



# OIL INDIA LIMITED Investor Presentation

November 2009



## Disclaimer



This presentation contains certain forward looking statements concerning OIL India's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on projects, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.



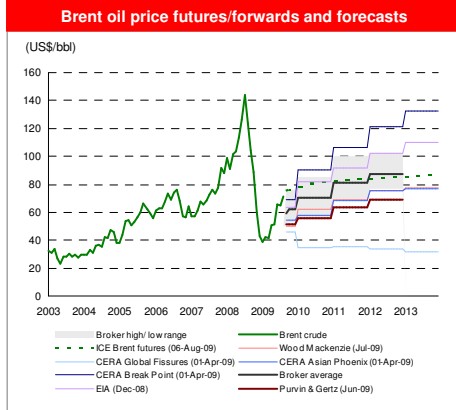
- ▶ Sector outlook and opportunities
- ▶ OIL India – An overview
- ▶ Business structure, performance and strategy
- ▶ Financial performance



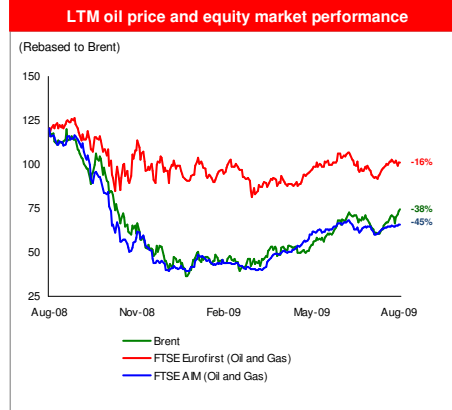
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## Global Oil and Gas trends



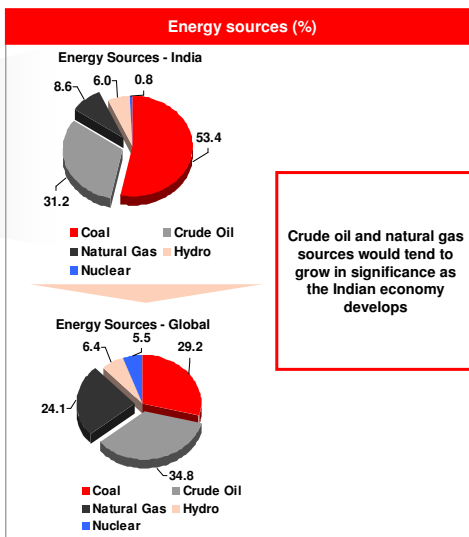
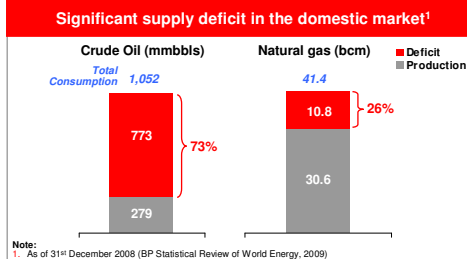
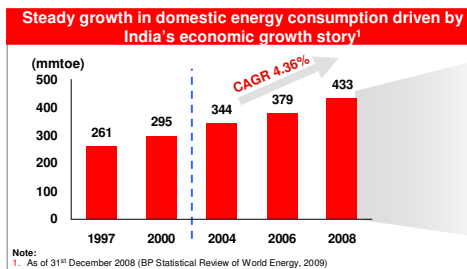
Source: Broker reports, Bloomberg, Wood Mackenzie, CERA, Purvin & Gertz, EIA



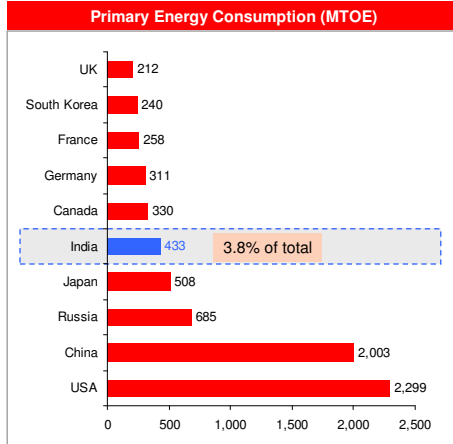
Source: Datastream, FactSet market data as at August 2009

Most analyst reports point to a long term increase in the prices of crude oil as reflected in the Brent oil price futures and the recovery in the Oil-related indices

## Domestic Industry environment

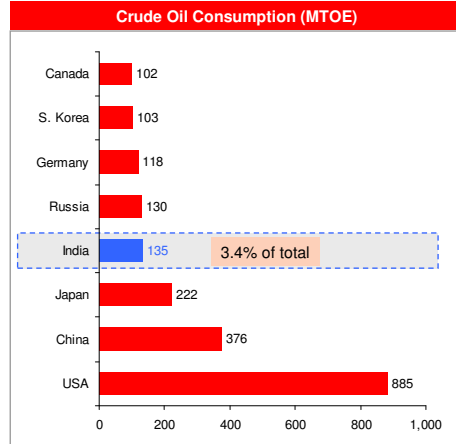


## India: Energy scenario



- 53% of primary energy consumed by 5 countries
- India is the 5th largest consumer of Primary Energy
  - India CAGR (1998-2008): 4.8% vs. Global CAGR: 2.4%

**Note:**  
 (1) Annualized crude oil production rate of 26.24 mmbœ in Q2 FY2010  
 (2) Annualized crude oil delivery rate of 26.90 mmbœ in Q2 FY2010



- World oil consumption (2008): 3,928 MTOE
- India is the 4th largest consumer of Oil comprising 3.4% of total
  - India CAGR (1998-2008): 3.9% vs. Global CAGR: 1.3%

**Note:**  
 (1) 1 BCM of Natural Gas = 6.2898 MMBOE

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## OIL at a glance



India's premier Oil & Gas company engaged in the exploration, development, production and transportation of crude oil and natural gas in India

<b>Acreage</b>	<b>Domestic acreage:</b> 117,622 <sup>1</sup> square kilometers; <b>International acreage:</b> 41,273 square kilometers
<b>Reserves</b>	Est. independent proved plus probable crude oil reserves: <b>575 mmbœ</b> Est. independent proved plus probable natural gas reserves: <b>399 mmbœ</b>
<b>Management</b>	Professionally managed company with <b>experienced management</b> with a proven track record
<b>Credit rating</b>	<b>ICRA</b> has assigned an <b>A1+ (A one plus)</b> rating to Rs. 5 billion short-term debt programme of OIL indicating highest safety
<b>Size</b>	Revenue: USD 1,677 m (FY09) and USD 929 m (1H2010) PAT : USD 460m (FY 09) and USD 301m (1H2010) Market cap : USD 5,852 mn <sup>2</sup>

A corporate citizen committed towards corporate social responsibility, environment protection, implementation of safety measures & conservation of natural resources

**Note:**  
 1. Excluding blocks provisionally awarded in NELP VIII  
 2. As of 29<sup>th</sup> October 2009

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## Rich heritage of building a company



- Independent India's first commercial oil discoveries were made by Assam Oil Company
  - Nahorkatiya, Assam – 1953
  - Moran, Assam – 1956
- Incorporated as Joint Sector Company on 18 February, 1959
  - 2/3<sup>rd</sup> Owned by Assam Oil Company / Burmah Oil Company
  - 1/3<sup>rd</sup> Owned by Government of India
- Became a Public Sector Undertaking, GOI on 14 October, 1981
- Five decades of experience in Exploration & Production
- Second largest national oil and gas company in India
- Achieved overwhelming response in its maiden public issue on 30 September 2009



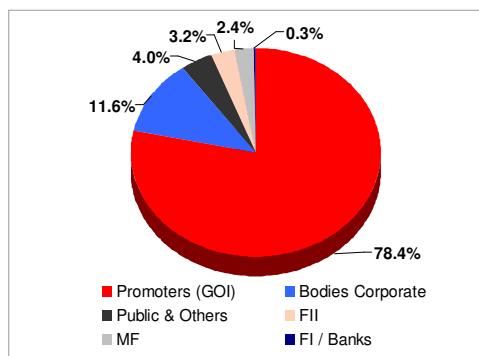
## Select highlights for H1 FY2010



- ✓ OIL's shares listed on September 2009 at a 8% premium to its issue price on the NSE and continues to trade above issue price
- ✓ Highest ever crude oil production at 3.58 mtpa - a 2.2 % increase over Q2, 2008-09
- ✓ Highest ever crude oil delivery at 3.67 mtpa - a 3.9 % increase over Q2, 2008-09
- ✓ 1 hydrocarbon discovery in August, 2009 in Well, Umatara -1 in Barail formation adjacent to Sapkaint structure in Dibrugarh district in Q2
- ✓ Achieved a cumulative increase in drilling activity upto 1H FY2010 by over 24%
- ✓ Drilling commenced in Libya on 31<sup>st</sup> October,2009
- ✓ OIL as Operator spuds the first well, LOC: AMG-1, in NELP-VI Block: AA-ONN-2004/1, Amguri, under NEF Project on 25th October'2009

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## Shareholding pattern



Key shareholders	% Shareholding
Indian Oil Corporation	4.45%
Bharat Petroleum Corporation	2.23%
Hindustan Petroleum Corporation	2.23%
ICICI Prudential Life Insurance	1.35%
SBI Life Insurance	0.41%
Prudential India Equity (FII)	0.34%
HDFC Standard Life Insurance	0.27%

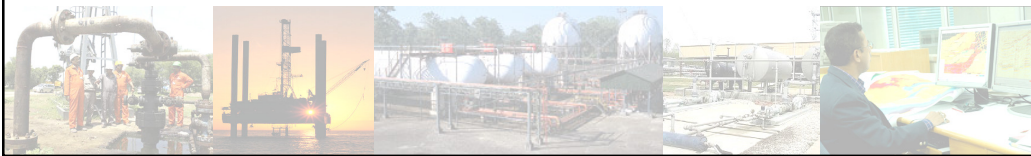
- **Listing:** Listed on the BSE and NSE on 30<sup>th</sup> Sept 2009
- **Number of shares outstanding:** 240.45 mn
- **Dividend:** FY09 dividend per share of Rs. 305
- **Share price as on 29<sup>th</sup> Oct 2009:** Rs. 1,132 (NSE/BSE)

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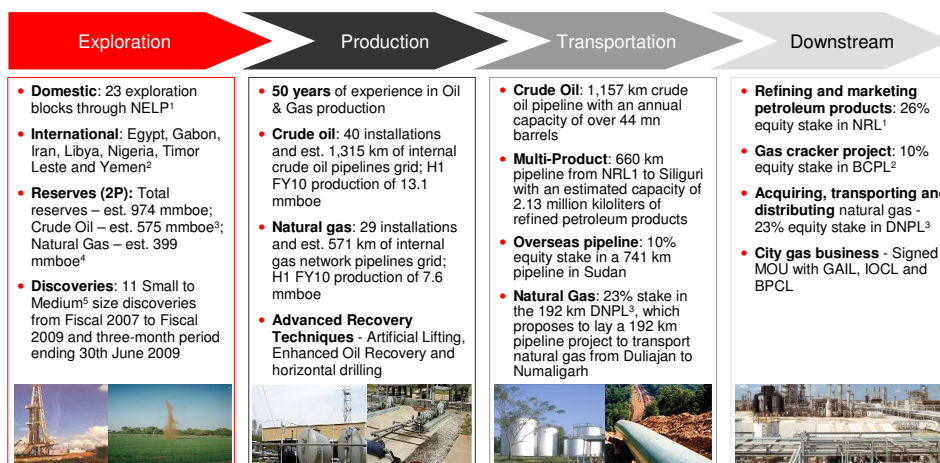
## Oil India Investor Presentation – H1 FY2010



- ▶ Sector outlook and opportunities
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## Key lines of business



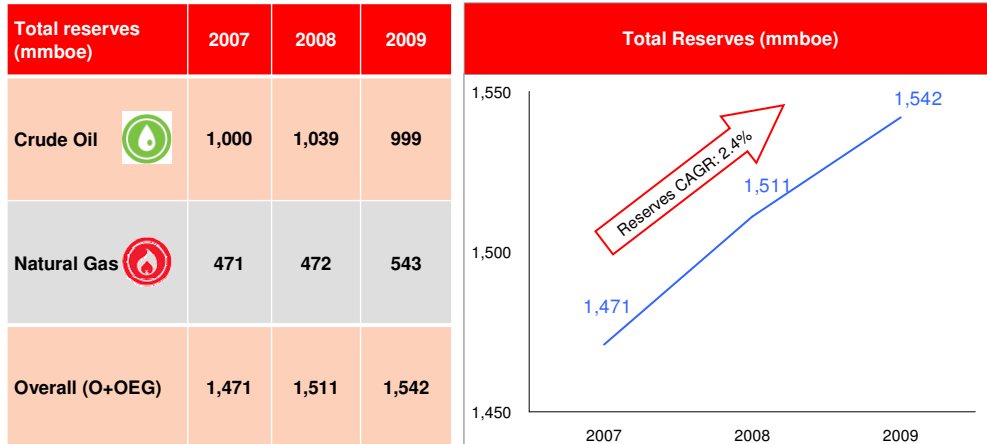
**Note:**

- 27 blocks acquired in 7 rounds of NELP and 4 relinquished. 9 blocks have been provisionally awarded under NELP VIII.
- Participating interests in exploration and development blocks
- Oil Reserves include participatory interest in Khasang; Based on our unaudited independent proved plus probable crude oil reserves as of 31<sup>st</sup> March 2009; Include certain reserves attributable to condensate from non-associated gas reservoirs
- Based on our unaudited independent proved plus probable natural gas reserves as of 31<sup>st</sup> March 2009; Includes certain reserves attributable to fuel gas consumption
- Small to Medium size discoveries: Estimated proved plus probable reserves size of less than 30 million barrels of oil and oil equivalent gas
- MMBOE – Million Barrels of Oil Equivalent

**Note:**

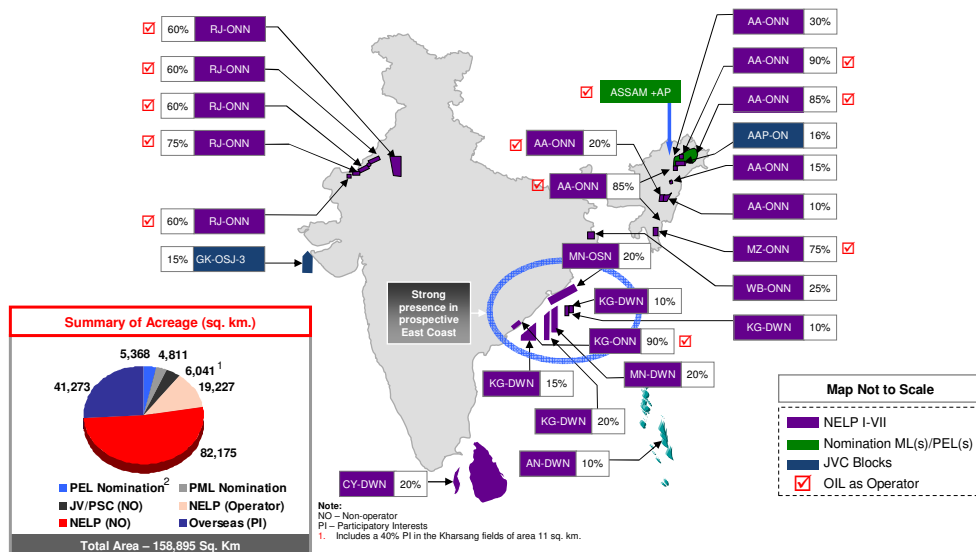
- NRL – Numaligarh Refinery Limited
- BCPL – Brahmaputra Cracker and Polymer Limited
- DNPL – Dullajian-Numaligarh Pipeline Limited

## Reserves Overview (3P)

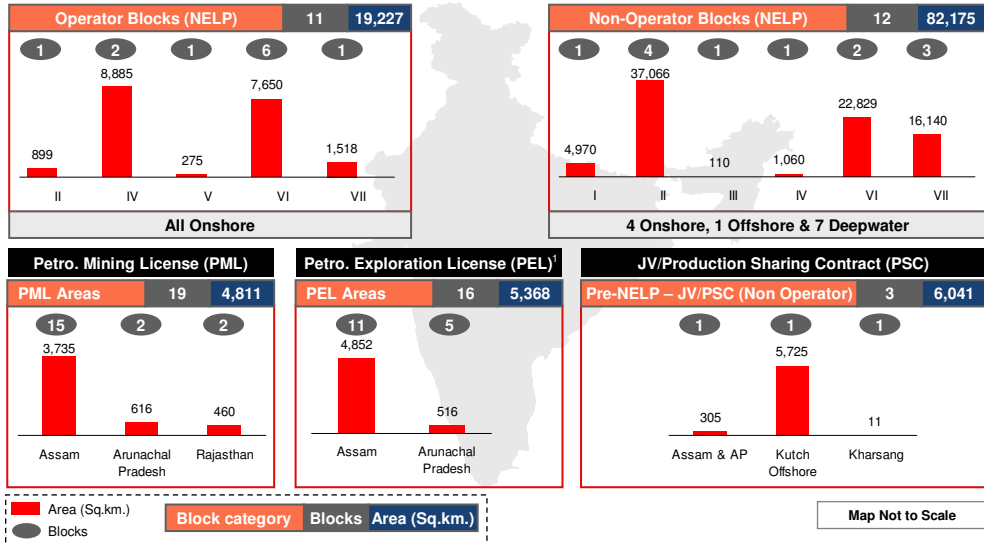


Note:  
1. OEG – Oil Equivalent Gas

## Exploration Blocks : National Presence



## Exploration Acreages



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## NELP VIII: Blocks provisionally awarded

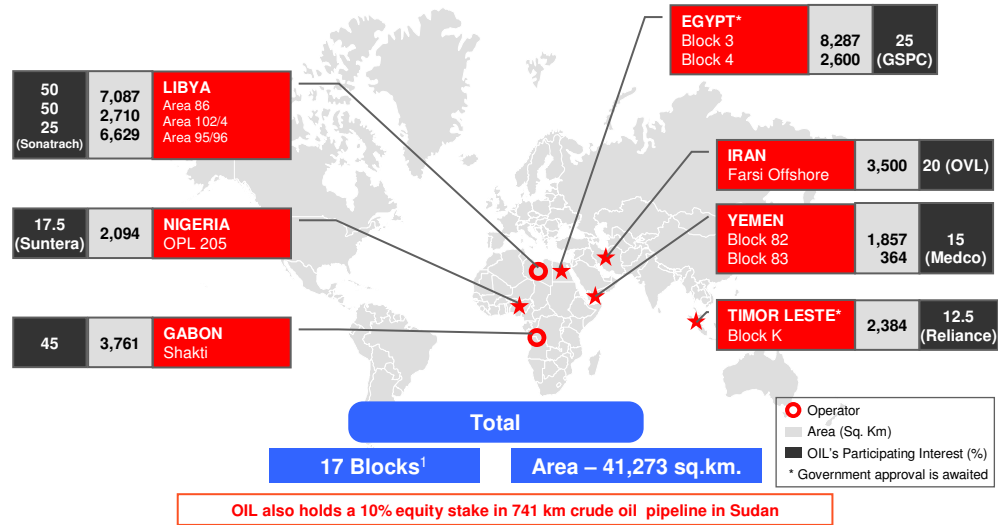


Name of the Block	Operator	Area	Type	Area (sq. km.)	OIL's P. I. (%)	Consortium Partners (PI)
<input checked="" type="checkbox"/> AA-ONN-2009/4	OIL	Assam	Onland	84	50	ONGC-50%
<input checked="" type="checkbox"/> CY-OSN-2009/2	OIL	Cauvery Basin	Shallow Offshore	1,621	50	ONGC-50%
AA-ONN-2009/3	ONGC	Assam	Onland	84	50	ONGC-50%
KG-DWN-2009/1	BGEPIL	Krishna-Godavari Basin	Deep Water	1,800	15	BGEPIL-30% ONGC-45% APGIC-10%
AN-DWN-2009/1	ONGC	Andaman Basin	Deep Water	4,981	30	ONGC-70%
AN-DWN-2009/2	ONGC	Andaman Basin	Deep Water	3,995	40	ONGC-60%
<input checked="" type="checkbox"/> AN-DWN-2009/3	ONGC & OIL (Joint)	Andaman Basin	Deep Water	3,992	40	ONGC-60%
AN-DWN-2009/18	ONGC	Andaman Basin	Deep Water	4,040	30	ONGC-60% GAIL-10% ONGC-50%
KG-OSN-2009/4	ONGC	Krishna-Godavari Basin	Shallow Offshore	835	30	NTPC-10% APGIC-10%

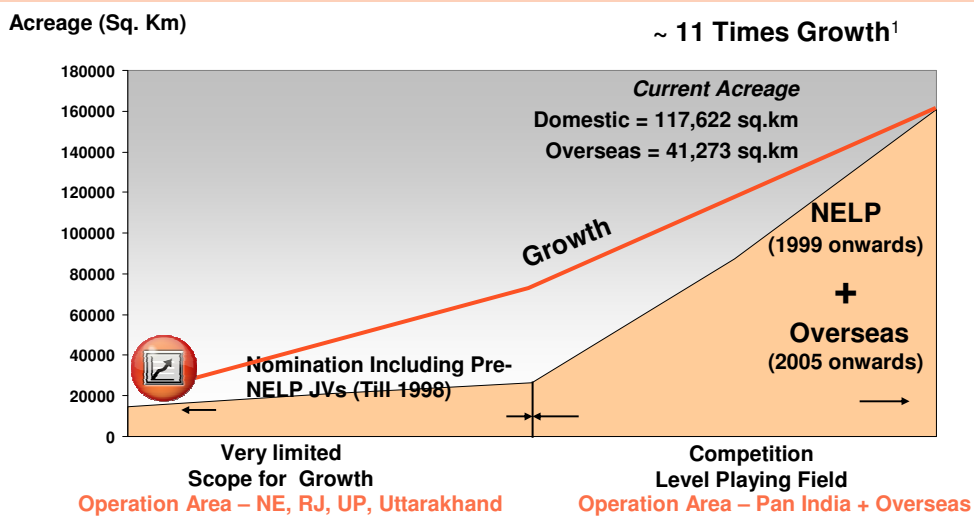
OIL as Operator

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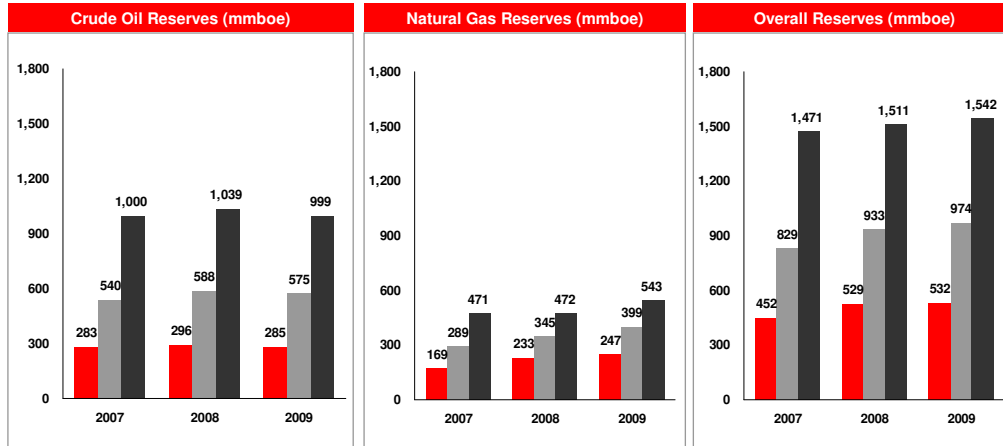
## Overseas Exploration and Development Blocks



## Exploration and Development Growth Mapping (Acreage)



## Crude Oil and Natural Gas Reserves

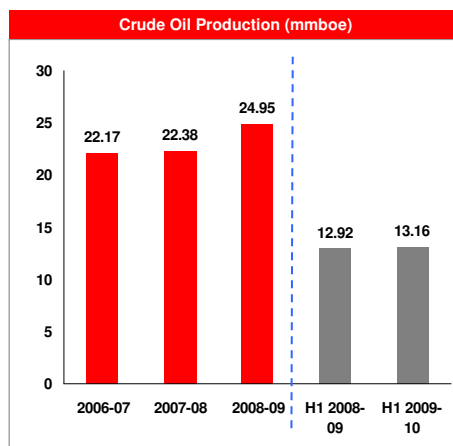


Has improved the overall reserves available consistently over the past 3 years through enhanced oil recovery methods and aggressive exploration

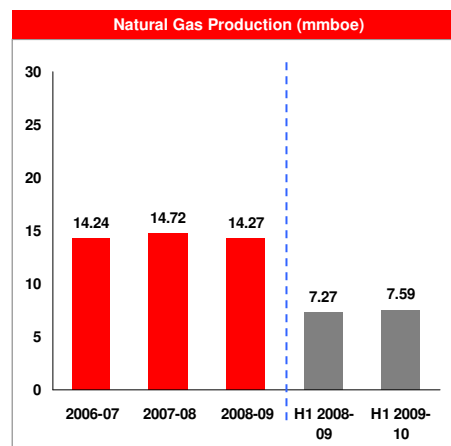
■ Proved ■ Proved & Probable ■ Proved, Probable & Possible

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## Crude Oil and Natural Gas Production



• Crude oil production in H1 FY2010 increased by 1.9% over H1 FY2009 to 13.16 mmboe<sup>1</sup>

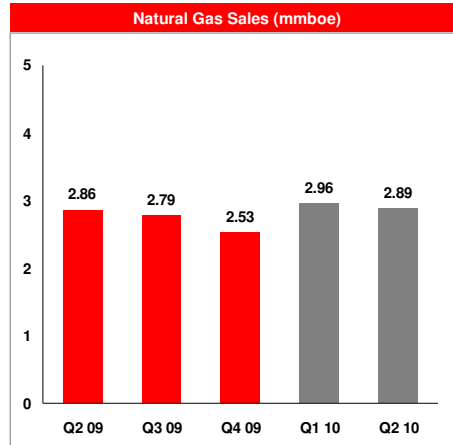
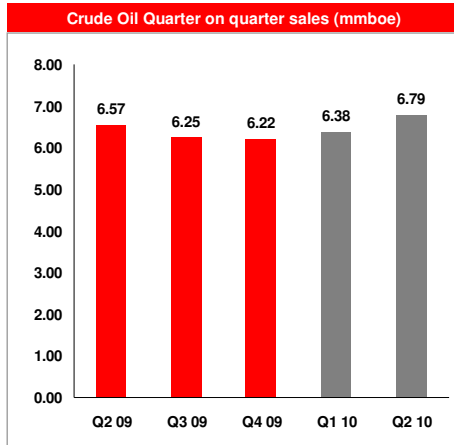


• Natural gas production in H1 FY2010 increased by 4.4% over H1 FY2009

Note:  
(1) 1 BCM of Natural Gas = 6.2898 MMBOE

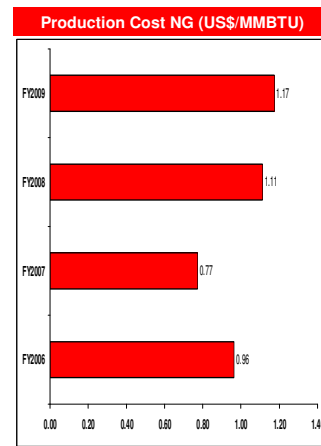
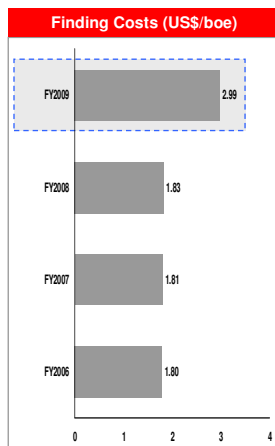
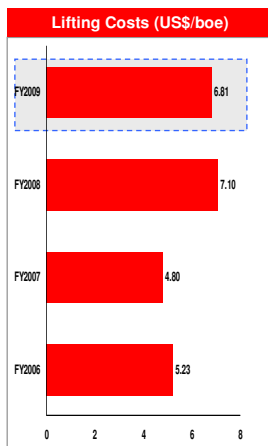
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## Crude Oil and Natural Gas Sales



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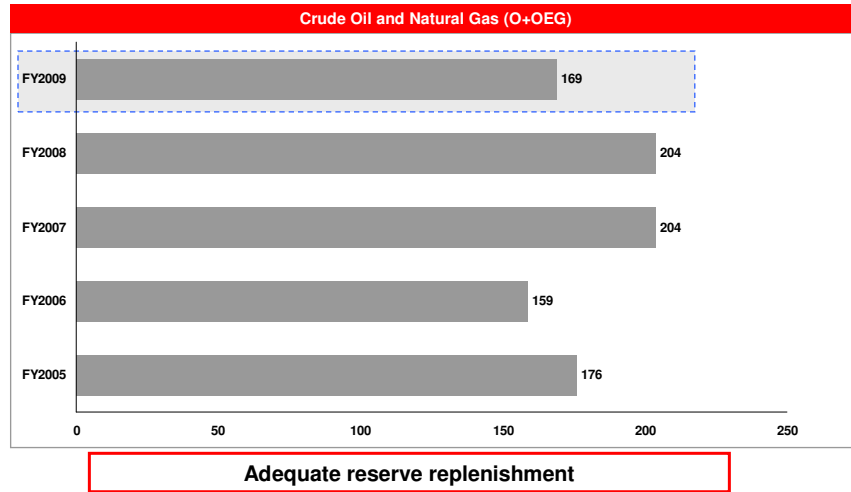
## Low Lifting and Finding costs



Note:  
(1) BOE: Barrels of Oil Equivalent

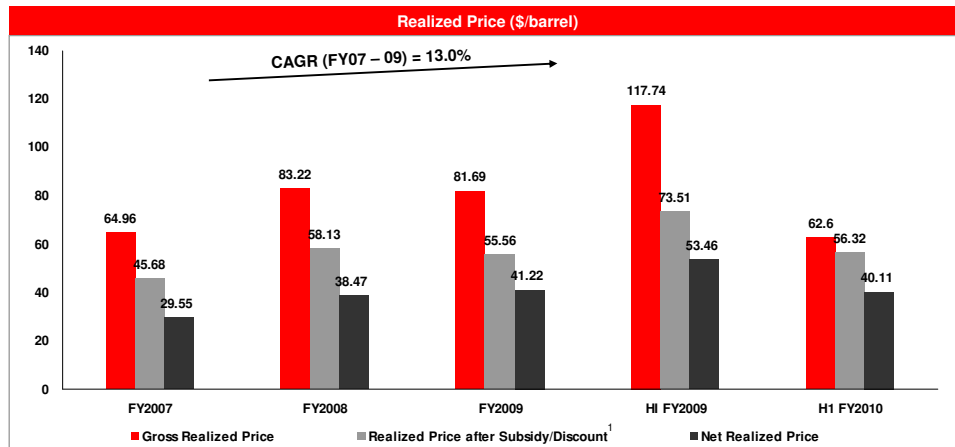
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## Healthy reserve replacement ratio



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## Realized Price



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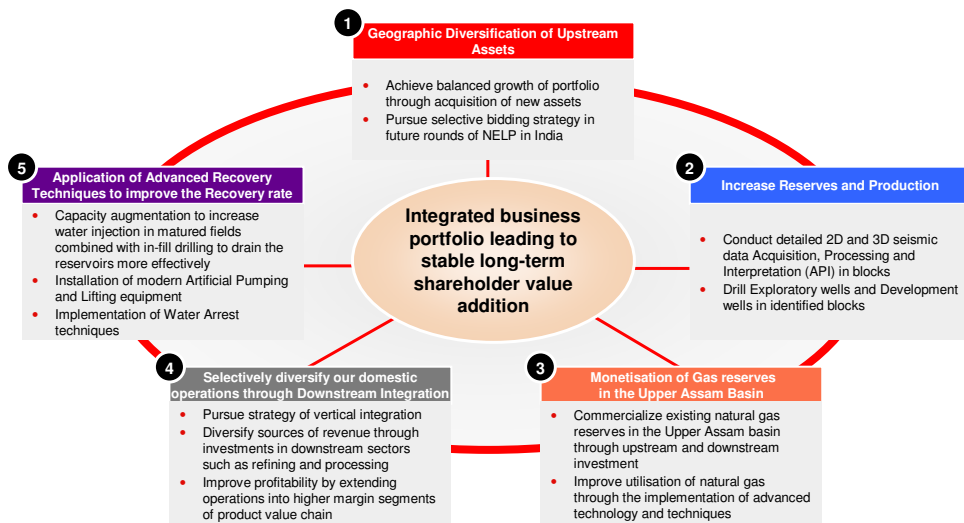
## Impact of discount



Particulars	FY 2009-10		FY 2008-09				TOTAL
	Q1	Q2	Q1	Q2	Q3	Q4	
<b>US \$ / BBL</b>							
Pre - Discount	57.49	67.39	121.54	114.16	54.27	44.64	<b>81.69</b>
Less: Discount	1.84	10.45	40.48	47.65	16.79	3.06	<b>26.13</b>
Post Discount	55.65	56.93	81.06	66.51	37.48	41.58	<b>55.56</b>
<b>US \$ Mn</b>							
Discount	12	72	252	310	108	18	<b>657</b>
Statutory Levies	2	14	49	60	21	4	<b>127</b>
Impact on PBT	9	55	203	250	87	14	<b>530</b>
Impact on PAT	6	39	133	165	57	10	<b>350</b>

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## Business strategy



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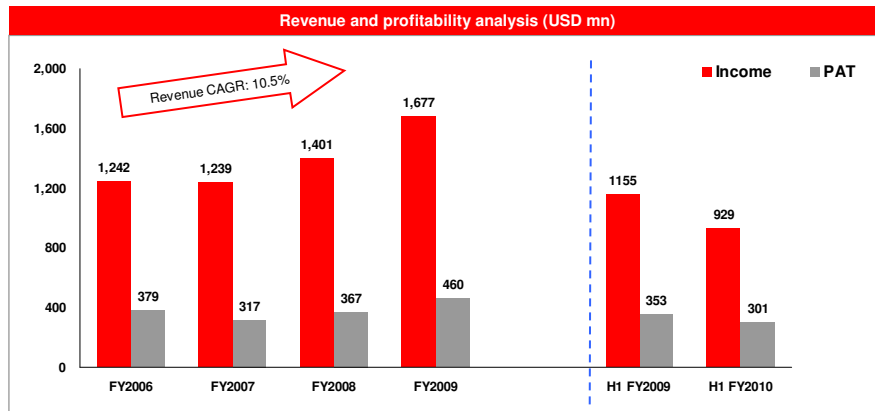
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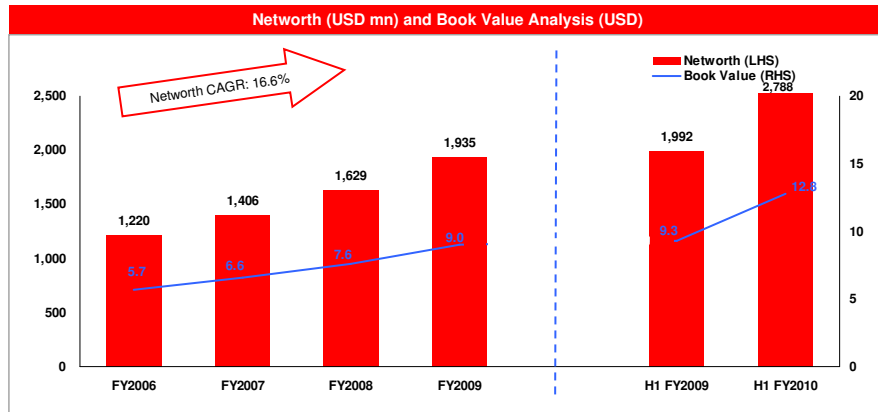


Revenue and profitability



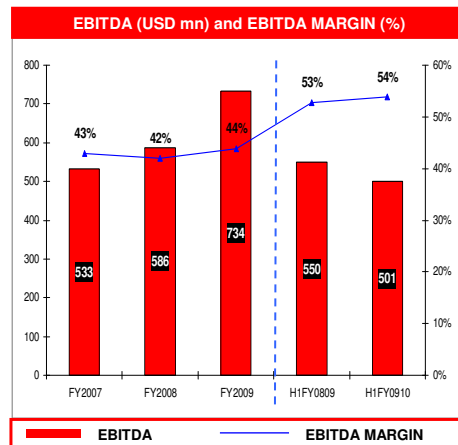
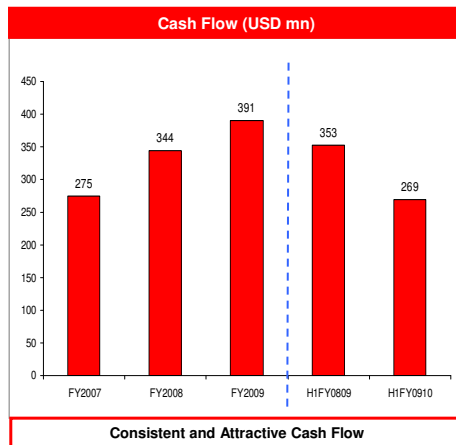
Note:  
Exchange rate 1 USD = 48.52 INR used for figures upto FY2009; for H1FY2009 and H1FY2010, actual exchange rates have been used.

## Networth and Book Value



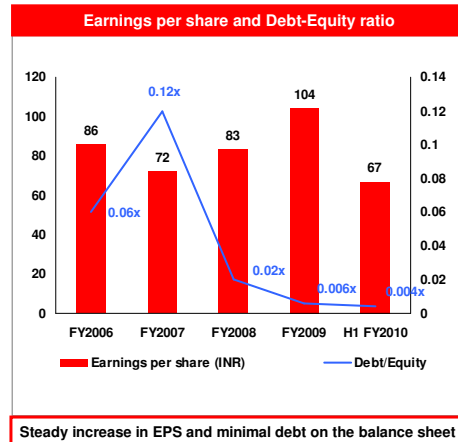
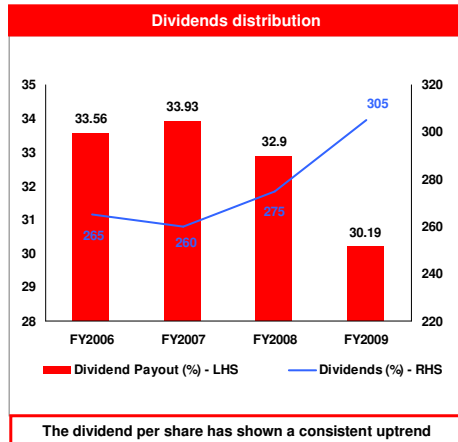
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## Cash Flow and EBITDA Margin



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## Dividends distribution and Earnings per share highlights



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## Investment Plans



	2009-10	2010-11	2011-12	Total
Exploration & appraisal activities	13002	15278	19120	47400
Development Activities	4929	5527	9888	20344
Capital Equipments & Facilities	4170	2693	3423	10286
<b>Total INR Million</b>	<b>22101</b>	<b>23498</b>	<b>32431</b>	<b>78029</b>
<hr/>				
Overseas Projects	2504	1903	3878	8285
Acquisition & Diversification	1673	22563	270	24507
<b>Grand Total INR Million</b>	<b>26278</b>	<b>47964</b>	<b>36579</b>	<b>110821</b>
<b>US\$ Million</b>	<b>584</b>	<b>1066</b>	<b>813</b>	<b>2463</b>

} INR Million

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**THANK YOU**