



OIL INDIA LIMITED
(A Government of India Enterprise)

PRESS RELEASE

Oil India Board in its 413th Board Meeting held on 30th May, 2011, approved the FY11, Q4, and Annual financial results. Details of FY11, Q4, results are as follows:

I. Annual Performance.

Details	Unit	2009-10	2010-11	% variance	Q4 2009-10	Q4 2010-11	% variance
---------	------	---------	---------	------------	---------------	---------------	------------

A. Financial

Turnover	Rs. Crores	7905.55	8303.38	5.03	1832.14	2018.93	10.20
Net Profit	Rs. Crores	2610.52	2887.73	10.62	430.99	562.61	30.54
Earnings per share	Rs.	113.78	120.09	5.55	17.92	23.40	30.58

B. Consolidated

Net Profit	Rs. Crores	2610.42	2883.73	10.47	430.89	558.61	29.64
------------	------------	---------	---------	-------	--------	--------	-------

C.Subsidy

GrossCrude oil Price	US\$/barrel	68.53	86.12	25.67	75.70	104.01	37.40
Subsidy/Discount	US\$/barrel	12.32	27.58	123.86	22.38	51.12	128.42
Net Price	US\$/barrel	56.21	58.54	4.15	53.32	52.89	(0.81)

Subsidy Discounts	Rs.Crore	1548.81	3293.08	112.62	670.07	1605.43	139.59
Gross CrudeOil Price	Rs/Barrel	3251.06	3923.63	20.69	3476.90	4708.53	35.42
Subsidy/Discount	Rs/Barrel	584.46	1256.54	114.99	1027.91	2314.20	125.14
Net Price	Rs/Barrel	2666.60	2667.09	0.02	2448.99	2394.33	(2.23)

D.Production

Crude oil *	MMT	3.611	3.627	0.44	0.896	0.939	4.80
Natural Gas	BCM	2.415	2.352	(2.61)	0.585	0.600	2.56
Oil + Oil equivalent of Gas *	MMTOE	6.002	5.979	(0.38)	1.481	1.539	3.92

*Includes OIL's production in joint ventures but excludes Condensate.

II. Physical Performance.

- Oil India Limited produced 3.627 MMT of crude oil during the fiscal 2010-11 against their production of 3.611 MMT during 2009-10 (Figures include production of 0.037MMT of crude oil from Joint Ventures during 2010-11 compared to 0.039 MMT during 2009-10) . This achievement of OIL has been remarkable inspite of their losses of 0.130 MMT because of shut down of Numaligarh Refinery for a prolonged time beyond the original scheduled period.

Crude Oil and Natural Gas production had suffered during the 1st Quarter of the year due to Numaligarh Refinery (NRL) shut down. The direct and indirect consequential crude oil production losses due to NRL shut-down was 0.130 MMT. Natural Gas production loss due to NRL shut-down was 28.57 MMSCUM. Natural Gas production also suffered due to low upliftment by customers. Numaligarh Refinery Limited (NRL) was shut-down beyond the scheduled period for major upgradation works to comply with Euro III and Euro IV norms. OIL had to curtail its production as there was no ullage to supply the crude oil. Had the loss due to NRL shut down not been there OIL would have crossed yearly production target of 3.70 MMT. The terminal crude oil production rate as on 31st March 2011 was 3.80MTPA. The crude oil production rate has been increasing continuously since then also and OIL is presently producing crude oil at the rate of 3.90 MTPA, which is noteworthy as most of its production is coming from aging fields in the North East. There has been a steady growth in oil production since the last 3 years through induction of new technologies and accelerated exploration and drilling campaign.

- Gas production during the year was 2352 MMSCM. The production was affected due to NRL shut down mentioned above and also due to lower off-take by the customers. Natural gas production is also expected to increase as off-take by customers increase. With the commissioning of the Duliajan - Numaligarh gas pipeline in March 2011, OIL has started supply of gas to NRL who are withdrawing around 0.80 MMSCMD at present. NRL will ultimately take 1 MMSCMD of gas for its captive use. OIL had taken proactive steps to ensure that this gas pipeline was constructed and commissioned. OIL had also extended the use of it's right-of way for laying of the pipeline without which the laying of the line would not have been possible. OIL has also committed supply of 1.35 MMSCMD of gas to BCPL, the Assam Gas Cracker at Lepetketa once the cracker comes on stream.
- The reserve accretion during the year 2010-11 was 8.43MMTOE against the target of 8.40 MMTOE.

III. Financial Performance:

- a) The Gross Income of the Company during the FY 2010-11 was Rs. 9549.21 Crore as compared to Rs. 8859.73 Crore during FY 2009-10, an increase of 7.78%. The Net Profit for FY 2010-11 was Rs. 2887.73 Crore as compared to Rs.2610.52 Crore during FY 2009-10, a jump of 10.62%. This was mainly due to higher realization of crude oil and natural gas price and increase in reverse pumping transportation tariff. However, the subsidy during the FY 2010-11 has increased steeply to Rs.3293.08 crores as compared to Rs. 1548.81 crores in the FY 2009-10 which has affected the Profitability of the company during the year.
- b) The Gross realization of crude oil for the FY 2010-11 was US \$ 86.12 / barrel compared to US \$ 68.53 / barrel during last year. The net realization during the FY 2010-11 was US \$ 58.54 / barrel compared to US \$ 56.21 / barrel compared last year.
- c) The EPS during the FY 2010-11 was Rs.120.09 as compared to Rs. 113.78 during last year, an increase of 5.55%.
- d) MOP&NG vide its letter no L-12015/8/10-GP dated 31.05.2010 has revised the price of Natural Gas to 4.2 USD/MMBTU (Inclusive of royalty) w.e.f. 01.06.2010. The APM price for North East customer was fixed 60% of the revised price and balance will be paid to Oil through Government budget. Due to increased Natural Gas price and Gas subsidy, Natural Gas Sales has increased to Rs. 852.69 crores in the year 2010-11 as compared to Rs. 485.68 Crores in 2009-10 and Natural Gas subsidy income Rs 293.28 crores in the year 2010-11 as compared to Rs. 156.31 crores 2009-10.
- e) PPAC vide its letter no. 2800 dated 29.09.2010 has revised the pipeline transportation tariff for pumping of Ravva crude oil from Barauni to BRPL at Bongaingaon from Rs.272.05 /MT to Rs.425.40/MT for the year 2008-09 with WPI escalation. Due to this tariff revision, the additional annual income for the year 2008-09 to 2010-11 is Rs 76 crores.
- f) MOP&NG vide letter No. P-20012/11/2006-PP (Vol. II) dated 21st March,2011 has allowed the reimbursement of Sales Tax and Full Transportation to Oil India Limited for the year 2010-11 and onwards in future, thus resolving the long pending issue

once for all. Due to this, total reimbursement of Sales Tax for the year 2010-11 is Rs 270.24 crores and for Transportation is Rs 27 crores.

- g) MOP&NG vide its letter No. P-20012/16/2008-PP dated 20th May, 2011 has advised OIL to share under recovery of OMCs to the tune of Rs. 3293.08 crores for the year 2010-11 as compared to 1548.81 crores for the year 2009-10. This has adversely affected the profit for the year 2010-11. Impact on revenue, profitability and loss to central and state exchequer are as under:

Decrease	Quarter Ended		Year Ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Gross Revenue	1605.43	670.07	3293.08	1548.81
Statutory levies (State Exchequer)	260.11	108.35	532.55	248.32
Profit before Tax	1345.32	561.72	2760.53	1300.49
Statutory levies(Central Exchequer)	444.63	190.93	912.35	442.03
Profit After Tax	900.69	370.79	1848.18	858.46

- h) Due to unscheduled shutdown of Numaligarh refinery, around 0.233 MMT crude could not be lifted by NRL. Which has impact on revenue to the tune of Rs 585 crores (Approx).

IV. Important highlights.

- The Duliajan – Numaligarh gas pipeline was commissioned in March 2010. Supply of Natural Gas to NRL through the pipeline commenced in mid-March. OIL has committed to supply 1.0MMSCMD to NRL for its captive use.
- OIL has provisionally bagged a total of 10 blocks in the NELP-IX, the highest ever in a single round of bidding. OIL is operator in three of these blocks and Joint operator in two of the deep water blocks.
- 3D Seismic Survey commenced in Cauvery offshore (CY-OSN-2009/2) block from mid-March, thereby advancing the work plan by one monsoon season.
- Shale Gas studies have been initiated by a dedicated team. The team is collecting and studying the data available from OIL's fields in Assam.
- OIL has been rated "Excellent" for its MoU performance during for the tear 2009-10.

V. Dividend

The Board of Directors of Oil India Limited in the 413th Board Meeting held on 30.5.2011 have recommended a final dividend of 195% for the year 2010-11, for approval of shareholders during the AGM. This is in addition to an interim dividend of 180% paid during the year. The total dividend of 375% is the highest dividend declared so far by the Company.

VI. Awards

1. OIL was awarded the 360 Degree Growth award by Dalal Street Investment Journal during the 2011 for its all round growth.
2. OIL received the “Motivational Leadership Award” at the World HRD Congress in Mumbai in February, 2011.
3. Shri N.K.Bharali D(HR&BD) received the “HR Leadership Award” at the 5th Employee Brand award ceremony on 11th December, 2010. This is an appreciation of Individual or Organization who have made a shining contribution and made the HR Industry proud. The award was presented by Shri Bhaskar Chatterjee, Secretary, DPE, Govt. of India.
4. Shri. T. K. Ananth Kumar, Director (Finance) has been honoured with the "CFO 100 Recognising Winning Edge 2010 in Raising Capital / Capital Restructuring" at a recent event held in Mumbai. The award was jointly presented to him by Shri. Pramath Raj Sinha, Founder & Managing Director and Smt. Anuradha Das Mathur, Co-Founder & Director, Nine Dot Nine Mediaworx Pvt. Ltd.
5. OIL was awarded the Greentech Environment Excellence Award for the year 2010 by the Greentech Foundation.
6. OIL was awarded the Best Environment Management and Sustainable Development award by Indian Chamber of Commerce.
7. OIL received the Greentech Safety Management Award 2011.
8. OIL was presented the following awards at the Petrofed Oil & Gas Awards ceremony for the year 2009:
 - a. Oil & Gas Pipeline Transportation Company of the year
 - b. Special Commendation award for Innovator of the Year-Team
 - c. Mrs Rupshikha Saikia Borah, General Manager (Treasury), Oil India Limited, received the special commendation award for Woman of the Year in The Oil & Gas Industry.

VII. Corporate Social Responsibility

As a leading Corporate Citizen, OIL’s exemplary social welfare and community development initiatives focusing on the key areas of education, healthcare and the overall development of basic infrastructure have touched many a lives in and around its operational areas.

OIL is now poised to consolidate its position as one of the leading energy companies of India.