Oil and Natural Gas Corporation Limited

Q2 FY'27 Earnings Conference Call

Event Date, Time & Venue

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Room No. 506, 5th Floor,
Deen Dayal Urja Bhawan, Vasant Kunj

CORPORATE PARTICIPANTS:

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Q&A PARTICIPANTS:

1	**Varatharajan Sivasankaran**	: Antique Stock Broking.
2	**Vivekanand S**	: Ambit Capital.
3	**Mayank Maheshwari**	: Morgan Stanley.
4	**Amit Murarka**	: Axis Capital.
5	**Bhaskar Chakraborty**	: Jefferies.
6	**Sabri Hazarika**	: Emkay Global.
7	**Kirtan Mehta**	: Baroda BNP Mutual Funds

Moderator

Good afternoon, ladies and gentlemen. I am Madhuri, moderator for the conference call. Welcome to ONGC's Earnings Conference Call for Quarter ended 30th September 2026. We have with us today, Shri. Anupam Agarwal, Director of Finance, and team who will interact with investors and analysts to discuss earnings for Q2 FY2026-2027.

As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touch-tone telephone. Please note that this conference is recorded.

I would now like to hand over the floor to Sri Anupam Agarwal for his opening remarks.

Anupam Agarwal

Good afternoon, ladies and gentlemen. I'm Anupam Agarwal, Director of Finance, ONGC. I welcome you all for ONGC'sthis earnings conference call for the second quarter of FY 2026-27. Thank you for joining us today.

I am joined here with our Director (Production), Mr. Bhaskar Chowdary, and other colleagues from ONGC. These areat is Mr. Satish Kumar Dwivedi, Chief JV and BD; Mr. Ashok Kumar, Chief Marketing; Mr. Yogish Nayak, Chief Corporate Finance; Dr. Ravinder Singh Negi, Chief - Treasury and Investor Relations; Mr. Sanjay Kumar Sharma and Mr. Prakash Joshi from Investor Relations team; Mr. Pramod Kumar Kalra from Corporate Planning; and Mr. Akhilesh Tiwari, Head - Corporate Accounts. Mr. Mukul Bhatnagar and Mr. D. K. Agarwal have also joined from ONGC Videsh Limited.

ONGC's financial results for the quarter and half year ended 30th September 2026 were approved by the board on 5th November 2026 and have already been disseminated through the stock exchanges along with our press release. This has also been sent to the analysts who are there on our mailing list. The quarter was characterized by strong financial performance on back of improved realizations, even as geopolitical developments in the Hormuz region impacted global supply chains and led to delays in the execution of certain strategic projects including DUDP.

We reported standalone gross revenue of INR 43,857 crore, an increase of over 33% over the corresponding period of last year. Our average crude realization for the nomination fields during the quarter was USD 92.33 per barrel. Stand-alone profit after tax stood at INR 15,489 crore, registering a robust growth of over 57% YoYyear-on-year. Riding on the strong-earning momentum, the company also posted its highest ever H1 profit after tax of INR 32,522 crore. The board also declared its highest ever interim dividend of 160% that is INR 8 per share with total dividend outgo of INR 10,064 crore.

Despite a challenging cost environment marked by inflation and exchange rate volatility, ONGC maintained a strong focus on cost optimization during the quarter. The company's operating expenditure remained well controlled, reflecting the benefits of sustained operational efficiency initiatives and disciplined management of controllable costs across its operations.

During HY FY'27, ONGC generated INR 7,050 crore of revenue from new-well gas, realizing an incremental INR 2,859 crore compared to the APM gas pricing regime, accounting for over 34% of company's nomination gas revenues. New-well gas continues to strengthen ONGC's earnings profile.

On the production front, ONGC's oil and gas output remained broadly stable on a sequential basis during the quarter. Although it moderated marginally on a year-on-year basis, p. Production was impacted by supply- chain disruptions affecting certain projects, including DUDP as well as weather-related operational challenges in offshore areas.

In addition, temporary customer offtake constraints, including a shutdown at the OTPC facility in Tripura affected gas production during the quarter. We are actively addressing these issues, with critical materials now being mobilized and additional wells expected to come on stream in the coming months. Accordingly, we expect a gradual improvement in production and are confident of recovering lost ground in the subsequent quarters.

The TSP, that is Technical Services Provider Program at Mumbai High continues to deliver encouraging results, with green shoots visible and in MH Production, and demonstrating the positive impact of the interventions undertaken. Building on this success, ONGC is moving ahead with a larger drilling and intervention program aimed at further enhancing production from the field.

The TSP program for the remaining Western Offshore assets, primarily the Neelam, and Bassein & Satellite fields, was awarded during the last quarter. Teams have been mobilized and detailed work plans are being finalized, with implementation expected to support production enhancement and other natural declines in these mature fields.

ONGC reinforced its long-term growth pipeline during the quarter by awarding two major Western Offshore development projects with a combined investment of approximately INR 11,800 crore and an estimated hydrocarbon potential of 22 million metric ton of oil equivalent. The projects, covering MB-OSN-2005/1, SD-4 and BS-17 and the additional development of Ratna-1 and NeelamLM-14 are expected to be completed over the next two to two- and- a- half years.

On the exploration front, ONGC has renewed its focus on deepwater exploration under the Government of India's Samudra Manthan initiative. We are encouraged by the positive results from exploratory drilling in Mahanadi Offshore Basin, where gas has been encountered, affirming the prospectivity of the Indian Eastern Offshore basins. We are optimistic about the potential of emerging prospects in Utkal, Konark, and Mahanadi areas, which could open new growth avenues for the company.

A significant policy milestone during the quarter was issuance of detailed operational guidelines for the Samudra Manthan, National Offshore Exploration Scheme. To support this, ONGC is scaling up its deepwater drilling capabilities. One deepwater rig is already operational in Mahanadi Basin, while the second deepwater rig is expected to be mobilized during this financial year.

We are also encouraged by the gas discoveries in the Silchar region. With the commissioning and expansion of IGGL gas pipeline network, these stranded gas resources are expected to be monetized, contributing to ONGC's future production growth.

The ONGC Group posted a consolidated profit after tax of INR 18,535 crore in Q2 FY'27. Driven by solid contributions across its business, HSPCL rebounded strongly during the quarter on the back of improved GRMs, while ONGC Videsh and MRPL delivered notable performances. The results underscore the benefits of ONGC Group's integrated and diversified energy portfolio and its ability to deliver resilient earnings across business cycles.

ONGC Petrochemicals Marketing Limited was incorporated on 7th October 2026 to serve as a single, integrated, market- facing platform for the marketing and trading of petrochemicals, chemicals, and related products across the ONGC's Group.

The initiative is aligned with ONGC's downstream and petrochemical strategy and is expected to enhance market reach and unlock greater value across the group's petrochemical value chain. ONGC is not only delivering robust earnings today, but it is also building the foundation for sustainable growth tomorrow through focused investment in production growth, portfolio diversification, and operational excellence. We are strengthening our ability to generate higher cash flows and enhance stakeholder returns. With that, I conclude my opening remarks.

Thank you.

Moderator

Thank you, sir.

Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you'd like to withdraw your request, you may do so with pressing * and 1 again.

The first question comes from Varatharajan Sivasankaran from Antique Stock Broking. Please go ahead.

Varatharajan Sivasankaran

Thanks for the opportunity, sir. First question on the higher other expenses as well as higher depreciation and lower tax rate during the quarter. What were the drivers behind that?

Anupam Agarwal

Yeah. Higher other expenditure, actually, there was a case relating to terminal excise duty receivable from DGFT for INR 1861 crore, and this is already under litigation at high court level. Though we are confident that we should win this case, but as a matter of conservation accounting, we have provided for that amount, because the decision from from the court is still pending. That coupled with decrease in OpEx by INR 609 crore and decrease in exchange loss by INR 625 crore, the net impact was about INR 600 crore increase in the other expenses.

The other thing you talked about, lower corporate tax. So that is basically certain part of income, which is not taxable. The dividend earnings were higher this quarter. And, you know, dividend, we got 80M benefit. So, because of that, there was net overall lesser impact of the tax in this quarter.

Varatharajan Sivasankaran

Cool, sir. And a higher depreciation as well, sir?

Anupam Agarwal

We have also provided some impairment for the exploratory wells, which were carrying for longer period, and that is being clubbed in the depreciation figure. That's why you are seeing a little higher other depreciation figure.

Varatharajan Sivasankaran

Fair enough, sir. Secondly, you spoke about all the projects and updates. So, if you can provide some guidance on the production numbers as well for FY'27, FY'28, and if possible, FY'29 as well.

Anupam Agarwal

This year, we are expecting somewhere around close by about 39 MMT oil equivalent of gas. And next year should be little higher, maybe 0.5 to 1 million ton extra.

Varatharajan Sivasankaran

Fair enough, sir. And finally, on the Samudra Manthan, how many wells are we going to drill under that plan in the current year? And if you have a plan for next year or maybe even the next two years? And if possible, to quantify the benefit as well.

Anupam Agarwal

You see, let me answer the second question first, then I will answer the numbers. Samundra Manthan is an exploratory scheme. Exploration in deep and ultra deep water. So, nobody can quantify, though we have a lot of expectation from those blocks, and that is the nature of exploration business.

Regarding numbers are concerned, this year, we are planning four wells. Next year, we have a plan of building up to 13 wells, but that will depend on availability of rigs. We have already got two rigs on hire, and we are looking for other opportunities. You know the deepwater rig market is tight at this moment. So, we are looking at the rigs. If we get those rigs, we'll be completing 13 wells next year.

Varadharajan Sivasankaran

Thanks a lot, sir. That was very useful.

Moderator

Thank you, sir. Participants are kindly requested to ask one question in the initial round and may join the queue for more questions. The next question comes from Mr. Vivekanand S from Ambit Capital. Please go ahead.

Vivekanand S

Yes. Thanks for the opportunity. Can you refresh us on the current production from the first part of the TSP that you have with BP in Mumbai High as well as the current production of KG-DWN-98/2? And as an extension to this, if you can highlight what is the upside you expect for production from these two areas, the TSP-1 as well as KG-DWN-98/2 in FY'28 and FY'29? If you can split between oil and gas, that'll be great. Thank you.

Anupam Agarwal

You see, TSP is not a stand-alone production. It is relating to the field, that is Mumbai High field, which is under TSP-1, and there, we are already seeing significant early shoots that, with the technology and the, support provided by BP. The kind of interventions we are seeing, those are giving good results. But it is difficult to quantify specific results at a specific point of time. It is a ten-year contract. And as part of contract, we have a plan to achieve a certain upside on that TSP-1.

So, the guidance I have given, that is at ONGC level 39 MMT for this year and about 0.5 to 1 MMT more for the next year, that remains. The field-wise details, if you need, those will be provided separately by our IRC cell. They will provide you what sort of additional information you need.

Vivekanand S

Thank you, sir, for the color. What about KG-DWN-98/2?

Anupam Agarwal

Yeah. KG-DWN-98/2, if you remember the last investor call and then subsequent press meet also, we had told we are seeing some kind of subsurface surprises So, production today, oil terms, we are seeing about 19,000 barrel per day.

And gas, some wells were to be connected this quarter, but, you know, the offshore was facing the monsoon time, and then there was recently Arnab there, which disturbed the project schedule there. Now, we are expecting those wells to be completed by the next quarter.

Vivekanand S

Okay. Thanks a lot.

Moderator

Thank you, sir. The next question comes from Mayank Maheswari from Morgan Stanley. Please go ahead.

Mayank Maheshwari

Sir, can we talk a bit about the initiative around marketing on the petrochemical side? And also, in terms of the performance for the petrochemical OPaL, can you just walk us through what's the performance being this quarter?

Anupam Agarwal

You see, regarding the new initiative, we are taking the joint marketing company for petrochemical between OPaL, ONGC, and MRPL. We have a significant petchem portfolio. And presently, our companies were -- currently, these companies were marketing the same products in the same market under different brand name at different prices. And there, we were seeing that there were significant losses in terms of the marketing discount they were required to offer.

So as a group strategy, we have decided to come together and have a single umbrella marketing framework. So, this new company will be marketing for all the three together. So, it will result in significant reduction in the marketing cost, the supply chain cost. Also, the prices, we will be better able to hold in this case. So that is the objective on that.

And regarding the position of petchem, you might be aware, last quarter, the petchem prices saw some rebound. And that's why we were able to see a positive EBITDA for OPaL. But at the same time, you know, because of Hormuz situation continuing in the second quarter, the feedstock prices also went up. What we feel as the feedstock prices stabilizes, and we are seeing some development like what is happening in USA, etc.

So, as the feed stock prices stabilize, the company will be in much better position. At the same time, ONGC Group is trying to get ethane from USA. We have already contacted two ships which are under construction and will be delivered by early part of 2029. And we are also in talk with the US companies to tie up long-term ethane prices. So, with ethane tied up as a feedstock for the project, OPaL will see much better days in days to come.

Mayank Maheshwari

Sir, would you be able to quantify the numbers in terms of synergy benefits from this marketing company as well as what is the EBITDA and net profit for the quarter for OPaL?

Anupam Agarwal

Yeah. EBITDA and net profit, I will tell you. But regarding the synergy numbers, it will be difficult to quantify at this stage. This is that directionally we are working, but significant upside will come.

INR 147 crore was EBITDA, positive.

Mayank Maheshwari

Okay.

Moderator

Thank you, sir. The next question comes from Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka

Yes. Hi, thanks for the opportunity, sir. On the volume front, you mentioned KG-98/2 oil production. Could you also give gas production in Q2?

Anupam Agarwal

Yeah. Gas production, basically, some wells could not be connected till date. We are planning to connect three wells in the fourth quarter. So, with that additional about 1.5 MMSCMD will be coming from those three wells, expected.

Amit Murarka

But what was the volume in the second quarter?

Anupam Agarwal

Second quarter, gas volume, just a minute. That's what it was around 2 MMSCMD.

Amit Murarka

Okay. 2 MMSCMD, and then you expect another 1.5 to come by what Q4 roughly?

Anupam Agarwal

Q4.

Amit Murarka

Sure. And, OPaL, I didn't get the numbers right. You mentioned INR 147 crore positive EBITDA, right?

Anupam Agarwal

Yes.

Amit Murarka

And that's for Q2. Could you give H1 numbers also?

Anupam Agarwal

INR 90.08 Crores

Amit Murarka

Sorry? How much?

Anupam Agarwal

INR 90 crore.

Amit Murarka

For H1, okay. And PAT numbers for the same, please?

Anupam Agarwal

So, PAT number basically, Q2 was INR 494 crore negative, and half year is INR 1,100 crore.

So, one thing that I wanted to add, last year, OPaL interest cost was around INR 2,000 crore, which has been coming down now, if we see it. So, we are targeting that to happen.

Actually, last two years, ONGC group has taken a lot of steps for making this OPaL variable capital restructuring what carried out, INR 18,000 crore was infused in that. Lot of costly debt has gone. And at the same time, ONGC is also providing support to them in terms of getting the loans at a much more viable rates. So, the financing cost is coming down.

So, what I want to say that with this thing happening, the steps we have taken in the past, and the feedstock supply we are tying up through ethane route, the company will be posting much better things.

Amit Murarka

Understood. Also, on earlier question on TSP performance, you mentioned that, like, it's part of the overall Mumbai High. But, generally, what I understand, like, the arrangement is basically based on a certain performance criteria to kind of reward the partner BP. So, there must be some monitorable or some data point that is -- that must be getting generated to kind of compensate the partner. Is that understanding correct?

Anupam Agarwal

You're right. But, actually, we have the first two-year period, their compensation is not linked with the performance. It is linked with the, basically, general - we are paying a fixed fee for the period. So that incremental cost and the sharing part will start once the two-year period is over. That is from April 2027 onward. But what has happened during this period itself, they had searched at many of the possible interventions in terms of in-field drilling etc. We are taking all those steps, and we are seeing that there are gains. And especially in gas front, there is a significant gain we have seen.

Amit Murarka

So, any numbers that you could indicate as you know this is just important to kind of build out the future forecast for volumes?

Anupam Agarwal

Our Director (Operation) will answer. Mr. Bhaskar Chowdary is there.

Bhaskar Chowdary

I'm sure you'll appreciate that oil and gas projects normally have a longer gestation period because we have to plan the drilling and other things. There are some green shoots and gas output from the Mumbai High Area. And simultaneously, some pipeline replacements and things have also been taken up on an aggressive mode. So, we are trying to build up the capacities for increasing our injection volumes.

And then we expect this trend to continue. Nevertheless, Mumbai High has been recording a better production of gas off late.

Amit Murarka

Sure. I get that. And also, the exploration write-off that was recorded in the second quarter, it was a bit higher. So just to understand, is there any large kind of field or, sorry, well been written off in this? If you could just name any one or two key wells which are written off.

Anupam Agarwal

No. No. There's not much of write-off, but some of the wells, where, we have a long plan to re-enter at some stage. But those wells are pending for some longer time. So, based on the advice from the audit, we decided to provide impairment provision. So as and when a decision is taken for field development, the plans are firm, then we will again take a look on that. This year, there is no specific, very significant write off on the well.

Amit Murarka

Okay. Thanks a lot, and wishing you a very happy Diwali.

Bhaskar Chowdary

Thank you. Happy Diwali.

Anupam Agarwal

Thank you. Happy Diwali.

Moderator

The next question comes from Varadharajan Sivasankaran from Antique Stock Broking. Please go ahead.

Varatharajan Sivasankaran

Thanks for the opportunity again, sir. One update for the Mozambique. How much we have spent so far? And incrementally, what is the CapEx required for you to contribute till the commissioning of the due new trains?

Anupam Agarwal

You see, in this project till date, we have invested about USD 7 Billion and the project is progressing well. You know, this project was under force majeure of four-year period. So last year, the force majeure was lifted, and activities are going in full stream. Already, the completion of about 49% has already been achieved. There were some other issues.

The tranche of the financing was already completed. The sovereign guarantee from Mozambique government has also been approved by their cabinet, and we expect drawdown on the project will start sometime next month onward. So, Mozambique is, going in full stream now.

Varadharajan Sivasankaran

And if you can provide an update on Sakhalin and the Venezuela as well, sir?

Anupam Agarwal

Sakhalin also is doing well. We have already re-entered in this project in December '25. And since then, we are getting the accounts for that, and those are being consolidated in OVL account and in turn with the consolidated round of ONGC Group. And this project is also doing very well in terms of the production performance. They are continuously going for additional well drilling, and the average production during first half was 183,000 barrel per day for Sakhalin. So, it is almost coming to the same level where it was before the crisis happened in 2022.

Varadharajan Sivasankaran

And Venezuela as well, sir?

Anupam Agarwal

Okay. Venezuela, you know, we are already under discussion with them. We are there in two projects. This is San Cristobal and Petro Carabobo. San Cristobal, with PDVSA, the national oil company of Venezuela, we are the sole partners. So there, the discussion is going on, and we are trying to see a new type of operating arrangement where we will take the operatorship, and we'll run the project.

Petro Carabobo, there are other partners also like Repsol. So, at partner level and also with the government discussions around, we have got necessary approvals and offer clearances of these new arrangements. They are at advanced stage, so I will not be able to share the details of specific provisions of those agreements. But we expect in next three to six months' time, those agreements will be in place, and we will be San Cristobal's sole operator, and in case of Petro Carabobo, joint operators. And we are ready to start working on those fields.

Varatharajan Sivasankaran

That's great, sir. In case you have a CapEx number finalized already for that, if you can share that, sir? Otherwise, it's fine. Thanks.

Anupam Agarwal

You see, at this stage, we'll not be able to share any number. Yes, various things are under discussion. But until and unless the agreements are signed, the controls of those agreements, what will be the share of different partners, we'll not be able to share the numbers at this stage.

Varatharajan Sivasankaran

No problem, sir. Thanks a lot.

Moderator

Thank you, sir. The next question comes from Mahesh Tolani from Go-Quarter. Please go ahead. Mahesh, sir, please go ahead with your questions, sir. There is no response.

Next question comes from Bhaskar Chakraborty from Jefferies. Please go ahead.

Bhaskar Chakraborty

Thank you. I wanted to ask if the 500 odd million dollars of dividend debt to Venezuela, which was stuck up all these years, have you received that now?

Anupam Agarwal

No. The situation is there only where it was earlier in terms of dividend and other things. Everything will be -- basically, we are still discussing how to enter into operationalizing two projects again. So, once those agreements are finalized, then we'll be looking at that.

Bhaskar Chakraborty

So, then, you are basically putting more capital to work there without receiving all your dues over the past decade?

Anupam Agarwal

You see, what is happening in this project. In earlier system, we did not have offtake rights. The crude oil sale rights were with the national oil company of the Venezuela. And that is why this situation of dividend getting a stock up has happened. Now, in the new arrangement, we will have offtake right. We'll be, operating the project. We will offtake the produce. We will sell. And we will discharge various fiscal region related responsibilities to the government of Venezuela, and rest will belong to us.

So, actually, you see, there are two phases of this project. One is pre that agreement and the second is post that agreement. So, pre will continue to be discussed, and we will try to find out how that amount we will settle. It may be part of this arrangement with the new agreements we are planning, or it may be some other set of agreements. Or we may get some other fields also. Various options are still under discussion.

Bhaskar Chakraborty

You will be able to repatriate your profits under the new arrangement?

Anupam Agarwal

We will be able to take produce to wherever we want to take for selling. So, obviously, everything belongs to us.

Bhaskar Chakraborty

And what about the amount that was stuck with Sakhalin, which was there in some Singapore banks, and you were trying to repatriate that to India?

Anupam Agarwal

No. Certainly, no amount was stuck up there. There was another project, Vankorneft.

Anupam Agarwal

Yeah. So, I hope you heard my reply, or should I say again?

Bhaskar Chakraborty

No. For Vankorneft, please, could you clarify because your line got disconnected?

Anupam Agarwal

So, we had some dividend relating to Vankorneft project, which was stuck up in Russia, that we have already utilized, and no amount is stuck up in Russia today.

Bhaskar Chakraborty

So, you utilized that to fund your CapEx in Sakhalin?

Anupam Agarwal

We had utilized to meet our abandonment fund liability in Sakhalin.

Bhaskar Chakraborty

Okay. So, just to clarify that, all your profits generated in Russia and in Venezuela cannot be repatriated outside of those two countries as things stand right now?

Anupam Agarwal

No. I did not say so.

Bhaskar Chakraborty

But have you been able to repatriate any profits from these two geographies till date?

Anupam Agarwal

Not yet. But kind of arrangement we are entering in the new regime, Venezuela, what's our production we will make, we will have offtake right and through that route, we'll be getting our dues.

And regarding Sakhalin, we got in last year only December. A year is not yet over. They will declare dividend. And once the dividend will be declared, that dividend, we can bring it to India. There's no restriction as of today, on repatriation of dividend from Sakhalin project.

Bhaskar Chakraborty

Thank you very much.

Moderator

Thank you, sir. The next question comes from Sabri Hazarika from Emkay Global. Please go ahead.

Sabri Hazarika

Yeah. Good afternoon, two questions. Firstly, now that we are at this almost like INR 1 lakh crore operating cash flow run rate annually, So, what is the plan of action in terms of this excess cash flow, whether it would be like given in the form of, like, more than 50% dividend payout or put under additional CapEx? What is the thought process?

Anupam Agarwal

You see, the CapEx, we have been incurring about $3.5 to 4 billion per year, and we plan to continue. At the same time, we are looking out various kind of diversification opportunities. So, if anything materializes, we will do. Regarding dividend front, generally, we pay about 40% or so. So, at this stage, we'll not be able to say anything more, but we will plan to continue around that level of dividend.

Sabri Hazarika

Okay. Fair enough.

Anupam Agarwal

Sabri, if you have seen, we have paid almost record first interim dividend of 160%. That's INR 8.

Sabri Hazarika

Right. Right. Right. That's why I was wondering the interim dividend rate itself was -- being first interim dividend, it is quite substantial. So is there a thought process of, like, I think this is like some sort of windfall income itself that we are, like, earning close to $95-100, so is there a thought process of, like, rather than building lot of cash.

Anupam Agarwal

We are not seeing that way. We are going to maintain our dividend policy the way we have maintained in the past. There is no change in the dividend policy. And our focus remains in E&P, you are aware.

And E& P, we are anchor player in Samudra Manthan project. So there also, some money will be spent for maintaining our requirement in the Samudra Manthan project.

Sabri Hazarika

Got it. Second question is on your key natural gas assets. So, can you just give us an update on Daman, what is the current production and what is the outlook for the next one year? Also, whether DSF is on schedule? And also, KG-98/2, you have mentioned it will be 3.5 MMSCMD by FY'27 end, but is there further upside to it? Or should 3.54 MMSCMD be the peak? That's all from my side. Thank you so much.

Bhaskar Chowdary

Yeah, KG-98/2, yes, towards the end of the financial year, we expect to get started and add this $2,000,000 as we have already mentioned. DUDP, about half the wells are done. Most of the -- few more wells are under drilling, having been monsoon locations. So, we expect to start incrementing some volumes over there and then try to stabilize those numbers. And you were mentioning about?

Sabri Hazarika

DSF-II.

Anupam Agarwal

DSF-II, it's construction work in progress. We would assume that we should be able to start getting the volumes at least towards the end of this financial year.

Sabri Hazarika

Okay, fair enough. Thank you so much.

Anupam Agarwal

Thank you.

Moderator

Thank you, sir. The next question comes from Kirtan Mehta from Baroda BNP Mutual Funds. Please go ahead.

Kirtan Mehta

Thank you, sir, for the opportunity. In terms of the TSP that we have with BP, while you said that it's difficult to sort of share the result, but would it be possible to at least now share what is the baseline decline rate that we are seeing for oil and gas separately in this field? And from next year, when we start sharing, what sort of the agreement is emerging where and what would be the sharing mechanism that would be in place? Also, you also mentioned that there is also an increase in the Mumbai High production. So, if we can highlight that number as well, that would be useful. And outside Mumbai High, in our other portfolio, what are the current decline rate that we are seeing?

Bhaskar Chowdary

Yeah. You will accept that these decline rates are usually long-term numbers. It's not that what we see over the last six months, last eight months or so. So, they are subject to completion of projects and, you know, any facilities being under revamp or whatever. The terms of the contract in the TSP-I and II have been frozen under the contract. So, we will be working out the payouts to them depending upon the actual performance towards the end of the year. So, it is not based on any temporary up or down situation.

Kirtan Mehta

Sure. Would it be possible to share at least the total Bombay High production levels at this point of time when we say it has improved? What was it last year and how much improvement is there?

Bhaskar Chowdary

Well, at the starting point, when the uptick started to appear, it has actually gone up by approximately around -- let me put it like this. On a day basis, maybe we had about 7-8% incremental on the gas. So let me put it that several things have to stabilize onto a longer-term platform time frame before we can attribute so much to a particular event or to a particular support.

Kirtan Mehta

Sure. And outside Mumbai High, what kind of average long-term decline rate that we are currently observing?

Bhaskar Chowdary

Long-term current rates would depend because we constantly do developmental activities, but natural decline is a phenomenon in petroleum and natural gas oil fields. So that being the case in point, with the DUDP and other things coming up, we hope to arrest a part of it this time.

Kirtan Mehta

These are the new projects. What I'm asking is about the existing projects. If we are doing a normal maintenance work, what kind of sort of a decline we'll have to continue to observe for next two, three years in the existing field? New projects will offset, I mean, will add the production, that I do understand. But what kind of the baseline decline that we are working against?

TSP is the one where we have taken a space for Mumbai High where we are planning to arrest the decline. But for rest of the field, I think it will continue at the similar decline rate. It would be good to have that understanding.

Bhaskar Chowdary

Yeah. Generally, a 5% to 8-9% is what you would count as an industry standard of decline. Because they constitute multiple fields. Somewhere it could be as low as 4%, another place it can be as high as 9% depending on the geology, local geology. So, on an average, you can say 6- 8% is what you could perhaps count as a standard metric around in the industry, which we are also encountering.

Kirtan Mehta

Sure. Just one last question on the KG-DWN-98/2. Currently, oil production is at 19 kb/day, and we have sort of encountered the geological challenges. So, is there now sort of a path clearer from here how to ramp up this production and what are the steps needed? Or will it need some more time before we would be aware about the path to increase production from here?

Bhaskar Chowdary

We are working on that right now. It's definitely a much more complex system than what we had originally envisaged. And that is also a reason why we've had a small dip along the time. But at this point in time, we are still working on several concepts, and we hope to make the runway clear on this matter.

Kirtan Mehta

Timeline, would you be able to say? When would we have some communication in this regard?

Bhaskar Chowdary

That would be a little hard to guess at this point because several factors are being under study. With more information coming in, we shall have to connect the dots into a trend and then see how to handle this.

Anupam Agarwal

You see, 98/2 is a deep-water project. So, the resource mobilization takes certain time frame. So, we are studying the various options, including the cost involved in those well interventions. And based on that, we'll take a view. So that process is taking some time, but we are definitely working on how to come back on the 98/2 project.

Kirtan Mehta

Sure, sir. Thank you for these clarifications.

Anupam Agarwal

Thank you.

Moderator

Thank you, sir. That would be the last question for today. Now, I hand over the floor to Dr. Ravinder Singh Negi for closing comments.

Ravinder Singh Negi

Thank you, madam. With this, we believe we have addressed all the queries made by our investors and analysts. Should there be any further questions, participants may kindly reach out to our Investor Relations team, and we will be happy to assist.

I would like to express my sincere graduate to Director (Finance) and Director (Operations), ONGC, for sharing valuable insights in addressing the participants' queries. I also extend my thanks to all our senior colleagues for their participation and support during the call. Most importantly, I would like to thank all our investors, analysts, and participants for joining us today and for their continued interest in ONGC. We appreciate your time and engagement, and we look forward to interacting with you again.

Thank you and have a pleasant day ahead. Happy Diwali. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now.

Thank you and have a pleasant evening.

Note: 1. This document has been edited to improve readability.

2. Blanks in this transcript represent inaudible or incomprehensible words.