



## **PRESS RELEASE**

### **Oil India Limited (OIL) holds its 58<sup>th</sup> Annual General Body Meeting**



### **Fiscal 2016-17- a year of significant achievements for the Company**

- Highest ever production and sale of Natural Gas in the history of OIL.
- Best ever drilling performance of drilling 60 wells with total metrage of 1,86,721 metres
- Crude Oil production of 3.277 MMT & Natural Gas production of 2937 MMSCM
- Ten (10) hydrocarbon discoveries – all in the upper Assam basin
- Retained International credit ratings - Moody's "BAA2" (higher than sovereign rating) and Fitch Rating "BBB (-)" (Stable) (equivalent to sovereign rating) and Domestic Credit ratings- CARE

Rating – “AAA” (highest rating awarded by CARE for long term facilities) and “A1+” (highest rating awarded by CARE for short term facilities)

- OIL’s audited annual accounts have “Nil” comments from the Comptroller and Auditor General of India for the 15<sup>th</sup> year in succession
- Part commissioning of the 4<sup>th</sup> Wind Energy power project of 52.5 MW capacity, split between Gujarat and Madhya Pradesh

Fields’ Headquarters, Duliajan  
(Dibrugarh, Assam)  
Saturday, September 23, 2017

Oil India Limited, country’s second largest National ‘*Navratna*’ E&P Company, in terms of total proved plus probable oil and natural gas reserves, held its 58<sup>th</sup> Annual General Body meeting at its Field Headquarters in Duliajan, Assam, today.

- ❖ In his address to the shareholders, Chairman and Managing Director, Shri Utpal Bora shared the significant highlights of fiscal 2016-17 during which OIL achieved the highest ever production and sale of natural gas in the history of the Company. While natural gas production was 2937 MMSCM as against 2838 MMSCM during 2015-16, natural gas sales was 2412 MMSCM as against 2314 MMSCM during 2015-16.

Crude oil production in 2016-17 was 3.277 MMT as compared to 3.247 MMT during 2015-16 while Crude oil sales were 3.221 MMT as compared to sales of 3.237 MMT during 2015-16. He mentioned that, this year, the Company not only could contain last few years’ fall in crude oil production but also achieve increase in production.

The turnover of the Company stood at Rs 9510.39 crore as against Rs 9764.87 crore in 2015-16 while the Profit after Tax (PAT) was Rs 1548.68 crore against PAT of Rs 2,301.67 crore during 2015-16. He mentioned that the profitability of the Company was affected mainly due to payment of differential royalty of Rs 1151.73 crore on crude oil for the period February, 2014 to March, 2016, as per Government directive. During 2016-17 the Company declared dividend at 142.50%.

Shri Bora also mentioned about OIL’s substantial contribution both to the State and Central exchequer in terms of Cess, Royalty, Sales Tax etc. The contribution to the State Exchequer

during the year was Rs 3011.94 crore and that to the Central Government was Rs 2928.18 crore.

He also mentioned that it is a matter of great pride that OIL's audited annual accounts have "Nil" comments from the Comptroller and Auditor General of India for the 15<sup>th</sup> year in succession.

- ❖ Shri Bora announced that OIL's sound financial performance has enabled the Company to retain International credit ratings for the fourth consecutive year - Moody's "BAA2" (stable) (higher than sovereign rating) and Fitch Rating "BBB(-)" (Stable) (equivalent to sovereign rating). Also, the Company retained highest domestic ratings from CARE Ratings-"AAA" (for long term facilities) "A1+" (for short term facilities).
- ❖ Giving an overview of the Company's scenario, the CMD mentioned that as on 31.03.2017, OIL is holding Participatory Interest (PI) in total of 09 NELP Blocks out of which OIL has the right of operatorship / joint operatorship in 06 blocks and as non-operator in 03 blocks. The Company is also holding 40 percent PI in JV block Kharsang PSC and 44.086% PI in pre-NELP (JV) block AA-ON-94/1.

The CMD mentioned that OIL has started its High Pressure-High Temperature drilling campaign in the block KG-ONN-2004/1 and also drilled its first deepwater offshore well in block CY-OSN-2009/2.

Sri Bora informed that, during the year, OIL made a total of ten hydrocarbon discoveries, all of which were in the Upper Assam basin. Further, hydrocarbon reserve accretion during the year was 7.5489 MMT (O+OEG) of oil and gas.

- ❖ Speaking about OIL's natural gas production, the CMD apprised that the Company could achieve the all-time highest natural gas production due to actions initiated to effectively monetize the natural gas reserves.

The present gas production potential is about 7.85 MMSCMD from Assam and Arunachal Pradesh fields and about 0.95 MMSCMD from the Rajasthan fields. He also informed that action is at hand to increase the gas production potential to a level of 10 MMSCMD in the North East for uninterrupted supply of gas to all customers.

- ❖ The CMD next mentioned that, after successful completion of experimental production testing in Bikaner-Nagaur basin, Rajasthan, production of heavy oil is being started. Presently, the production of heavy oil is not very significant as only two wells are on production. Drilling

campaign, targeting cyclic steam injection will start from the end of this year. The heavy crude stands monetized with effect from 1<sup>st</sup> May, 2017 and revenue is being generated on regular basis. The allocation for this crude was obtained from MoPNG to be processed at Koyali Refinery of IOCL in Gujarat.

- ❖ Next, Shri Bora gave an overview of the Company's overseas activities. OIL's overseas E & P portfolio comprises of 17 blocks and is spread in 10 countries covering Russia, Venezuela, USA, Mozambique, Libya, Gabon, Nigeria, Yemen, Bangladesh and Myanmar.
  - During 2016-17, OIL along with Indian Consortium partners IOCL and BPRL acquired two producing assets in **Russia** - 23.9% stake in Vankorneft, Russia and 29.9% stake in Taas-Yuryakh, Russia w.e.f 5<sup>th</sup> October, 2016. Currently, at the overall project level, Vankorneft license is producing @ 3,67,000 bopd whereas the Taas-Yuryakh license is producing @ 22,700 bopd which is expected to meet peak production of 5 MMT by 2021.  
In License-61 in **Russia**, the development and production activities are undergoing at present and the current average daily production is around 2,100 BOPD.
  - In **Venezuela**, Carabobo Project, where OIL has PI of 3.5%, the development activities in the field are under progress. Current average daily production from the project stands at approximately 27,000 BOPD.
  - In the **USA** Liquid rich shale asset where OIL has 20% PI, OIL holds approx. 14172.75 net acres of the asset. Currently, OIL's share of daily production from this asset is around 350 BOEPD.
  - In **Mozambique**, OIL together with OVL, has 10 per cent participating interest (OIL 4%, OVL 6%) in the Area 1 Rovuma Field. The project has recoverable resources ranging between 50-75 TCF. The CMD mentioned that there is real momentum building on Mozambique LNG and it is encouraging to observe the progress made to-date. The first production and revenue from the field is expected to be generated in fiscal year 2022/2023.
  - In **Gabon**, block SHAKTHI, where OIL is the operator, a discovery was made in the third well, Lassa-1, which produced oil with gas. It was OIL's first discovery overseas as Operator. Two appraisal wells (Lassa-2 & 3) were drilled as per the MWP of Phase-1 of New PSC (G4-245). The JV consortium acquired 1213.04 LKM of new 2D seismic API in Phase-I to assess the prospectivity in the remaining part of the block. Based on the interpretation

and prospect evaluations, the Consortium has entered into Phase -II exploration period of the PSC during which two wells are to be drilled as per MWP commitment.

- In **Nigeria**, block OML-142 where OIL holds 17.5% working interest, 125 square kilometers of 3D seismic data API covering Otien field (Discovery area) and surrounding prospects is complete. Based on the interpreted results, consortium decided to re-enter the Otien 1 well (Discovery Well) and re-entry in the well is under progress.
- In **Bangladesh** blocks SS-04 & SS-09, seismic acquisition and processing of acquired data is almost complete. Exploratory well in Block SS-04 is proposed to be spudded in the beginning of 2018.
- In **Myanmar**, the Consortium led by OIL has completed Geoscientific Studies in both blocks M-4 & YEB. Based on the findings, notification has been given to Myanmar Oil & Gas Enterprise (MOGE) to exit from M-4 due to poor prospectivity and conditionally enter into YEB block with revised MWP & Investment in view of presence of environmentally sensitive areas in the Block.

The CMD mentioned that OIL's overseas portfolio has contributed significantly to accretion of reserves and production of oil and natural gas. During 2016-17, OIL's crude oil and natural gas production for its proportionate share of stakes in the overseas producing assets stood at 0.9069 MMT and 352.99 MMSCM respectively.

- ❖ Shri Bora then gave an overview of OIL's focus on Renewable Energy as part of which the Company undertook its fourth Wind Energy Power Project, of capacity 52.5 MW, split between Gujarat (27.3 MW in Kotiya, Gujarat) and Madhya Pradesh( 25.2 MW in Unchawas, Madhya Pradesh). Commissioning of the project has started and as of 31<sup>st</sup> March 2017, 8.4 MW sub-part was commissioned at Kotiya and a 6.3MW sub-part was commissioned at Unchwas. With commissioning of these sub parts, the total Installed Capacity in commercial Renewable Energy Projects of OIL stands at 150.3 MW, comprising of 136.3 MW of Wind Energy Projects and 14MW of Solar Energy Projects.

Further, Wind Resource Assessment (WRA) exercise in Assam, an initiative being sponsored by OIL, is in progress. Wind Monitoring Stations (WMS) have been installed and commissioned at nine (09) identified sites, spread across eight districts of Assam. Wind and other associated data are being recorded to assess the wind energy availability in Assam. The process is scheduled to continue for two complete wind cycles.

- ❖ Giving an account of Oil India's Corporate Social Responsibility (CSR) initiatives, Shri Bora underlined that, OIL has been carrying out various CSR projects and programmes as per the provisions of the Companies Act, 2013, its CSR policy and its Social Vision for the all round development of the people and communities residing in its operational areas. These encompass major focus areas such as Education, Healthcare, Sustainable Livelihood, Skill Development, Rural Infrastructure etc. as outlined in Schedule VII of the Companies Act, 2013. During 2016-17, apart from the ongoing CSR projects and programs, OIL undertook the implementation of the **Swachh Bharat Abhiyan** launched by the Hon'ble Prime Minister of India, through various initiatives including development and maintenance of Kamakhya Temple, Guwahati for 5(five) years.
- ❖ Shri Bora also informed that in 2016-17, OIL was honoured with, amongst others, the FIPI (erstwhile Petrofed) E&P Company of the year Award 2016.

The CMD concluded by re-assuring all shareholders that the Company shall always make sincere endeavours to make OIL an organization to be proud of and take it to new heights in the coming years.