



Oil and Natural Gas Corporation Ltd.

Press Release

ONGC posts net profit of ₹ 19,945 crore for FY'18, up by 11.4% YoY

New Delhi | 30th May, 2018

Highlights:

- **Gross Revenue of ₹ 85,004 crore in FY'18, up 9.1% YoY**
- **Final dividend of 27% taking total dividend payout in FY'18 to 132%**
- **12 discoveries in FY'18, 3 so far in FY'19**
- **6.3% increase in Gas production from ONGC operated fields**

In its 307th Board Meeting held on 30th May, 2018, ONGC presented the annual results for FY'18.

1. Financial Performance

Particulars	Q4FY'18	Q4FY'17	% Var	FY'18	FY'17	% Var
Gross Revenue (₹ Crore)	23,970	21,714	10.4	85,004	77,907	9.1
Profit Before Tax (PBT) (₹ Crore)	8,240	5,537	48.8	28,892	25,216	14.6
Profit After Tax (PAT) (₹ Crore)	5,915	4,340	36.3	19,945	17,900	11.4
Crude Oil Price-Nominated						
Net Realization (US\$/bbl)	66.71	54.91	21.5	57.33	50.27	14.0
Net Realization (₹/bbl)	4,290	3,679	16.6	3,695	3,372	9.6
Crude Oil Price-JV						
Realization (US\$/bbl)	60.03	48.72	23.2	51.47	44.09	16.7
Realization (₹/bbl)	3,860	3,266	18.2	3,317	2,959	12.1
Gas Price						
Price on GCV basis (\$/mmbtu)	2.89	2.50	15.6	2.69	2.77	(2.9)

2. Production Performance

Particulars	Q4FY'18	Q4FY'17	% Var	FY'18	FY'17	% Var
Crude Oil-ONGC (MMT)	5.041	5.255	(4.1)	20.851	20.886	(0.2)
Crude Oil-JVs (MMT)	0.787	0.791	(0.5)	3.130	3.285	(4.7)
Condensate (MMT)	0.374	0.346	8.1	1.454	1.363	6.7
Total Crude Oil (MMT)	6.201	6.392	(3.0)	25.435	25.534	(0.4)
Gas - ONGC (BCM)	5.798	5.668	2.3	23.484	22.088	6.3
Gas - JVs (BCM)	0.279	0.276	1.1	1.126	1.182	(4.7)
Total Gas (BCM)	6.077	5.944	2.2	24.610	23.270	5.8
Value Added Products (KT)	868	849	2.2	3,385	3,235	4.6

3. Dividend Payout

The ONGC Board has recommended a final dividend of 27%. The Company had earlier declared interim dividends of 105% during the year; thus the total dividend for FY'18 has been 132%.

Dividend Payout during last 5 years:

(₹ in Crore)

Year	Stand-alone PAT	Dividend		Tax on Dividend	Payout %	
		%	₹ in Crore		Including Dividend Tax	Excluding Dividend Tax
2013-14	22,095	190(126.67*)	8,128	1,381	43.04	36.79
2014-15	17,733	190(126.67*)	8,128	1,626	55.00	45.83
2015-16	16,004	170(113.33*)	7,272	1,480	54.69	45.44
2016-17	17,900	121*	7,764	1,579	52.20	43.37
2017-18	19,945	132*	8,470	1,493	49.95	42.47

*adjusted post bonus (1:2) equity

4. Exploratory Performance:

ONGC made 12 discoveries in FY'18. Of the 12 discoveries, 6 discoveries were made in onland (Nominaton-5, NELP-1) and 6 in offshore (Nomination-6, NELP- NIL). Out of 6 onland discoveries, 2 discoveries were monetized during the year itself.

a. Ultimate 2P Reserve Accretion: FY'18

(in MMToe)	
ONGC operated domestic areas	67.83
Domestic JVs	1.02
Total Domestic	68.85

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

In FY'18, ONGC has registered an RRR in excess of 'One' for the twelfth consecutive year. This reflects ONGC's strong exploratory record over the years.

c. Balance Recoverable Reserves as on 31st March, 2018

(in MMToe)				
	Domestic		Overseas (ONGC Videsh)	Total
	ONGC - operated	Non-operated- JVs		
1P	683.46	11.41	287.13	982.01
2P	1136.73	15.36	711.36	1863.46
3P	1402.92	15.92	738.40	2157.24

d. The details of the recent discoveries (notified after the last press release on February 9, 2018) are as under:

1. GS-71-2 (GS-71-AB) in GS-15/23 PML Block, KG Offshore (SW), KG-PG Basin.

The well GS-71-2 in GS 15/23 PML of KG Shallow offshore was drilled to a depth of 3600m. Out of the five objects identified for testing, Object-I in the interval 3437-3440m & 3441.5-3444m produced oil @567 BOPD (90.14 m3/d) and gas @3,35,365 m3/d through 32/64" choke. Further four objects will be tested which indicated presence of hydrocarbon from MDT results. Production from this well can be monetized through GS-23-1 platform connected to Odalarevu GGS.

2. BU-6 (BUAF) in Bhubandar PML Block, Cachar District, A&AA Basin.

The well BU-6 (BUAF) was drilled on Bhubandar prospect in Bhubandar PML of Cachar part of Fold Belt in the state of Assam. The well was drilled to the target depth of 2185m and terminated within middle Bhuban Formation. Four objects were approved for conventional testing. Object-I in the interval 1997.5-2002.5m on testing yielded mild gas. Object-II in the interval 1954-1957m is a new sand developed in Upper Bhuban Formation which on conventional testing has produced gas @ 14093 m3/d with QL@0.14 m3/d (oil / condensate) thru 5mm bean. The success in this well has resulted in a new pool discovery from Upper Bhuban Formation and will lead to an exploration impetus to the area which may add up to the hydrocarbon volume.

In addition, the following 3 discoveries have been notified in the year 2018-19 so far:

1. Babejia -2 (BJAB) in Golaghat Extn-IIA ML.

The Exploratory well Babejia-2 (BJAB), Golaghat Extn-IIA ML located in Upper Assam South was drilled down to 2631m. On testing, Object-II (2361-2357 m) within Sylhet Formation flowed oil @ 89 m3/day and gas @ 5,512 m3/day through 6 mm bean. This has resulted in a new pool oil discovery from Sylhet play. Besides, Object- I (2631-2535m) in Basement, on barefoot testing flowed gas @ 13,680 m3/d through 6 mm bean. Hydrocarbon success from Sylhet play in Babejia structure away from Khoraghat and Nambar fields is an important exploration lead in Upper Assam South and will lead to renewed exploration thrust for deeper plays in the area.

2.GD982NA-M#6 in KG-DWN-98/2 NELP block (Cluster-II PML).

The exploratory well KG-DWN-98/2-M-6 (KGD982NA-M-AE) located in Cluster-II PML of KG-DWN-98/2 NELP block was drilled down to 2750 m at the water depth of 341 m. On testing, Object-I (2654-2666 m, Godavari Clay) produced oil @ 597 BOPD (90.8 m3/d) and gas @ 13137 m3/d through 16/64" choke whereas Object-III (2448-2465 m, Godavari Clay) produced oil @ 2370 BOPD (360 m3/d) and gas @ 62,254 m3/d through 32/64" choke. The discovery of new pool has enhanced the value of the block KG-DWN-98/2 and has opened up further area for exploration.

3. Rokhia-75/RO-75(ROBE) in Konaban PML

The Exploratory well RO-75(ROBE) in Konaban PML located AAFB,Tripura was drilled down to 3230m. On testing, Object-I (3035-3042m, 3042-3048m, Middle Bhuban) flowed gas @ 1,86,000 m3/d thru 8mm bean. The interval is a new sand in Konaban field and is being considered as a new pool gas discovery. The success in this well has further reaffirmed the hydrocarbon prospectivity of new Middle Bhuban sands in northern part of Konaban prospect in Tripura.

5. Consolidated Results

1.	Consolidated Turnover ₹ 3,62,246 Crore (11.2 % up from ₹ 3,25,666 Crore in FY'17(restated))
2.	Consolidated Net Profit (PAT) ₹ 22,106 Crore as against ₹ 24,419 crore in FY'17(restated)

6. ONGC Group of Companies

1.	Oil and Natural Gas Corporation Ltd
2.	Subsidiaries:
i	ONGC Videsh Ltd
ii	Hindustan Petroleum Corporation Ltd
iii	Mangalore Refinery and Petrochemicals Ltd
iv	ONGC Mangalore Petrochemicals Ltd
v	Petronet MHB Ltd

3.	Joint Ventures
ii	Mangalore SEZ Ltd
iii	ONGC Petro Additions Ltd
iv	ONGC Tripura Power Company Ltd
v	ONGC TERI Biotech Ltd
vi	Dahej SEZ Ltd
4.	Associate:
i	Pawan Hans Helicopters Ltd
ii	Petronet LNG Ltd

7. ONGC Videsh Ltd

Production

ONGC's overseas arm, ONGC Videsh Ltd. registered increase in production of oil and gas by 10.63% with net production of 14.164 MMTOE in FY'18, as compared to 12.803 MMTOE in FY'17.

Production	Unit	FY'18	FY'17
Crude Oil	MMT	9.353	8.434
Natural Gas	BCM	4.811	4.369
Total Oil and Oil Equivalent Gas	MMTOE	14.164	12.803

Turnover

The Company has achieved a turnover of ₹ 10,418 crore during FY 2017-18 against the turnover of ₹ 10,080 crore during FY 2016-17 (increased by 3.35%).

Profit After Tax (PAT) and Dividend

The Company registered a PAT of ₹ 981 crore in FY'18, as against a PAT of ₹ 757 crore in FY'17. The Board of Directors of the Company has proposed a final dividend of ₹ 2 per share on fully paid equity share par value of ₹ 100 each, subject to approval by the shareholders. The dividend amounts to ₹ 300 crore.

New Acquisitions

(i) ONGC Videsh Vankorneft Pte Ltd (OVVL), a wholly-owned indirect subsidiary of ONGC Videsh, has completed the acquisition of 30% Participating Interest in Namibia Petroleum Exploration License 0037 on October 3, 2017 for Blocks 2112A, 2012B and 2113B and related agreements (License), Offshore Namibia from Tullow Namibia Limited (Tullow), a wholly owned subsidiary of Tullow Oil plc.

(ii) ONGC Videsh led Indian Consortium comprising of ONGC Videsh, Indian Oil Corporation Limited and Bharat Petro Resources Limited acquired 10% Stake in Lower Zakum Concession, Offshore Abu Dhabi. It is the first time that Indian oil and gas companies have been given a stake in the development of Abu Dhabi's hydrocarbon resources.

(iii) An Exploration Block in Israel with License 412/"32" has been awarded by Petroleum Commissioner to Indian Consortium on March 27, 2018 for exploration duration of 3 years. ONGC Videsh is the operator and each Partner of the Indian Consortium, i.e. ONGC Videsh, Bharat Petro Resources Limited (BPRL), Indian Oil Corporation Limited (IOCL) and Oil India Limited (OIL) hold 25% Participating Interest (PI) each in the License.

8. Hindustan Petroleum Corporation Ltd (HPCL)

ONGC has acquired 51.11% stake in HPCL from GoI during FY'18. Hindustan Petroleum Corporation Ltd (HPCL), ranked 384 in Fortune Global 500 list and 48 in the list of Platts Top 250 Global Energy Companies in the year 2017, has registered outstanding physical and financial performance during the financial year 2017-18.

Refining throughput and Sales Volume

During FY 2017-18, HPCL refineries at Mumbai and Visakh have maximized crude processing and recorded the highest ever combined refining throughput of 18.28 MMT with capacity utilization of 116%, compared to throughput of 17.81 million tonnes achieved during 2016-17. During FY 2017-18, HPCL achieved the highest ever sales volume of 36.87 million tonnes with a growth of 4.7% over historical.

A total of 669 new retail outlets were commissioned during 2017-18 taking the number of total retail outlets to 15,062 as of March 18.

Gross Refinery Margin (GRM)

Gross Refining Margin of USD 7.40 per barrel during 2017-18 as compared to USD 6.20 per barrel during 2016-17.

Turnover, PAT and Dividend

HPCL achieved the highest ever profit of ₹ 6,357 crores on standalone basis during the financial year 2017-18, as against profit of ₹ 6,209 crores during financial year 2016-17. Gross Sales during the financial year has increased to ₹ 2,43,227 crores as against ₹ 2,13,489 crores during the previous financial year. HPCL declared a final dividend of ₹ 2.50 per share(25%) in addition to interim dividend of ₹ 14.50 per share(145%) paid earlier.

9. Mangalore Refinery and Petrochemicals Ltd (MRPL)

Throughput

MRPL has achieved highest ever Throughput of 16.31 MMT for the FY 2017-18 as against 16.27 MMT during last FY 2016-17.

Turnover

MRPL has achieved a turnover of ₹ 63,067 Crore during FY 2017-18 as against ₹ 59,415 Crore during the FY 2016-17 (increase by 6.1 %).

Gross Refinery Margin (GRM)

MRPL registered a GRM of USD 7.54/bbl during FY 2017-18 as against USD 7.75/bbl during FY 2016-17.

Profit After Tax (PAT) and Dividend

MRPL has posted Profit After Tax (PAT) of ₹ 2,224 Crore in FY 2017-18 as against PAT of ₹ 3,644 Crore during FY 2016-17. There was an exceptional income of ₹ 1,597 crore in FY 16-17 on account of exchange rate variation gain arising out of settlement of trade payables. MRPL has declared a dividend of ₹ 3.00 per share (30% of paid-up capital) amounting to ₹526 Crore.

10. Petronet Mangalore Hassan Bangalore Pipeline Ltd.(PMHBL)

PMHBL has achieved its highest ever throughput of 3.50 MMT against 3.429 MMT in the corresponding previous year. The total turnover of the company was ₹ 171 Crores in FY 17-18 which is 4% higher than previous year. The company has earned its highest profit of ₹ 84 Crore. It has declared its maiden dividend this year @ 9% of paid up capital and ONGC will receive ₹ 16.16 Crore.

11.ONGC Tripura Power Company (OTPC)

OTPC, a JV company of ONGC, achieved turnover of ₹ 1,285 Crore during FY 17-18 and net profit of ₹ 125 Crore during FY 17-18. OTPC has declared final dividend of 4% in addition to interim dividend of 5% paid earlier. Total Dividend for FY 17-18 is ₹ 100.80 crore for FY17-18.

12.ONGC Petro additions Limited (OPaL)

ONGC Petro Additions Ltd (OPaL) a JV company of ONGC has started stabilized operation of all its units. In the year 2017-18, OPaL plant has run on an average capacity of around 50%. The capacity utilization is being ramped up and currently the company is operating at nearly 72% plant capacity and average expected is 81% in the F.Y 2018-19. Upon complete ramp up, OPaL would be producing about 1.4 million tons of Polymers and 0.5 million tons of liquid chemicals generating about ₹ 15,000 crore annually in revenues.

13.ONGC Mangalore Petrochemicals Limited (OMPL)

OMPL in its 3rd full year of operation in 2017-18, has achieved highest capacity utilization of average 88% over 82% capacity utilization in the previous financial year. The company has achieved the highest revenue of ₹ 5,561 Crore, a 6% growth over last year, with highest exports of ₹ 4,632 Crore in FY 17-18 establishing a niche presence for its products Paraxylene and Benzene in the international market.

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, 2018 approved by the Board of Directors in their meeting held on 30.05.2018, 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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