



ऑयल इंडिया लिमिटेड
Oil India Limited



Oil India Limited

Investor Presentation

November, 2016

Company Background

Asset Overview

Strategic Strengths

Operating and Financial Performance

Growth Strategy



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Company background

Oil India Ltd.: An Introduction

Rich Heritage

- Over 5 decades of presence in oil & gas sector
- Owns and operates a fully-automated cross country crude oil pipeline



Strong Parentage with Govt. of India

- Gol ownership of 67.64%
- Awarded 'Navratna' status in 2010

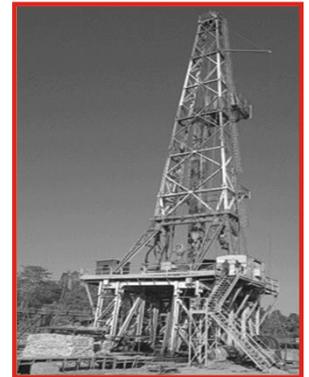


Integrated & fully serviced Oil & Gas Co.

- Presence across Oil & Gas Value Chain
- Integrated infrastructure and In-house expertise

Domestic and Global Presence

- Domestic: 39 blocks; 23,722 sq. km
- International: 15 blocks; 77,972 sq. km



Strong Reserve Base

- 2P reserves: Oil . 80.74 MMT, Gas . 119.45 BCM
- Reserve replacement ratio consistently well over 100%

Experienced Management Team

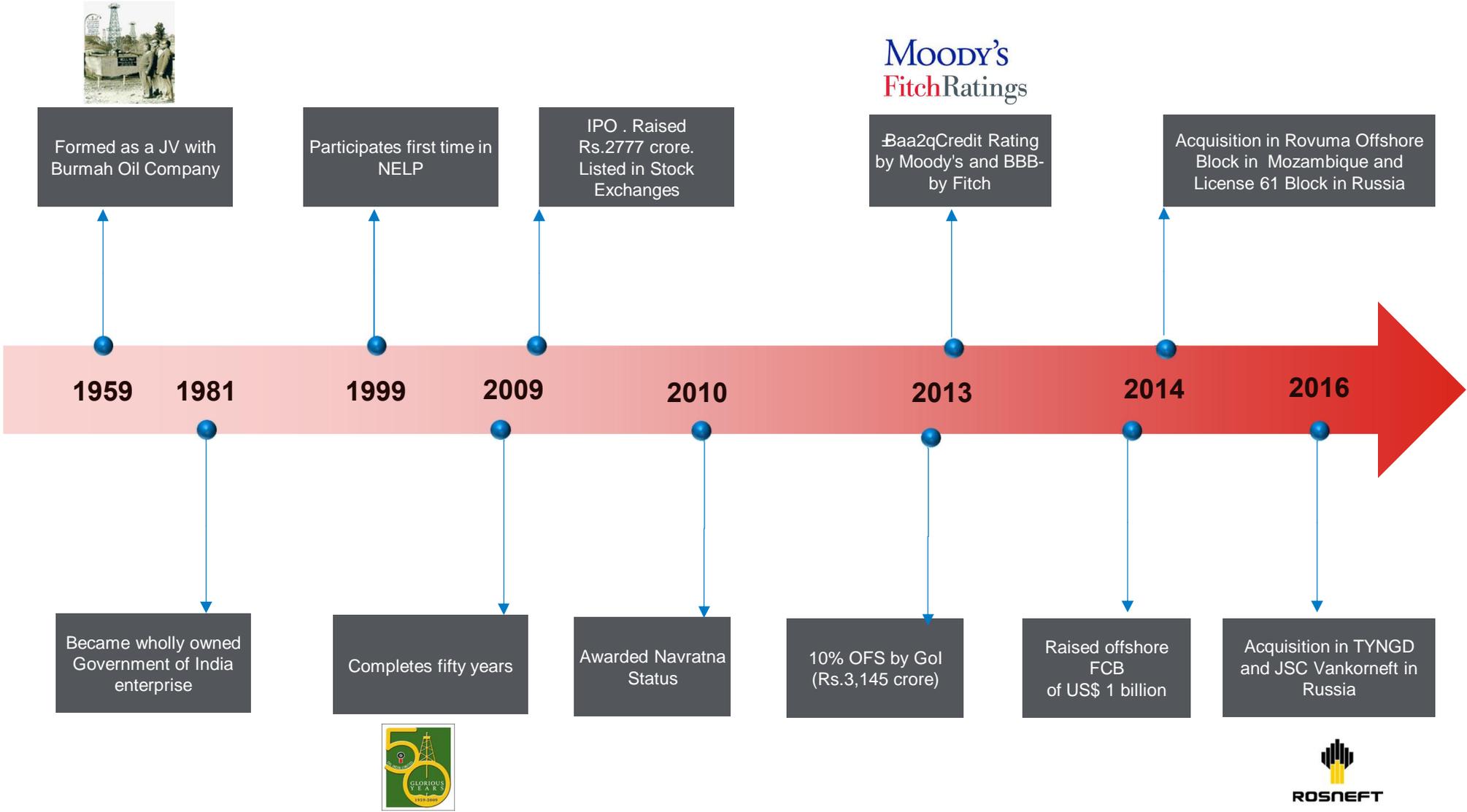
- Senior management team with strong in-house technical expertise in Company's core business



Consistent Growth and Robust Balance Sheet

- Q1 FY17 Revenue: Rs.2,461 crore, PAT: Rs.494 crore
- FY16 Revenue: Rs.11,141 crore, PAT: Rs.2,330 crore

Milestones and Track Record



Strong Parentage and Experienced Management Team

Strong Parentage of Govt. of India

2nd Largest Public Sector E&P company

- ◆ Became a Public Sector Undertaking in 1981
- ◆ Govt. Presently holds 67.64% equity in OIL
- ◆ CPSEs and LIC hold another 17.96%
- ◆ 2 Govt. nominee Directors on the Board

Awarded 'Navratna' Status in 2010

- ◆ Status accords complete autonomy in domestic operations.
- ◆ Authority for M&As or equity investment in a single JV/ Wholly owned subsidiary
 - ◆ **Domestic:** Upto Rs.1,000 crore or 15% of net worth
 - ◆ **International:** Upto Rs.3,000 crore or 25% of net worth

Best In-Class Management Team



Utpal Bora
Chairman & MD
Over 33 years of Industry experience

- ◆ Appointed Chairman & Managing Director in July, 2016
- ◆ Experience in diverse fields of exploration management of onshore and offshore fields and overseas blocks



R S Borah
Director (Finance)
Over 31 years of Industry experience

- ◆ Appointed Director (Finance) in October, 2013
- ◆ Experience in diverse fields of financial management, audit and strategic planning



Sudhakar Mahapatra
Director (Expl. & Dev.)
Over 34 years of Industry experience

- ◆ Appointed Director (E&D) in August, 2014
- ◆ Experience in diverse fields of exploration management under PSC/JV regimes, E&P business development process



Biswajit Roy
Director (HR & BD)
Over 33 years of Industry experience

- ◆ Appointed Director (HR & BD) in May, 2015
- ◆ Experience in diverse functions including Marketing, Operations, Business Development, Human Resources,



P K Sharma
Director (Operations)
Over 34 years of Industry experience

- ◆ Appointed Director (Operations) in June, 2015
- ◆ Experience in the E&P industry in India and abroad

Shareholding Structure



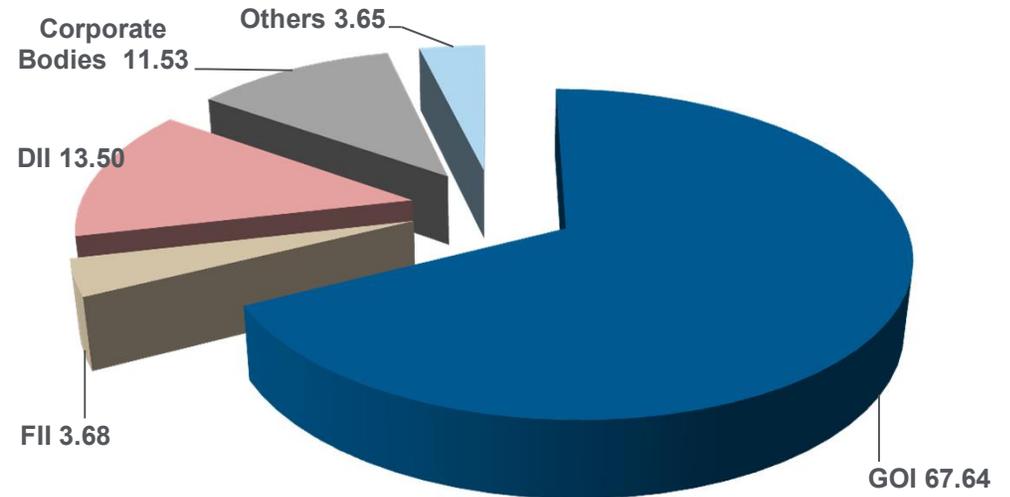
Listed on BSE / NSE

Number of shares
601.14 mn

Dividend FY16
Rs.16 /Share

Share price (52 Week High / Low)
Rs.421 / Rs.301

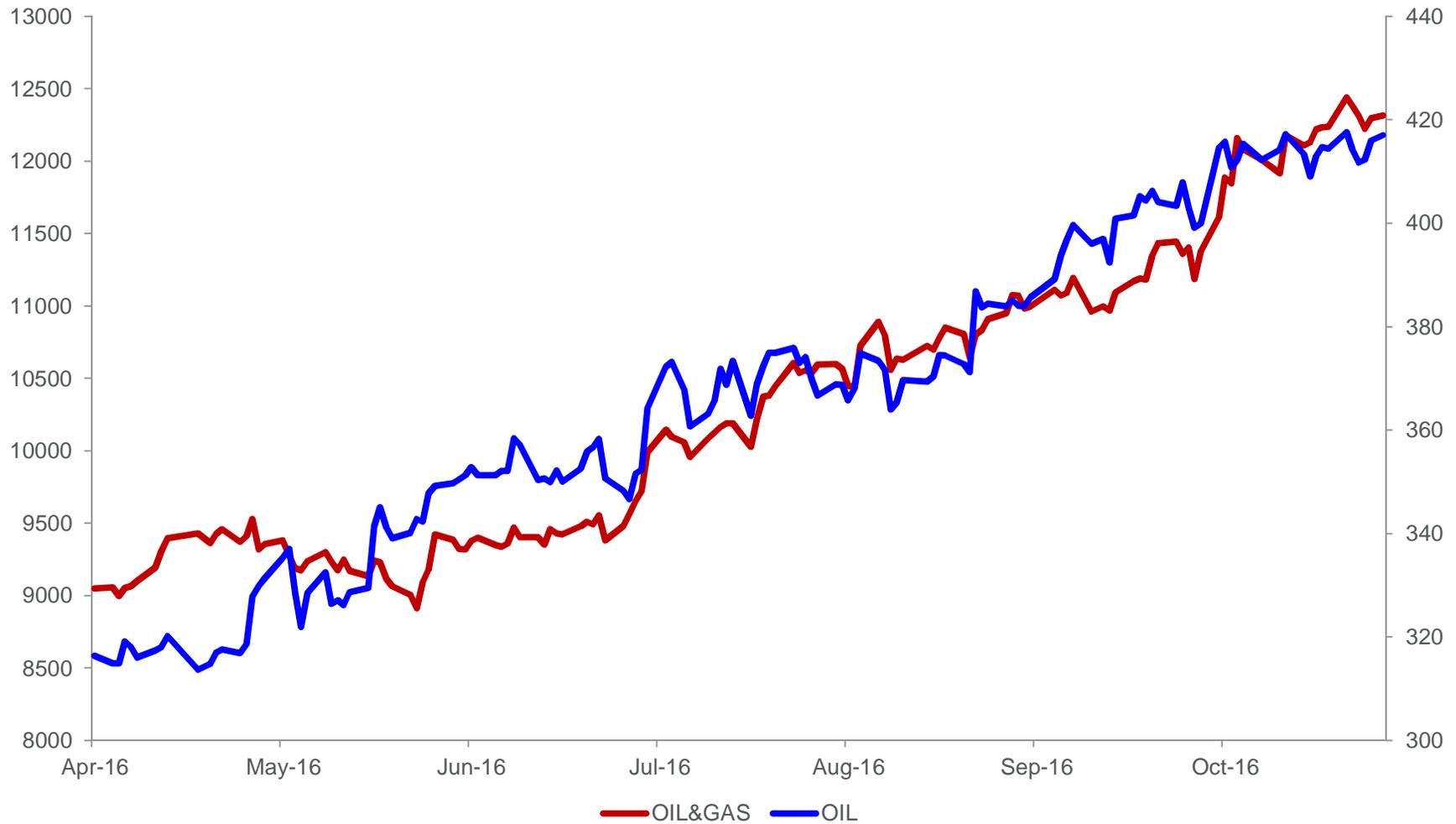
Market Cap¹
Rs.25,247 crore



| Key shareholders | % Shareholding |
|--|----------------|
| Government of India | 67.64 |
| Life Insurance Corporation of India | 7.38 |
| Indian Oil Corporation Limited | 4.45 |
| Bharat Petroleum Corporation Limited | 2.23 |
| Hindustan Petroleum Corporation Limited | 2.23 |
| ICICI Prudential Life Insurance Co. Ltd. | 2.00 |
| LIC of India P&GS Fund | 1.67 |

1. As on 31.10.2016

Share Price Movement of OIL vis-à-vis BSE OIL & GAS Index



Share Price of OIL moving in line with BSE Oil & Gas Index

Integrated and Diversified Oil & Gas Player

Exploration

- ◆ **Domestic:**
39 E&P blocks
- ◆ **International:**
Presence in US, Russia, Venezuela, Mozambique, Gabon, Libya, Bangladesh, Nigeria, Yemen and Myanmar
- ◆ **Discoveries:** 24 discoveries during last four years

Production

- ◆ **Crude oil**
 - ◆ 41 installations
 - ◆ 1,602 km pipelines
- ◆ **Natural gas**
 - ◆ 29 installations
 - ◆ 730 km pipelines
- ◆ Advanced Recovery techniques to maximize production

Transportation

- ◆ **Crude Oil**
 - ◆ 1,157 km pipeline; Over 6 MMT capacity
- ◆ **Multi-product**
 - ◆ 660 km pipeline; 1.70 MMT capacity
- ◆ **Overseas**
 - ◆ 10% stake in 741 km pipeline (Sudan)
- ◆ **Natural Gas**
 - ◆ 23% stake in 192km DNPL in North-east

Downstream

- ◆ **Refining and marketing petroleum products**
 - ◆ 26% equity stake in NRL
 - ◆ 5% equity stake in IOCL
- ◆ **Gas cracker project**
 - ◆ 10% equity stake in BCPL

Non Conventional Energy

- ◆ **Wind Energy**
 - ◆ Capacity: 121.6 MW
 - ◆ 54 MW under implementation
- ◆ **Solar Power**
 - ◆ Capacity: 14 MW
- ◆ **Shale Oil / Gas**
 - ◆ 20% stake in Niobrara Liquid Shale asset, USA

Fully serviced E&P Company and diversifying into non-conventional energy

Our vision

Fastest Growing Energy Company with Highest Profitability

Delight Customers with Quality Products and Services at Competitive Prices

Team, Committed to Honesty, Integrity, Transparency and Mutual Trust creating Employee Pride

Fully Committed to Safety, Health and Environment

Learning Organization, Nurturing Initiatives, Innovations and Aspirations with Best Practices

Responsible Corporate Citizen Deeply Committed to Socio-economic Development in its Areas of Operations

**“The Fastest Growing Energy Company With a Global Presence
Providing Value to Stakeholders”**



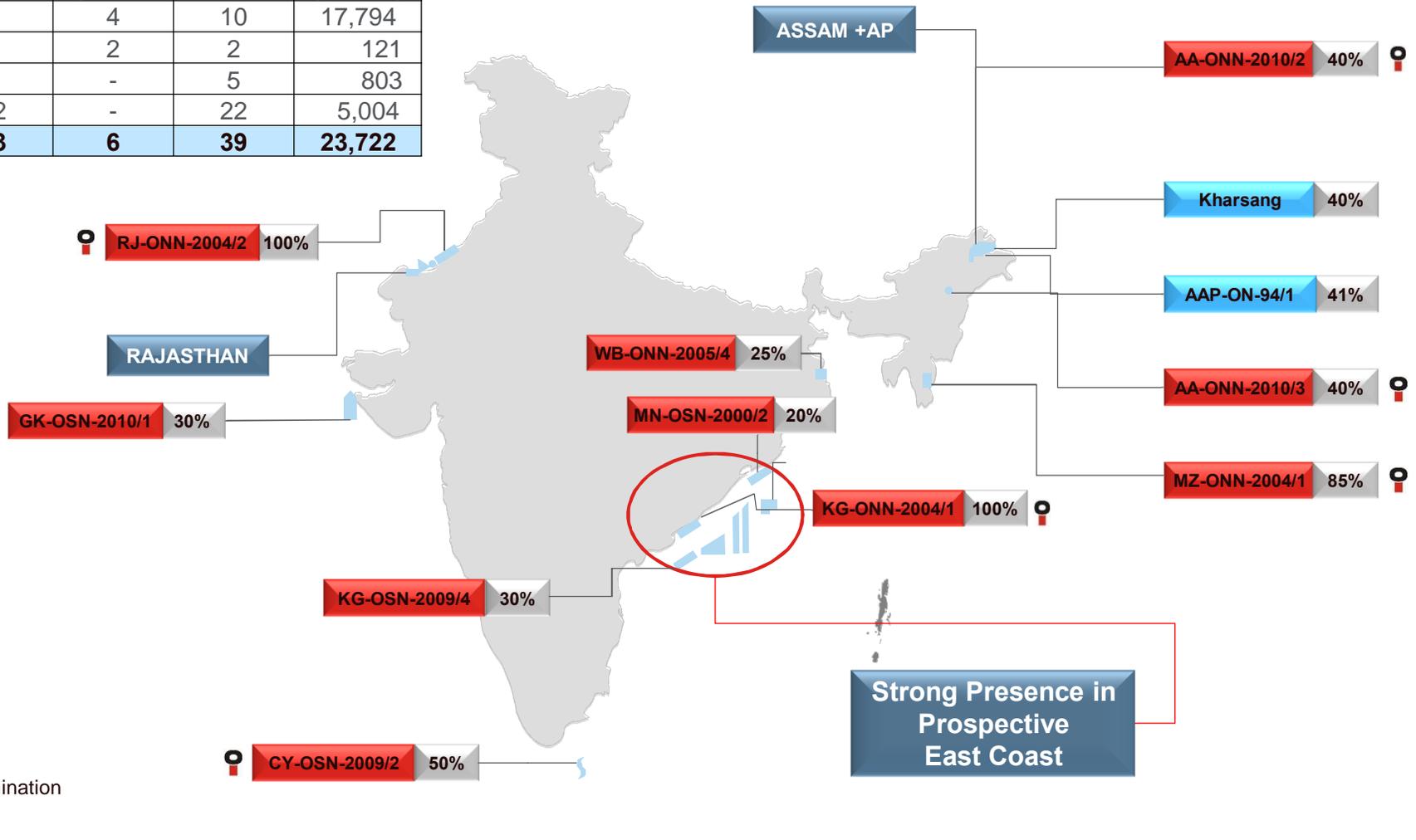
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Asset overview

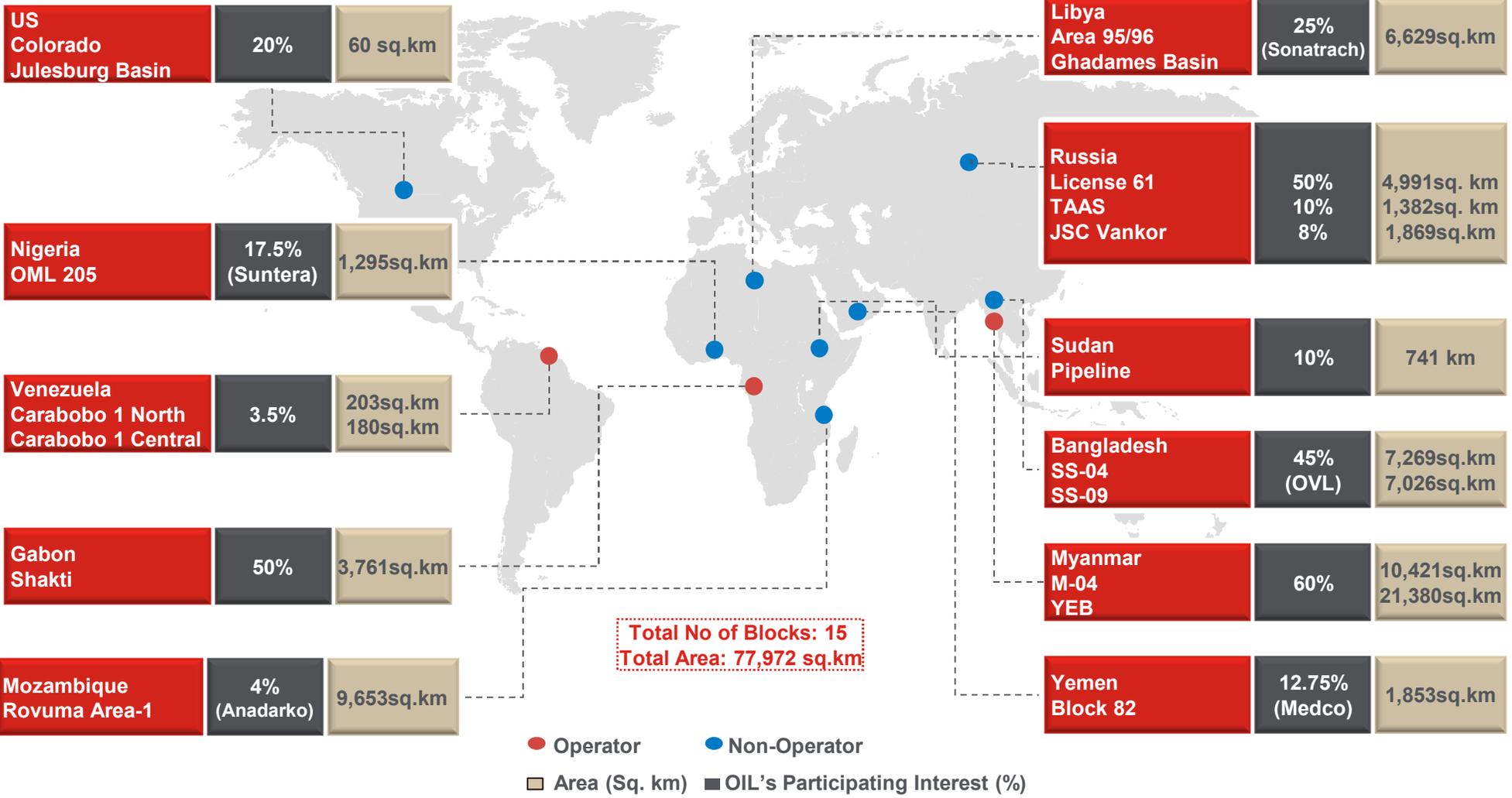
Domestic Assets

| Blocks | Operated | Non Operated | Total | Area (SQKM) |
|--------------|-----------|--------------|-----------|---------------|
| NELP | 6 | 4 | 10 | 17,794 |
| Pre-NELPJV | - | 2 | 2 | 121 |
| PEL (Nom) | 5 | - | 5 | 803 |
| PML (Nom) | 22 | - | 22 | 5,004 |
| Total | 33 | 6 | 39 | 23,722 |



Significant Presence in Regions with Demonstrated Commercial Production and Known Accumulation of Hydrocarbons

International Asset Overview



Strong International Footprint with Balanced Presence in Exploration Acreages & Producing Properties

Major Overseas Projects

Project Carabobo, Venezuela

- ◆ Significantly low subsurface risk
- ◆ Two blocks in Orinoco Heavy Oil Belt
- ◆ Block Area 383 Sq. Km
- ◆ ~ 30 billion barrels of Oil in place from Project Carabobo
- ◆ Production started from Dec 2012

Current Status

- ◆ 56 wells under production
- ◆ Current total production over 26000 BOPD

Consortium Partners

| | |
|--------------------------------|------------|
| PDVSA | 71% |
| Repsol | 11% |
| OVL | 11% |
| INDOIL (OIL 50% & IOCL 50%) | 7% |

Partner in major discovered heavy oil field with huge resource potential

Major Overseas Projects (Contd...)

Area 1 Rovuma, Mozambique

- ◆ OIL & OVL acquired 10% stake in Offshore Mozambique Area 1 in Jan. 2014
- ◆ Acquisition Cost: USD 2,519 million, (US\$ 1,007 million by OIL)
- ◆ Area : 9653 SQ KM.
- ◆ Location : Rovuma tertiary deltaic basin extending from coastal part
- ◆ Water depth over major gas fields are in the range of 800. 1600 meters
- ◆ 45-75 tcf recoverable resources
- ◆ Resource size supports 50 MMTPA of LNG
- ◆ Strategically located to supply LNG to buyers from Asia and Middle.

Key Highlights

- ◆ More than 2/3rd of the volume of Initial Development Phase will be committed before FID

Consortium Partners

| | |
|---------------------------|--------------|
| Anadarko | 26.5% |
| Mitsui | 20% |
| ENH | 15% |
| BPRL | 10% |
| BREML (OIL 40% & OVL 60%) | 10% |
| OVL | 10% |
| PTTEP | 8.5% |

Discovered asset with high reserve base in a world class gas basin with significant future upside potential

Major Overseas Projects (Contd...)

Vankorneft, Russia

- ◆ OIL jointly with IOCL & BPRL acquired 23.9% stake in Vankorneft, Russia in Oct 2016
- ◆ Acquisition Cost: US\$ 2.02 Billion (OIL's share 33.5%)
- ◆ Area: 1869 SQ KM (two licence blocks of 1632 SQ KM & 237 SQ KM)
- ◆ Location: Eastern Siberia, Russia (Onshore)
- ◆ 2P reserves of 1908.2 Mn Bbl of oil & 3.12 TCF of gas (100% basis)
- ◆ Effective OIL's share 152.78 Mn Bbl of oil & 0.25 TCF of gas (@8.0065%)

Key Highlights

- ◆ Current production ~ 4,28,000 bopd
- ◆ No. of Wells on Production: Oil ~ 450, Gas ~ 22
- ◆ On its peak production

Consortium Partners

| | |
|--------------------------------------|--------------|
| Rosneft | 50.1% |
| OIL, IOCL, BPRL (33.5%:33.5%:33%) | 23.9% |
| OVL | 26.0% |

Producing field in CIS region with high hydrocarbon reserves and world class partners

Major Overseas Projects (Contd...)

Taas Yuryakh, Russia

- ◆ OIL jointly with IOCL & BPRL acquired 29.9% stake in Taas Yuryakh, Russia in Oct 2016
- ◆ Acquisition Cost: US\$ 1.121 Billion (OIL's share 33.5%)
- ◆ Area: 1382 SQ KM (two licence blocks of 611 SQ KM & 771 SQ KM)
- ◆ Location: Eastern Siberia, Russia (Onshore)
- ◆ 2P reserves of 1,002 Mn Bbl of oil & 2.41 TCF of gas (100% basis)
- ◆ Effective OIL's share 100.37 Mn Bbl of oil & 0.24 TCF of gas (@10.0165%)

Key Highlights

- ◆ Current production ~ 22,000 bopd
- ◆ Existing number of wells: Producing~43, Shut-in ~ 49, WI ~ 5
- ◆ Production expected to reach 1,00,000 bopd by 2020-21

Consortium Partners

| | |
|--------------------------------------|--------------|
| Rosneft | 50.1% |
| OIL, IOCL, BPRL (33.5%:33.5%:33%) | 29.9% |
| BP | 20.0% |

Developing field in CIS region with high hydrocarbon reserves and world class partners



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Strategic strengths

Strong In-House Capabilities

Infrastructure to Support E&P Activities



One 2D and two 3D Seismic crew



10 Logging Units



20 Work-over Rigs



20 Drilling Rigs

Production and Storage Facilities

70 Production Installations



5,000 km O&G Pipelines



~150k KL Crude Storage

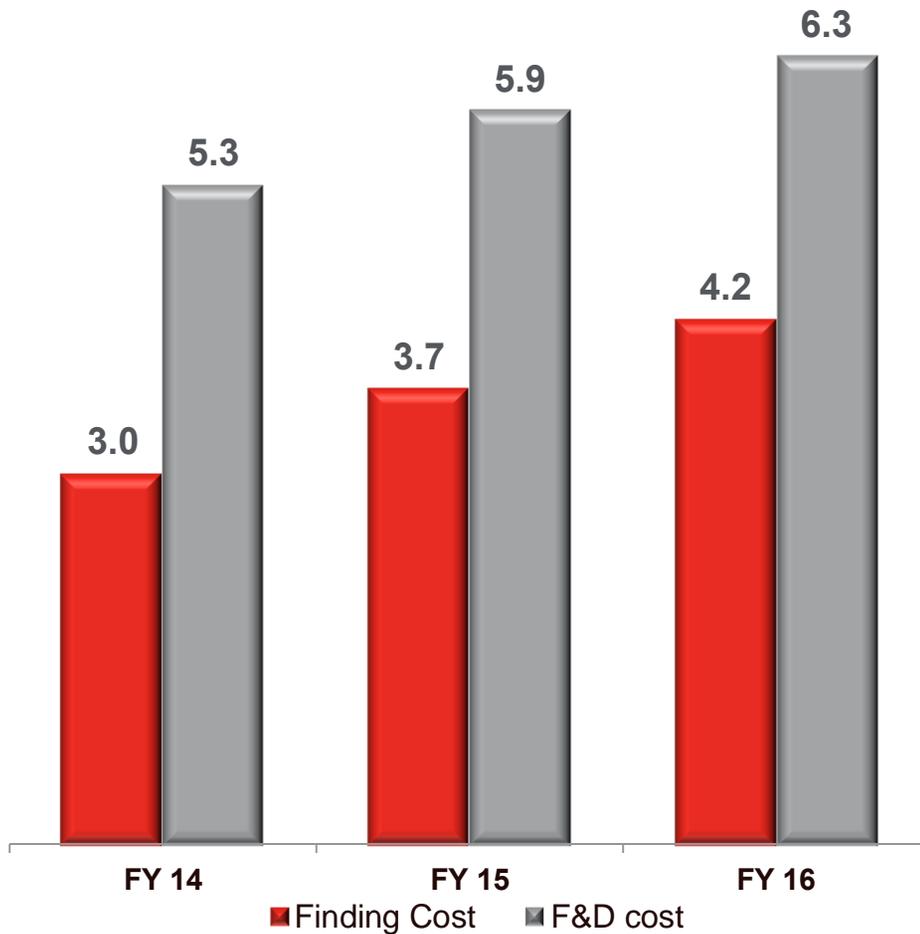
Vertically Integrated E&P Operations



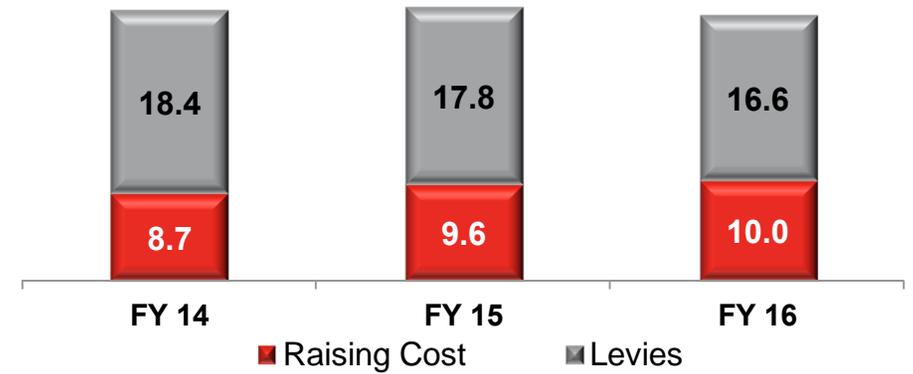
In-house Expertise and Integration across Oil & Gas Infrastructure

Attractive Cost Structure

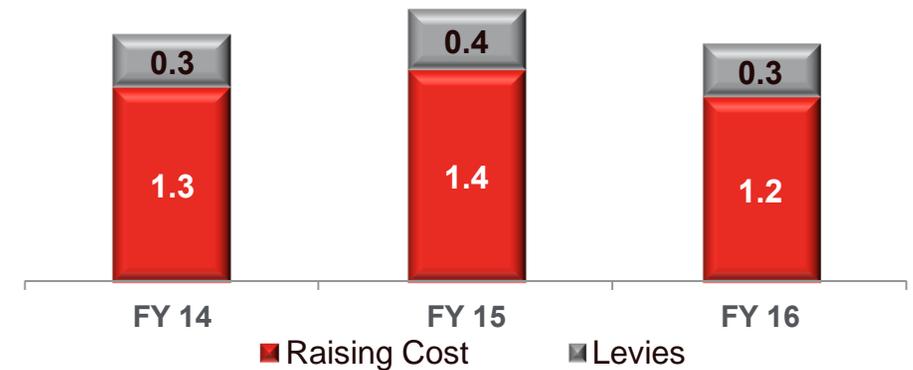
Finding & Development Cost (USD/ BOE)



Crude Oil Production Cost (USD/ bbl)



Natural Gas Production Cost (USD/ MMBTU)



OIL has Advantage of low cost structure due to largely in house infrastructure

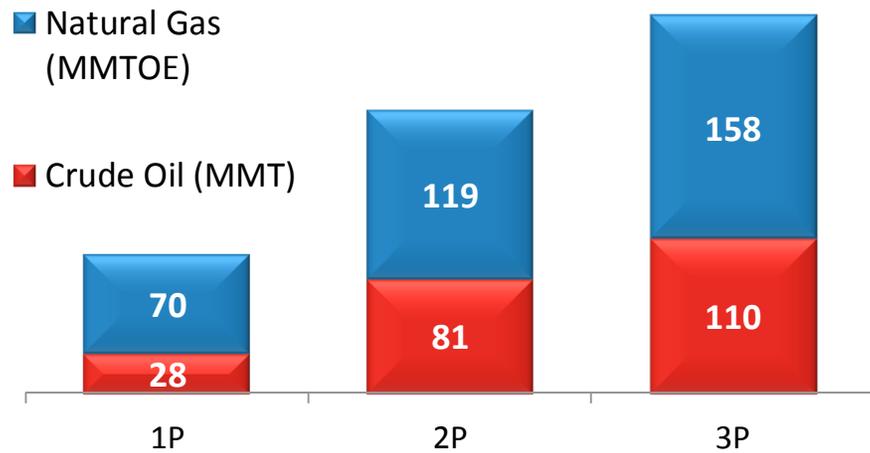
Domestic Reserve Base (2P) as on 01.04.2016

25 Years current production of Crude Oil

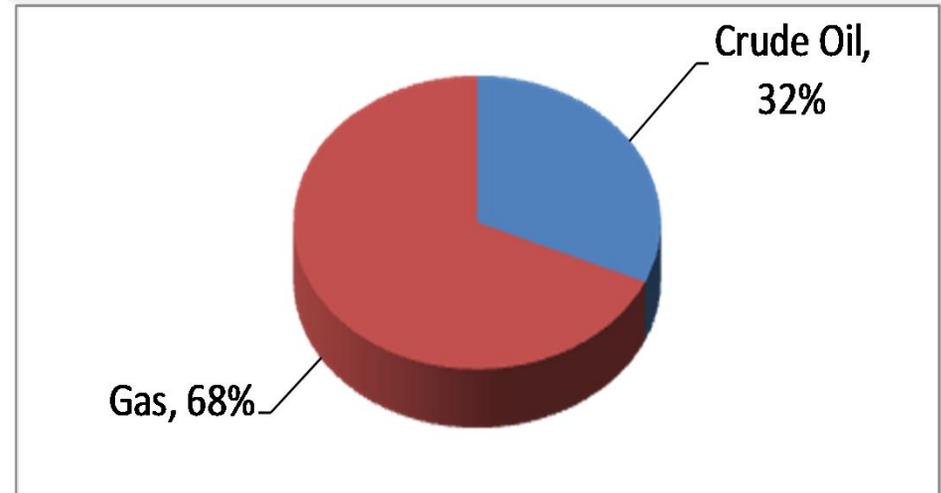
42 Years current production of Natural Gas

33 Years current production of O+OEG

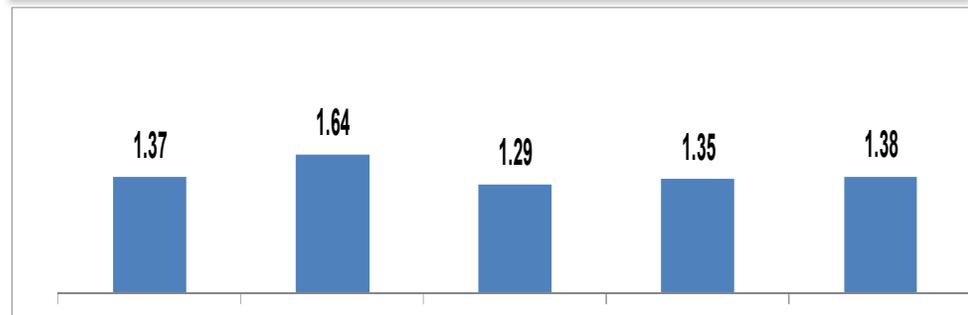
Total Balance Recoverable Reserves



Proved and Developed Reserves . Split by Type



Consistent Reserve Replacement Ratio Over One





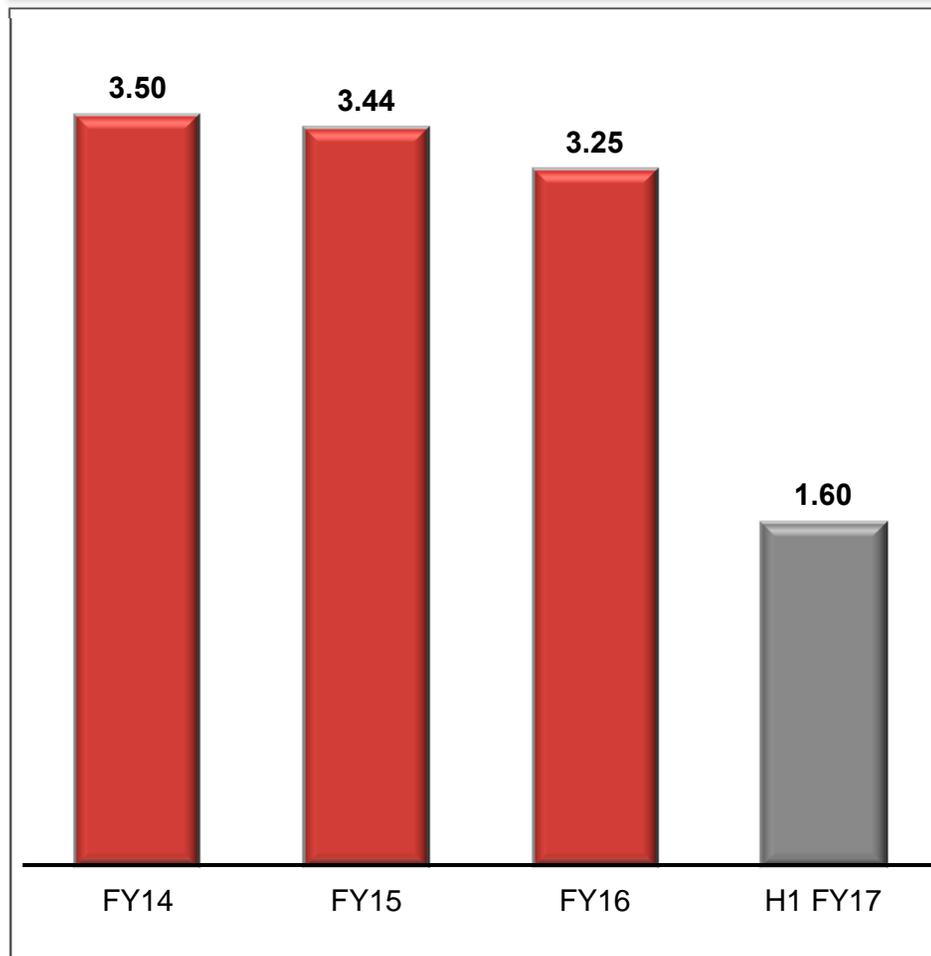
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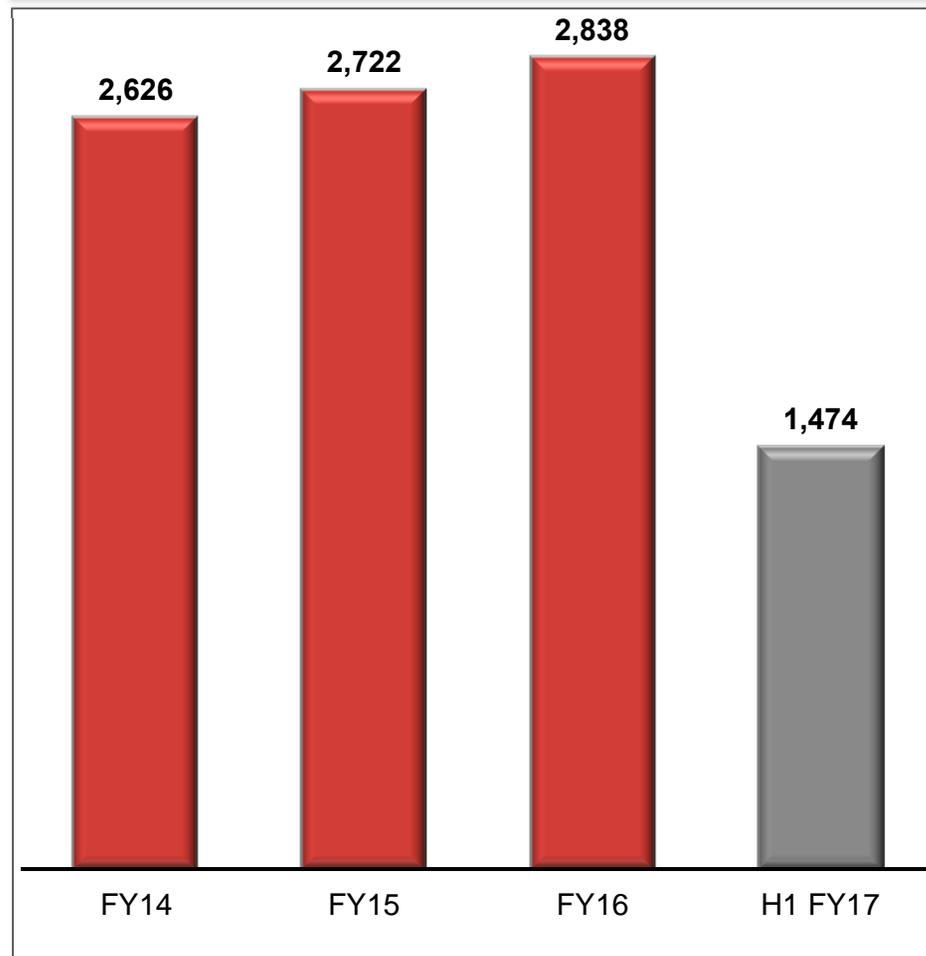
Operating and Financial Highlights

Crude Oil and Natural Gas Production

Crude Oil Production (MMT)



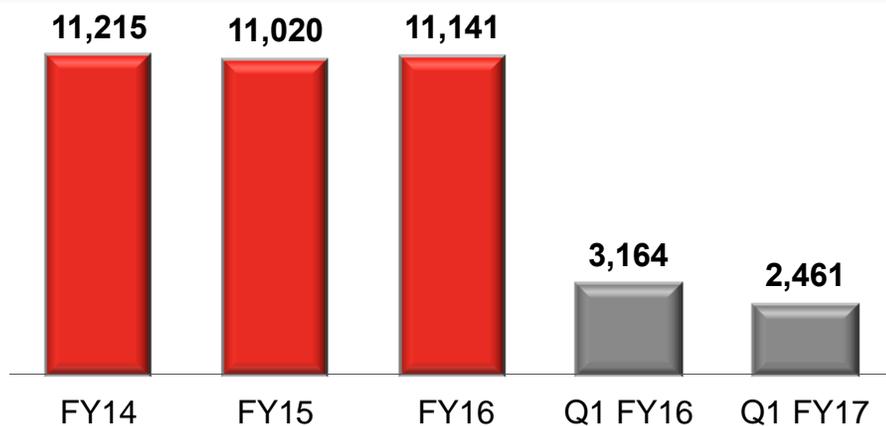
Natural Gas Production (MMSCM)



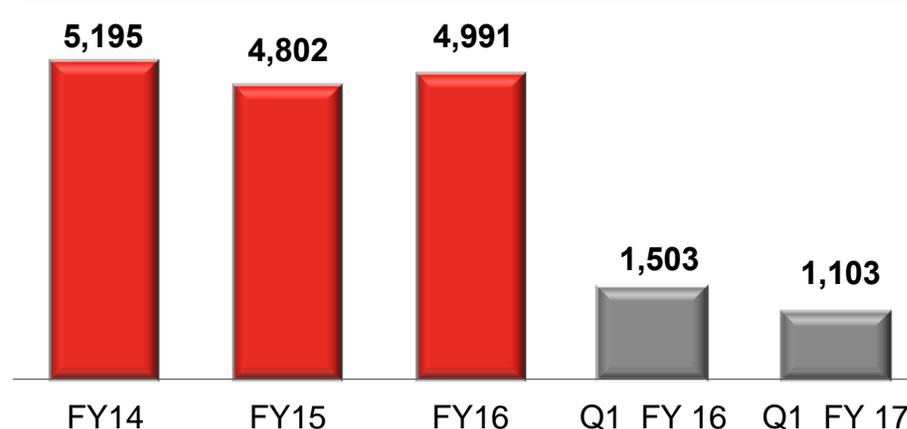
OIL produces about 9% of India's total Domestic Oil and Natural Gas production

Financial highlights

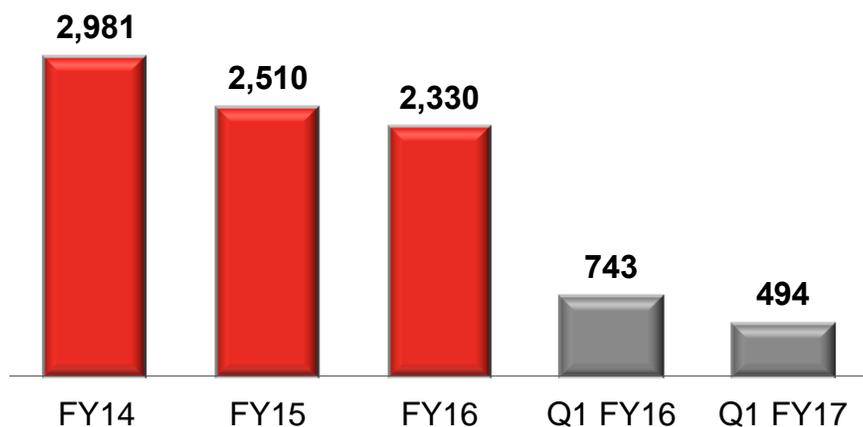
Revenue (Rs. crore)



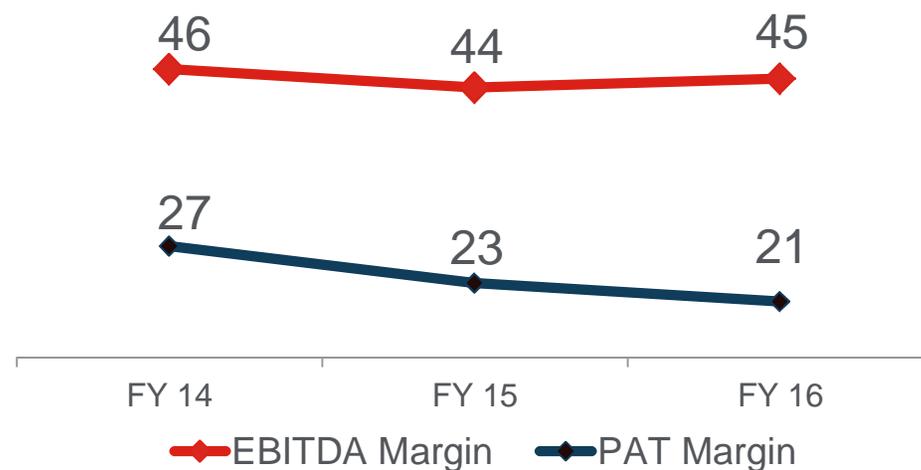
EBITDA (Rs. crore)



Net Profit (Rs. crore)

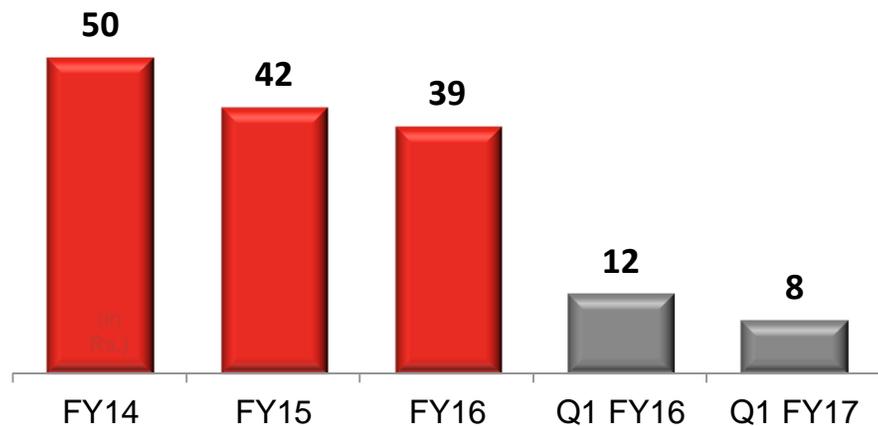


EBITDA & PAT Margin (%)

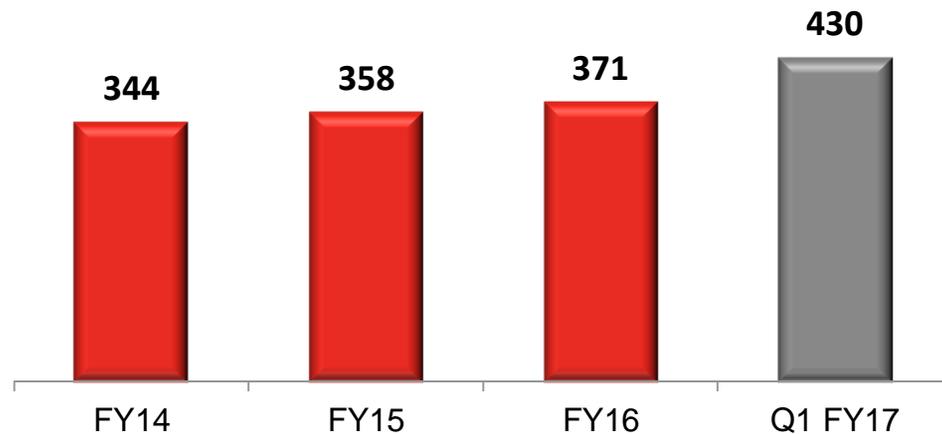


Financial highlights

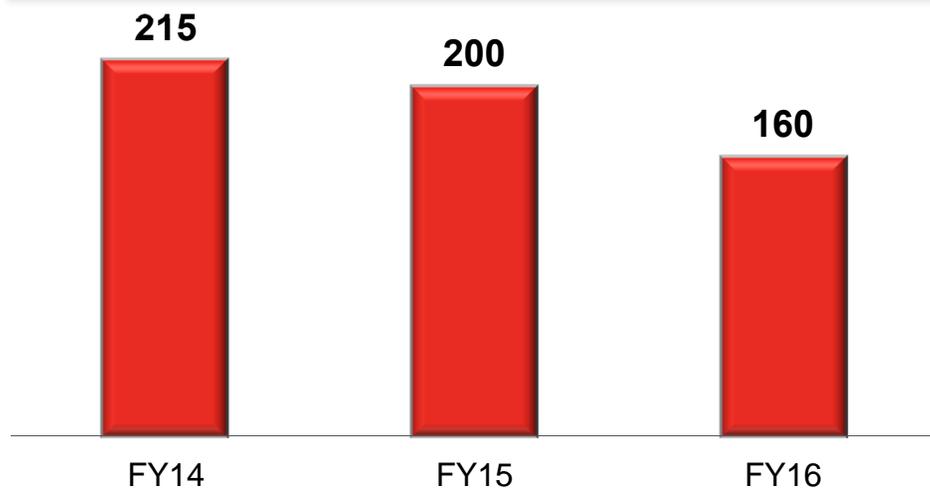
Earnings Per Share (Rs.)



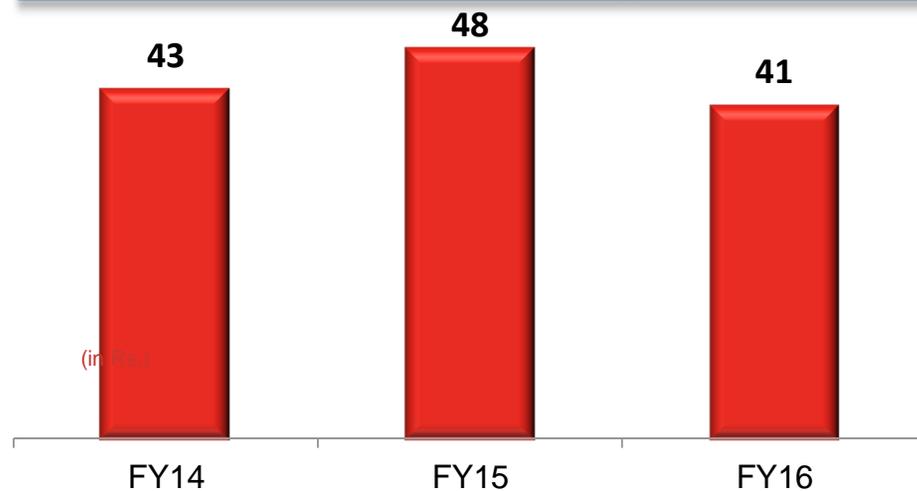
Book Value (Rs./ Share)



Dividend Percentage

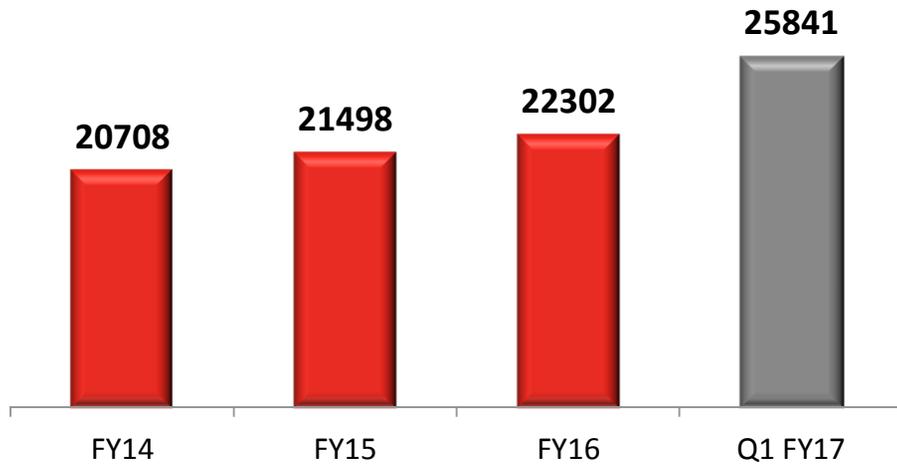


Dividend Payout (% of PAT)

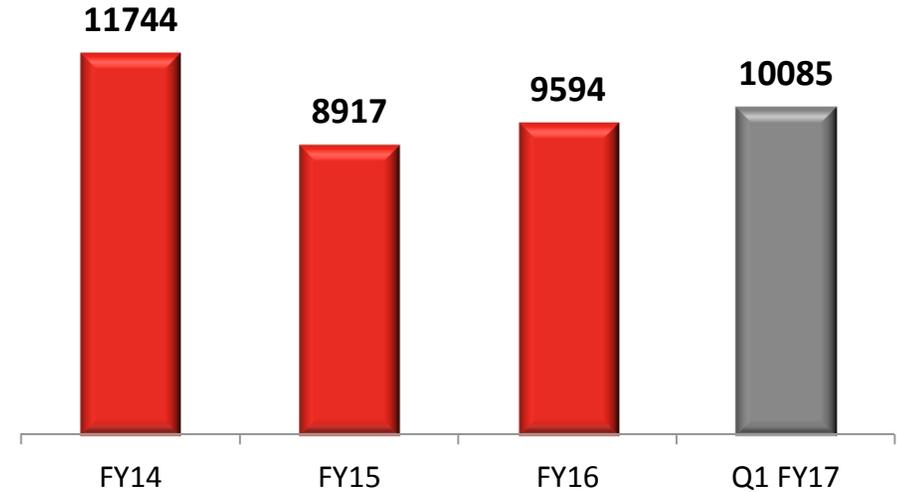


Strong Liquidity with Low Leveraging

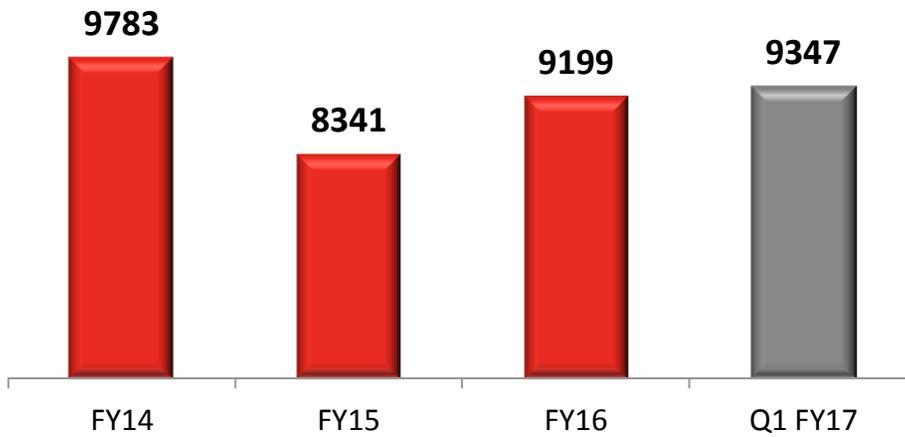
Net Worth (Rs. Crore)



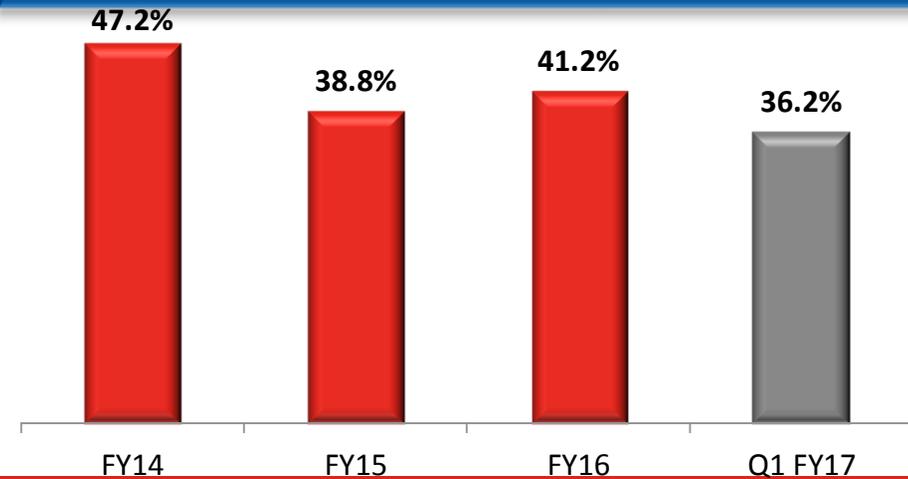
Strong Cash Balance (Rs. Crore)



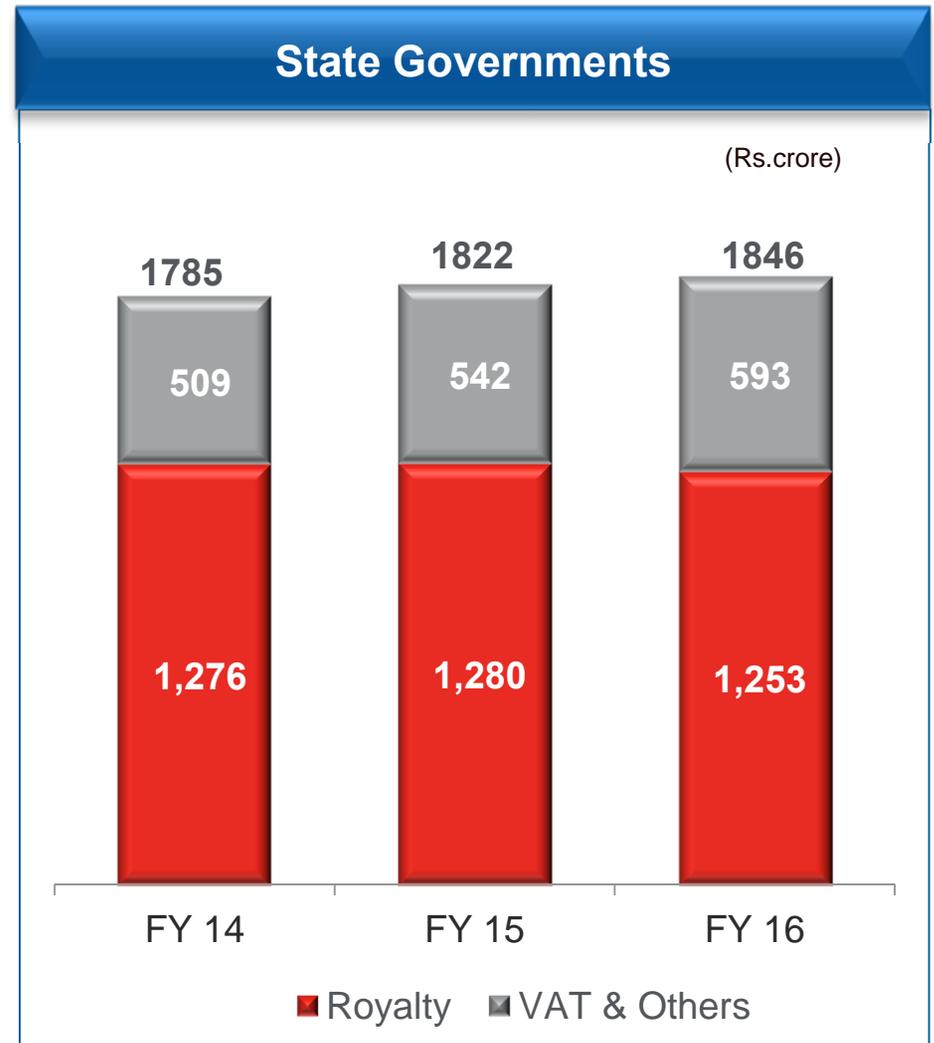
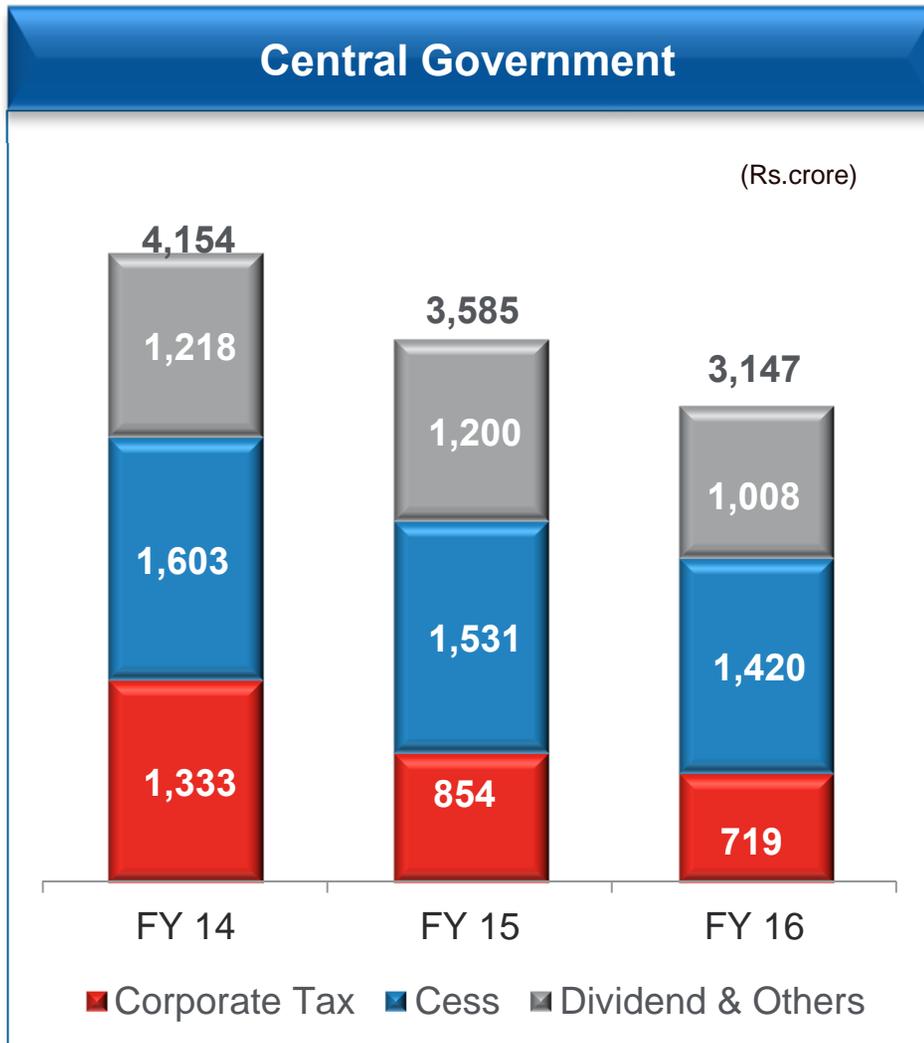
Total Debt (Rs. Crore)



Debt Equity Ratio



Contribution to Exchequer

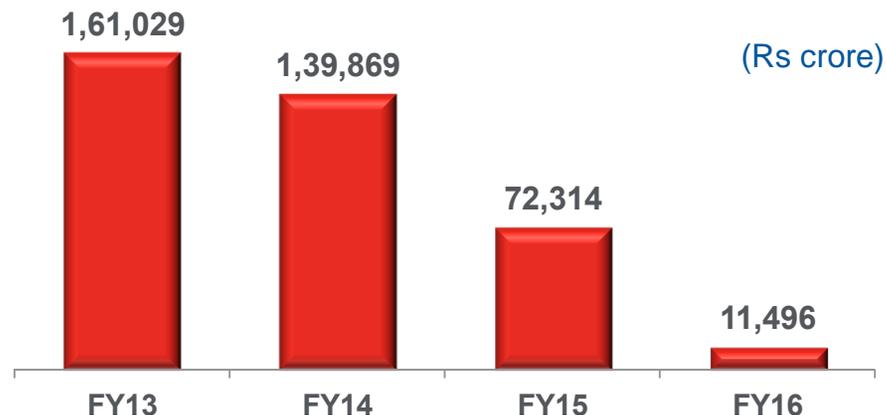


Government Policy and Outlook on Subsidy

Outlook on Subsidy

- ✓ Petrol Prices De-regulated in June 2010
- ✓ Diesel Prices De-regulated in October 2014
- ✓ Direct Benefit Transfer Scheme for LPG implemented effective Jan 1, 2015. subsidies on Domestic LPG fully compensated by Govt.
- ✓ >10 mn users surrendered LPG subsidy under Give it Up+, a voluntary initiative
- ✓ No subsidy to tax payers with an annual income of more than Rs.10 lakh.
- ✓ Monthly increase in price of LPG by Rs.2/ cyl.
- ✓ Govt. absorbing subsidy on PDS Kerosene upto Rs.12/ litre
- ✓ Monthly increase in price of PDS Kerosene by 25-50/ paise
- ✓ Direct Benefit Transfer Scheme for PDS Kerosene under implementation.

Total Petroleum Subsidy



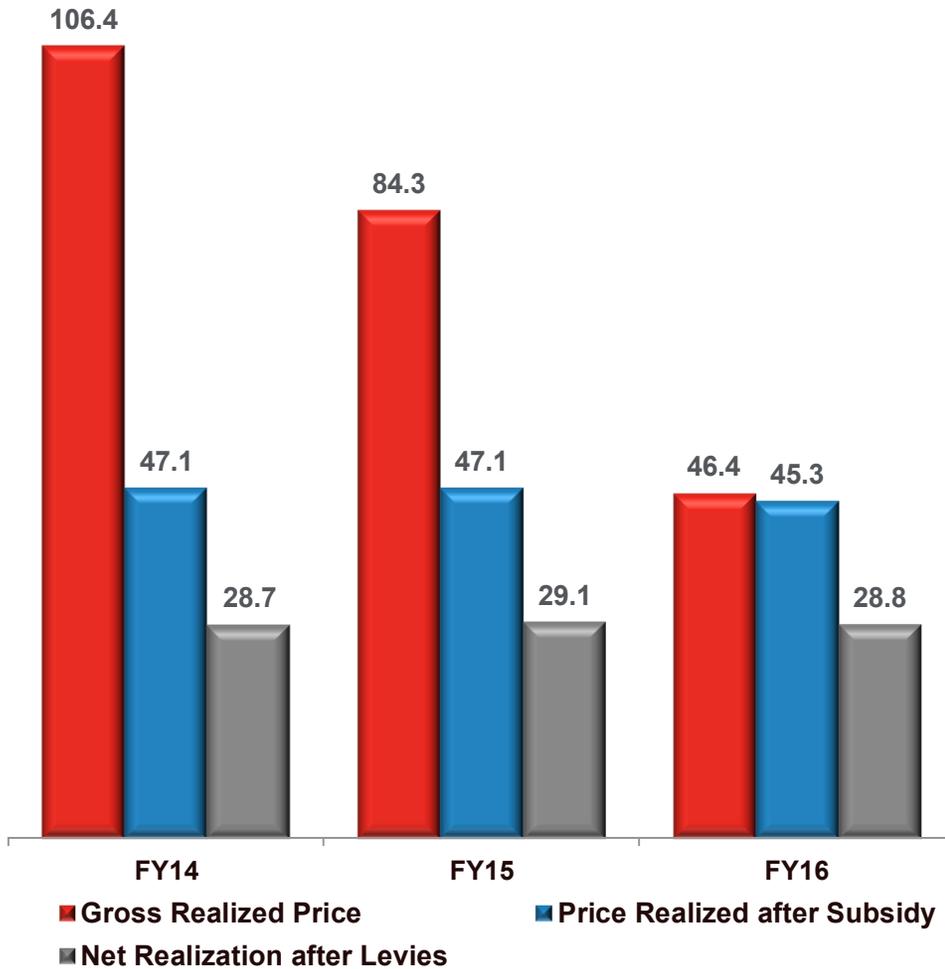
Sharing of Subsidy by Upstream Companies

| | FY13 | FY14 | FY15 | FY16 |
|--------------|---------------|---------------|---------------|--------------|
| ONGC | 49,421 | 56,384 | 36,300 | 1,096 |
| OIL | 7,892 | 8,737 | 5,523 | 155 |
| GAIL | 2,687 | 1,900 | 1,000 | - |
| Total | 60,000 | 67,021 | 42,822 | 1,251 |

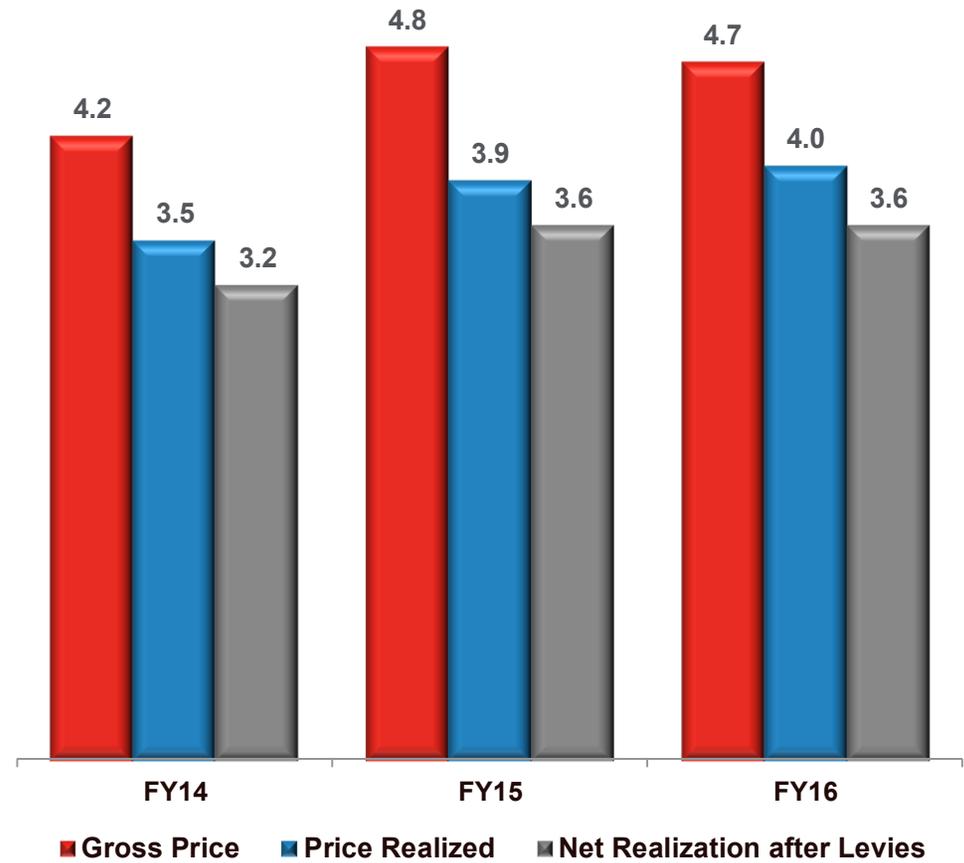
Subsidy burden declines sharply with fall in crude oil prices and policy decisions

Realized Price for Crude Oil & Natural Gas

Crude Oil (USD/BBL)



Natural Gas (US\$/MMBTU)





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Growth Strategy

Growth Strategy

OIL has aspiration to be an international E&P player with operations at scale in at least two geographical clusters outside India, significantly higher production, reserves and cash flows while being known globally for its capabilities to extract value from mature assets.



15 MMTOE production translating to 6-7% growth p.a. with R/P of 15, 2.5x production, 4x revenues and 5x net profits relative to 2015



50% of production outside NE and international presence at scale in 1-2 clusters (1.5-2 MMTOE each)



Among top 10 mature asset operator globally; known for extracting value from mature assets



Selective, profitable diversification in the energy value chain to monetize E&P assets and participate in India's push for renewables



Most preferred E&P company in India to attract and retain exceptional talent, while continuing to be exceptionally well regarded in the community

Strategies to Achieve 2030 Aspirations

- 1 Reimagine Main Producing Area development to maximise potential**
- 2 Step up exploration and development activities in select Indian basins**
- 3 Build international presence at scale in one or two geographic clusters**
- 4 Pursue selective, profitable diversification in the energy value chain**
- 5 Achieve top 10 status in global mature asset exploitation**
- 6 Restructure organisation and people processes to deliver the perspective plan**

Technology Innovation/ Improvements

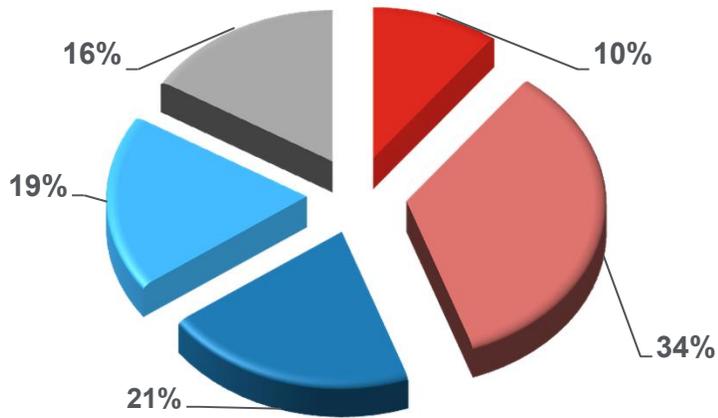
- Use of advanced techniques have enabled company to maintain production rates in the Upper Assam basin despite majority of the fields being old.
- Company deploys a wide array of IOR and EOR to achieve maximum recovery of oil reserves.
- Introduced hydro-frac operations to produce tight sands.
- Introduced radial drilling technology to improve productivity.
- Introduction of ESPs to improve artificial lifting from wells.
- Gravel pack completion for efficient production of unconsolidated sand reservoirs.
- Plans to introduce extended reach completions to tap the reservoirs lying under logistically difficult areas.

Positive Policy Environment

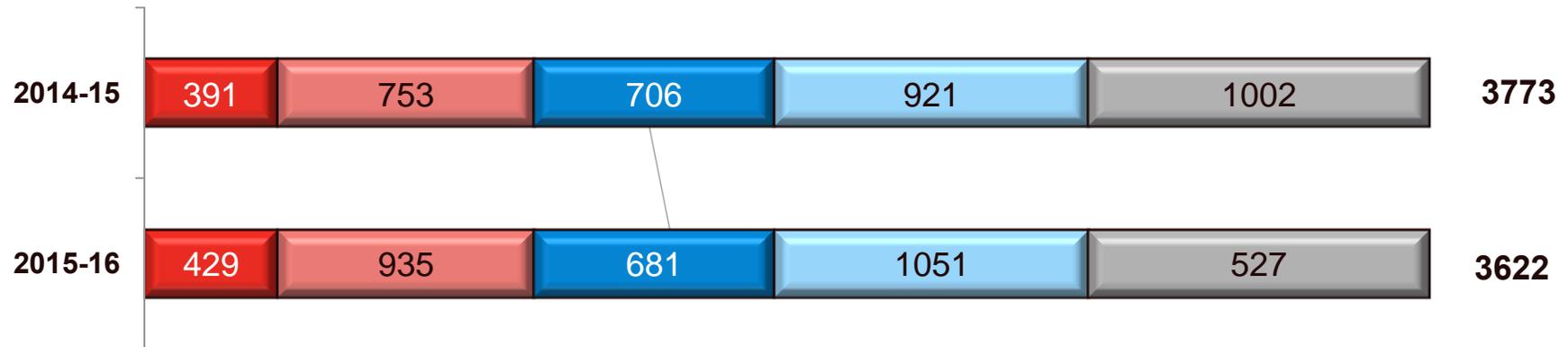
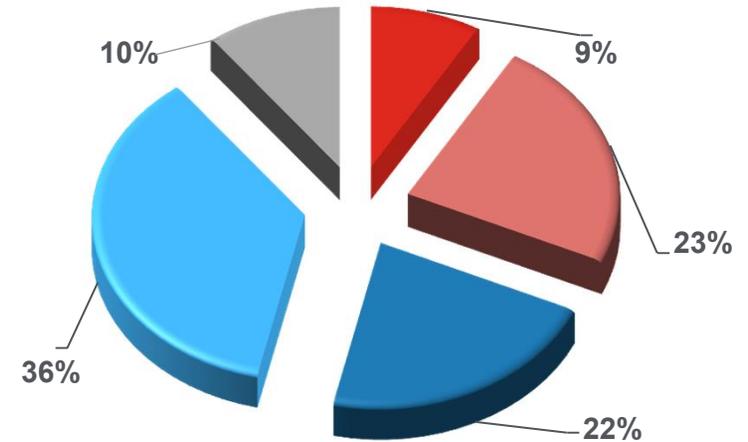
- Maximising domestic Oil & Gas production is a strategic priority for the Govt., with an aim to reduce import dependence by 10% by 2022.
- Hydrocarbon Vision 2030 for Northeast India+ gives strategic importance to the development of Northeast India which is the main operating area for OIL.
- Action areas envisaged under the NE Vision for upstream sector:
 - **Increase in production from mature fields**
 - **Enhancing exploration activities**
 - **Offering premium on gas production**
 - **Re-allotment of relinquished blocks on nomination to NOCs**
 - **Concept of Zero phase of exploration and increase in exploration time to 8+4 years**
 - **Expansion of Refining capacity and Pipeline network**
- Declaration of Hydrocarbon Exploration Licencing Policy (HELP) in place of NELP
- Monetisation of marginal fields - Bid round already kicked off
- Unconventional Exploration Policy for PSUs
- National Data Repository to facilitate Open Acreage Offer

Capex Plans

2016-17 : Rs.4,020 crore



2017-18 : Rs.4,290 crore

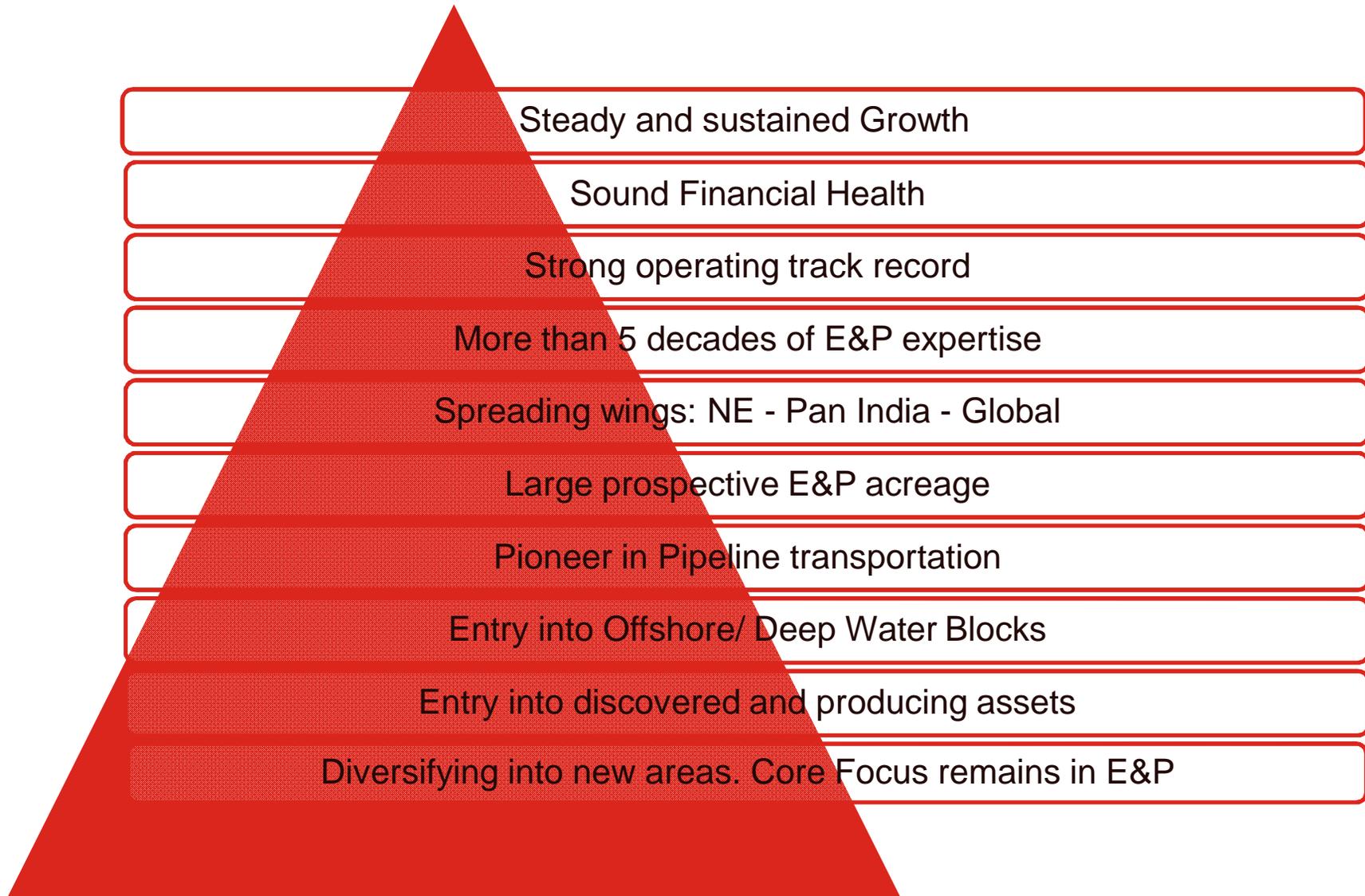


■ Survey
 ■ Exploratory Drilling
 ■ Development Drilling
 ■ Capital Equipment
 ■ Overseas Projects

Production Guidance for FYq17

| | 2016-17 |
|-------------|----------------|
| Crude oil | 3.28 MMT |
| Natural gas | 2981 mmscm |

Conclusion



- *Thank You*