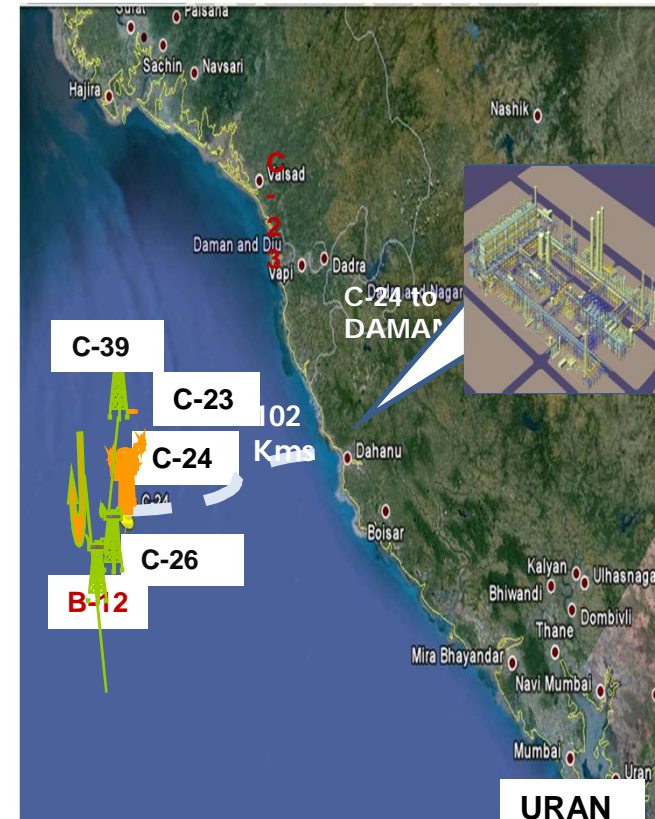
1. G-1 & GS-15
2. S-1 & Vashista
3. KG-DWN-98/2
4. G-4-6, GS-29-1 & G-4-5

- Production to commence from G-1 & GS-15 fields from 2011-12
- Development of all fields to start 2012-13 onwards

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**



Major projects



New field development

Sl.	Project	Project Cost (` Crore)
1	Development of C-series Fields Phase 1	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

Major Projects

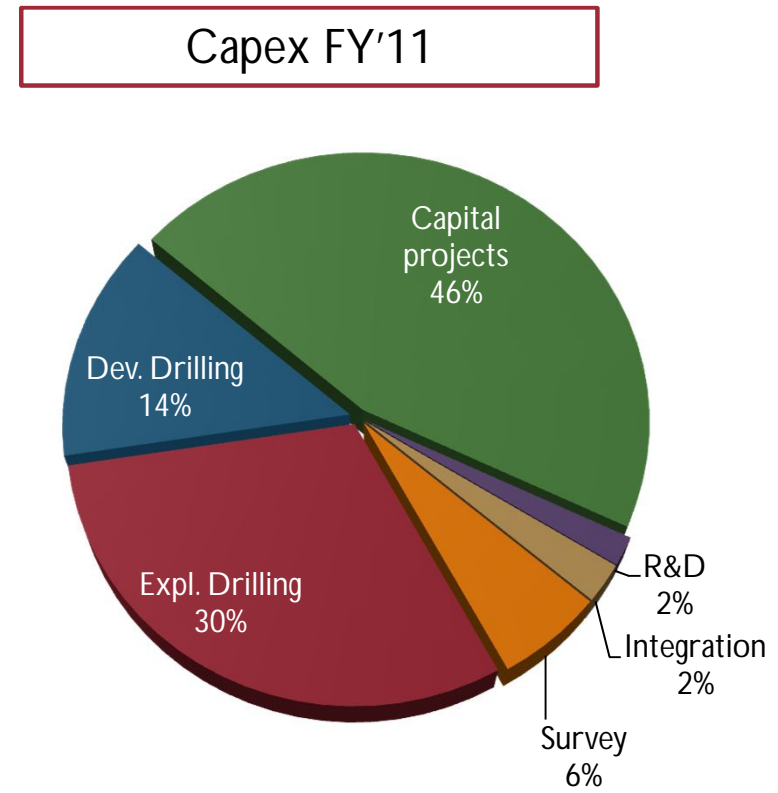
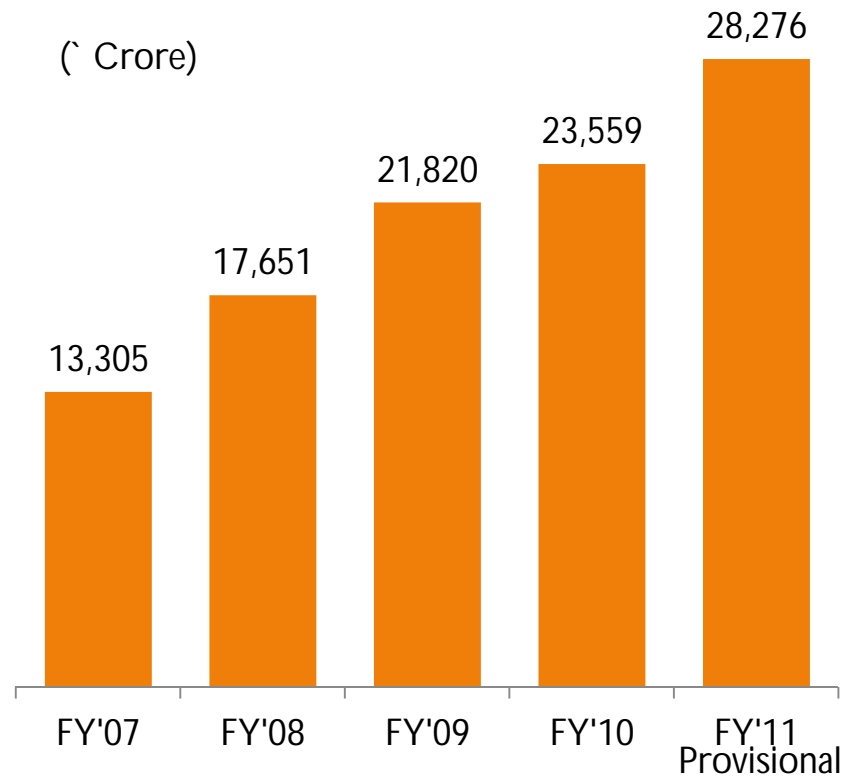


IOR/ Redevelopment projects

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

Capex

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



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-1

- ▶ First well RNSG-1 proved presence of Shale gas on 25th Jan'2011
- ▶ R&D efforts continuing

Wind Farm

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

Value-multiplier projects



ONGC Petro-additions Ltd.

- ◆ To produce: HDPE/LLDPE, Poly Propylene, Benzene
- ◆ Scheduled completion Q3, FY'13



ONGC Mangalore Petrochemicals Ltd.

- ◆ To produce Paraxylene/ Benzene
- ◆ Scheduled completion Q4, FY'12



ONGC Tripura Power Company Ltd.

- ◆ 726.6 MW Gas based power plant
- ◆ Scheduled completion Q4; FY'12

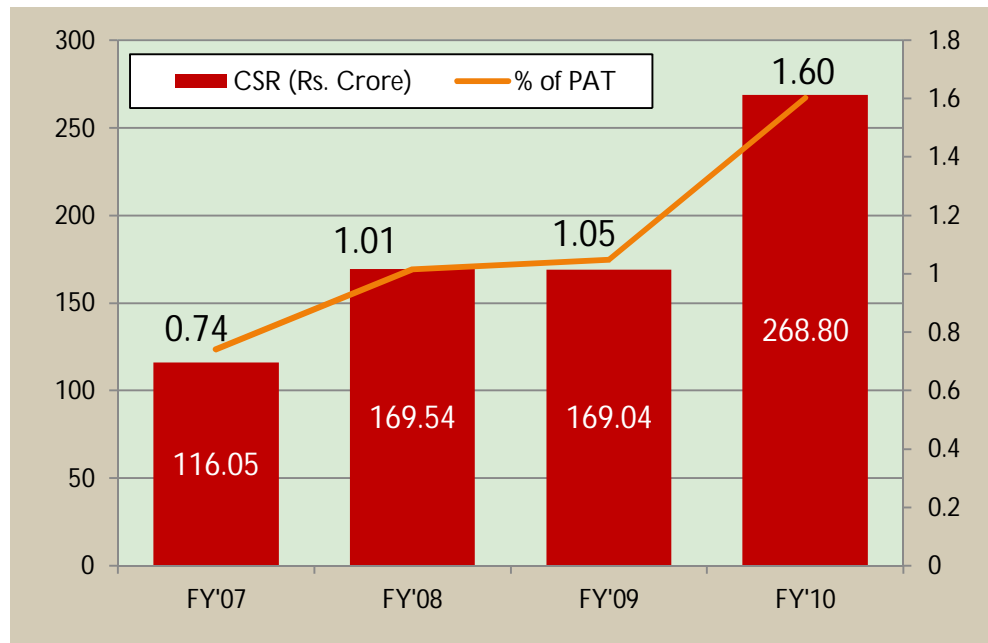
Corporate Social Responsibility



CSR allocation 2% of the net profit

CSR: Core areas

Education, Health Care, Entrepreneurship development, heritage sites protection, Women empowerment, Girl child development, Water management, etc.



CSR Project: Health Care for poor & destitute elderly: Mobile Medicare units

Carbon Management



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

Integrity Pact



Transparency International recognizes ONGC's ethical & transparent business practices

ONGC occupies the Top rank in "Organizational Disclosure Practices"

Scores 100%, amongst 44 global oil & gas companies

Jointly shares top rank with BG and BHP Billiton

BP and Woodside joint second with 94% score

followed by Eni, Chevron, PDVSA, Petrobras, Petrochina, etc

Integrity Pact was signed with Transparency India Ltd. on 1st July'05

A first by any Indian company

Source: 'Promoting Revenue Transparency (PRT) Report 2011', Transparency International & Revenue Watch



Thank you

