

ONGC : Performance Highlights FY'10

Dated: 28th May, 2010

A. Highlights

•	Total 21 Discoveries made in FY'10 which include 11 New Prospects (1 Deep water, 3 Shallow water, 7 Onshore) and 10 New pools (6 onshore, 4 offshore).
•	ONGC's ultimate reserve accretion of 82.98 MTOE from domestic acreages is highest in 20 years.
•	Crude production declines 2%, from 27.13 MMT to 26.46 MMT. Natural Gas production increases 1%, from 25.43 BCM to 25.60 BCM
•	Net Profit of Q4FY'10 increases 71%, from Rs 2,207 Crore to Rs. 3,776 Crore. Annual net profit of ONGC increases 4%, from Rs. 16,126 Crore to Rs.16,768 Crore in FY'10.
•	Subsidy payout of Rs.4,999 Crore as compared to Rs. 852 Crore in Q4FY'09. On annualized basis, subsidy payout of Rs.11,554 Crore as compared to Rs. 28,225 Crore in FY'09.
•	Dividend: Recommended payout of Rs. 33 per share (including interim dividend Rs. 18 per share) aggregating to Rs. 7,058 Crore (FY '09- Rs,32 per share aggregating to Rs 6844 crore)

ONGC Exploration & Production (E&P) Highlights:

B.1 Exploration

1	Total 21 Discoveries made in FY'10 which include 11 New Prospects (1 Deep water, 3 Shallow water, 7 Onshore) and 10 New pools.
2	ONGC's ultimate reserve accretion of 82.98 MTOE from ONGC operated domestic acreages is highest in 20 years.
3	Reserve Replacement Ratio of 1.73 (up 20% against RR of 1.44 in FY'09) is the 6th consecutive year of maintaining Positive reserve replacement.

B.2 Reserve Accretion in 2009-10

	Ultimate (MTOE)
Domestic	82.98
JV Domestic	4.39

B.3 Reserve Replacement ratio of ONGC-operated domestic areas

Year	Ultimate Reserve Accretion (MTOE)	Production MTOE	Reserve Replacement Ratio
2006-07	65.56	48.49	1.35
2007-08	63.82	48.28	1.32
2008-09	68.90	47.85	1.44
2009-10	82.98	47.78	1.74

B.4 Aggregate (Ultimate) Reserves (MTOE) as on 31.03.2010

	ONGC	JV	OVL	Total
1P	737.31	39.59	185.99	962.89
2P	968.99	43.95	356.78	1,369.72
3P	1,174.92	46.09	398.24	1,619.25

C. Production

Production Performance – FY'10

	FY'10	FY'09
Crude Oil – ONGC (MMT)	24.67	25.37
Crude oil – JVs – (MMT)	01.79	01.76
Total Crude Oil – (MMT)	26.46	27.13
Gas – ONGC (BCM)	23.11	22.48
Gas – JVs (BCM)	02.49	02.95
Total Gas (BCM)	25.60	25.43
Total VAPs (MMT)	03.46	03.32

D. Financials

(Rs. in Crore)						
Particulars	Q4FY'10	Q4FY'09	%	FY'10	FY'09	%

			Var			Var
Sales Income (excl. Trading)	14,792	12,131	22	60,205	55,419	9
Trading of MRPL products		1,670			8,510	
Sales Income (Including Trading)	14,792	13,801	7	60,205	63,929	(6)
Net Profit	3,776	2,207	71	16,768	16,126	4

1	73% of the Turnover derived from sale of Crude Oil, 13% from sale of Natural Gas, 14% from sale of Value-Added-Products (VAPs) viz. LPG, Naptha etc
2	ONGC continues to be a zero debt Company

E.1 Subsidy Impact on Profit

(Rs. in Crore)					
	2009-10	2008-09	2007-08	2006-07	2005-06
Gross Discount	11,554	28,225	22,001	17,024	11,956
Impact on Statutory Levies	1,629	4,292	1,942	1,448	1,089
Impact on Profit before tax	9,925	23,933	20,059	15,576	10,867
Impact on Profit after tax	6,551	15,798	13,241	10,333	7,210

E.2 Impact of Discount on Rate of Crude Oil:

Particulars	FY 2009-10		FY 2008-09	
	Q4	FY	Q4	FY
A.In USD per Bbl				
Pre Discount Rate	79.15	71.65	47.85	86.15
Discount	27.74	15.71	4.45	38.45
Post Discount Rate	51.42	55.94	43.40	47.70
B. Rs./USD Ex. Rate	45.92	47.42	49.76	45.91
C.In Rs. per Bbl				
Pre Discount Rate	3,635	3,397	2,381	3,955

Discount	1,274	745	221	1,765
Post Discount Rate	2,361	2,653	2,159	2,190

F. Consolidated Group Results of ONGC

Group consisting of:

1.	Oil and Natural Gas Corporation Ltd
Subsidiaries:	
2.	ONGC Videsh Ltd (Consolidated)
3.	Mangalore Refinery and Petrochemicals Ltd
4.	Joint Venture Entities:
i	Petronet LNG Ltd
ii	Petronet MHB Ltd
iii	Mangalore SEZ Ltd
iv	ONGC Mangalore Petrochemicals Ltd
v	ONGC Petro Additions Ltd
vi	ONGC Tripura Power Company Ltd
vii	ONGC TERI Biotech Ltd

5. Associate:

Pawan Hans Helicopters Ltd

1	Group Turnover of Rs 106,169 Crore (down 3% from Rs. 109,413 Crore in FY'09) due to fall in international prices of refined petroleum products of MRPL and crude oil prices of OVL.
2	Net Profit of the Group Rs 19,404 Crore (down 2% from Rs. 19,796 Crore in FY'09)

F.1 ONGC Videsh Ltd. (OVL) in FY'10

1	Production of 8.87 MTOE of O+OEG, as compared to 8.78 MTOE in FY'09
2	Profit after tax Rs. 2,115 Crore, down 25% over Rs. 2,853 Crore in FY'09 (lower average crude oil prices in the international market)
3	OVL led Consortium selected to acquire stake for development of Heavy Oil field in Venezuela.

4	OVL has 39 projects spread over 16 countries with 9 producing assets in 7 countries namely Sudan, Russia, Vietnam, Syria, Brazil, Columbia and Venezuela.
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F.2 Mangalore Refinery & Petrochemicals Ltd. (MRPL) in FY'10

1	Refinery Crude Thruput 12.50 MMT, down from 12.59 MMT in FY'09
2	Capacity utilization 129%; the highest among Indian Refineries.
3	Turnover Rs. 36,081 Crore, down 15% from Rs. 42,719 Crore in FY'09 (due to fall in international prices of refined petroleum products)
4	Profit-after-tax Rs. 1,112 Crore, down 7% Rs. 1,193 Crore in FY'09

G. Dividend payout during the last five years

(Rs. in Crore)						
Year	PAT	Dividend		Tax on Dividend	Payout %	
		%	Rs. in crore		Including Dividend Tax	Excluding Dividend tax
2005-06	14,431	300*	6,417	900	50.70	44.47
2006-07	15,643	310	6,631	1,012	48.86	42.39
2007-08	16,702	320	6,844	1,163	47.95	40.98
2008-09	16,126	320	6,844	1,163	49.66	42.44
2009-10	16,768	330	7,058	1,187	49.17	42.09

* adjusted for bonus

Declaring the audited financial results of ONGC Group for FY'10 to the media on 28th May 2010, soon after the ONGC Board meeting, CMD Mr. R S Sharma outlined that prudent reservoir management has always been ONGC's focus area through identified Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) or redevelopment schemes. In addition, ONGC has forayed into E&P of alternate and clean sources of energy and is benchmarking its operations leading to energy efficiency and help develop new Clean Development Mechanism (CDM) Projects.

He further stated that future upsides for company's growth would come from :

i	Increase in APM gas price.
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ii	Anticipated equity in subsidy sharing mechanism in crude oil sales, pursuant to Dr. Kirit Parikh Committee recommendations.
iii	Production enhancement in oil as well as gas due to new development schemes under implementation.
iv	Implementation of value added SPV businesses.
v	<u>OVL</u> : Higher production and revenue from new acquisitions.
vi	<u>MRPL</u> : Up-gradation and capacity enhancement of refinery, as well as OMPL coming on stream.

For further information, please visit our website www.ongcindia.com

Conversion Rates:

INR/1 USD: 47.42 (average for the Year FY'10)

INR/1 USD: 45.91 (average for the Year FY'09)

Listing references (as on 28th May, 2010):

ONGC: BSE – Rs. 1130.95

NSE – Rs. 1129.00

MRPL: BSE – Rs.66.50

NSE – Rs. 66.00.