



IndianOil

Contents



- Oil Industry Overview
- IOC's continued dominance in Oil Sector
- Strides beyond borders
- Unique Areas of Strength
- Unparalleled Infrastructure
- Spreading the Wings
- Meeting future challenges – unabated growth
- An Important Pillar in the Indian Economy

● Oil Industry Overview

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Oil Industry Overview: India

UPSTREAM
(Exploration & Production)

Oil & Natural Gas Corporation Ltd.

— ONGC Videsh Ltd.

Oil India Ltd.

Reliance, Cairn Energy, HOEC, Premier Oil

DOWNSTREAM
(Refining, Marketing & Pipelines)

Indian Oil Corporation Ltd.

— **Chennai Petroleum Corporation Ltd.** (Pure Refining)

— **Bongaigaon Refinery & Petrochemicals Ltd.**

Hindustan Petroleum Corporation Ltd.

Bharat Petroleum Corporation Ltd.

— **Numaligarh Refinery Ltd.**

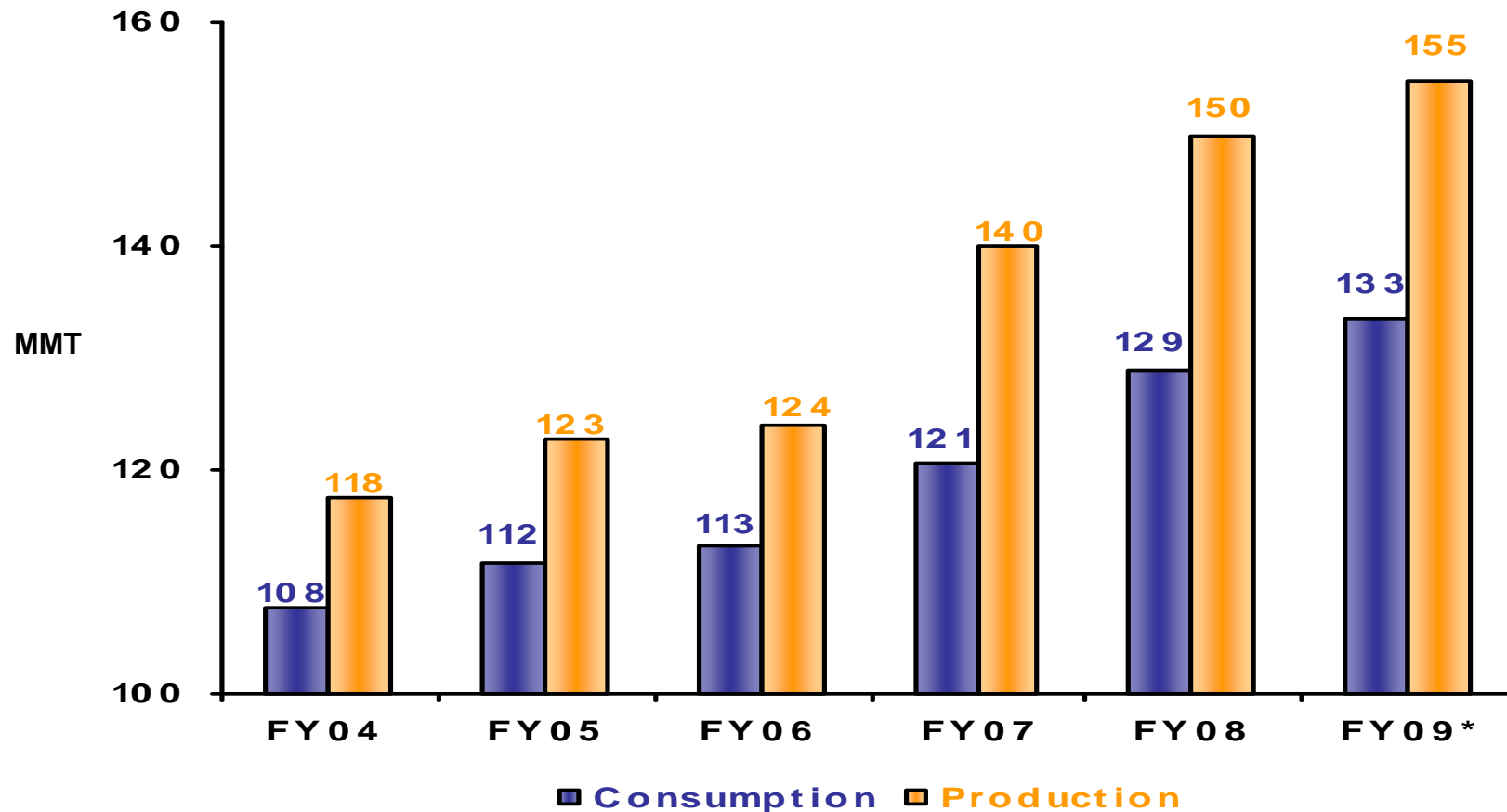
Mangalore Refinery & Petrochemicals Ltd.

Reliance Industries Ltd./Essar Oil Ltd./ Shell

(Gas Transport & Distribution)

— **GAIL (India) Ltd.**

Growth of Petroleum Products: India



Over the last 5 years, consumption and production grown at CAGRs of 4.36% and 5.62% respectively

Source: Consumption & Production from Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas, Govt. of India

* Provisional

Oil Industry – Recent Developments

- **Under recovery sharing by**
 - **Upstream companies**
 - **Subsidy from Government for SKO(PDS)/LPG(D)**
 - **Issue of Special Oil Bonds**
 - **OMC's (Nil in the year 2008-09)**
- **FDI in PSU refining sector allowed to 49% (against 26% limit)**

Key:

SKO(PDS) : Superior Kerosene Oil (Public Distribution System)

LPG(D) : Liquefied Petroleum Gas (Domestic)

Special Oil Bonds



IndianOil

- Oil bonds are issued periodically to compensate for pricing controls

	2005-06	2006-07	2007-08	2008-09	2009-10 (HY)
Industry (Rs Cr)	17263	24121	20554	75942	10306
Industry (USD billion)	3.60	5.03	4.28	15.82	2.15
IOC share (Rs Cr)	9376	13943	11484	41712	6207
IOC share (USD billion)	1.95	2.90	2.39	8.69	1.29

- The compensation in the form of oil bonds issued by the Government is dependent on the extent of under realization suffered by the OMC's on the sale of SKO (PDS), LPG (D), MS and HSD
- Timing of issuance of these bonds is determined by the Government
- Till 30th Sept 2009, IndianOil has liquidated Rs. 58372 crore (about USD 12 billion) worth of oil bonds
- The bonds are eligible for investment by Insurance companies, Provident/Gratuity/Superannuation Funds. Recently issued bonds are eligible for Repo transactions with Reserve Bank of India (discretionary)

Key:

SKO(PDS) : Superior Kerosene Oil (Public Distribution System)

LPG(D) : Liquefied Petroleum Gas (Domestic)

MS – Motor Spirit

HSD – High Speed Diesel

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IOC's continued dominance in Oil Sector

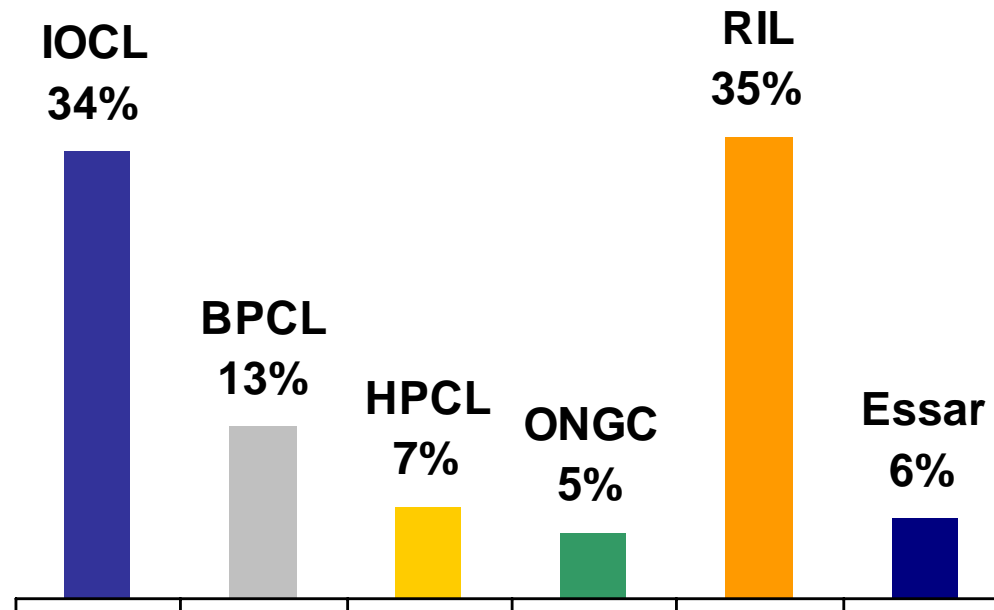
- Parameters of Performance
- Our Strength

Refining Share



**Industry Capacity
177.97 MMT**

Percentage Share



Key:

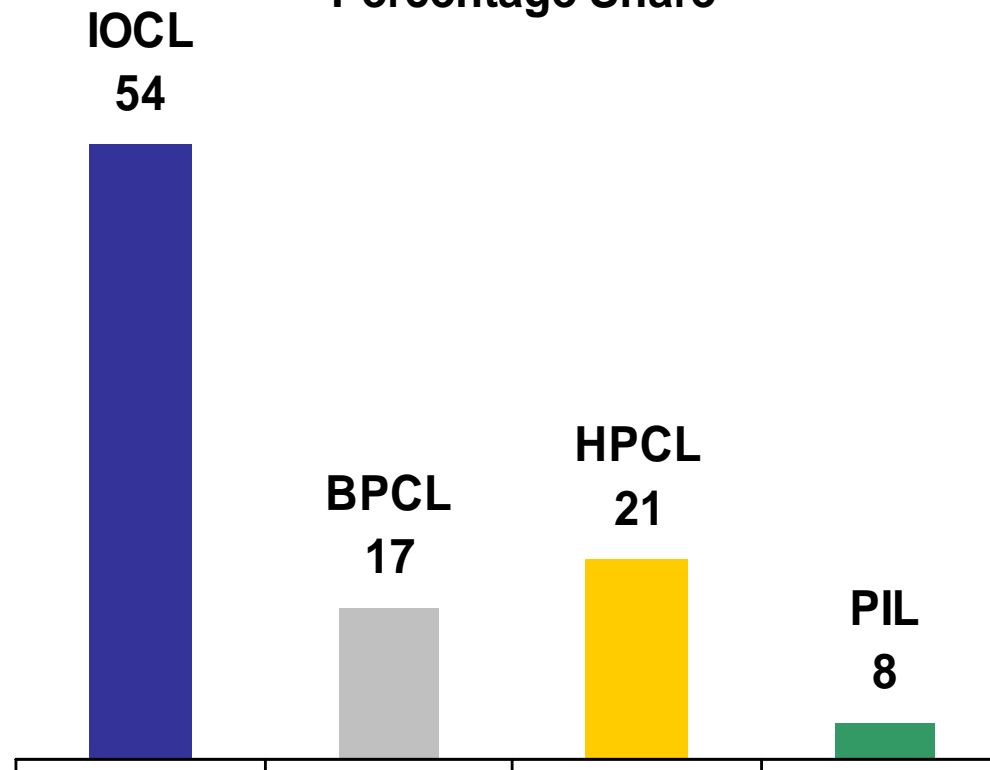
- IOC – Indian Oil Group
- BPCL – Bharat Petroleum Corporation Limited Group
- HPCL – Hindustan Petroleum Corporation Limited
- ONGC – Oil and Natural Gas Corporation Limited
- RIL – Reliance Industries Limited

Note: All figures for FYE 09

Product Pipelines

Industry Capacity
62.34 MMT

Percentage Share



Key:

IOCL – Indian Oil Group

BPCL – Bharat Petroleum Corporation Limited

HPCL – Hindustan Petroleum Corporation Limited

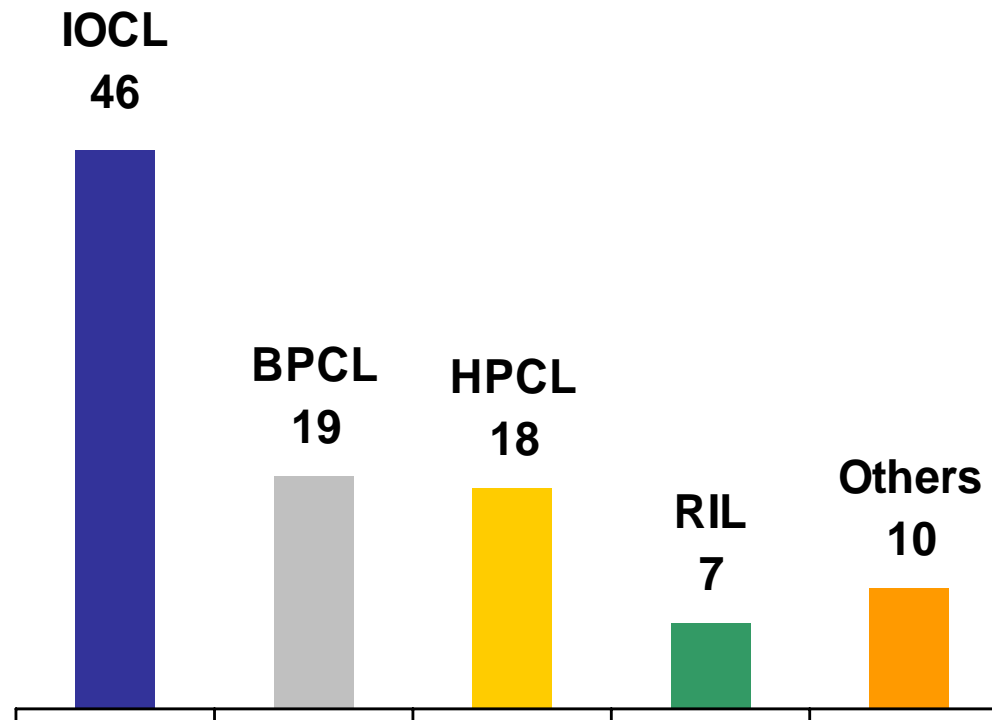
PIL – Petronet India Limited

Note: All figures for FYE 09

Industry Market Share (Petroleum Products)

Market Size
133.40 MMT

Percentage Share



Key:

IOCL – Indian Oil Group

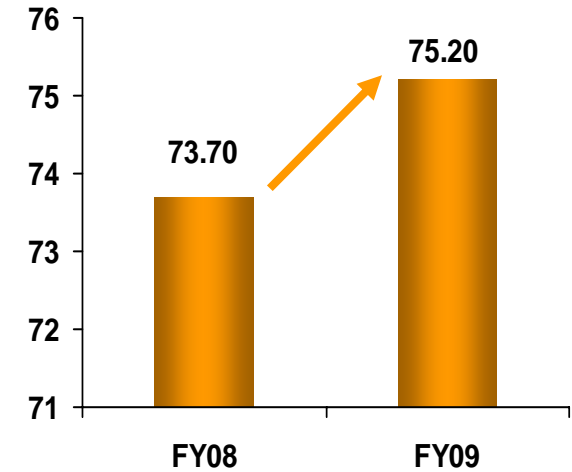
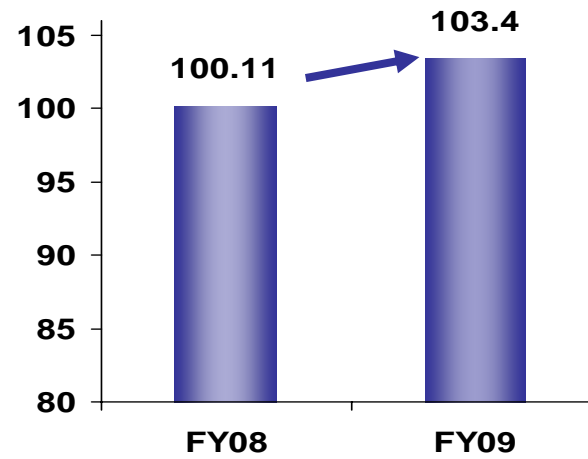
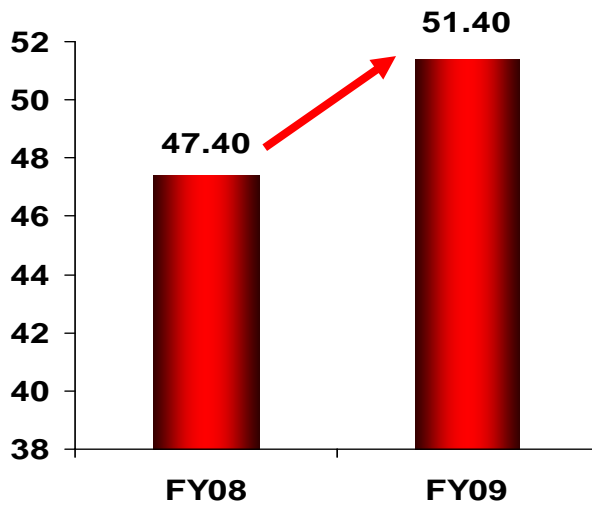
BPCL – Bharat Petroleum Corporation Limited

HPCL – Hindustan Petroleum Corporation Limited

RIL – Reliance Industries Limited

Note: All figures for FYE 09

Refining: Annual Operating Highlights



**Refinery Throughput
(MMT)**

**Capacity Utilization
(%)**

**Distillate Yield
(%)**

Strategic inland refinery locations with most effective supply and evacuation system through pipelines

All refineries meet product specification requirements in line with environmental regulations

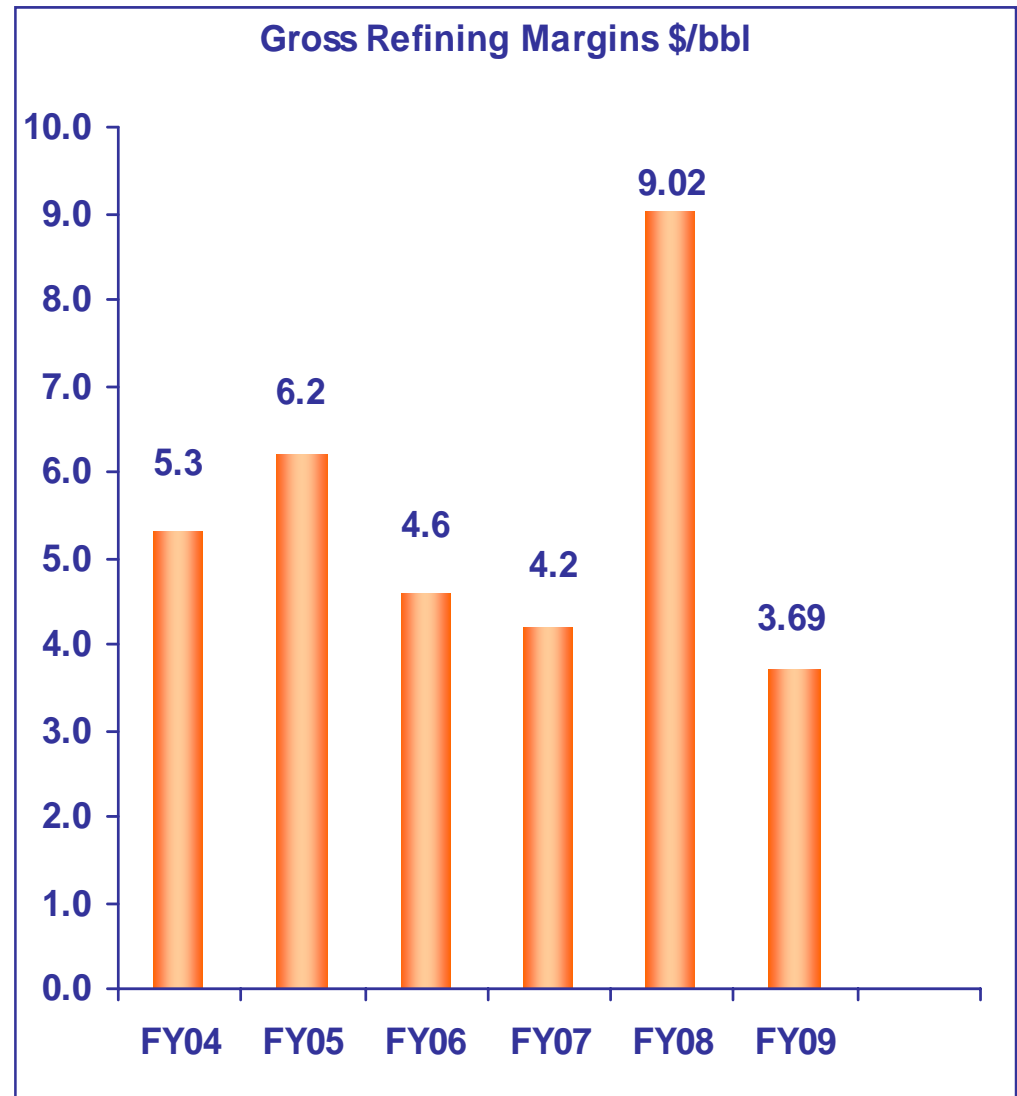
Refining Performance



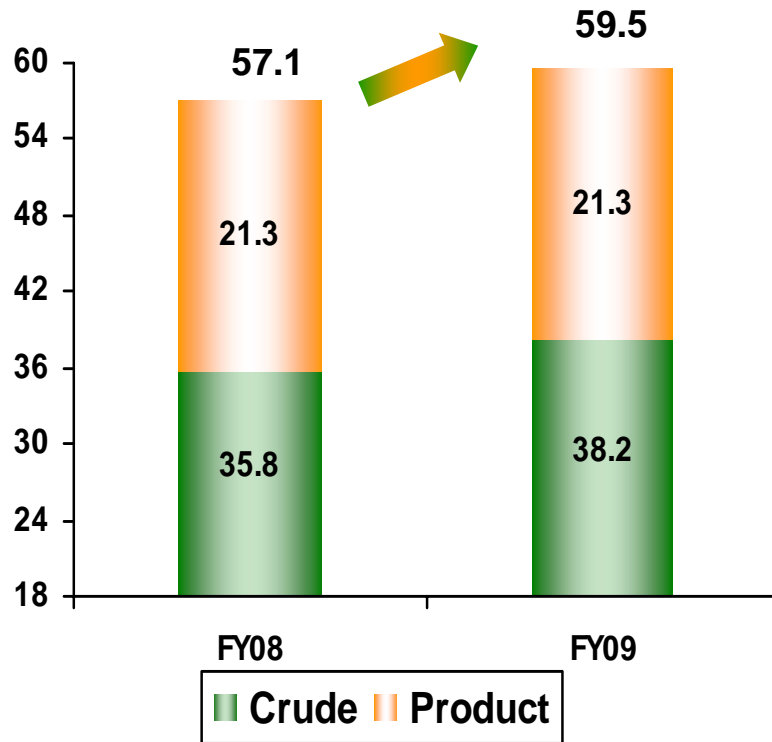
Key Facts

- Annual Capacity utilization – **103.4%**
- Lowest Ever Energy consumption of **64 MBN***
vis-à-vis 67 MBN in 2007-08
- Highest Distillate Yield at **75.2%** surpassed
previous best of 73.7% in

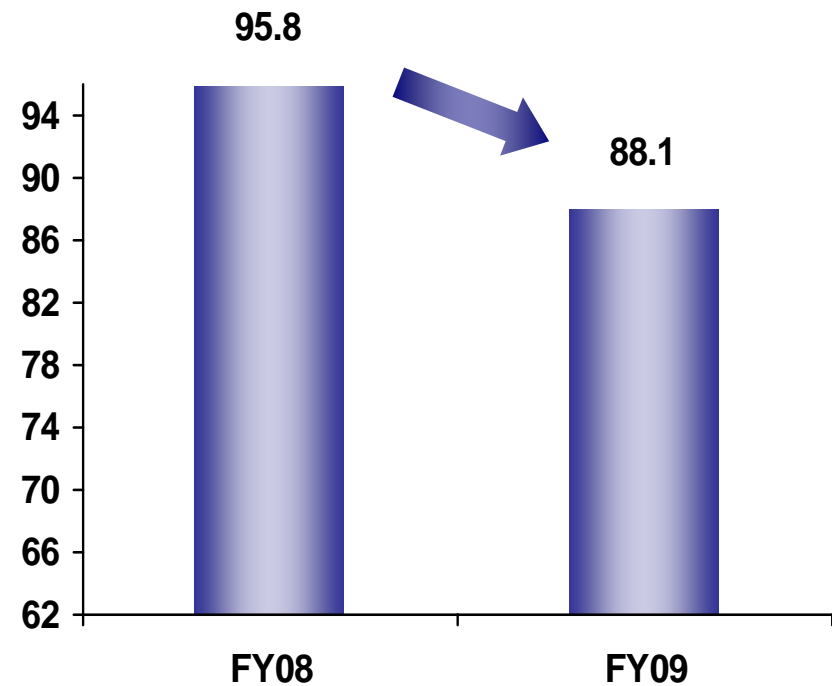
* Million British Thermal Units per Barrel-Energy Factor



Pipelines: Annual Operating Highlights



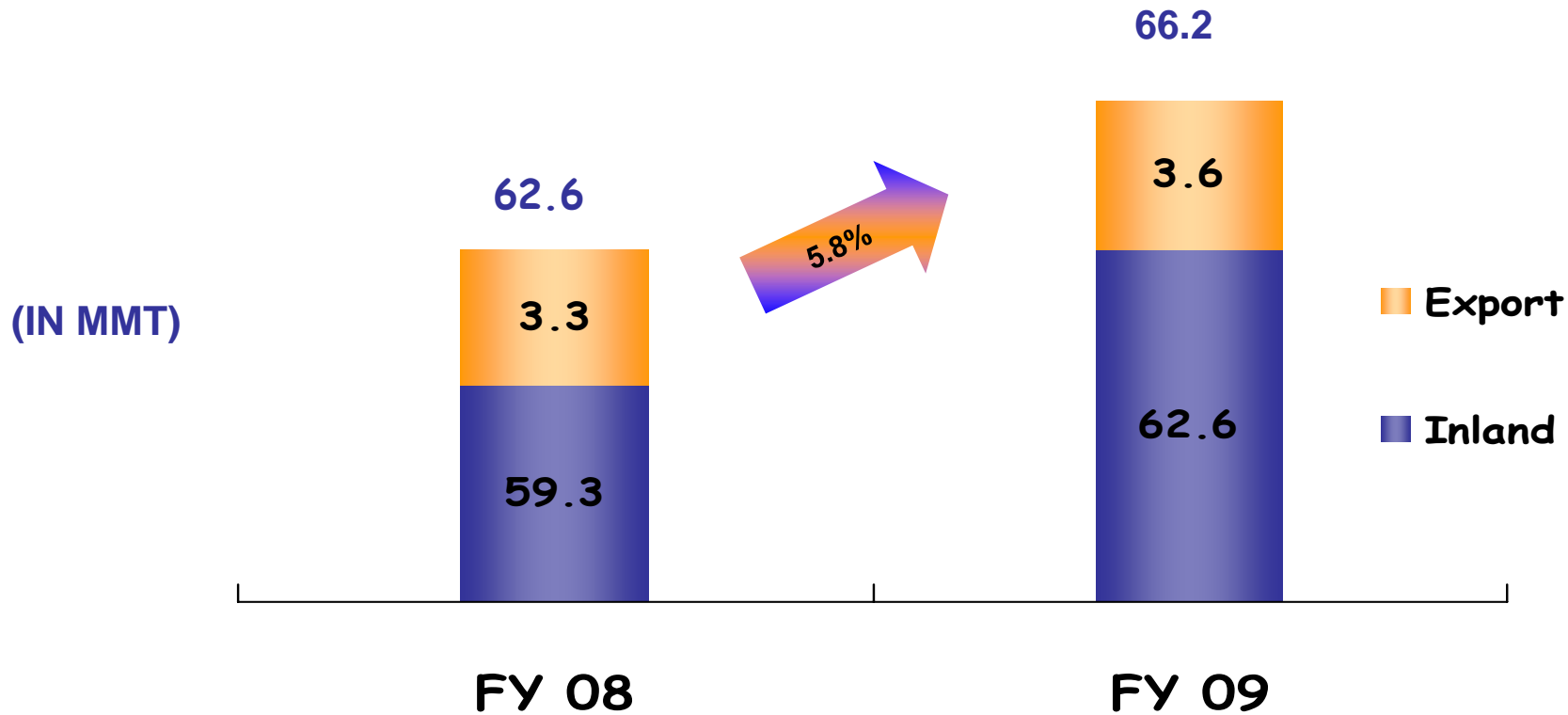
Pipelines Throughput (MMT)



Capacity Utilization (%)

Highest ever throughput achieved by IndianOil's pipelines in FYE 2009

Marketing: Annual Operating Highlights



Market Leader

Dominant domestic market share (petroleum products) held by IndianOil Group: 46%

Figures of IOC Group including Gas

Parameters of Performance



	2005-06	2006-07	2007-08	2008-09	2009-10 (Apr-Jun 09)
Turnover (Rs./Crore)	183,172	220,779	247,457	285,337	63,521
Turnover (USD billion)	38	46	52	59	13
Profit After Tax (Rs./Crore)	4,915	7,499	6,963	2,950	3,683
Profit After Tax (USD million)	1024	1562	1451	615	767
Earning Per Share (Rs.)	42.08	62.90	58.39	24.30	30.34
Earning Per Share (USD)	0.88	1.31	1.22	0.51	0.63
Debt-Equity Ratio	0.90:1	0.78:1	0.86:1	1.02:1	0.71:1

IOC's continued dominance in Oil Sector

- Parameters of Performance

- Our Strength

Our Strength

Sustained growth in turnover from 59.3 MMT to 62.6 MMT

This is ensured by

- **Cross country retail network** comprising of **18278 (47.9%) outlets**
- Continued Rural thrust : **2546 Kisan Seva Kendras**
- **LPG** supply to over **53 million households** with about **5000 (53.5%) LPG distributorship**
- Reaching the doors of **bulk customers** : **Bulk Customer Pumps 7335 (88.5%)**

Figures in () indicate % share in industry; Figures as on 31.03.2009

Our Strength

◆ Diversified range of core sector customers

- Railways
- Power House
- Fertiliser Plants
- Defence
- Aviation
- Coal

The growth is insulated from the cyclical demand fluctuations due to diversified customer base.

Our Strength - Hidden Treasure

Strategic equity investments in ONGC, GAIL & OIL
A hidden reserve of USD 3866 million (Rs 18558 crore)* on these equity investments

Particulars	No. of Shares (Million)	Holding (%)	Purchase Value USD Million	Market Value* USD Million
ONGC	164.5	7.69	371	4014
GAIL	30.6	2.41	26	229
OIL India	10.7	4.45	234	254
Total			631	4497

As on 30th Sept 09

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Strides Beyond Borders : Globalisation



● Sri Lanka

- Lanka IOC Ltd. began retailing operations in February 2003
- Largest private sector company in Sri Lanka, with over all market share¹ of 16.9% against 11.4% last year
- Share in MS: 24.8% vis-à-vis 20.2% last year
- Share in bunkering business: 40%

● Mauritius

- IndianOil Mauritius Ltd. incorporated in October 2001
- Overall sales grew by 11.5% to 174¹ TMT vis-à-vis 156 TMT last year
- Market leader in aviation business with market share of 35% ¹
- Zero Debt Company
- Maiden dividend declared

● Dubai

- Wholly-owned subsidiary IOC Middle East FZE, incorporated in April 2006, actively pursuing lubricant business in Middle East and Africa
- Servo distributors appointed for Oman, Qatar and Bahrain

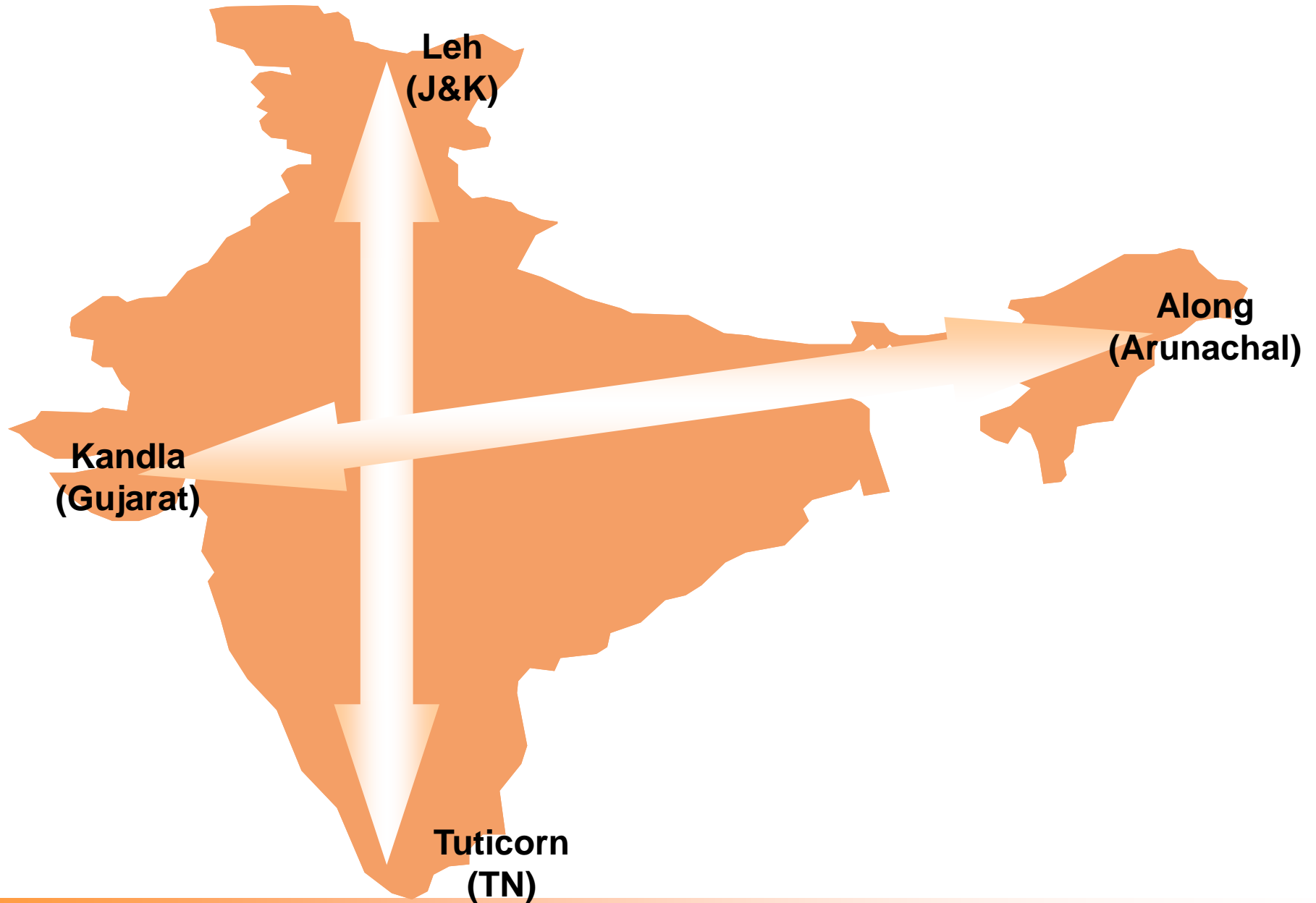
¹ During FYE 2009

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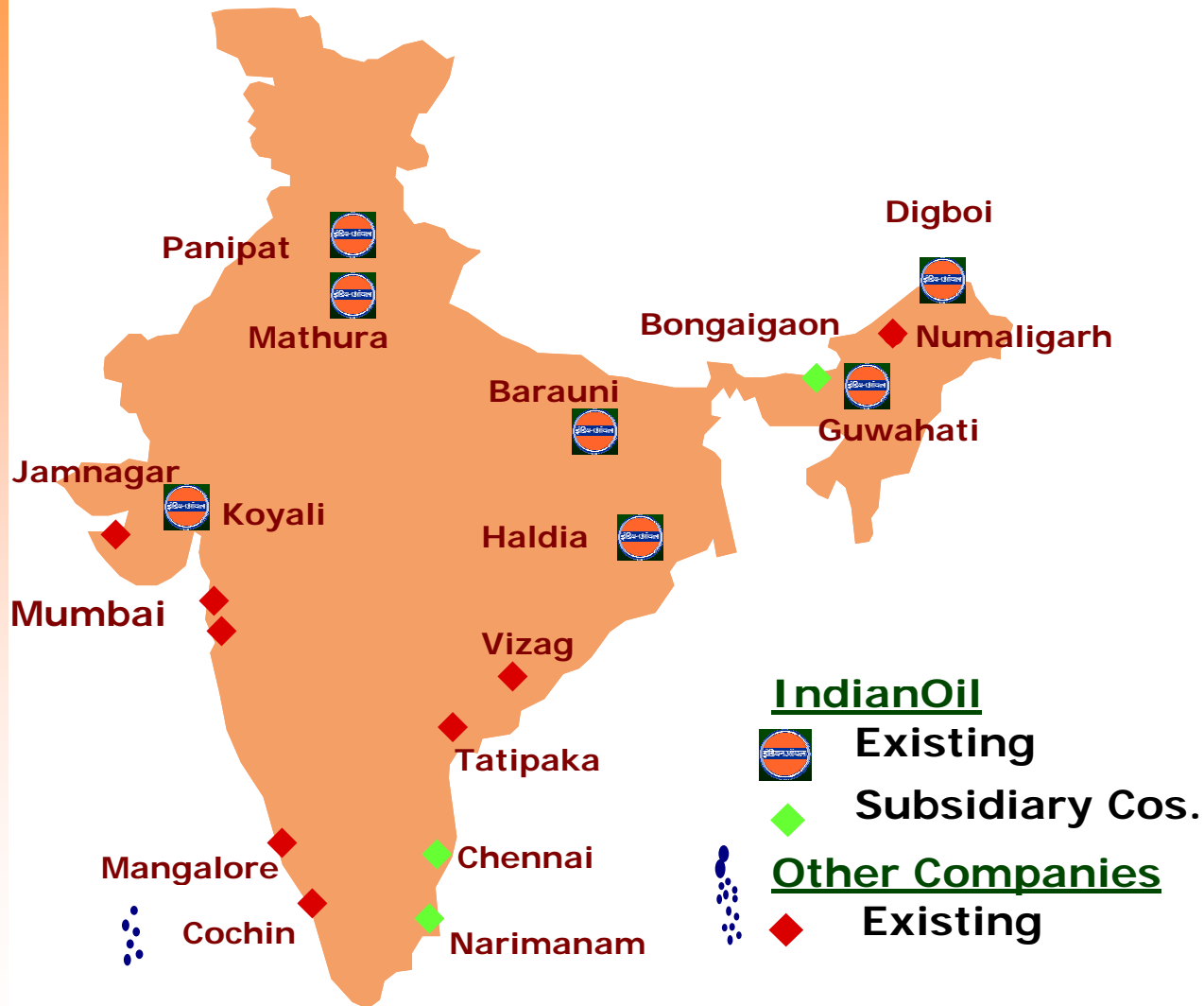


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Unique Area of Strength - Presence across Length and Breadth of the Country



Unique Area of Strength - Only company to have presence in high consumption North Area



● Two of the Refineries are located in high consumption North Area consisting of Uttar Pradesh, Punjab, Haryana, Rajasthan, Himachal Pradesh, Uttaranchal, Jammu & Kashmir.

Unique Area of Strength - Wide Network of Cross Country Pipelines



Key Facts



- 10,330 Kms of crude / product pipelines (capacity 71.60 MMT)
- Provides low cost crude transportation to all of the Company's refineries
- Recorded highest ever crude throughput of 38.2 MMT during FY 2009

As of March 31, 2009

R & D Providing cutting edge

- **Lube formulations**
 - **186 developed**
 - **153 commercialized**
 - **47 approvals obtained from user Industries / OEMs**
- **Deployment of in-house technologies**
 - **DHDT Catalyst for EU-IV quality Diesel and VGO hydro treatment**
 - **Heterogeneous Catalyzed Process for continuous bio-diesel production**
- **MoU signed with Shell India Markets Pvt Ltd**
 - **“Development of Safety Codes & Standards” for Hydrogen storage, transportation, dispensing & application**

....leading indigenous technology development

R & D
Providing cutting edge



Patents Active **214 ***

Patents Commercialized (India) **30**

*** Patents Active**

India	USA	Others	Total
101	48	65	214

Lubes	Ref.	Others	Total
39	80	95	214

Performance against odds



- Received the coveted WPC Excellence Award 2008 for developing hydro processing technology
- Petrotech 2009, successfully organized by IndianOil
- Fortune Global 500 ranking improved from 135 to 116
- Sustainability Report 2007-08 published conforming to Global Reporting Initiative (GRI) – G3 guidelines
- IndianOil's new "Vision" formulated

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Unparalleled Infrastructure

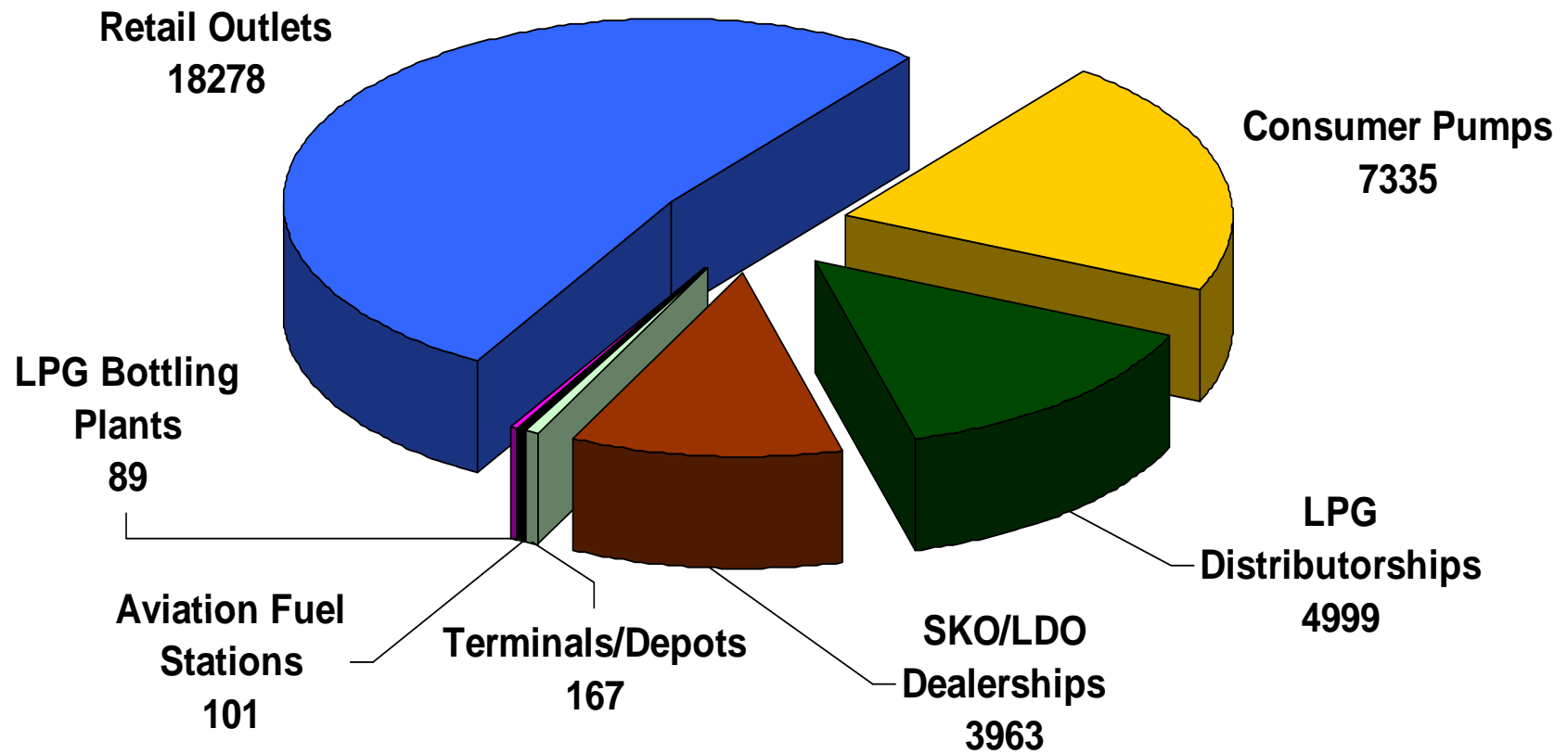


- **Controls 10 Refineries spread across the country (60.20 MMT – 34% of Industry)**
- **10330 Kms of pipeline network (71.2% of Industry)**
- **State of the art Research and Development Centre**

Unparalleled Infrastructure



- About 35,000 touch points (55.4% of industry)



As of March 31, 2009

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Spreading the Wings

Forward Integration into Petrochemicals

- Petrochemical plants at Gujarat, Panipat and Bongaigaon
 - Petrochem Turnover : USD 575 million (Rs 2760 crore)
 - LAB sales
 - Export 21 TMT to 12 countries
 - First footprint in Malaysia, South Africa, Saudi Arabia and Peru
 - PTA sales: 408 TMT
 - Growth 8.8%

Note: All figures for FYE 09

Spreading the Wings



Backward Integration into E&P

Domestic Exploration Blocks

● NELP

- 9 blocks with ONGC/OIL/GAIL/GSPC/Petrogas/ HPCL (15-30% participating interest)

● Coal Bed Methane

- 2 blocks with ONGC (20% participating interest)

● Farm-in

- 1 block

International Exploration Blocks

● Bidding

- Yemen (2 Blocks), Libya (3 Blocks), Iran (1 Block)

● Farm-In

- Gabon (1 Block), Nigeria (1 Block), Timor-Leste (1 Block)

Spreading the Wings



Diversification : Gas

- Gas sales of 1.7 MMT
- Turnover grew by 16.1% to USD 505 million (Rs.2425 crore) against USD 435 million (Rs.2089 crore) in previous year
- Franchise Agreements with City Gas Distributors (CGD) to sell CNG through IndianOil's Retail Outlets
- MoUs with several companies for sourcing of gas, CGD & gas marketing in various states

Note: All figures for FYE 09

Spreading the Wings

Diversification : Wind Power

- **IOC's first wind power project**
 - **Commissioned at Kachchh, Gujarat in Jan 09**
 - **Capacity : 21 MW**
 - **14 WEGs of 1.5 MW each**
 - **Investments : USD 27 million (Rs 130 crore)**

Note: All figures for FYE 09

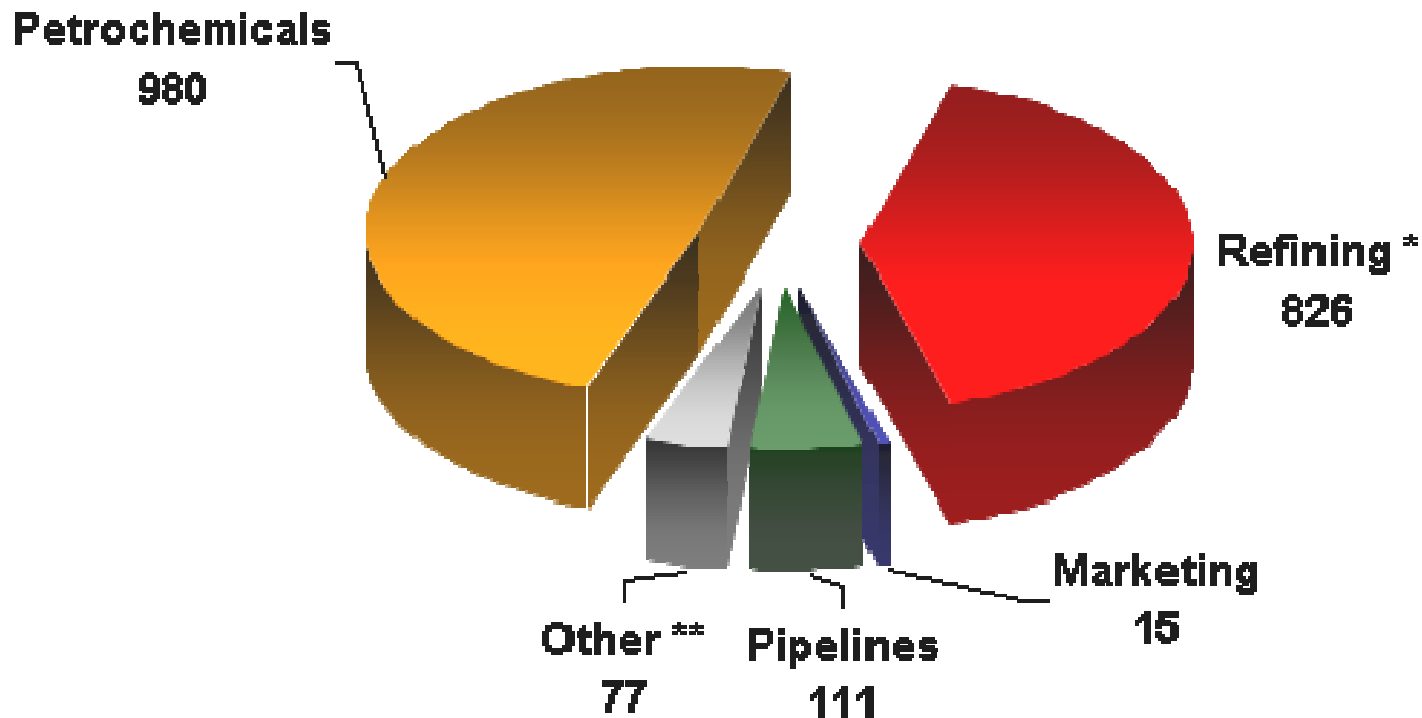
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Actual Capital Expenditure 2008-09

USD Million



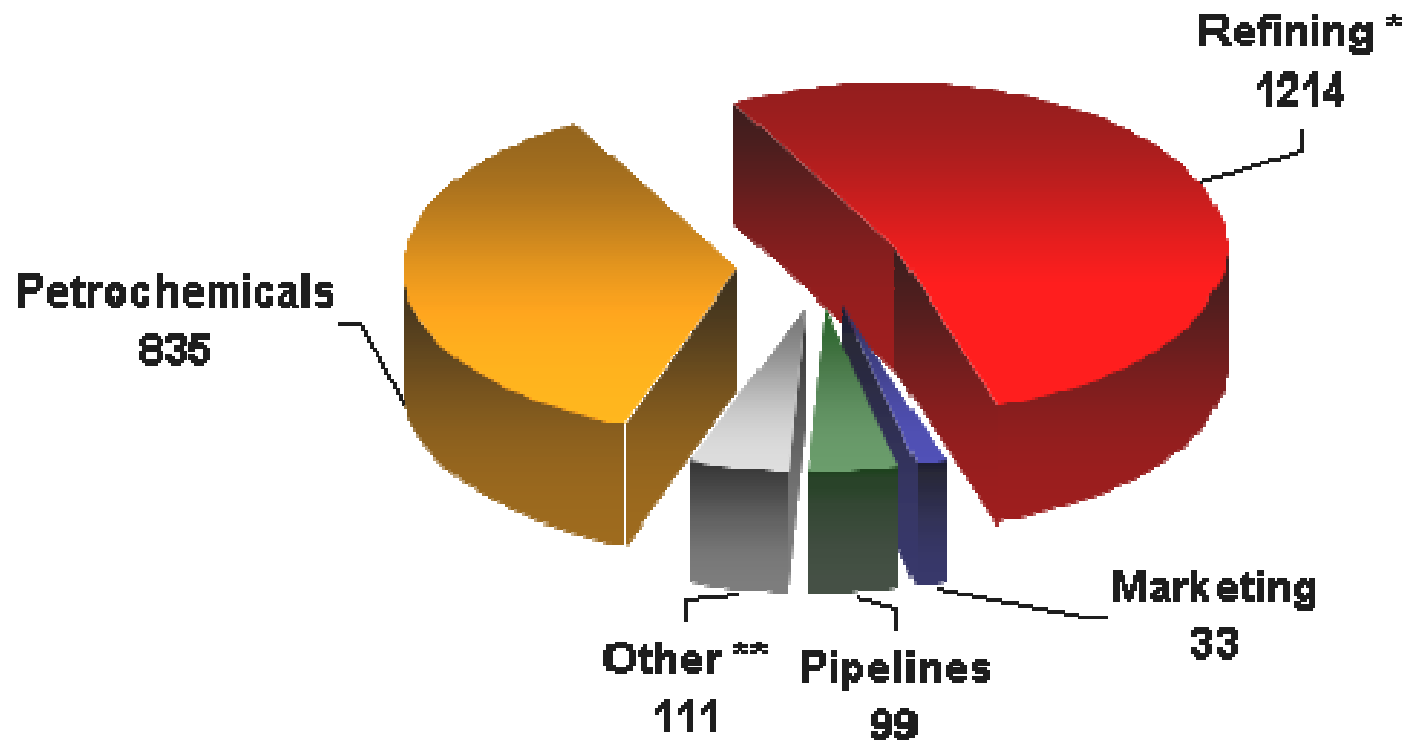
TOTAL CAPEX :
USD 2009 Million (Rs. 9,644 Crore)

* Includes refineries' capacity additions, yield and quality improvement

** Other includes R&D and diversifications such as LNG and E&P initiatives etc.

Capital Expenditure Outlay 2009-10

USD Million



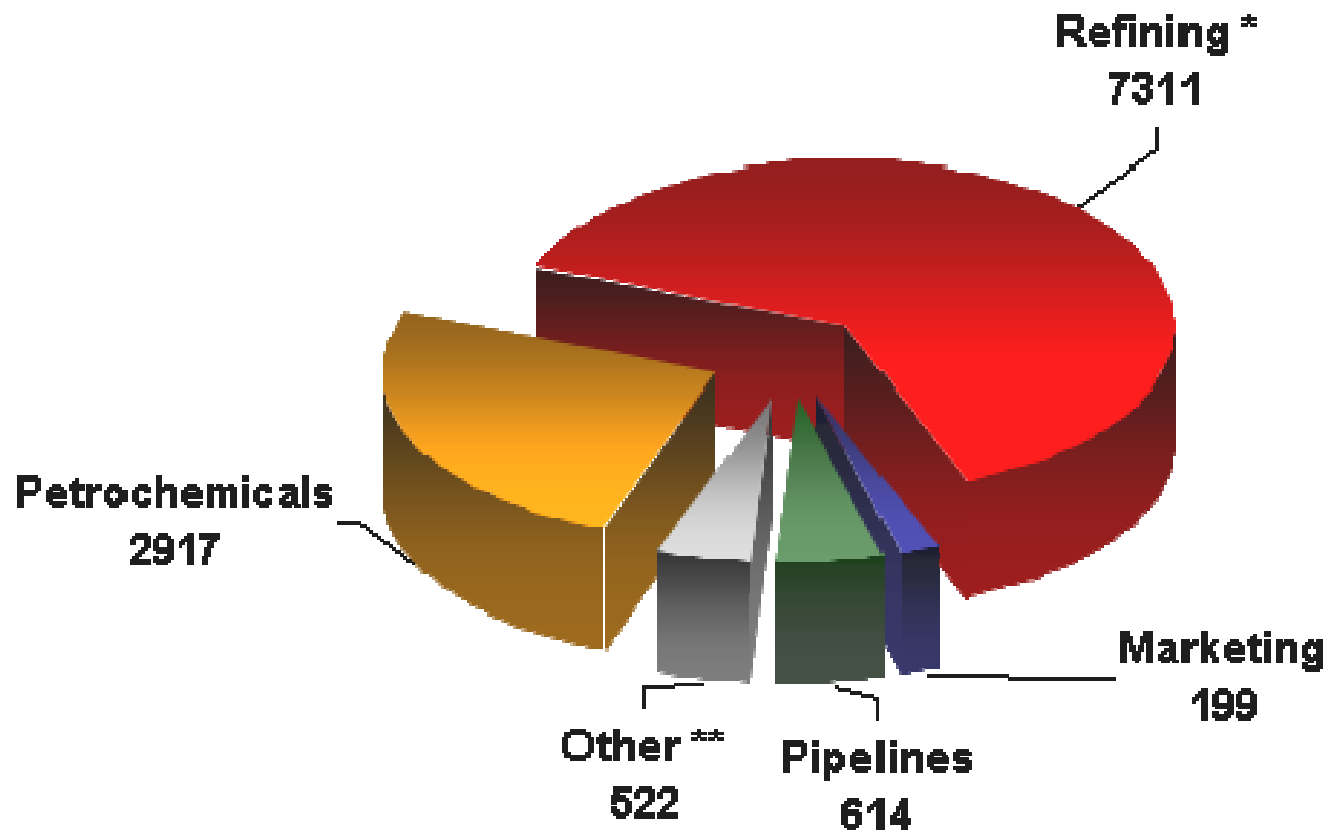
**TOTAL CAPEX Outlay :
USD 2,292 Million (Rs. 11,000 Crore)**

* Includes refineries' capacity additions, yield and quality improvement

** Other includes R&D and diversifications such as LNG and E&P initiatives etc.

Capital Expenditure Outlay XIth Plan : 2007-12

USD Million



TOTAL CAPEX Outlay :
USD 11,563 Million (Rs. 55,500 Crore)

* Includes refineries' capacity additions, yield and quality improvement

** Other includes R&D and diversifications such as LNG and E&P initiatives etc.

Capital Expenditure - Major Projects Planned



	Project	Estimated Cost (USD Million)	Anticipated Completion
1	Once-through Hydrocracker & capacity augmentation, Haldia	598	Dec-09
2	Panipat Refinery expansion: from 12 to 15 MMTPA	210	Dec-09
3	MS quality upgradation at Panipat	236	Dec-09
4	Dadri-Panipat R-LNG line	73	Dec-09
5	Chennai-Bangalore product pipeline	57	Dec-09
6	Residue upgradation, Gujarat	1225	Jan-10
7	Naphtha Cracker, Panipat	3008	Feb-10
8	MS quality upgradation at Barauni	311	Jun-10
9	Diesel Hydrotreater at Bongaigaon	343	Jun-10
10	Branch PL from KSPL, Viramgram to Kandla	73	Aug-11
11	Grassroots Refinery at Paradip	6204	Mar-12
	Total	12338#	

Equivalent to Rs 59216 crore

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INDIANOIL – An Important Pillar in Indian Economy



IndianOil, a major supplier to core sector

- **Supplier of fuel (more than 80% of requirement) to Government organizations i.e. army, railways, state road transports, air force & navy**
- **Key sectors like fertilizer, power & aviation are largely dependent upon IndianOil**

Bottom Line

- ***Value & strength of IndianOil holds it high in Indian economy***



IndianOil

Thank You