

Delivering Growth



Sustaining Returns

Among World's Most Admired Companies

FY'14 Results
Media Interaction
29th May 2014

Disclaimer

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- The correctness and completeness of the data is not a controllable matter as the sources and the base of the data may be different altogether.
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Presentation overview

1 Highlights

2 Performance FY'14

3 Overseas operations

4 Non-E&P business

5 Pursuits

Highlights: FY'14

14 hydrocarbon discoveries. Ultimate reserves accretion (domestic areas) 84.99 MMToe (84.84 MMToe in FY'13).

Reserve Replacement Ratio (RRR) 1.87 (3P); more than one since last nine years

Domestic oil & gas production 50.84 MMToe (Oil 25.99 MMT; Gas 24.85 BCM)

Gross Revenue ₹ 84,201 Crore (₹ 83,290 Crore in FY'13)

Net Profit ₹ 22,095 Crore; despite highest-ever under-recovery discount of ₹ 56,384 Crore

Highlights: FY'14

Board recommended total dividend of 190% with payout of ₹ 8,128 Crore

ONGC acquires 5% equity of Indian Oil Corporation Limited

ONGC drills first Shale gas exploratory well in India

ONGC Videsh records 8.36 MMToe of production; an increase of 15% over FY'13

ONGC Videsh records highest-ever PAT at ₹ 4,445 Crore; up 13% over FY'13

Highlights: FY'14

ONGC Videsh acquires 16% Participating Interest in Rovuma Area-1 Offshore block in Mozambique

ONGC Videsh acquires additional 12% Participating Interest in BC-10 block, Brazil

MRPL records highest-ever crude throughput of 14.55 MMT (14.40 MMT in FY'13).

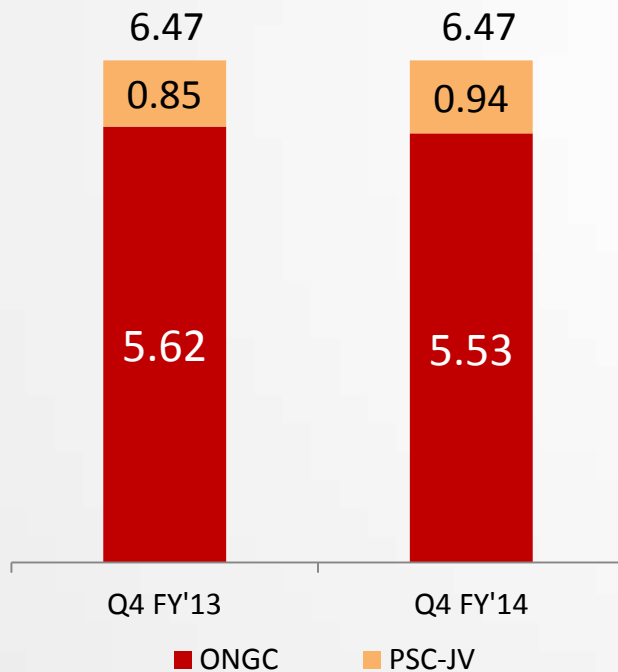
MRPL's PAT ₹ 601 Crore (turnaround from a loss of ₹ 757 Crore in FY'13)

MRPL upgraded to Schedule-A category-1 CPSU

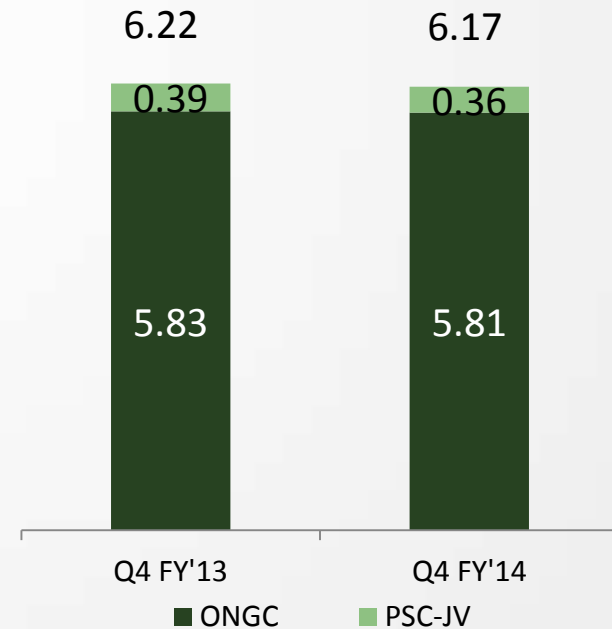
ONGC: Q4, FY'14

▶ Domestic crude oil production levels maintained

Crude oil production (MMT)



Gas production (BCM)



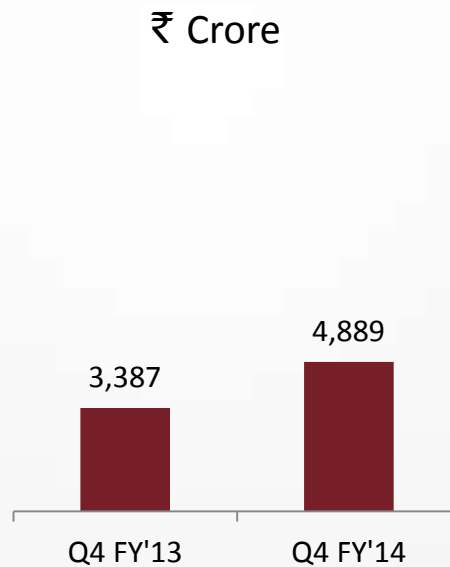
ONGC Financials: Q4, FY'14

Lower PAT due to higher subsidy payout & increase in Cess

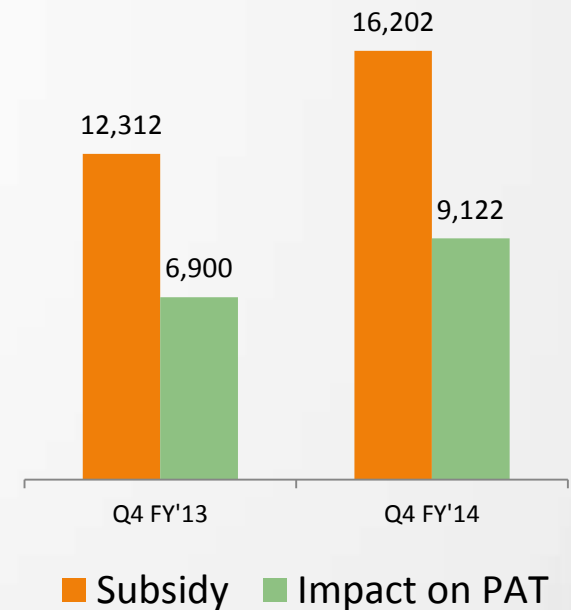
Gross Revenue



PAT



Under-recovery



FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES 2014

ONGC is FORTUNE World's Most Admired Company, again

ONGC - the only Indian energy major in Fortune's Most Admired List 2014 under 'Mining, Crude Oil Production' category.



Performance FY'14

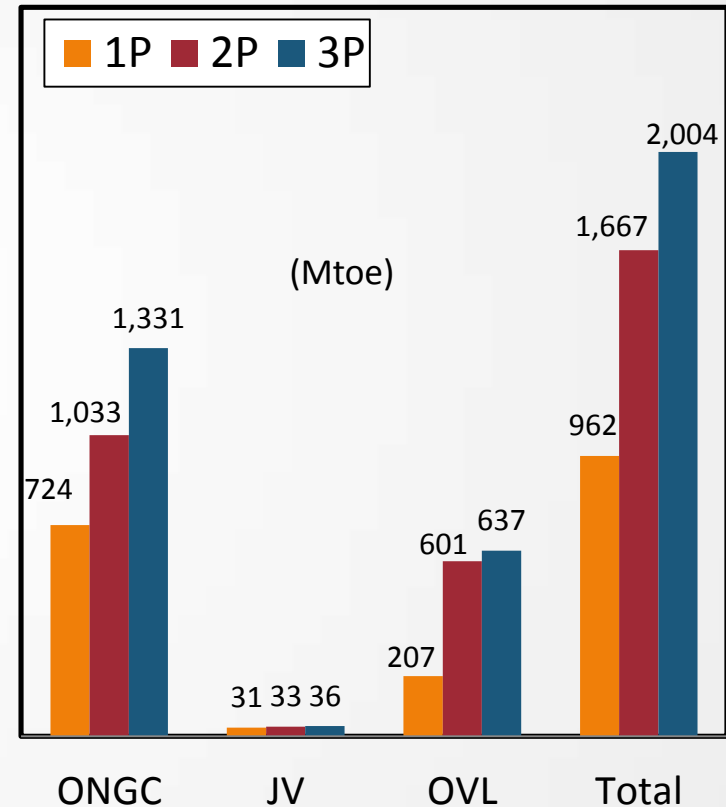
ONGC Group

Reserves

- ▶ FY'14, Reserves = 2,004.15 mtoe; up 14% (FY'13: 1,759 mtoe)
- ▶ ONGC Videsh's reserves increases by 47%

Mtoe	Oil	Gas	Total
ONGC	567.30	763.99	1331.29
PSC JV	19.66	15.85	35.51
OVL	279.69	357.66	637.34
Total	866.65	1137.50	2004.15

As on 31.03.2014

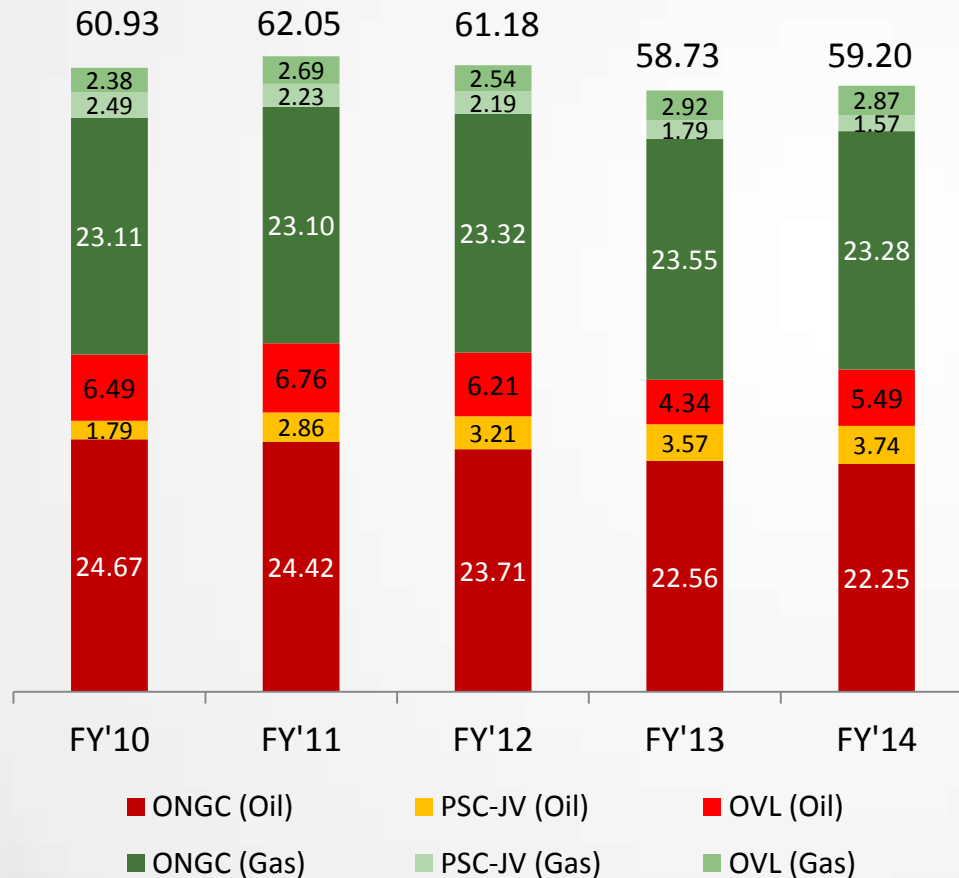


- ▶ ONGC maintaining RRR* > 1 since last 9 years in domestic basins

* RRR – Reserve Replacement Ratio (3P reserves)

ONGC Group: O+OEG Production

- ▶ FY'14: Production levels maintained
- ▶ ONGC Videsh registers 15% increase in O+OEG production



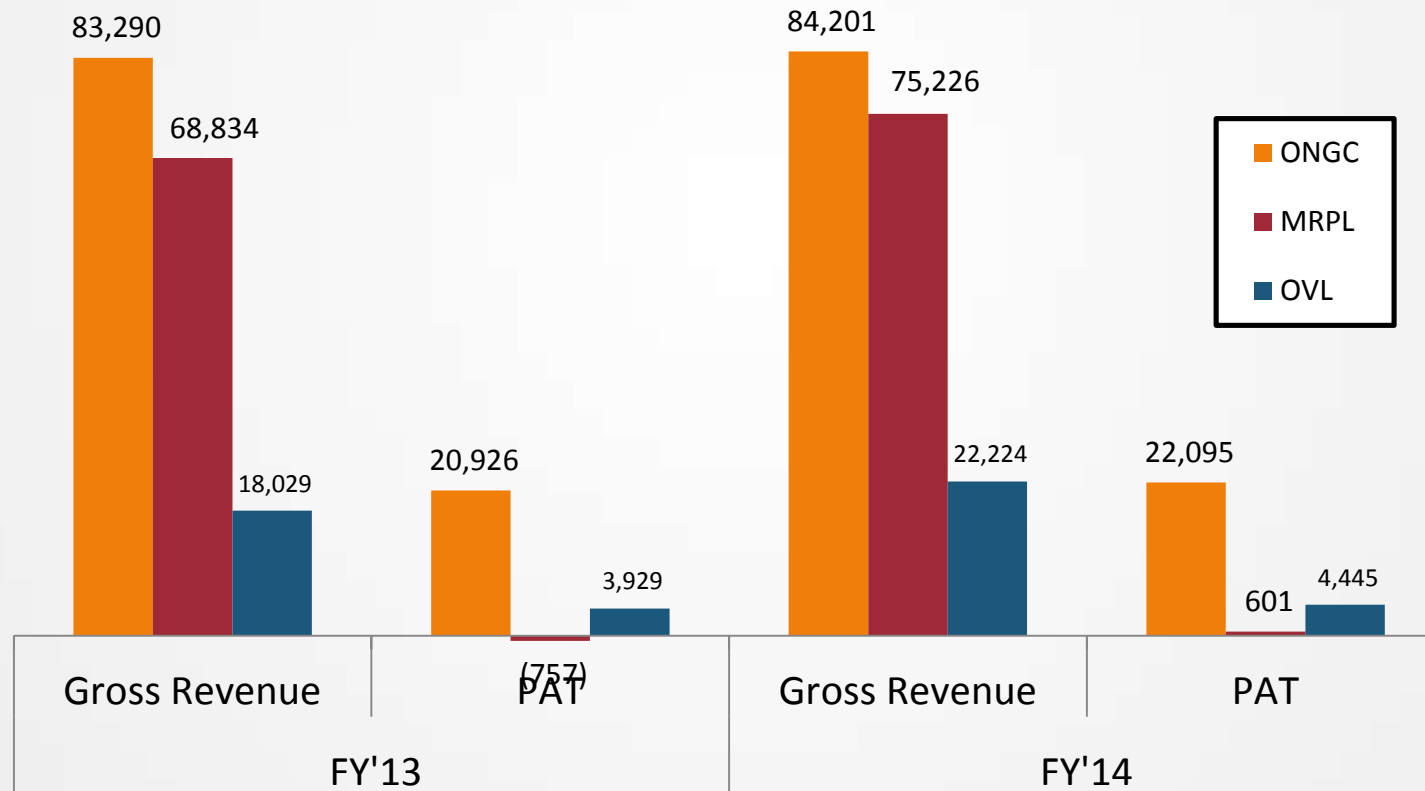
FY'14				
	ONGC	JV	OVL	Total
Oil	22.25	3.74	5.49	31.48
Gas	23.28	1.57	2.87	27.72
O+OEG	45.53	5.31	8.36	59.20

FY'13				
	ONGC	JV	OVL	Total
Oil	22.56	3.57	4.34	30.47
Gas	23.55	1.79	2.92	28.26
O+OEG	46.11	5.36	7.26	58.73

Financials: ONGC Group

▶ ONGC records highest-ever Gross Revenue

▶ MRPL posts highest-ever Turnover; PAT ₹ 601 Crore





Performance FY'14

ONGC: Domestic operations

14 Oil & Gas discoveries

SI	Name of the well	HC Type
New Prospects Discovery		
1	KGOSN041NANL #1	Gas
2	KGOSN041NANL#2	Gas
3	Seripalem-1(SRM-AA)	Gas
4	MBOS51NAA#1	Gas
5	Mandapetta South # 1 (MDS-AA)	Gas
6	NW-B173A-8	Oil & Gas
New Pool Discovery		
7	GK-28 # 9	Gas
8	GK-42 # 3	Gas
9	Gandhar # 686	Oil & Gas
10	SB#300 (SBCG)	Gas
11	Gedanapalli#3 (GLAC)	Oil
12	KG982NA-M#3	Oil & Gas
13	Khubal#7 (KHBJ)	Gas
14	Nandasan-111 (NNBC)	Oil

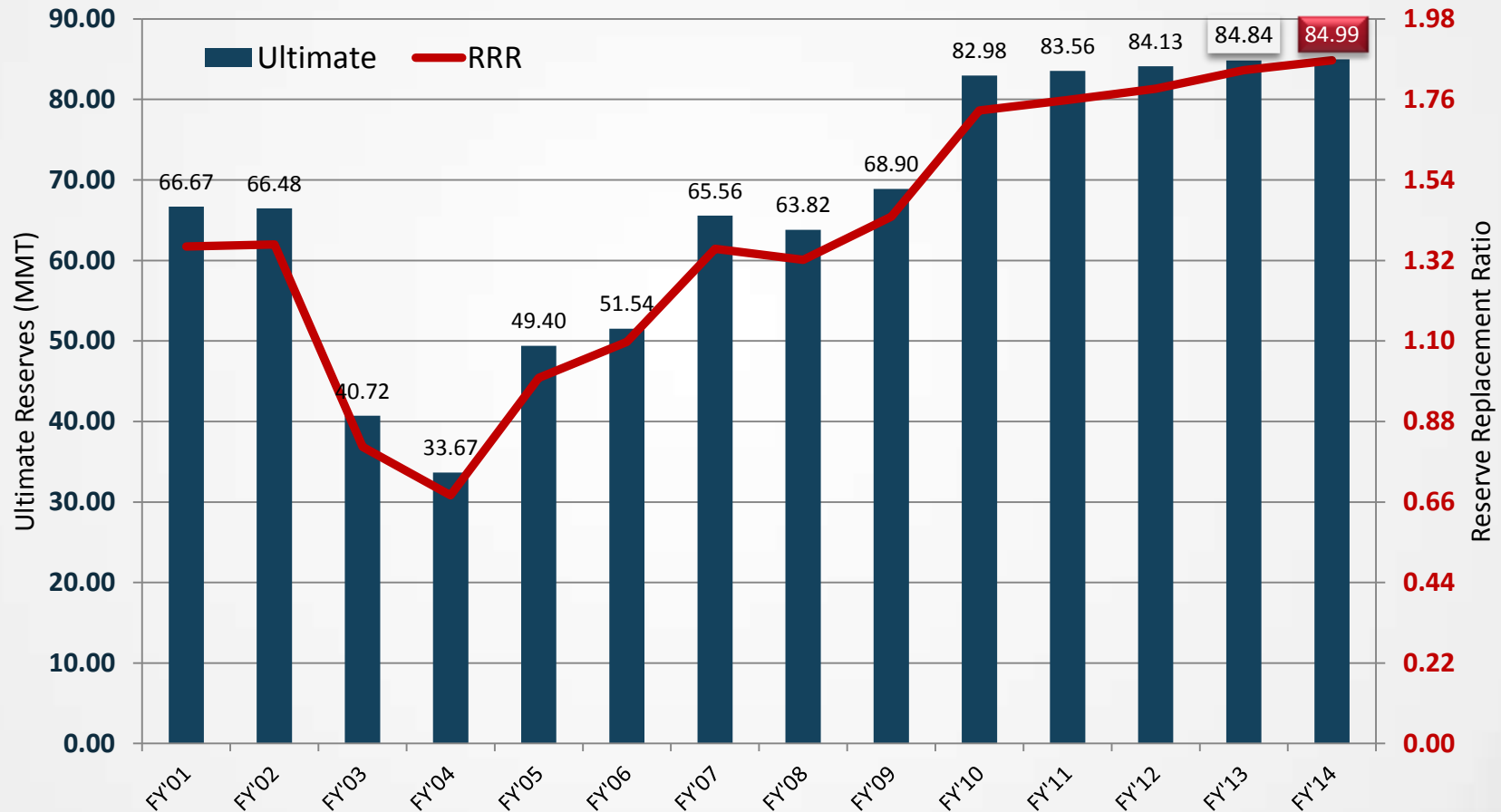
NELP Blocks: 4
Nomination Blocks: 10

Oil: 2
Oil & Gas: 3
Gas & Condensate: 9

Onland: 7
Offshore: 7

Reserve Accretion

- FY'14: Reserve accretion 84.99 Mtoe - highest in last 23 years

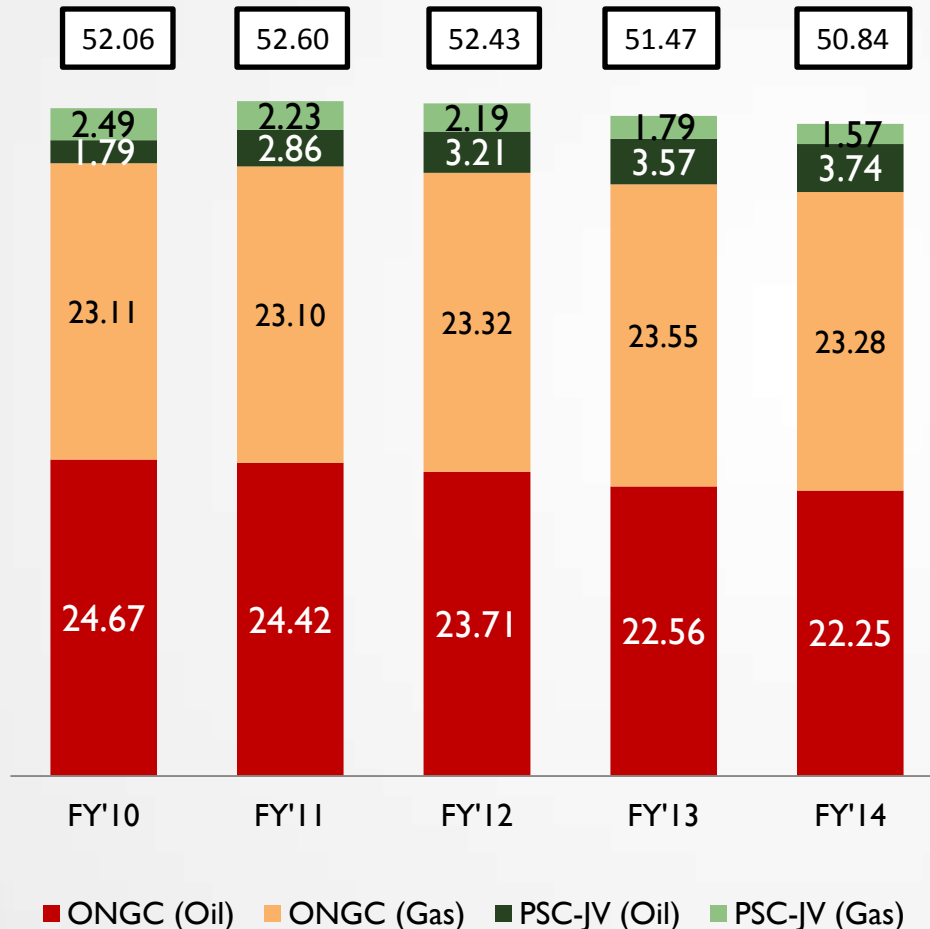


- ONGC maintaining RRR* more than 1 since last 9 years

* RRR – Reserve Replacement Ratio

Domestic Production

▶ Domestic production FY'14 = 50.84 MMtoe



Crude oil production (MMT)

	FY'13	FY'14
ONGC	22.56	22.25
PSC-JV	3.57	3.74
Total	26.13	25.99

Natural gas production (BCM)

	FY'13	FY'14
ONGC	23.55	23.28
PSC-JV	1.79	1.57
Total	25.34	24.85

**Total
O+OEG**

51.47

50.84

IOR/EOR

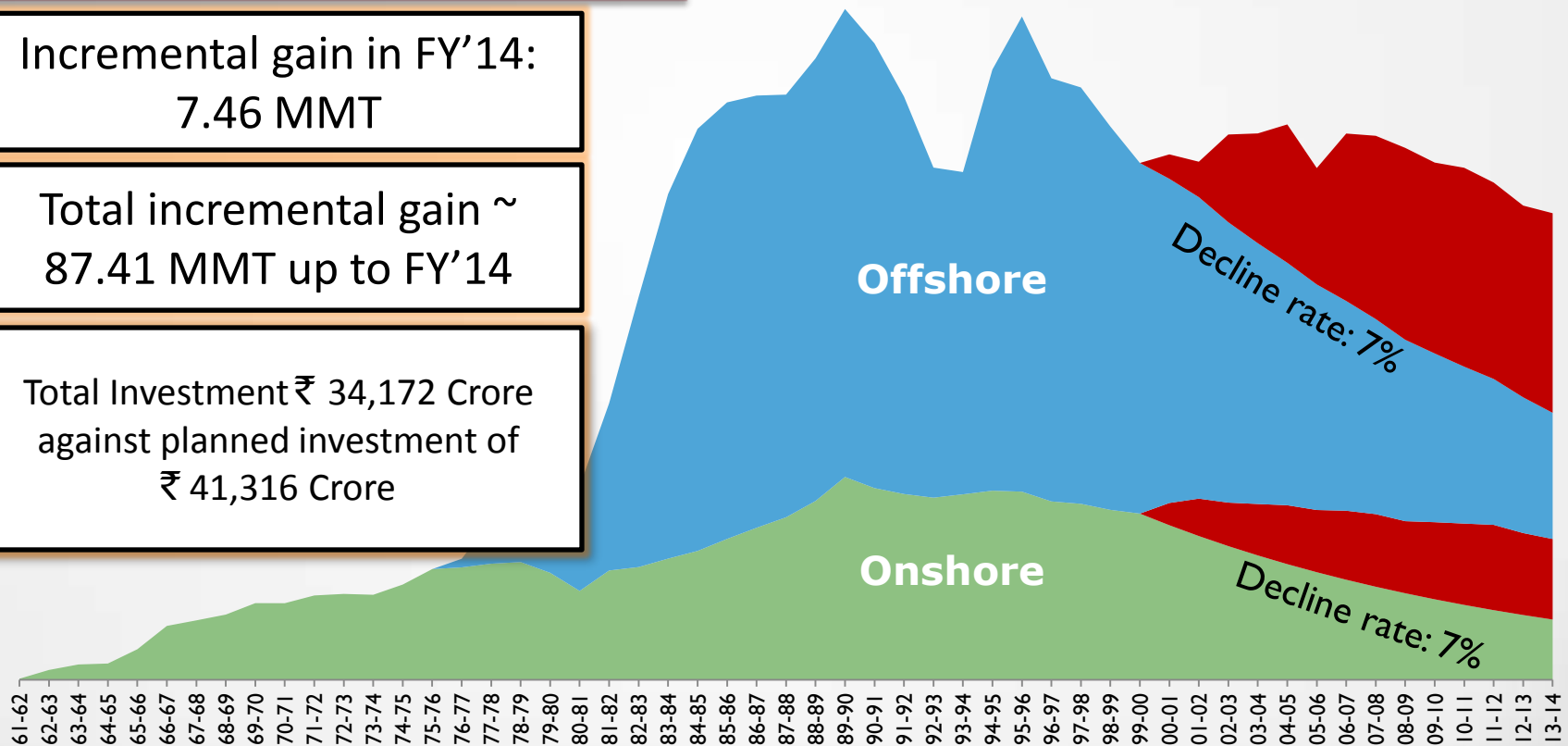
- ▶ Arresting decline: 19 of 24 IOR/EOR projects completed; 5 ongoing

Total envisaged gain : 170 MMT

Incremental gain in FY'14:
7.46 MMT

Total incremental gain ~
87.41 MMT up to FY'14

Total Investment ₹ 34,172 Crore
against planned investment of
₹ 41,316 Crore





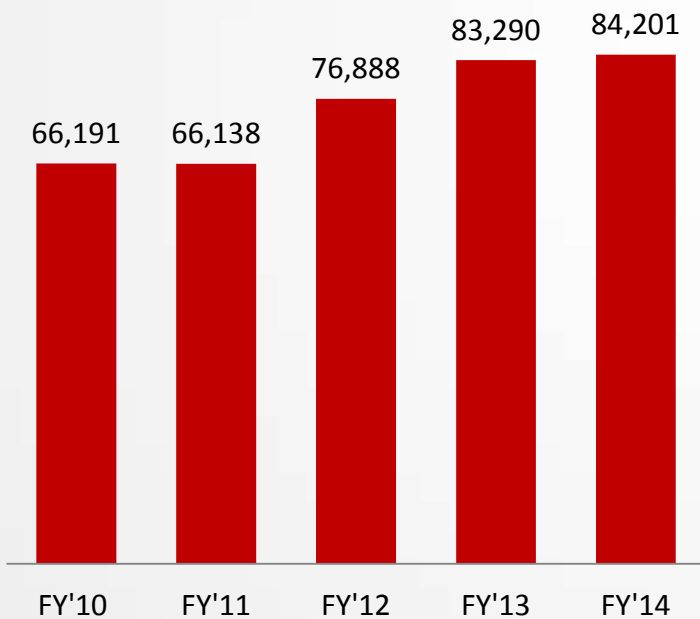
Performance FY'14

ONGC: Financials

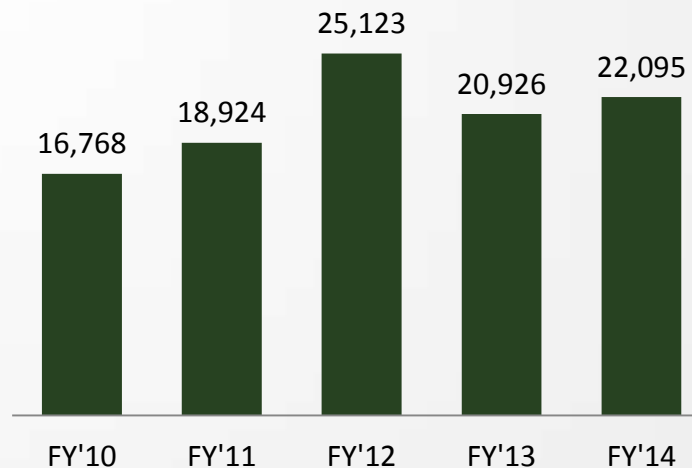
ONGC: Financials FY'14

- ▶ Highest-ever Gross Revenue - PAT up by 5.6%

Gross Revenue (₹ Crore)



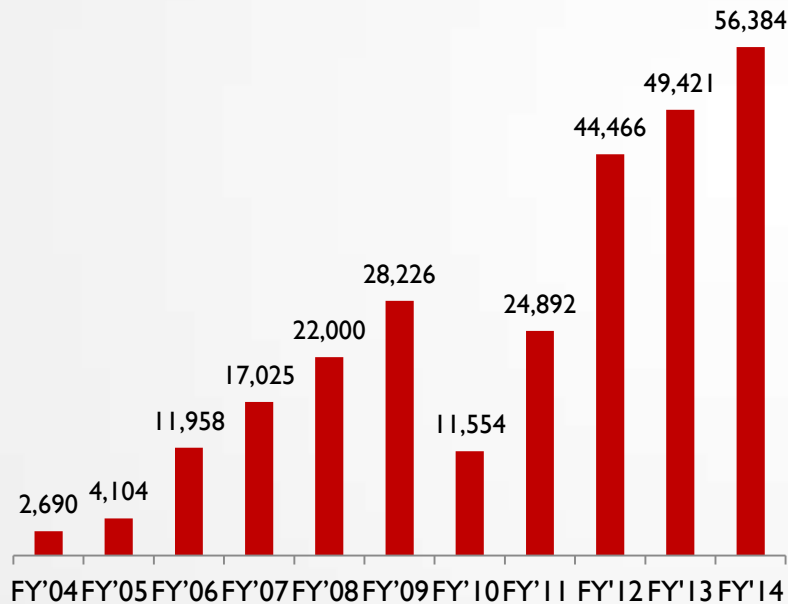
Profit after Tax (₹ Crore)



Under-Recovery

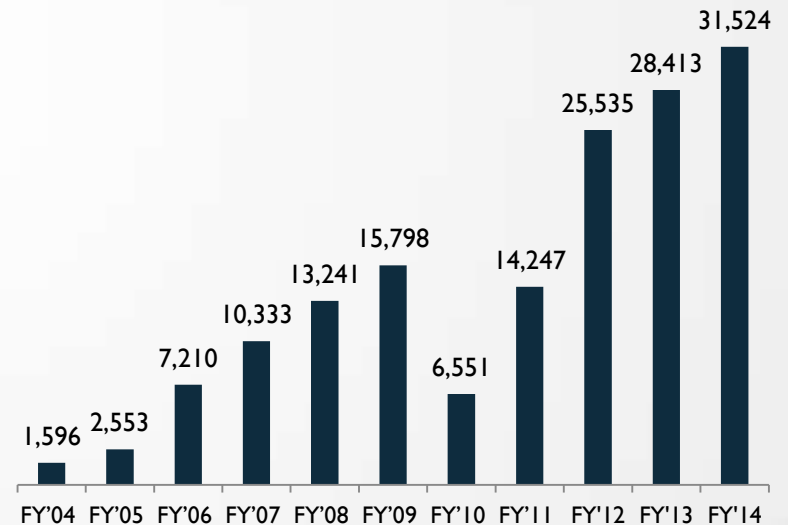
- FY'14: Highest-ever subsidy sharing - ₹ 56,384 Crore; up 14%

Subsidy sharing (₹ Crore)



Total subsidy*: ₹ 272,721 Crore

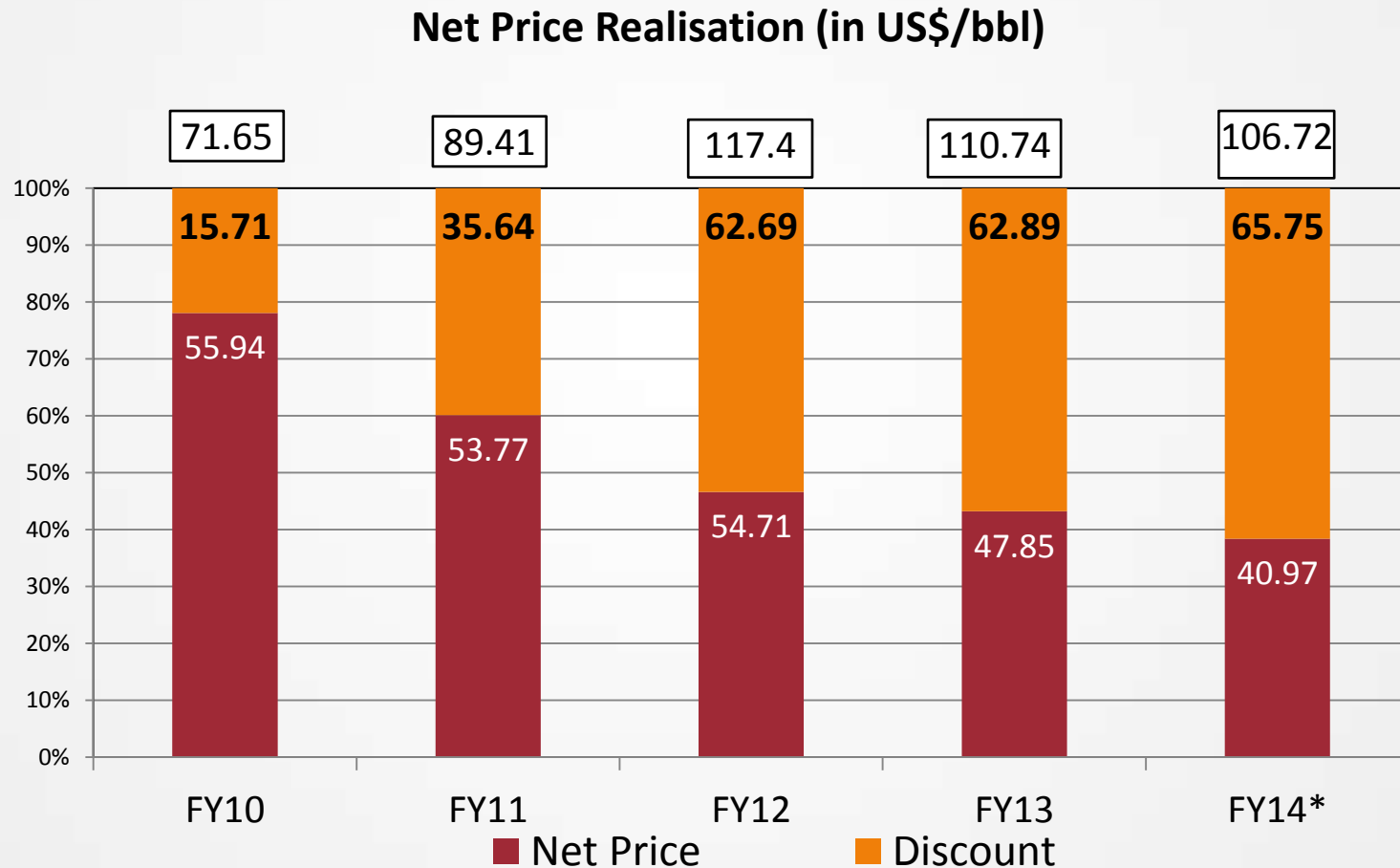
Impact on PAT (₹ Crore)



Impact on PAT#: ₹ 157,001 Crore

Decreasing Margins

- ▶ Discount to meet under-recoveries of OMCs increasing - Net Price realization coming down



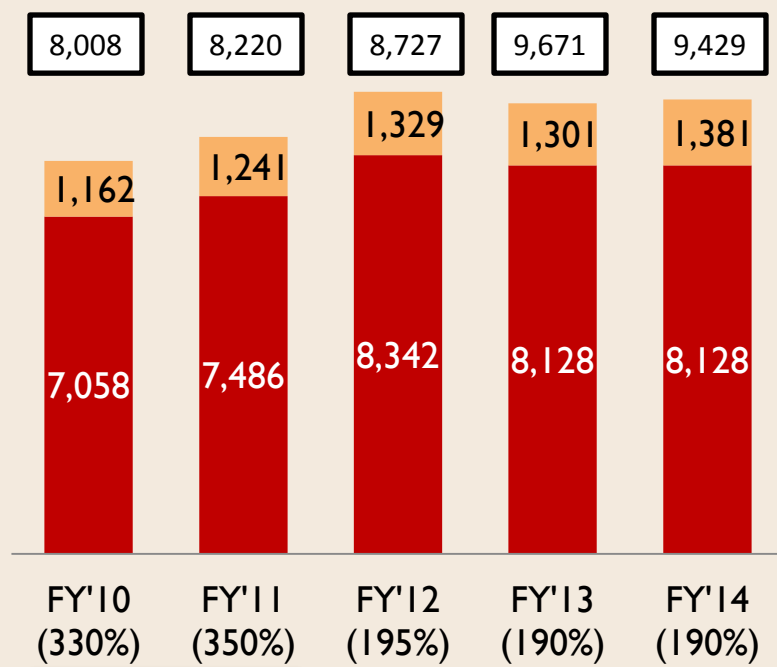
* Retention price of crude oil produced from nomination blocks for FY'14 after paying Cess, Royalty and VAT, is US\$ 24.86/bbl

Dividend FY'14

▶ Dividend 190% total payout ₹ 8,128 Crore

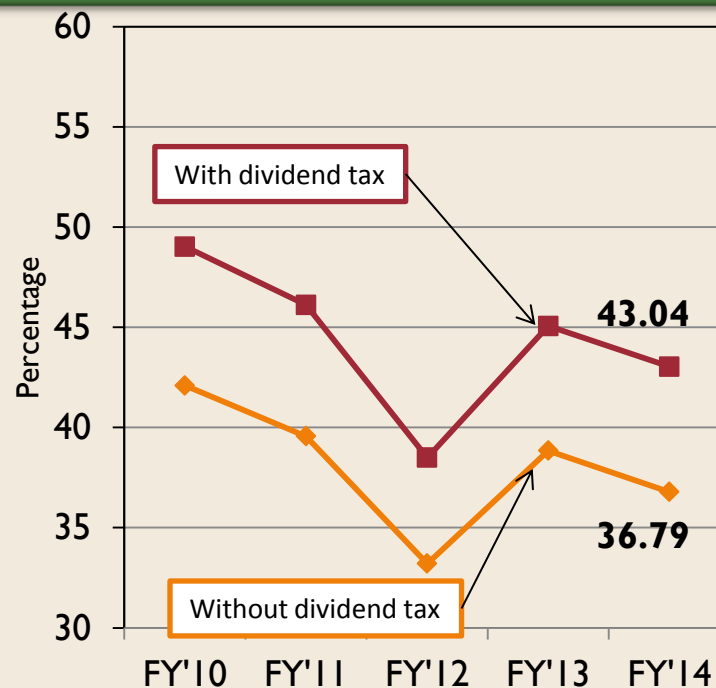
▶ Plus Dividend Tax of ₹ 1,381 Crore

Dividend (₹ Crore)



Post Bonus

Dividend pay-out ratio (%)



Capex

▶ ₹ 142,899 Crore Capex in last 5 years





Performance FY'14

Overseas Operations (ONGC Videsh)

- ▶ ONGC Videsh, a wholly owned subsidiary of ONGC
- ▶ International E&P company operating in 16 countries with 33 projects



- ▶ Overseas investment US\$ 22.47 Billion till FY'14 (for FY'14: US\$ 5.71 billion)
- ▶ 3P Reserves 637 MMTOE
- ▶ 20% of India's 2P reserves
- ▶ FY'14: Oil & Gas production 8.36 MMTOE (153,000 boe/day)

ONGC Videsh

33 projects in
16 countries

Producing:
13

Discovered/
Develop: 4

Exploration:
14

Pipeline: 2

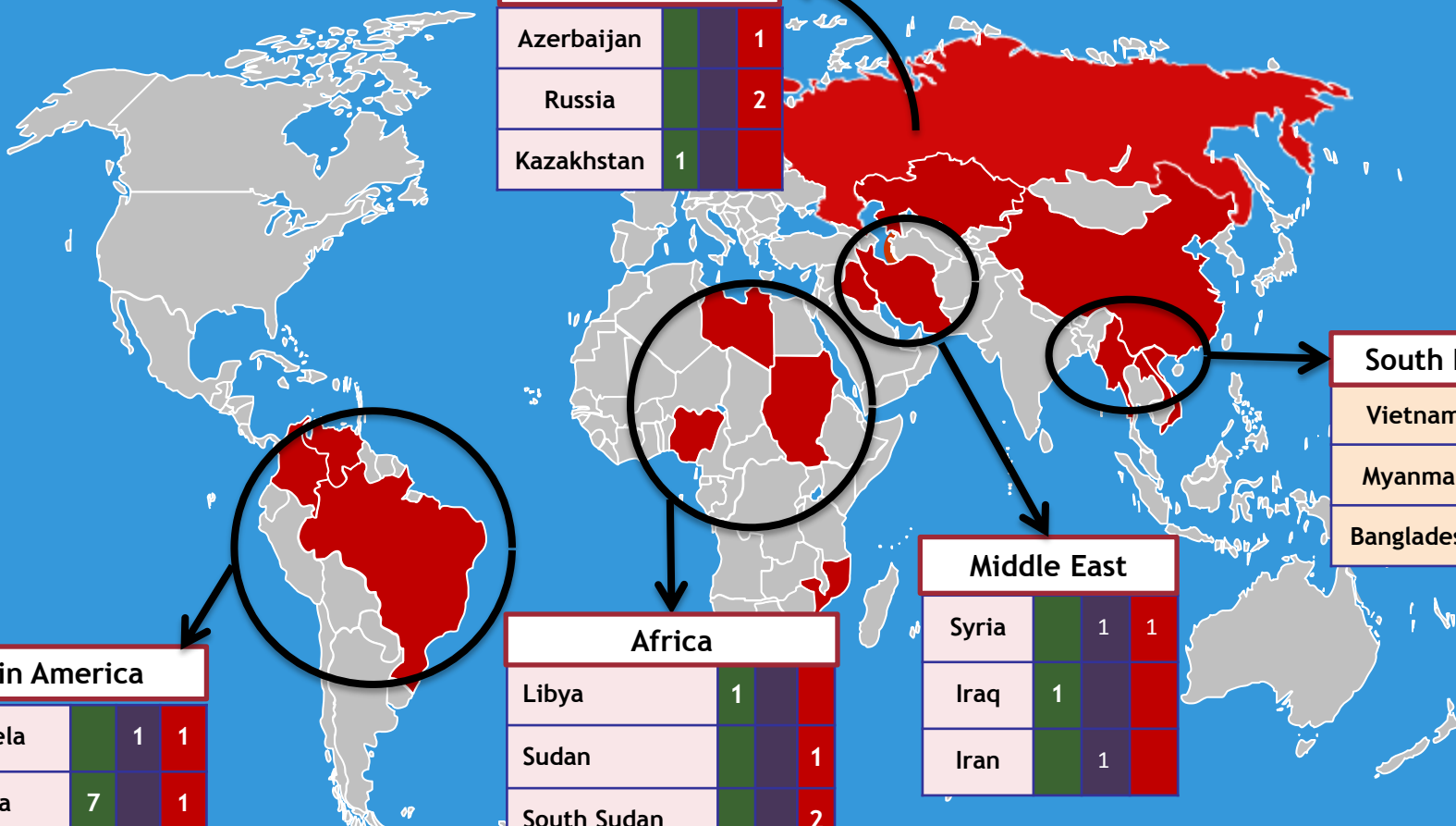
CIS		
Azerbaijan	1	1
Russia	2	1
Kazakhstan	1	1

South East Asia		
Vietnam	1	1
Myanmar	2	1
Bangladesh	2	1

Middle East		
Syria	1	1
Iraq	1	1
Iran	1	1

Africa		
Libya	1	1
Sudan	1	1
South Sudan	2	1
Mozambique	1	1

Latin America		
Venezuela	1	1
Colombia	7	1
Brazil	1	1



New Acquisitions - Mozambique

- ▶ ONGC Videsh and Oil India Limited (OIL) jointly acquired 10% PI in Rovuma Area-1 Offshore block in Mozambique in Jan'14.
- ▶ Further, ONGC Videsh directly acquired 10% stake from Anadarko out of its 36.5% in the same Area-1 in Feb'14

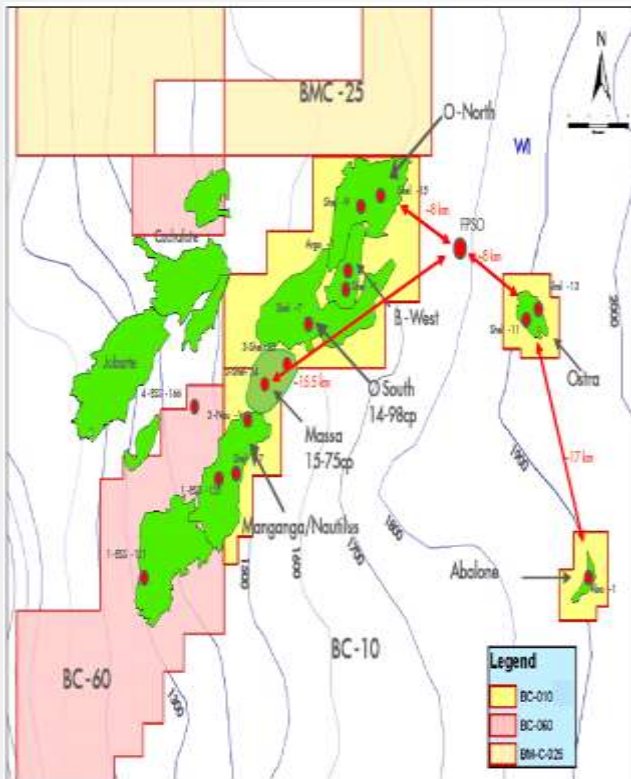


Area 1 the largest gas discovery in offshore East Africa.
Recoverable reserves ~ 50 to 70 tcf.

Potential to become one of world's largest LNG producing hubs.
First LNG expected by 2018.

Increasing stake in Brazil

- ▶ ONGC Videsh in partnership with Shell preempted sale of 35% PI by Petrobras in BC -10 and acquired an additional 12% PI



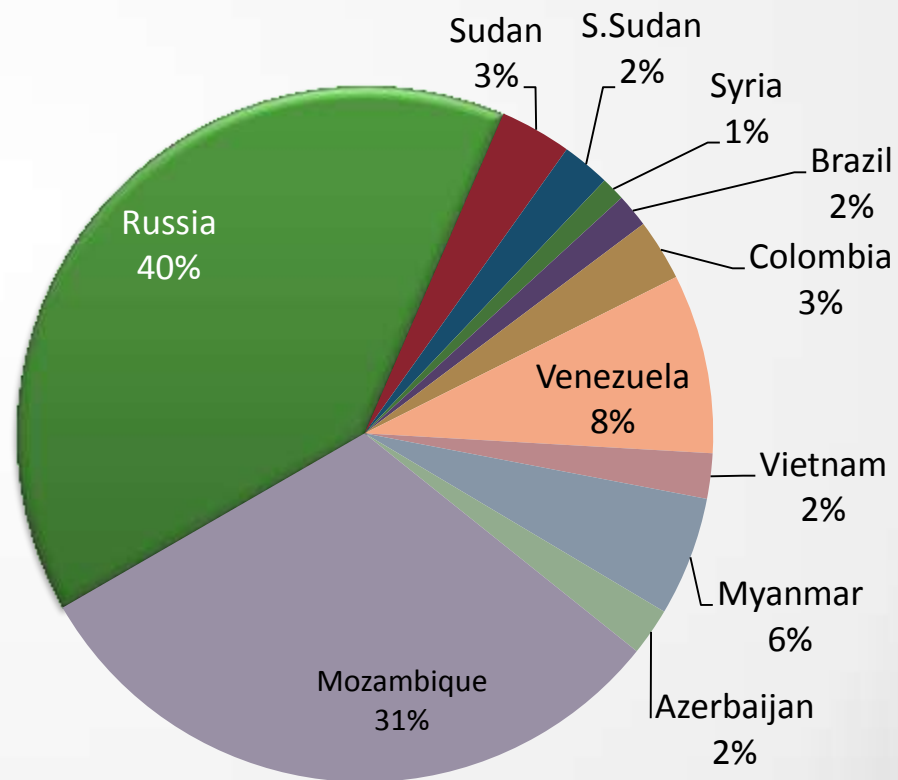
- Transaction closed: Dec'13
- Financial Implication: US\$ 561 million
- Financing: Internal resources
- ONGC Videsh's share (peak production): 20,000 bopd

ONGC Videsh Reserves

637 Mtoe of O+OEG reserves in 11 countries

Overseas O+OEG Reserves (3P)

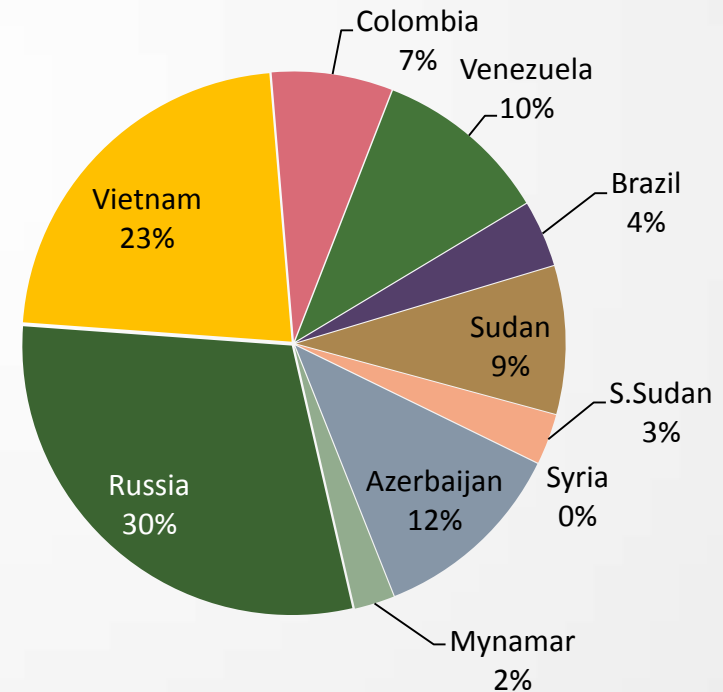
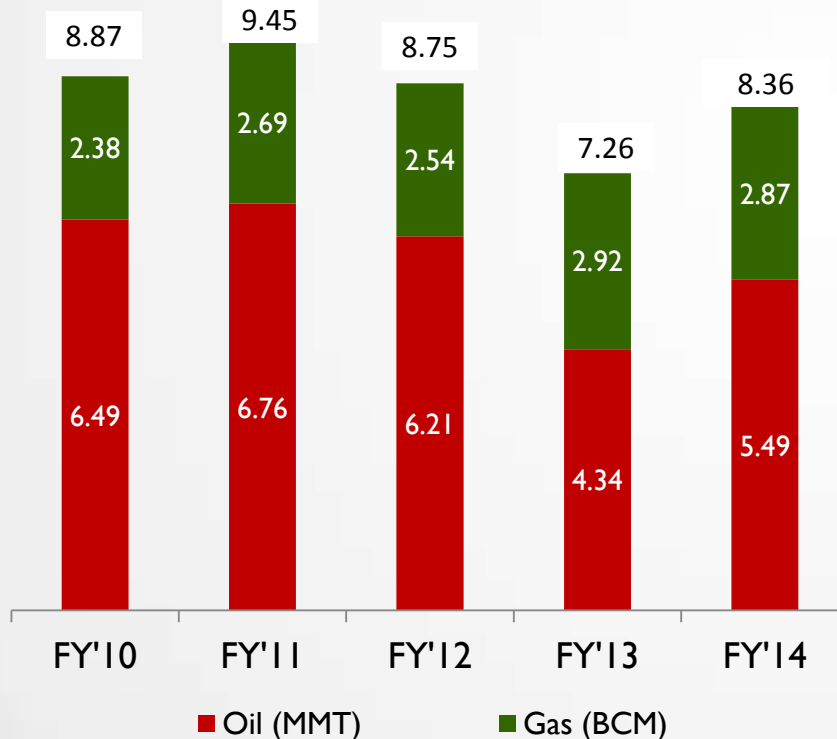
	Oil (MMT)	Gas (BCM)	Total (Mtoe)
1P	112.18	94.95	207.13
2P	261.40	339.29	600.69
3P	279.69	357.66	637.34



Overseas Production

- FY'14 Production = 8.36 Mtoe (15% higher than in FY'13 = 7.26 Mtoe)

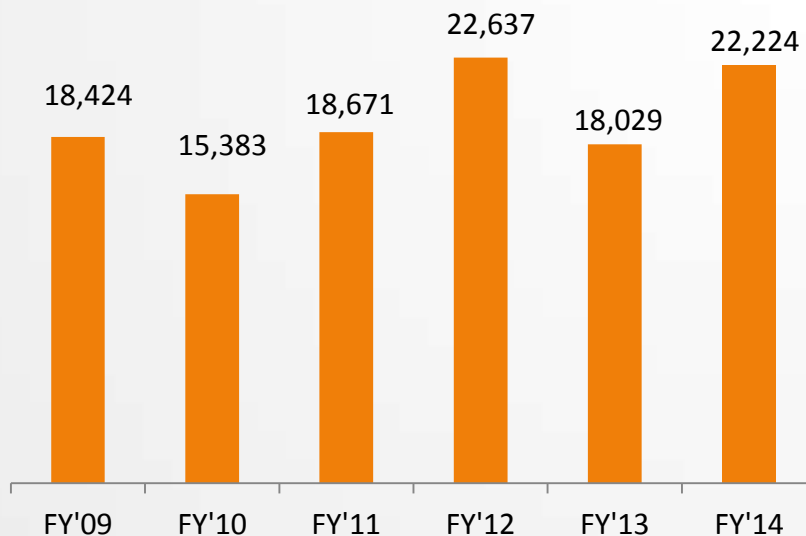
Continuing problems in South Sudan & Syria.



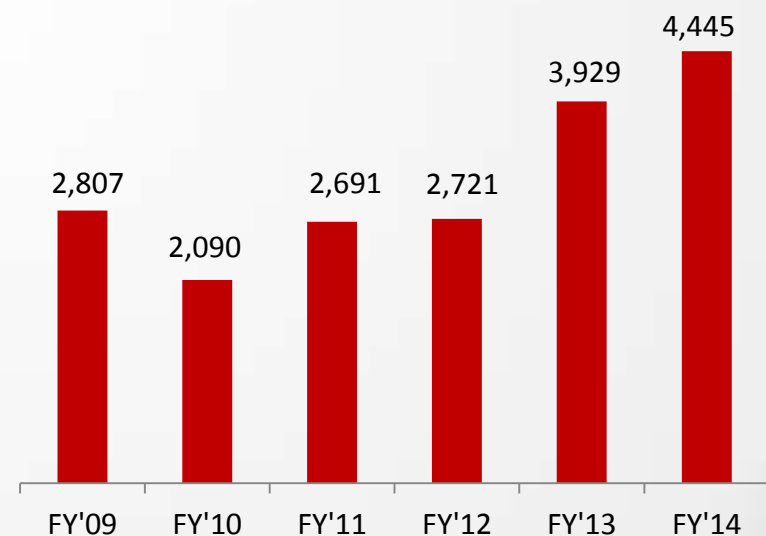
ONGC Videsh: Financials

▶ PAT = ₹ 4,445 Crore - the highest-ever

Total Revenue (₹ Crore)



Profit after Tax (₹ Crore)





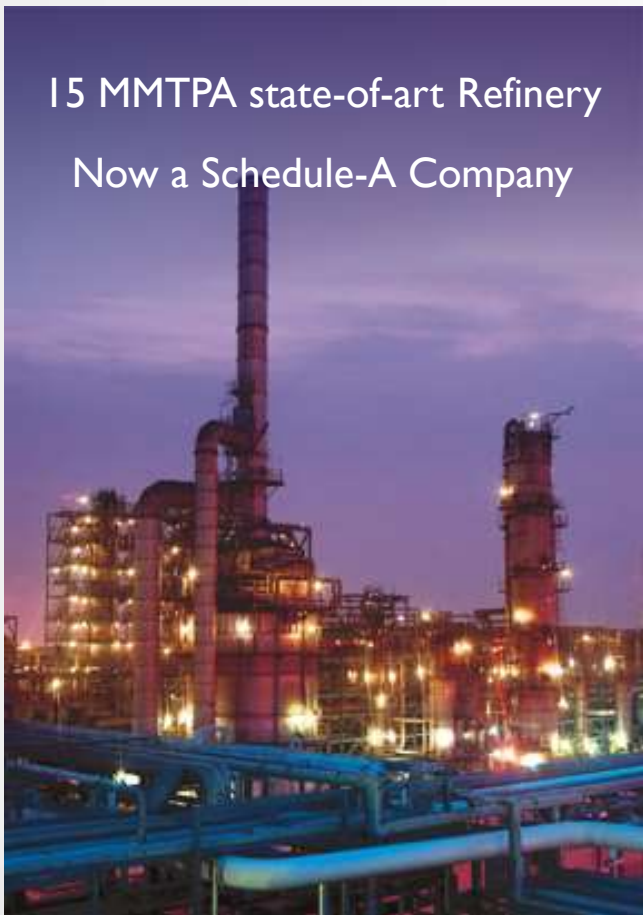
Performance FY'14

MRPL

Refining MRPL

Throughput FY'14: 14.55 MMT (14.40 MMT in FY'13)

15 MMTPA state-of-art Refinery
Now a Schedule-A Company



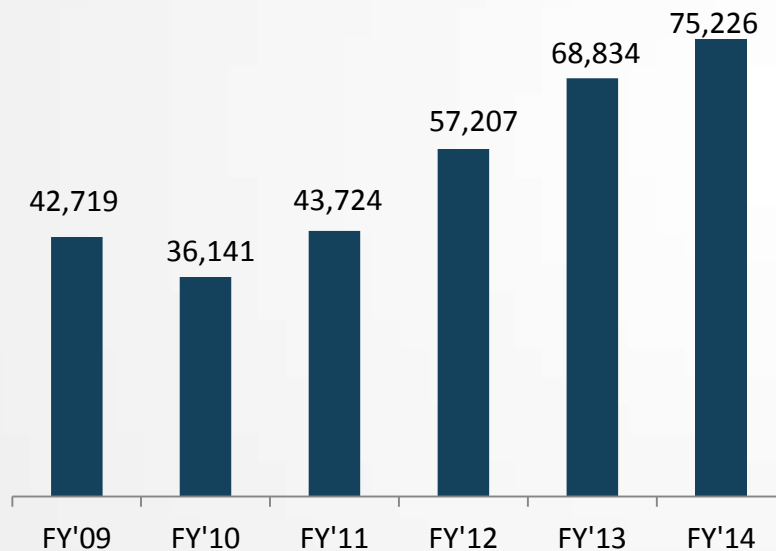
- Refinery capacity enhanced from 9.83 MMTPA to 15 MMTPA.

- Commissioned the SPM facility in Aug'13.
- Delayed Coker Unit & Coker Hydro Treater Unit and one SRU unit commissioned in April/May'14

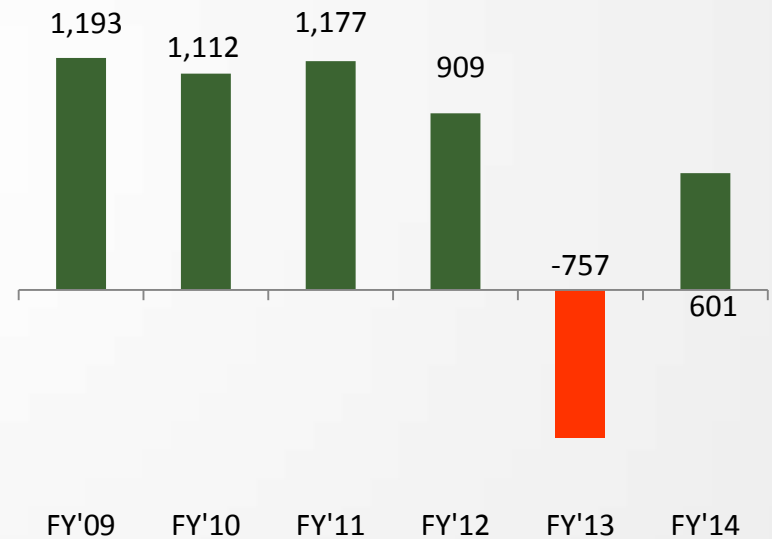
MRPL Financials

- ▶ Highest-ever Turnover; PAT ₹ 601 Crore

Turnover (₹ Crore)



Profit after Tax (₹ Crore)



- ▶ Expected upside after operationalization of Phase-III expansion

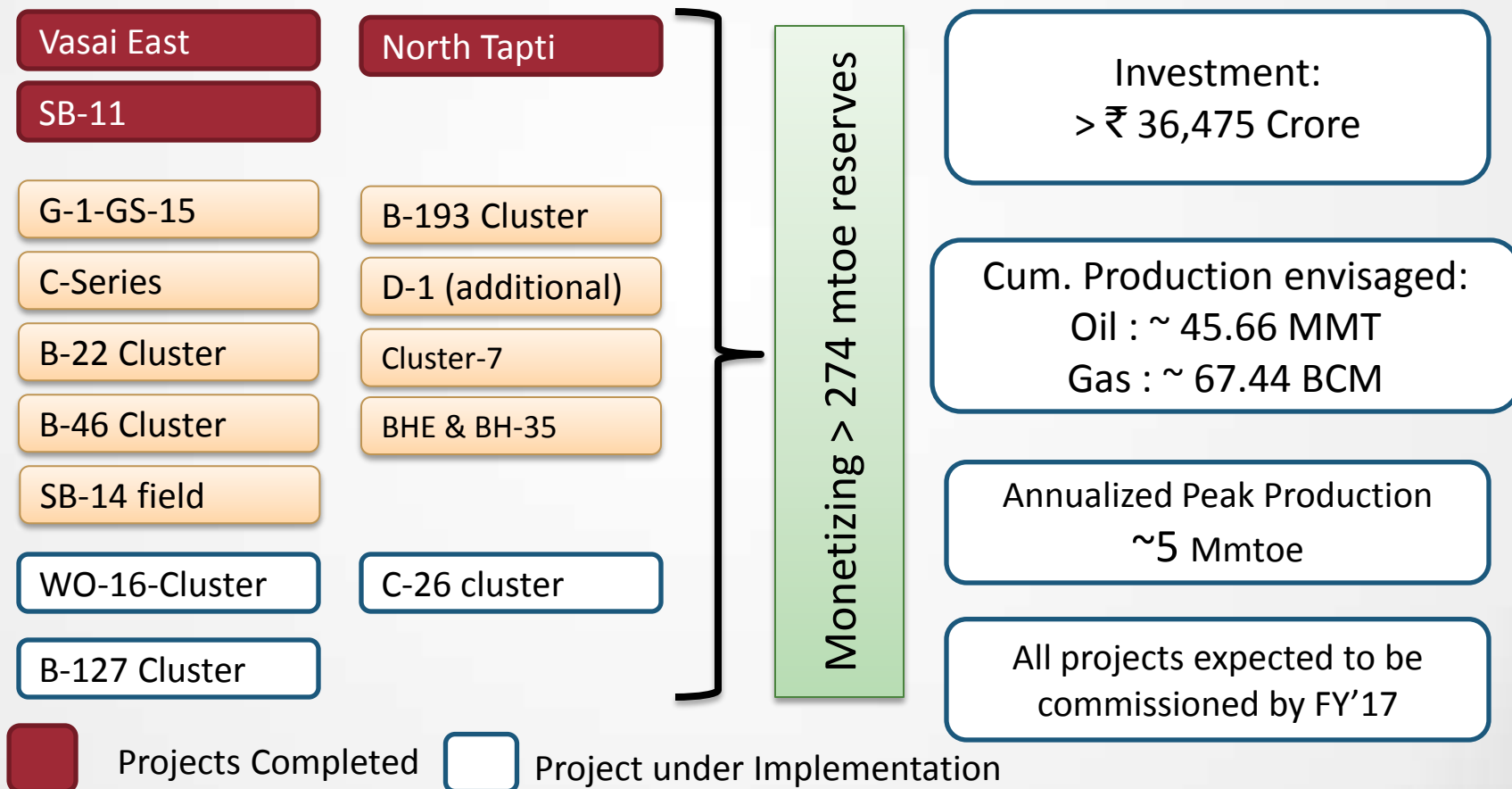


Performance FY'14

Pursuits

Field Development

- ▶ During 11th Plan 15 projects taken up for development of new fields.
- ▶ 3 projects completed and 12 projects under implementation



Field development/ re-development

Field re-development

Mumbai High North & South re-development Phase-3

Field development: West Coast

Daman offshore: development advanced by 4 years. Substantial gas potential.

Field development: East Coast

KG-DWN-98/2 discoveries: appraisal completed and revised DOC submitted

KG offshore discoveries: G-1, G-2, G-4, Vashista, S-1 & G-4-6

Mahanadi discoveries: appraisal completed and DOC submitted.

Unconventional

- ▶ ONGC first to establish Shale gas presence in India



Completed **First Shale gas well** in Cambay. Total 7 wells drilled during FY'14. 20 wells planned in Cambay, Assam-Arakan, KG and Cauvery basins in FY'15.

50 Shale gas wells to be completed by 2016-17.

Non-E&P business



ONGC Petro-additions Ltd. - world-class one of the biggest Petrochemical Plants in Asia (1.1 MMTPA ethylene Cracker & Polymer plant). ONGC equity (26%). Investment ₹ 21,396 Crore. **Completion expected by Jan'15 .**



ONGC Mangalore Petrochemicals Ltd. - Aromatic Petrochemical Complex - Paraxylene (0.92 MMTPA) & Benzene (0.27 MMTPA). ONGC equity (46%). Investment ₹ 5,750 Crore. **Commercial Operation Date expected by June'14.**



ONGC Tripura Power Company Ltd. - 726.6 MW (2x363.3MW) gas based CCPP at Palatana in Tripura. ONGC equity (50%). Investment ₹ 3,429 Crore. Unit 1 dedicated to the nation by Hon'ble President of India in June'13 and **started commercial production in Jan'14. Second unit expected in Sept'14**

Non-E&P business

ONGC studying feasibility for setting up a gas based 3 MMTPA fertilizer plant in Tripura

ONGC signed an MOU with Mitsui and BPCL for venturing in to LNG business

51 MW onland wind farm commissioned in 2008. Another 102 MW onland wind farm being set up. Exploring the possibility of setting up offshore wind farms.

Globally Acclaimed



- ◆ # 3 E&P Company in the World
- ◆ # 22 Energy Company in the World
(Based on Asset, Revenue, Profit & ROCE)



Forbes

Global 2000 list 2014

Thank you



Fortune Global 500 (2013)



Fortune World's most Admired
Companies 2014

Attractive
employer in
Energy Sector in
India

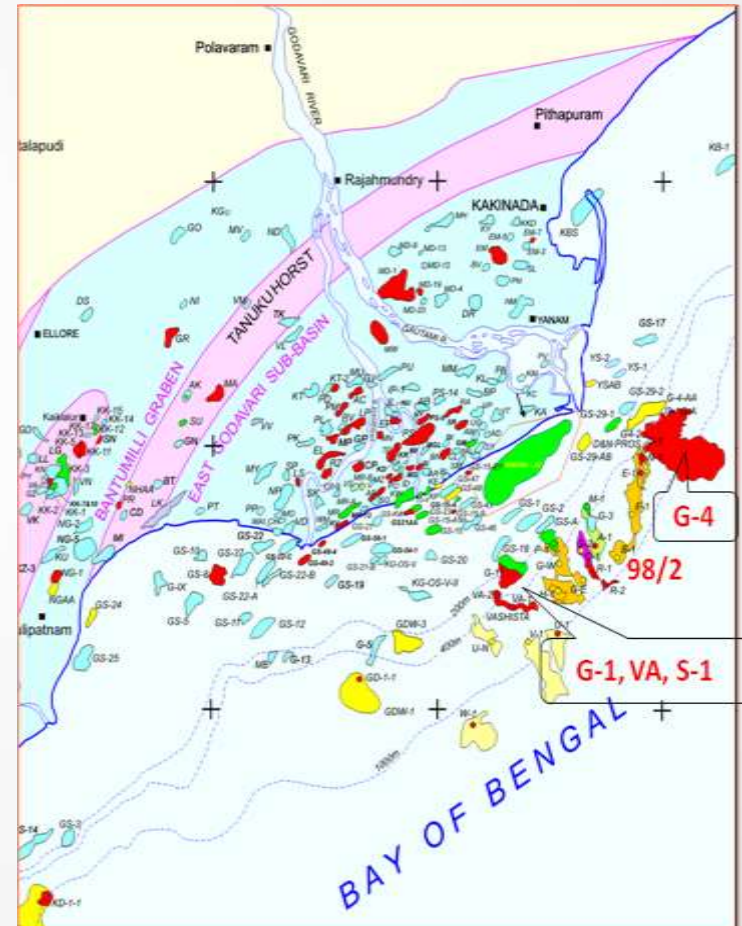
- ◆ Among only two companies from India in the list
- ◆ Only PSU to figure in the list

(Based on the survey of the identified respondents)

Development of Discoveries

KG offshore discoveries: G-1, G-2, Vashista, S-1 & G-4-6

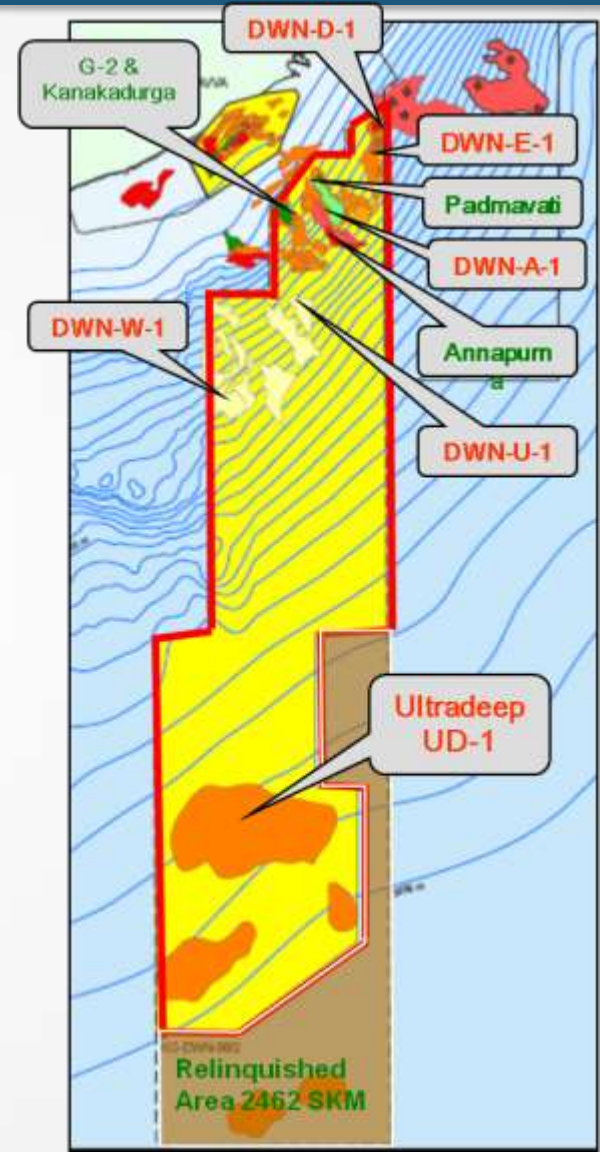
- ▶ Integrated development of G-1/GS-15: Production from both the fields commenced.
- ▶ G-4-6: Appraisal commences; considerable potential established.
 - ▶ Cumulative Gas Production: 39 Mtoe
- ▶ Integrated development of VA & SI by 2015.



Development of Discoveries

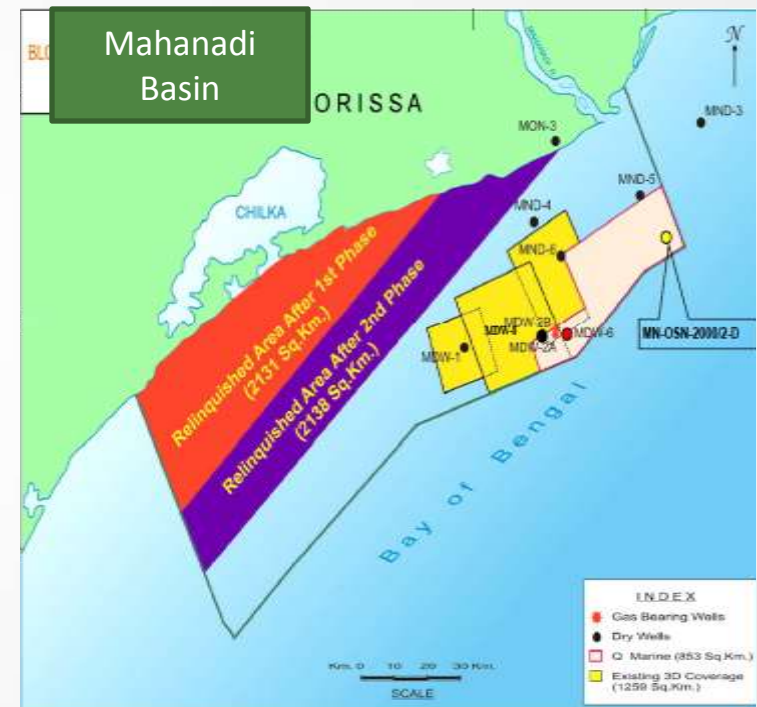
KG-DWN-98/2

- ▶ Integrated development of discoveries - Annapurna, Padmavati, Kanakadurga, D, E, A, U, W, UD (Ultra deep) discoveries in the NDA KG-DWN-98/2 & G-4
- ▶ Initial in-place reserves: 317 Mtoe (along with G-4); envisaged peak production: Oil: 75,000 bopd and Gas: 22 mmscmd.
- ▶ Field to be developed by 2016-17. Appraisal of the block completed with drilling of 8 wells (6 in NDA & 2 in SDA) and revised DOC submitted in Dec'13.
- ▶ KG-DWN-98/2-U-3 has shown good productivity @700,000 m³/d.
- ▶ KG-DWN-98/2-A-2 : Gave oil @ 4,200 on testing. M#3 produced more than 6,000 bopd on testing



Mahanadi Basin

- ▶ With drilling of 5 wells appraisal of MN-DWN-98/3 and MN-OSN-2000/2 blocks.
- ▶ Revised DOC submitted in Dec'2013



Daman – C Series Development

- ▶ Includes development of Daman (main), Daman (North) & C-24. Upside in reserves established.
- ▶ Fields planned under phase-III of development : C-23, C-26, B-12
- ▶ Development advanced by 4 years by 2014-15
- ▶ Concept report for Integrated development of C-24 & B-12 under preparation.
- ▶ Land for surface facilities at Palghar under acquisition
- ▶ Cumulative production > 23 Mtoe @ 13-14 mmscmd
- ▶ Production to commence from Dec 2016

