



Aban Offshore Limited

Corporate Presentation



Amongst the world's 12 largest offshore service providers

May 2014

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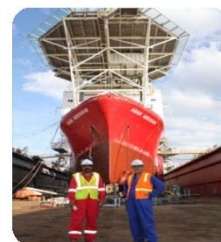
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Company Overview



- ◆ Promoted in 1986 by Mr. M.A. Abraham, a first generation entrepreneur
- ◆ Aban is India's largest and amongst the top 12 offshore drilling service providers in the world
- ◆ Headquartered in Chennai, Aban provides drilling services for offshore Exploration & Production (E&P) of hydrocarbons globally
- ◆ Diverse rig portfolio comprising fifteen jack-ups, two drill ships and one floating production unit (FPU) to suit diverse customer needs and requirements
- ◆ Owns 18 offshore assets - low vintage fleet with 50% of rigs less than 8 years old with an estimated order backlog of USD 1.1 bn as on 31st March 2014
- ◆ Marquee Customers (past & present) comprising domestic and international oil & gas companies like ONGC/OVL, Petrobras, Pemex, RIL, Shell Brunei, Petronas, Cairn, Chevron, Total, Vietsovetro, Exxon Mobil, HOEC, Hardy Exploration, GSPC etc.
- ◆ Highly experienced management and operating team with extensive industry experience at both national and international level.

Industry Overview

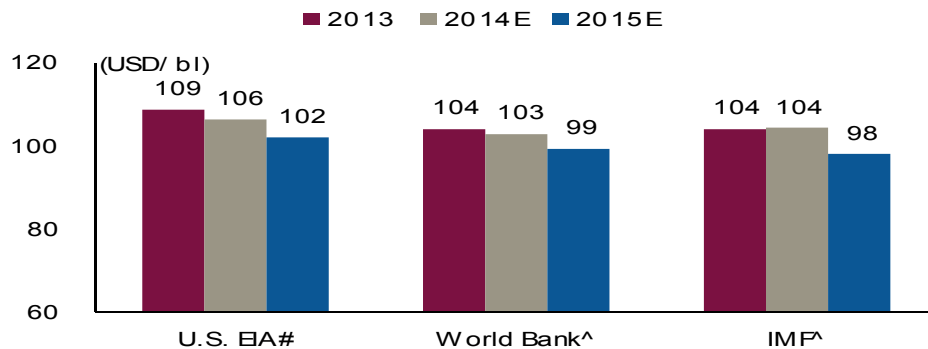


Upstream Capex buoyant on expectations of firm crude prices

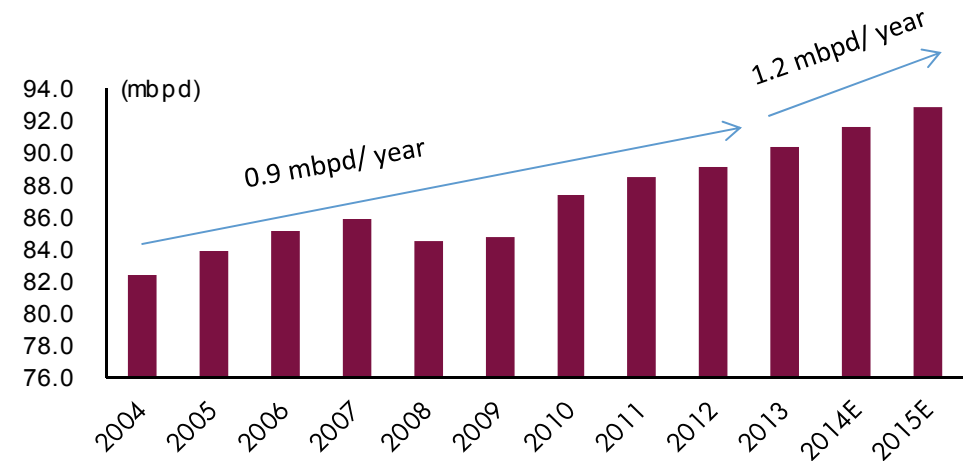


Crude prices are expected to remain firm...

... due to accelerating crude demand growth globally

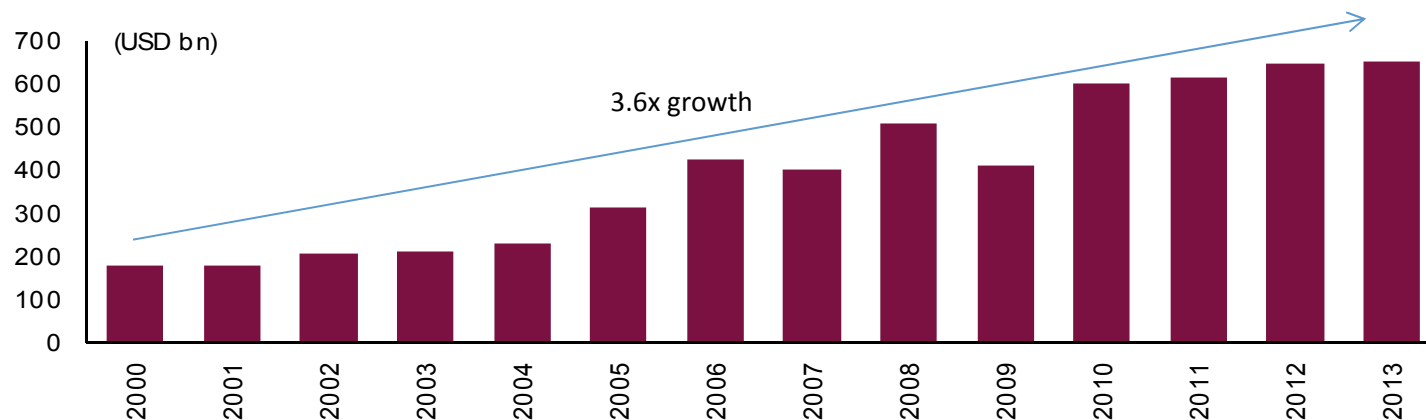


#: Brent; ^: Average of Brent, Dubai, WTI
 U.S. EIA, Short-term Energy Outlook, May 2014
 World Bank, Commodity Market Outlook, April 2014
 IMF, Commodity Market Review, May 2014



Source : U.S. EIA; Short Term Energy Outlook, May 2014

Global upstream oil and gas spending has continued to grow at impressive pace



Source : U.S. EIA, April 2014

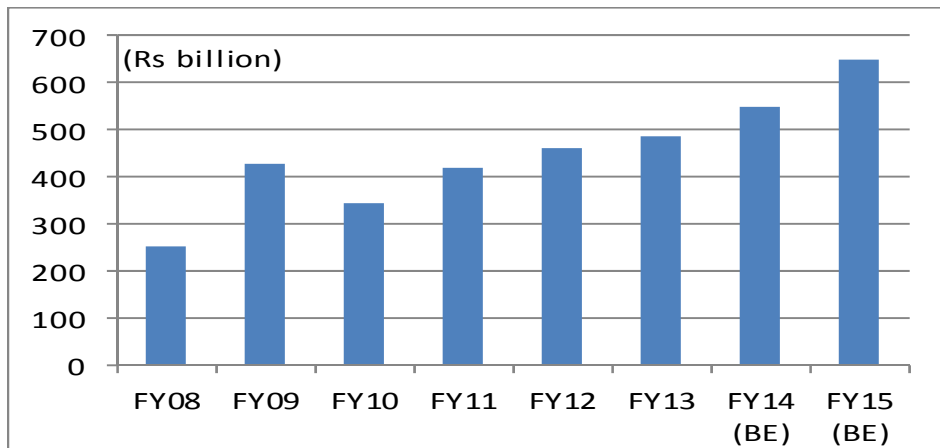
Domestic E&P spending also healthy



- **India's focus on energy security has led to healthy capital spending in domestic E&P**
 - ONGC planning to monetize 37 discoveries through 13 projects with investment exceeding Rs 340 bn
- **Recent reforms are positive for E&P industry; would accelerate drilling activities**
 - E&P players allowed to put existing/ new discoveries to production without obtaining DoC* from DGH*
 - Fuel pricing reforms: Gas price hike, monthly diesel price hikes and deregulation of bulk diesel/ petrol

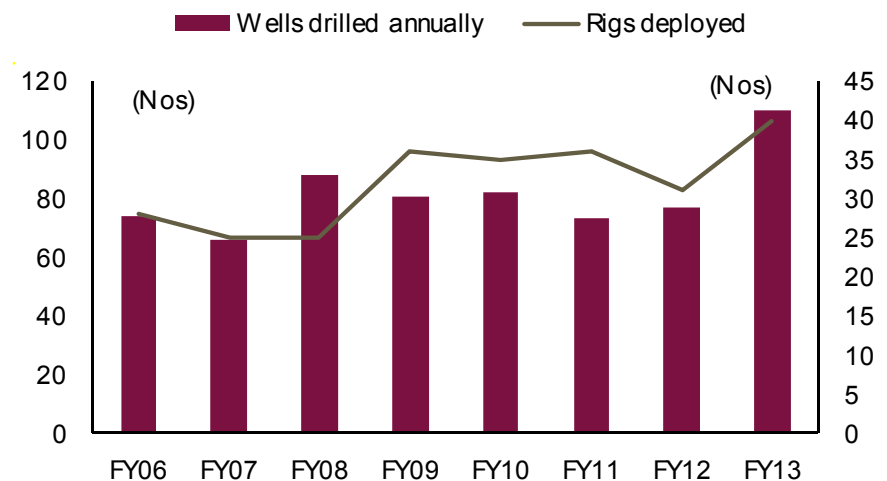
Note: DGH – Directorate General of Hydrocarbons, India; DOC – Declaration of Commerciality

Capital expenditure by Indian state-run E&P companies



Source: Ministry of Petroleum and Natural Gas, India

ONGC: Historical rig deployment and well drilling



Source: Ministry of Petroleum and Natural Gas, India

Business Overview



Profile of Rigs



	Rig Type	Year Built/ Last refurbished	Water depth (drilling depth) (in ft)	Location	Expiry of existing contract	Contract Operational Day Rate ¹ (USD)
Deep Driller 1	Jack-up	2006	375 (30,000)	Mexico	September 2016	149,000
Deep Driller 2	Jack-up	2006	350 (35,000)	Middle East	September 2015	177,174
Deep Driller 3	Jack-up	2006	350 (35,000)	Malaysia	October 2015	139,500
Deep Driller 4	Jack-up	2007	375 (30,000)	Middle East	October 2015	178,260
Deep Driller 5	Jack-up	2007	350 (35,000)	Vietnam	April 2015	153,000
Deep Driller 6	Jack-up	2008	350 (35,000)	Middle East	August 2015	125,000
Deep Driller 7	Jack-up	2008	375 (30,000)	Mexico	January 2016	149,000
Deep Driller 8	Jack-up	2009	350 (35,000)	Brunei	August 2015	112,015
Aban VIII	Jack-up	2008	375 (30,000)	Middle East	October 2014	170,000
Aban II	Jack-up	1981/2011	200 (20,000)	India	April 2015	51,405
Aban III	Jack-up	1974/2011	300 (20,000)	India	December 2014	62,485
Aban IV	Jack-up	1983/1999	300 (21,000)	India	July 2014	62,485
Aban V	Jack-up	1982/2002	300 (30,000)	Under Marketing		
Aban VI	Jack-up	1975/2002	250 (20,000)	Middle East	February 2015	60,000
Aban Ice	Drill Ship	1975/2013	2,000 (20,000)	India	November 2016	166,860
Tahara	FPU	1973/1997	800/ NA	Under Marketing		
Aban VII	Jack-up	1973/2008	250 (20,000)	Under Marketing		
Aban Abraham	Drill Ship	1976/2011	6,600 (25,000)	Brazil	June 2016	261,774 ²

Note 1: The day rate indicates the operational day rate specified under the relevant contract

Note 2: This includes service contract day rates.

Strong Management Team at the helm



Senior Management	Designation	Qualification & Experience
Mr. Reji Abraham	Managing Director	<ul style="list-style-type: none"> Qualifications: Graduate in Engineering and a post graduate in Management Studies Experience: Over 20 years of experience in the Industry. Joined the Board in 1994 and was appointed as a whole-time director in 1997 and promoted to Managing Director in 2004
Mr. P. Venkateswaran	Deputy Managing Director	<ul style="list-style-type: none"> Qualifications: Graduate in Engineering (Indian Institute of Technology, Madras) Experience: Over 42 years in operations. He was appointed as Deputy Managing Director in 2007
Mr. C.P. Gopalkrishnan	Deputy Managing Director, Chief Financial Officer & Secretary	<ul style="list-style-type: none"> Qualifications: Chartered Accountant and Company secretary Experience: Over 35 years in finance. He was appointed as Deputy Managing Director in 2007
Mr. S. Srinivasan	Senior Vice President	<ul style="list-style-type: none"> Qualifications: Graduate in Chemical Engineering (Indian Institute of Technology, Madras) and a Management graduate (Indian Institute of Management, Calcutta) Experience: Over 23 years in corporate finance, project financing and equity markets. Prior to Aban, he was working with ICICI Bank
Mr. V. Ramasubramanian	Vice President	<ul style="list-style-type: none"> Qualifications: Graduate in Technology in Mechanical Engineering, Post graduate Diploma in Export Management, MEP from IIM Ahmedabad Experience: Over 23 years in business development, marketing and operations in the engineering industry. Prior to Aban, he was working with ArcelorMittal
Mr. Steve Ogston	General Manager Operations	<ul style="list-style-type: none"> Qualifications: Graduate in Electrical Engineering (Northern Alberta Institute, Canada) Experience: Over 30 years in the drilling industry. Prior to Aban, he has worked with COSL, Seadrill, Noble.

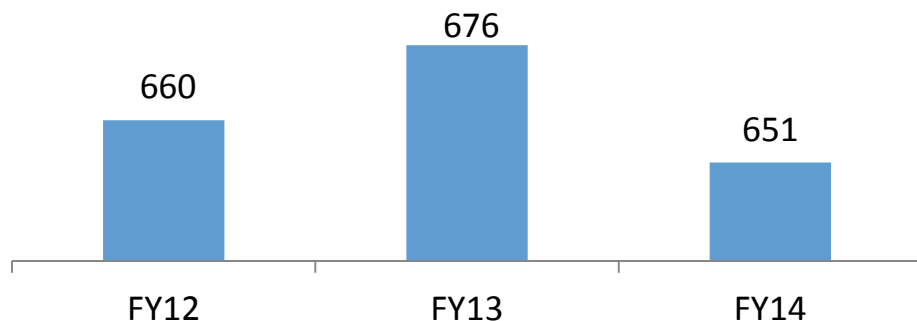
Financial Overview



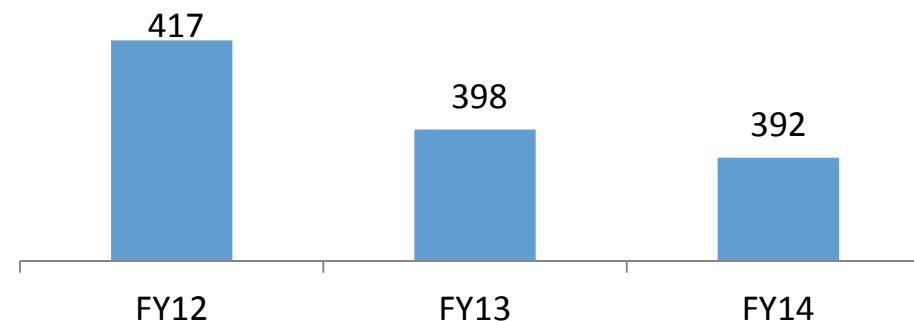
Financial Overview



Revenue



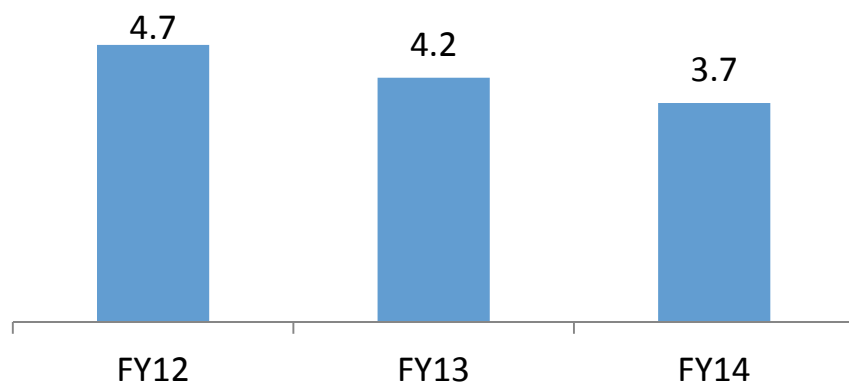
EBITDA



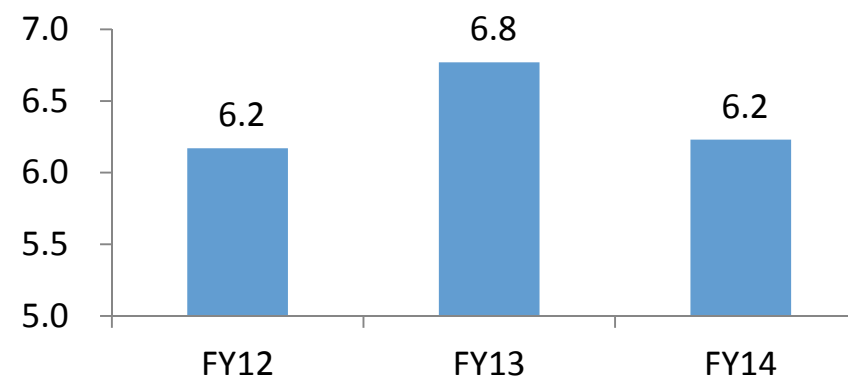
Note 1: All figures in USD mn; Conversion Rates for 1 USD to INR → FY12 – 50.87 (BS), 47.91 (P&L); FY13 – 54.28 (BS), 54.36 (P&L); FY14 – 59.88 (BS), 60.42 (P&L)

Note 2: Revenue and EBITDA numbers exclude Other Income; EBITDA excludes other expenses on account of Exchange Differences (net), Exchange Losses (net) and Provision for doubtful debt & advances

Net Debt / Shareholders' Funds (x)



Net Debt / EBITDA (x)



Note 3: Net Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings – Cash and bank balances

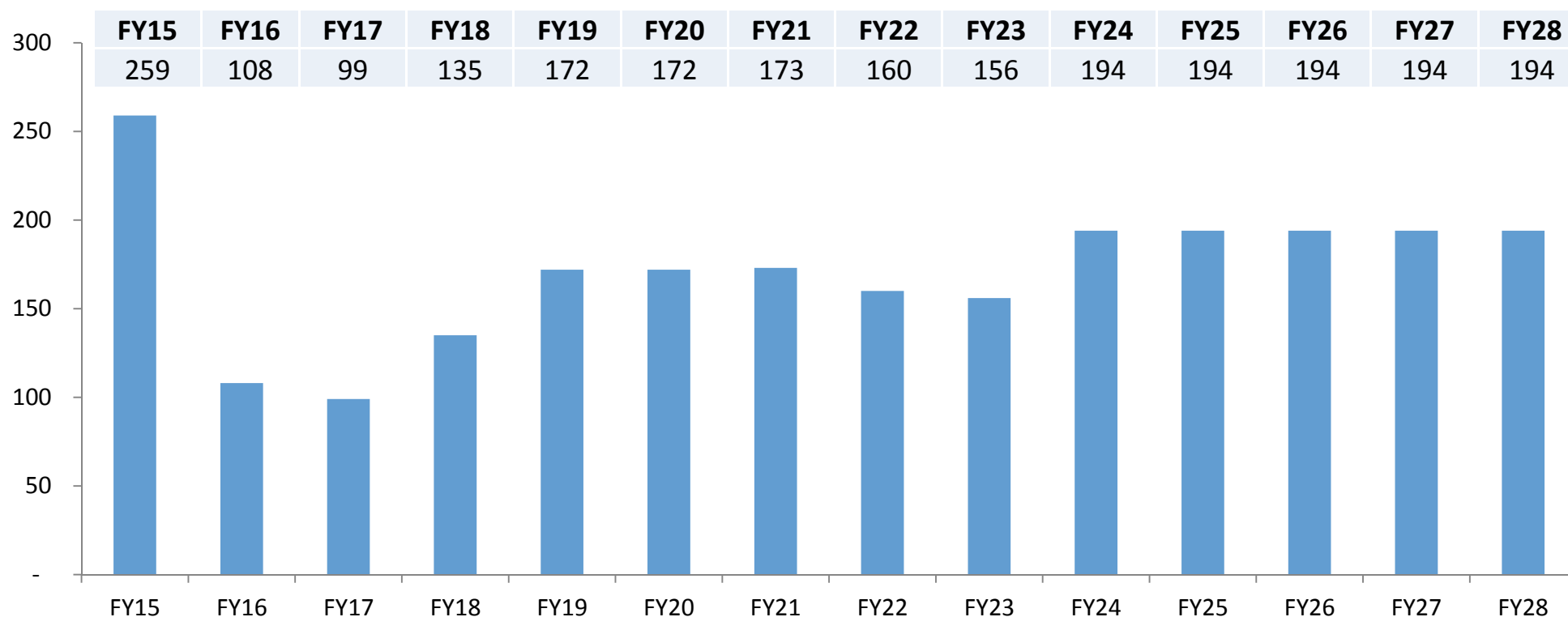
Note 4: Shareholders' Funds = Share Capital (Equity Capital) + Reserves & Surplus + Minority Interest

Debt Profile



Repayment Schedule of Term debt of ~USD 2,404 mn, outstanding as on 31st March 2014

All figures in USD mn



Note 1: Repayment Schedule does not include payments towards the working capital facilities, servicing of interest and redemption of preference shares

Note 2: The above repayment figures are on a net basis adjusted for draw-downs

Longer repayment schedule resulting in higher cash flow

Key Highlights

- ◆ Better outlook for drilling industry resulting in increased exploration activities and thereby strengthening rig rentals
- ◆ Diversified Rig profile to meet wide range of client requirements
- ◆ Long-term deployment of rigs ensures revenue visibility
- ◆ Highly experienced management & operating team with extensive industry experience
- ◆ Better Operating margins & longer repayment profile of debt resulting in improved cash flows

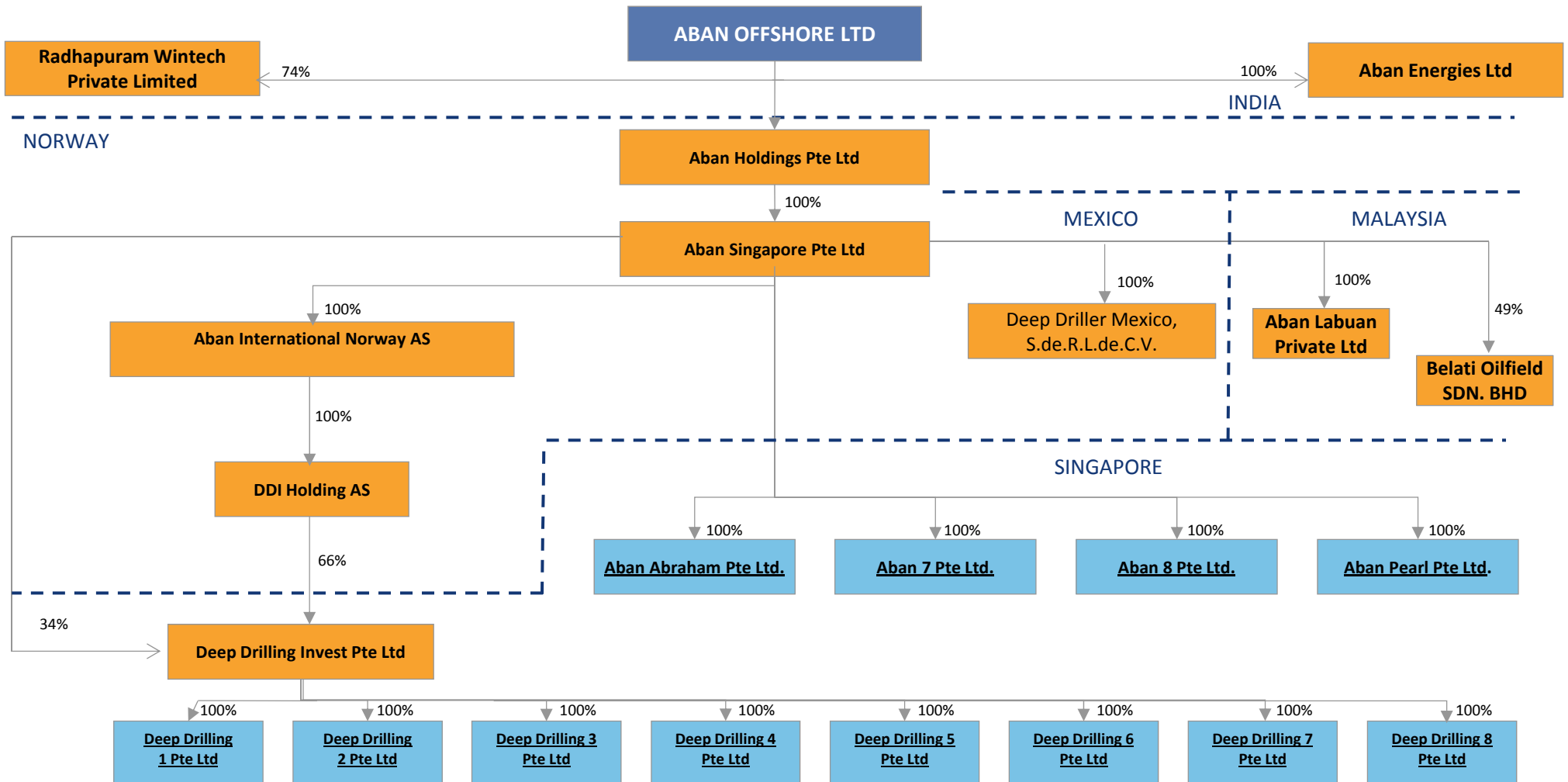


Well Positioned to take advantage of the industry growth

Annexure



Aban Group Holding Structure





"When I dream alone it remains as a dream,
but when we dream together it is the beginning of reality."

– M. A. Abraham, 1939 - 2004



THANK YOU

Aban Offshore Limited **aban**[®]