



Bharat Petroleum Corporation Ltd.

Investor Presentation

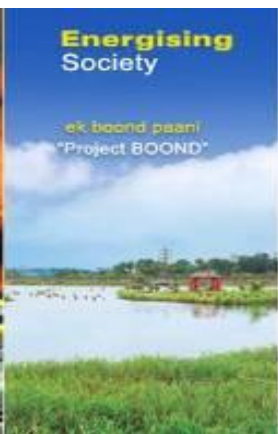
July 2014

**Energising
Business**

**Energising
Society**

**Energising
Environment**

ek baand psani
"Project BOOND"



Disclaimer

No information contained herein has been verified for truthfulness completeness, accuracy, reliability or otherwise whatsoever by anyone. While the Company will use reasonable efforts to provide reliable information through this presentation, no representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted by the Company or its directors or employees, with respect to the truthfulness, completeness, accuracy or reliability or otherwise whatsoever of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Company nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from use or reliance on this presentation or its contents or otherwise arising in connection therewith.

This presentation may not be used, reproduced, copied, published, distributed, shared, transmitted or disseminated in any manner. This presentation is for information purposes only and does not constitute an offer, invitation, solicitation or advertisement in any jurisdiction with respect to the purchase or sale of any security of BPCL and no part or all of it shall form the basis of or be relied upon in connection with any contract, investment decision or commitment whatsoever.

The information in this presentation is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Company. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date of this presentation or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Table of Contents

1.	Corporate Overview	4
2	Business Overview	9
3.	Industry Overview	23

1. Corporate Overview

Introduction

- India's 3rd largest company by turnover over INR 2,599 bn in FY14
- India's 2nd largest Oil Marketing Company (OMC) with sales volume of over 34 MMT in FY14
 - Domestic market share of 21.30% in FY14
- Majority Govt. of India shareholding of 54.93% and explicit Govt. support through under-recovery compensation mechanism
- # 229 ranking on Fortune 2013 global list; One of only eight Indian companies on the list with 3rd rank from top
- Well positioned to meet market demand across India through Strategically located Refineries and Marketing Infrastructure
- India's only OMC with a successful foray into upstream business ⁽¹⁾. BPCL through its subsidiary BPRL has Participating Interests in 20 blocks across 6 countries
 - Estimated recoverable reserves of about 50-70+ TCF till date in Rovuma basin (Mozambique)
 - Estimated resources of 200+ MMBOE⁽²⁾ till date in Wahoo basin (Brazil)
- Ratings at par with the Sovereign
 - Baa3 (Outlook Stable) by Moody's / BBB- (Outlook Stable) by Fitch

(1) Also reflected in consistently improving market capitalization

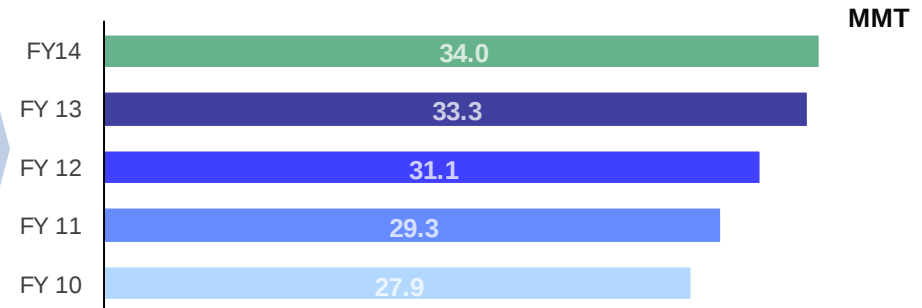
(2) Wood Mackenzie, Company reports

MMBOE - Million barrels of oil equivalent

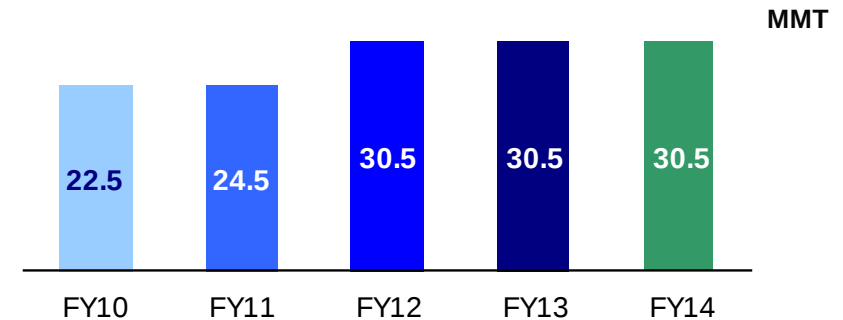
^ Market capitalization figures as on period end

TCF- Trillion cubic feet of gas
FY means Financial year ending 31st March

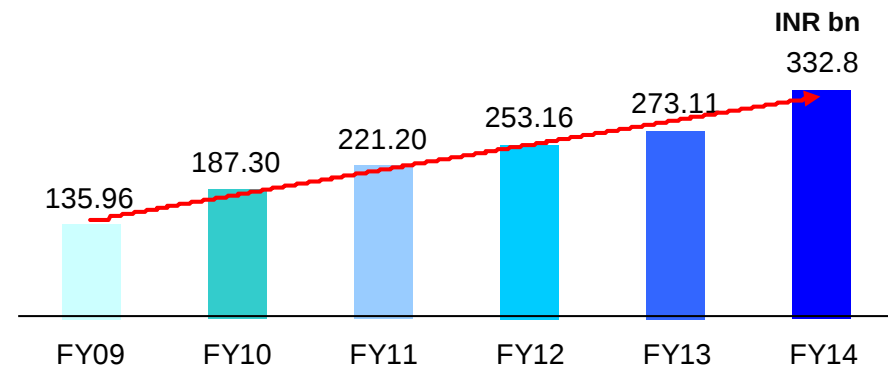
Market Sales



Refining Capacity



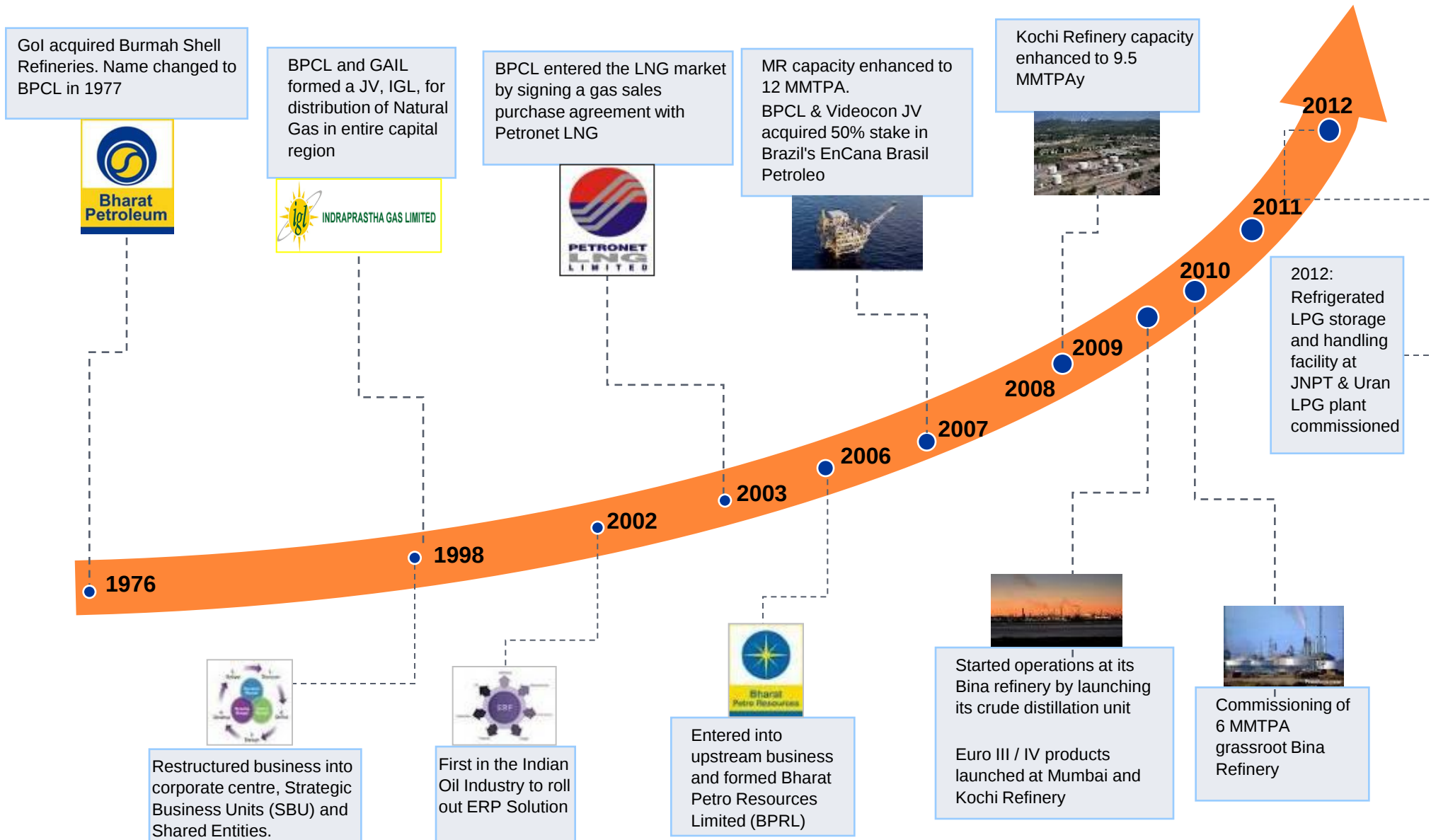
Market Capitalization^



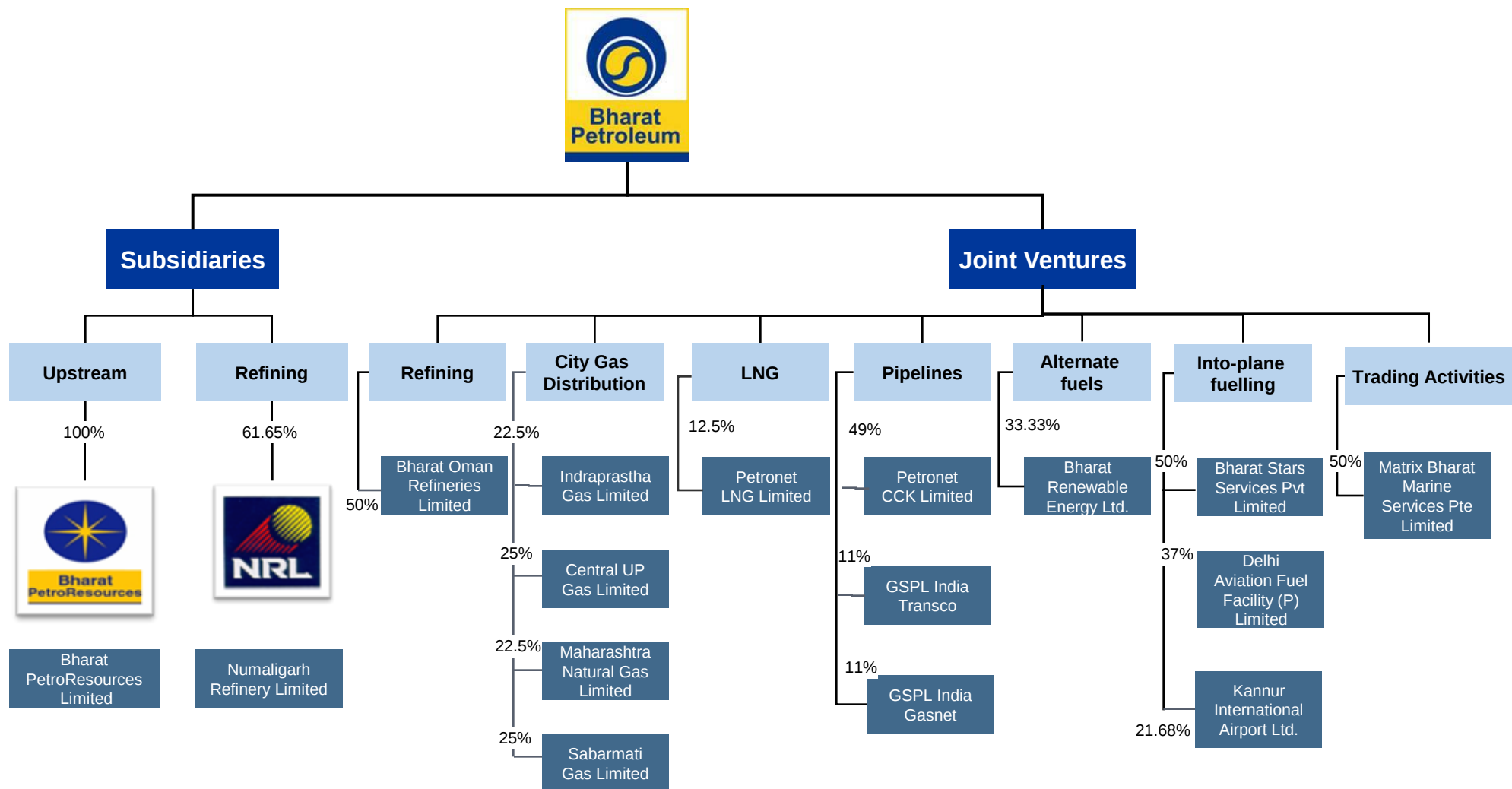
Source: National Stock Exchange

India's Leading Oil and Gas Company with presence across the Hydrocarbon Value Chain

Important Milestones



Major Subsidiaries/ JVs



Key Business Verticals

BHARAT PETROELUM CORPORATION LIMITED

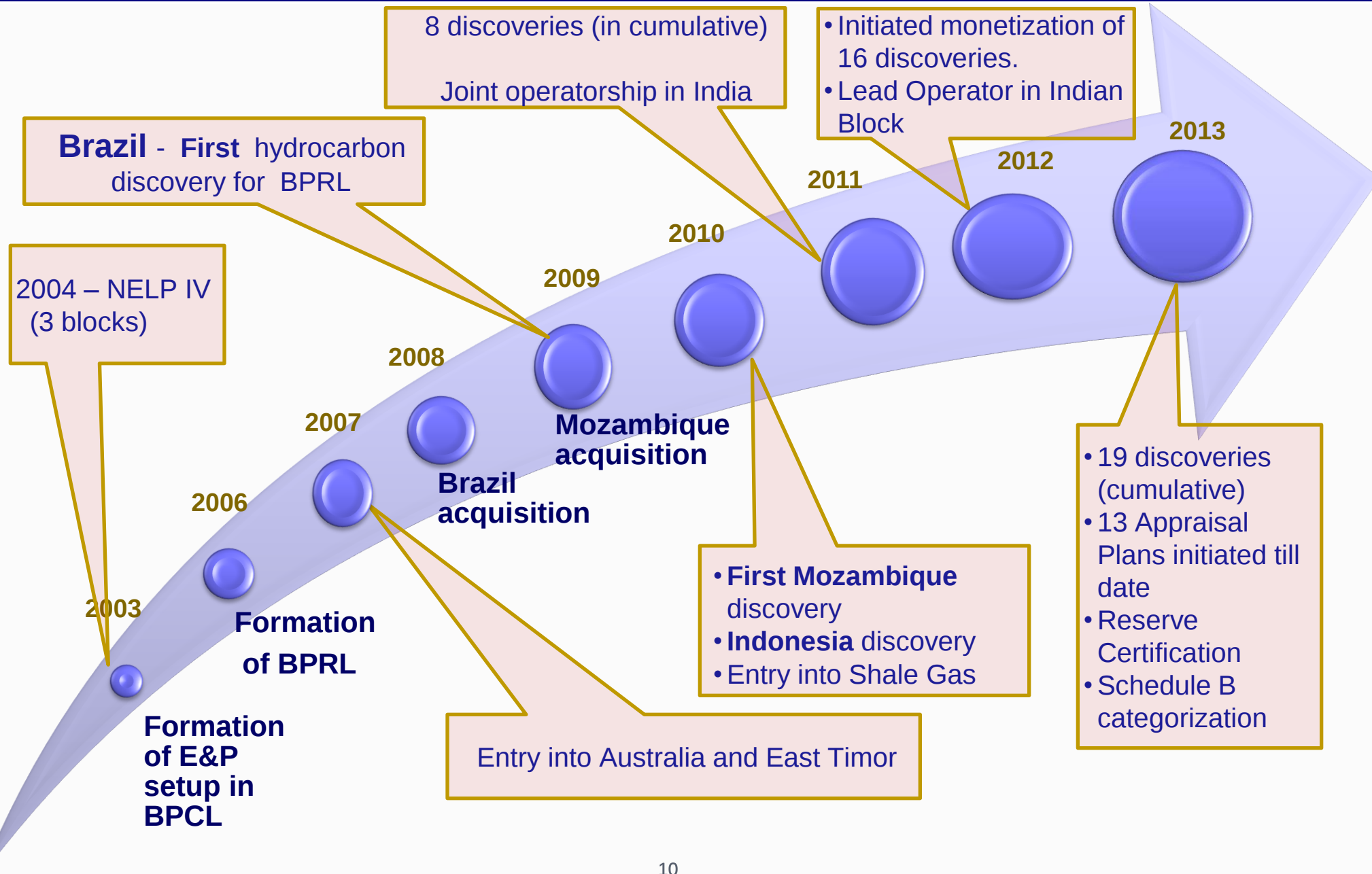
Refinery	Retail	Upstream	Gas	Industrial / Commercial	Lubricants	LPG	Aviation
 - Refining capacity of 30.5MMTPA 14% of the country's refining capacity⁽¹⁾	 27.4% market share* 12,500 retail outlets 116 depots and 12 installations	 - PI in 20 oil & gas blocks 8 blocks in India and 12 overseas	 Currently 53 major LNG customers	 Currently 7,000 customers	 20.7% market share* - Currently 16,000 customers - More than 800+ grades of products	 25.6% market share* - Currently 3,355 distributors 50 LPG bottling plants	 23.7% market share* in ATF 34 Aviation service stations
Strategically located refineries	Pan India presence across products	Global spread into pure play Exploration	Emerging Markets	Reliable, innovative and caring supplier of I&C products	Major OEM tie ups such as Tata Motors, Honda, Genuine Oil	Various Innovative offerings with ventures in allied business	Present at all the major gateways & airports for into plane services
Four refineries in Mumbai, Kochi, Numaligarh and Bina	Pioneer in branded retail outlets, branded fuels ex: Speed	Only Indian OMC to have made significant discoveries	One JV in LNG and 4 city gas distribution JV's	Pioneer in IT integration and Supply Chain Management	Product customization	Current customer base of 40.2mn incl. retail and bulk	Only OMC to implement "Apron Fuel Management System"

(1) Source : Ministry of Petroleum and Natural Gas

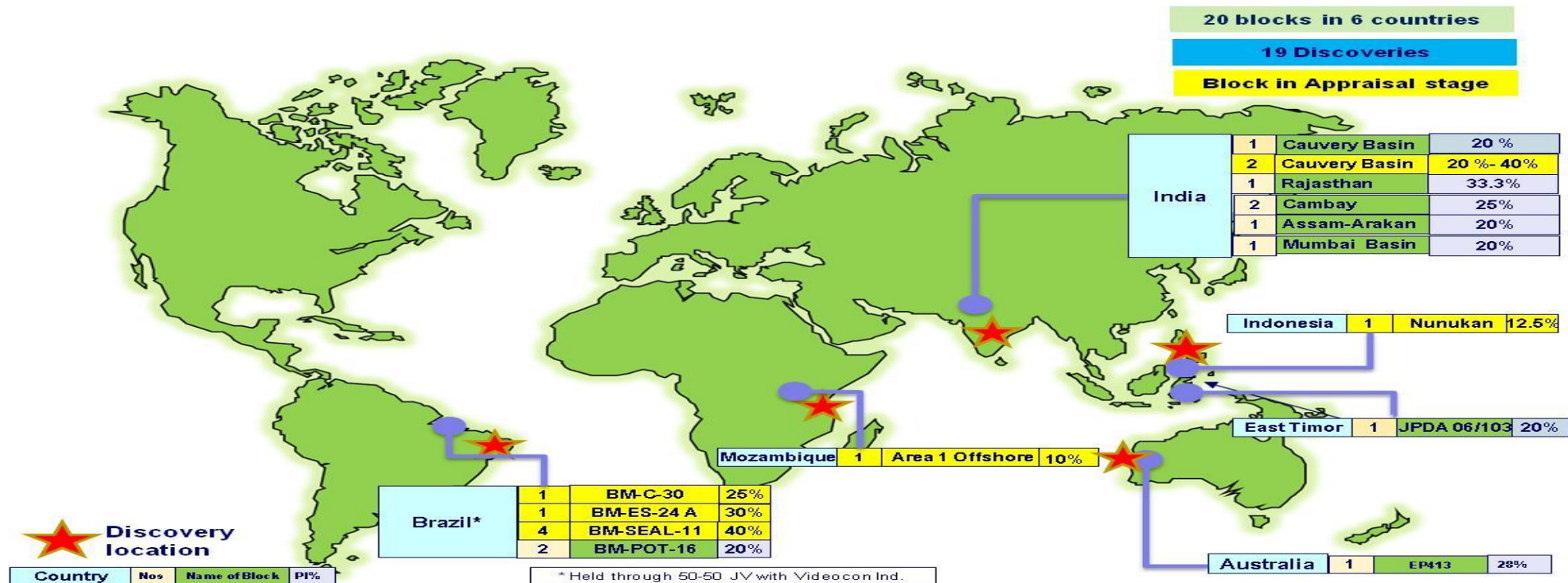
* Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st March 2014

2. Business Overview

BPRL's Upstream Story over the years.....



Upstream Global Spread



Mozambique

Fields	Recoverable resources (TCF)
Prosperidade	15-35+
Golfinho /Atum	10-30+
Orca / Linguado	Under Estimation
Total	50-70+

Brazil

Concession	Well	Net Pay
BM-C -30	Wahoo - 1	65m
	Barra and Barra1	34+18 m & 12m
BM-SEAL-11	Farfan and Farfan 1	40m & 44m
	Cumbe	17m & 21m

Successful discoveries in Upstream to help BPCL achieve higher level of Vertical Integration

Global Upstream Footprint

Within India

Exploration Block	Operator	BPCL Stake*	Partners
NELP - IV			
CY/ONN/2002/2	ONGC	40.0%	ONGC
NELP - VI			
CY/ONN/2004/1	ONGC	20.0%	ONGC
CY/ONN/2004/2	ONGC	20.0%	ONGC
NELP - VII			
RJ/ONN/2005/1	HOEC, BPRL	33.33%	HOEC, IMC
NELP - IX			
CB/ONN/2010/11	GAIL, BPRL	25.0%	GAIL, EIL, BIFL, MIEL
AA/ONN/2010/3	OIL	20.0%	OIL, ONGC
CB-ONN-2010/8	BPRL, GAIL	25.0%	GAIL, EIL, BIFL, MIEL
MB-OSN-2010/2	OIL	20.0%	OIL, HPCL

Australia & East Timor

Exploration Block	Operator	BPCL Stake*	Partners
JPDA 06-103	Oilex	20.0%	Oilex, GSPC, Videocon, Japan Energy, Pan Pacific Petroleum
EP-413	ARC Energy	27.8%	ARC Energy, Norwest

* BPCL's effective stake held through its 100% owned subsidiary, BPRL

Brazil

Exploration Block	Operator	BPCL Stake*	Partners
SEAL-M-349	Petrobras	20.0%	Petrobras, Videocon
SEAL-M-426	Petrobras	20.0%	Petrobras, Videocon
SEAL-M-497	Petrobras	20.0%	Petrobras, Videocon
SEAL-M-569	Petrobras	20.0%	Petrobras, Videocon
ES-M-661	Petrobras	15.0%	Petrobras, Anadarko, Videocon
C-M-101	Anadarko	12.5%	Anadarko, Videocon, BP and Maersk
POT-16-663	Petrobras	10.0%	Videocon, Petrobras, Petrogal, BP ^
POT-16-760	Petrobras	10.0%	Videocon, Petrobras, Petrogal, BP ^

^ approval under process

Mozambique

Exploration Block	Operator	BPCL Stake*	Partners
Mozambique Rovuma Basin	Anadarko	10.0%	Anadarko, PTTEP, Mitsui & Co., ENH, OVL-OIL

Indonesia

Exploration Block	Operator	BPCL Stake*	Partners
Nunukan PSC, Tarakan Basin	Partamina	12.5%	Pertamina, MEDCO, Videocon Industries

Partnership with established Oil & Gas operators expected to generate optimal returns for BPCL

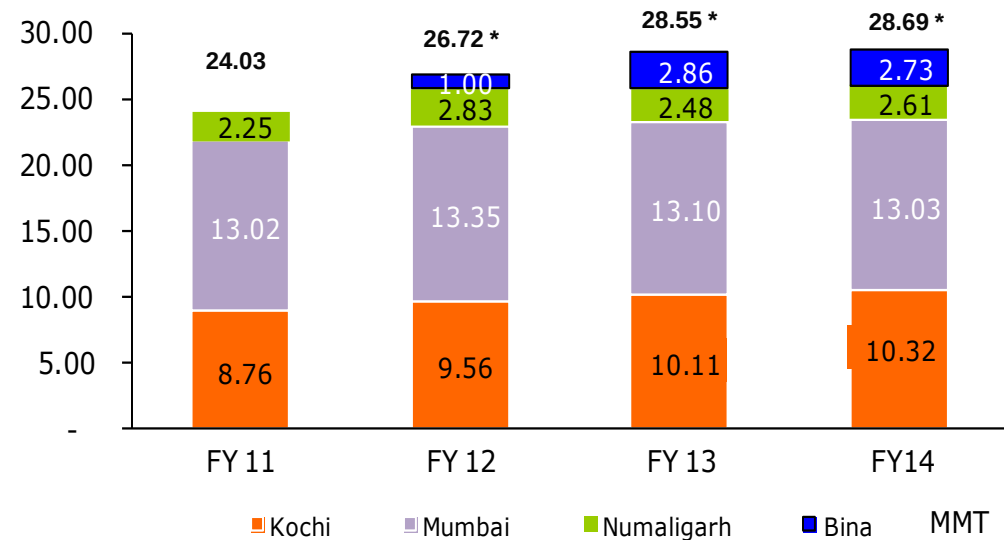
Refining Coverage

Installed Capacity

Refining Capacity



Refining Throughput



- Capacity Utilization consistently above global peers for KR and MR
- State of the art refinery at Bina - High Nelson Complexity Index of 9.1

* Bina Refinery throughput is considered proportionately because it's a 50:50 JV

Four Strategically located refineries across India

Refinery Utilization rates significantly above global peers

935-km cross country pipeline to source crude to BORL

Bina Refinery

- Bharat Oman Refineries Limited (BORL) - BPCL Interest 50% with 120,000 bpd (6 MMT) Refining capacity at BINA
- State of art technologies - High Nelson Complexity Index 9.1
- Associated Facilities - SPM, Crude Oil Terminal, 935-km cross country crude oil pipeline from Vadinar to Bina (VBPL)
- Graded improvement in operations with the Refinery expected to achieve more than 100% of the design capacity in the recent months
- GRM of 9.3 \$/bbl during FY14

Pipelines : ■■■■■■

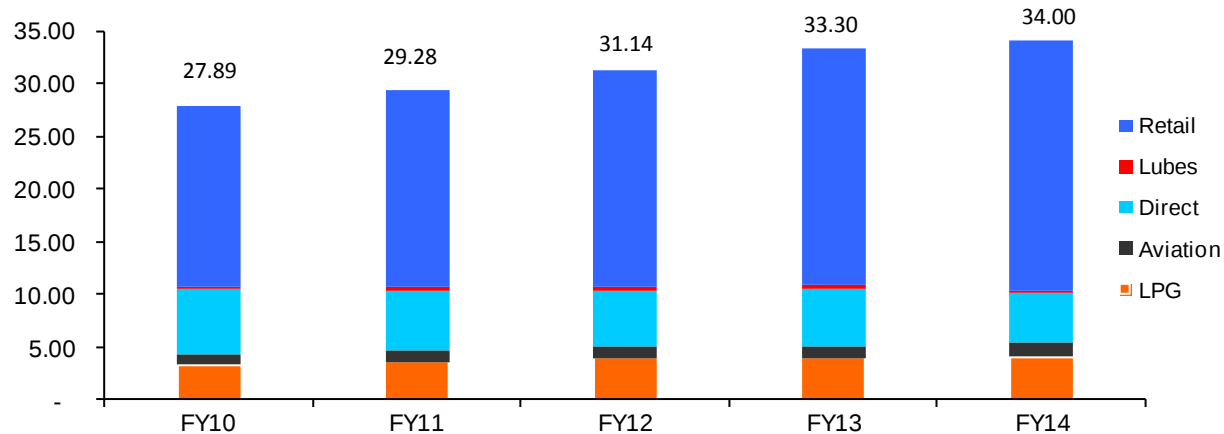


Bina refinery to consolidate refining portfolio required to support downstream retailing market in Northern India.

Bina refinery to consolidate refining portfolio required to support downstream retailing market in Northern India

Marketing Operations and Efficiencies

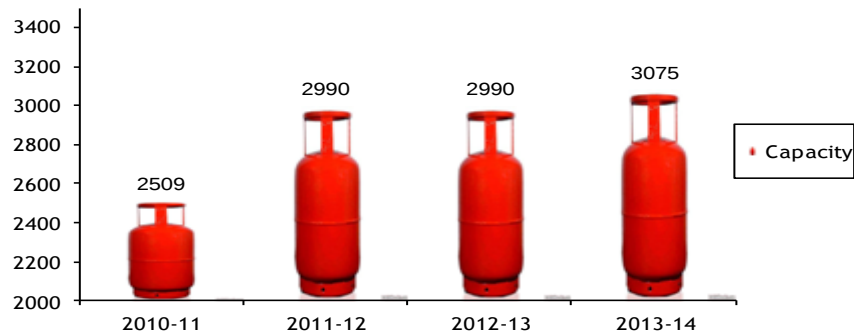
SBU Market Sales (MMT)



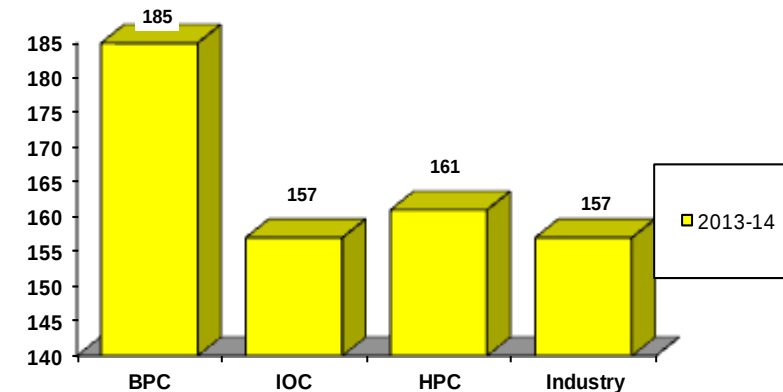
Retail Market Share of MS & HSD *

- MS > 28.10%
- HSD > 28.30 %

LPG Bottling Plant Capacity (TMTPA)



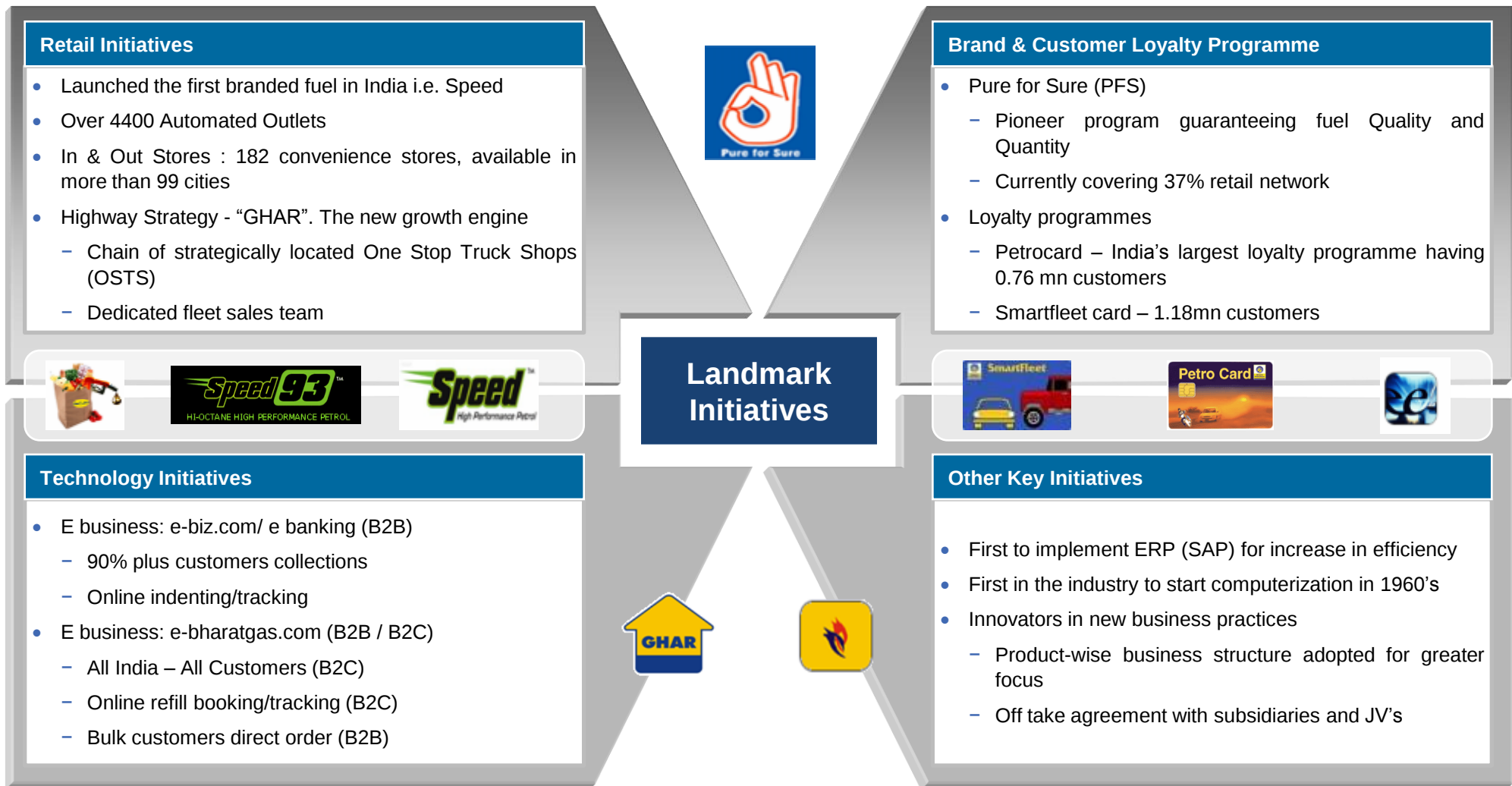
Thruput per Outlet BPC Vs. Industry (KL)



* Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st March 2014

Leading Player with a Diversified product portfolio and a well-established Marketing and Distribution network

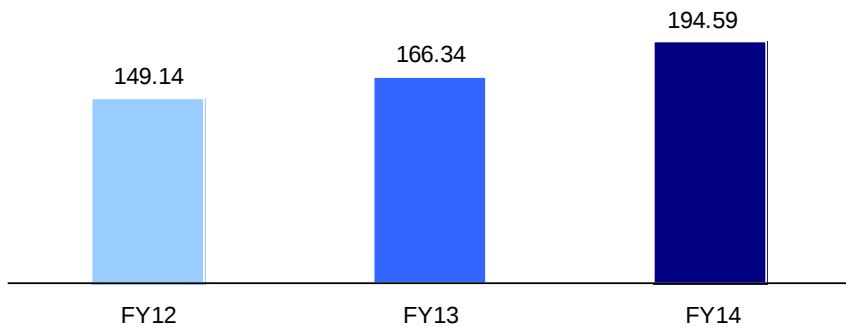
Marketing Expertise and Industry Pioneer Status



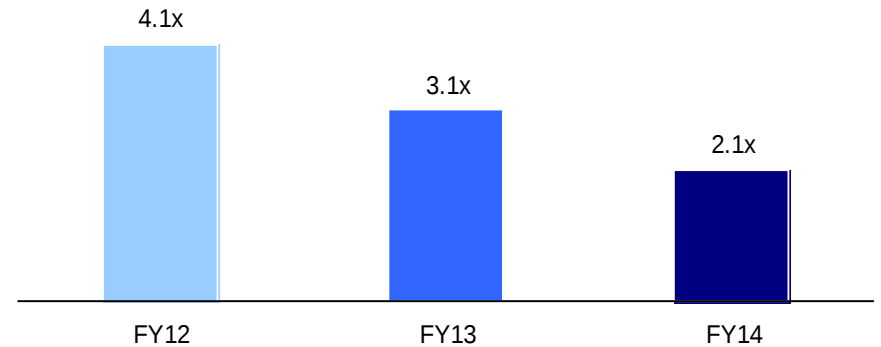
Continuous innovation to extend customer focus and improve operational and financial efficiency

Improved Financial Performance

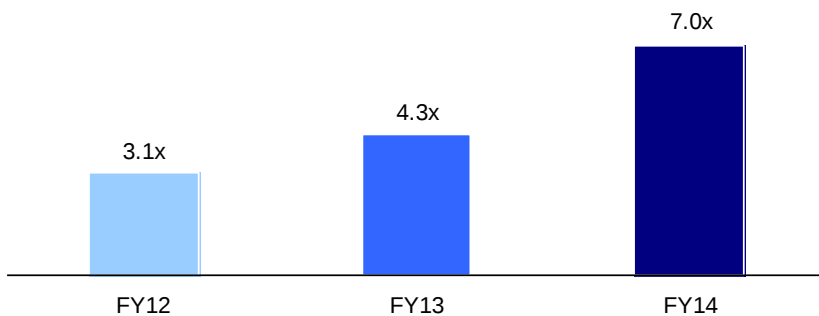
Net Worth (INR bn)



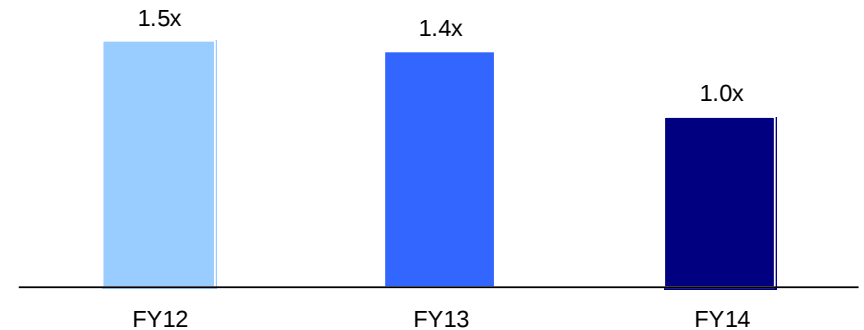
Total Debt / EBITDA



EBITDA / Interest

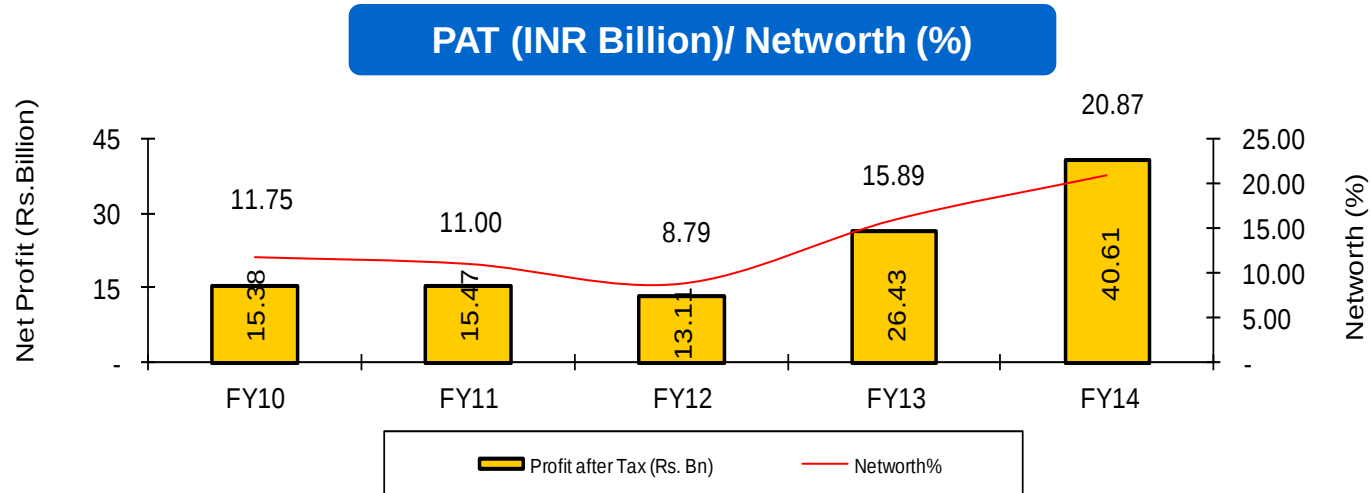


Total Debt / Equity

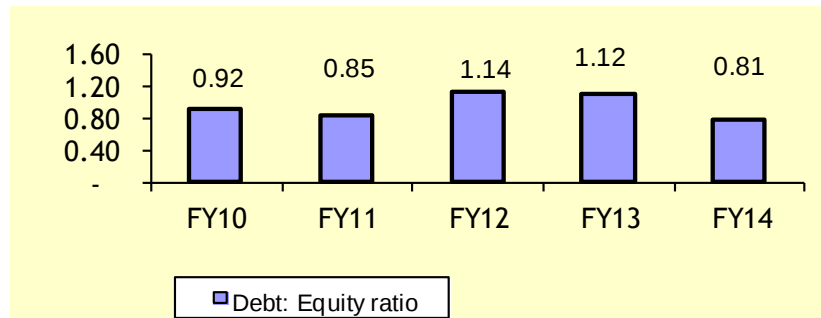


Stable Earnings and Sound Financial Leverage driving Credit Strength

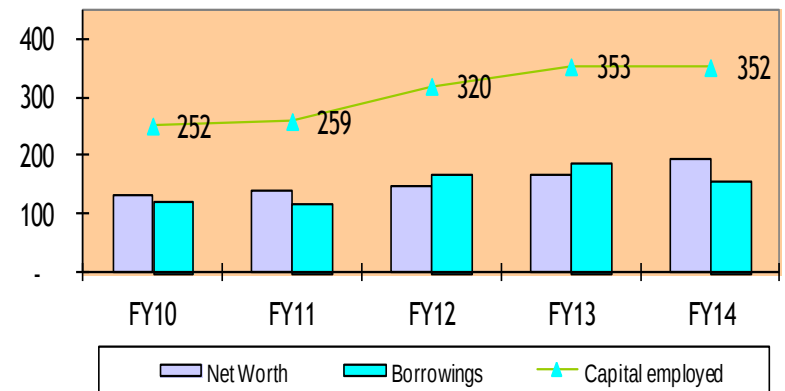
Improved Financial Performance



Adjusted Debt-Equity Ratio ⁽¹⁾



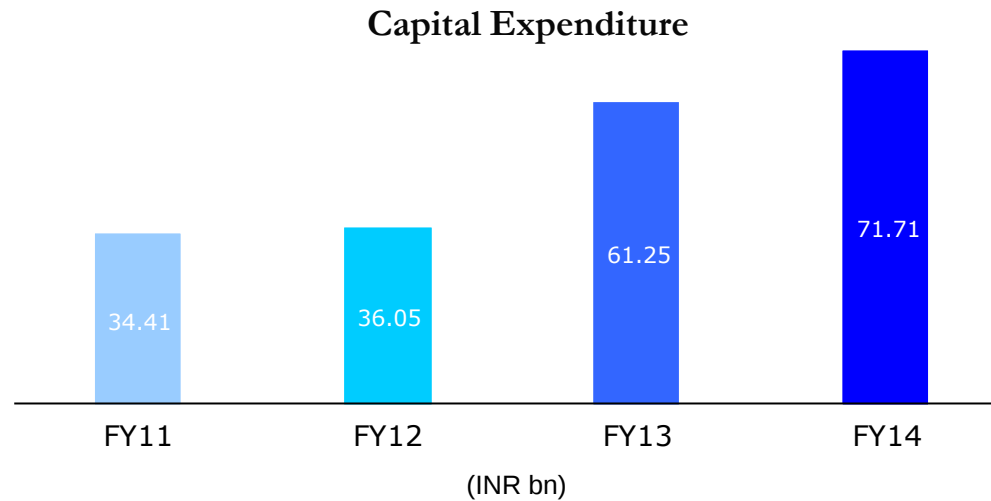
Adjusted Capital Employed (INR Billion) ⁽¹⁾



(1) Adjusted for bonds outstanding as on period end

Stable Earnings and Sound Financial Leverage driving Credit Strength

Future Strategy



- Strategically expand its upstream activities through inorganic and organic growth opportunities
- Investment in refining and distribution capacity to bridge the gap between sales volumes and production
- Expand capacities and improve efficiencies at existing installation and refineries
- Create opportunities with the manufacture of niche petrochemicals
- Improve margin and value through facility upgrades

Significant Expansion in Upstream and Downstream business to drive future growth

Ongoing projects – thriving to be self sufficient integrated source of fuel supply

- Integrated Refinery Expansion Project (IREP) at Kochi – Increasing refining capacity from 9.5 MMTPA to 15.5 MMTPA along with modernization of existing facilities to produce future quality fuels
- Mumbai Refinery –Replacement of CDU I & II. (Catalytic Cracking Reformat (CCR) unit commissioned recently in March 2014)
- Investments in Gas pipelines – GIGL & GITL pipelines in Joint Venture
- Kota – Jobner pipeline – Augmentation of existing product pipeline
- Retail : Network expansion with infrastructure growth and upgradation
- Expansion of marketing infrastructure across all business areas

Significant Expansion in Downstream & Marketing network to drive future growth

Upcoming projects

- Kochi - Foray into Niche Petrochemicals
- Funding for upstream developments and new assets
- Mumbai Refinery – Upgrade/de-bottlenecking
- Bina Refinery – Creeping Expansion
- Investments in Gas
- Expansion of marketing infrastructure across all business verticals
- Investment of Rs. 40,000 crore on Upcoming and Ongoing project over the period of FY 2011-12 to 2015-16

More expansions in Upstream, Downstream business & Marketing network

Highly Experienced Management Team



Mr. S Varadarajan, Chairman & Managing Director

- Over 30 years of industry experience. He also holds the position of Chairman in Numaligarh Refinery Ltd. & position of Director in Bharat PetroResources Ltd (BPRL) and Petronet LNG Limited (PLNG).
- He has been responsible for the overall Treasury Management, Risk Management, Corporate Accounts, Taxation and Budgeting. In addition to finance, he has handled marketing as head of sales for the retail business in southern region and also led the corporate strategy team
- He is also entrusted with additional charge of Director (Finance) currently



Mr. P Balasubramanian, Director (Finance)

- Over 30 years of industry experience. He also holds the position of Director in Bharat PetroResources Ltd (BPRL), Bharat Oman Refineries Ltd. (BORL) and Delhi Aviation Fuel Facilities Pvt. Ltd. and permanent invitee on the board of Numaligarh Refinery Ltd.
- He has been responsible for the entire Corporate Finance function including Corporate Treasury, Corporate Finance, Taxation, Investor Relations, Risk Management and overseeing the Corporate Governance structures.



Mr. K K Gupta, Director Marketing

- Over 33 years of industry experience.
- He is also a Director on the Boards of Bharat PetroResources Ltd (BPRL), Indraprastha Gas Ltd., Sabarmati Gas Ltd. etc
- He has had the distinction of heading three major Business Units viz. Lubes, LPG and Retail



Mr. B K Datta , Director Refineries

- Over 33 years of industry experience
- He is also a Director on the Boards of Bharat Oman Refineries Ltd., Bharat PetroResources Ltd (BPRL) and Numaligarh Refinery Ltd.
- He has held multiple key positions across business verticals such as Refineries, Integrated Information Systems, Supply Chain Management.



Mr. S P Gathoo , Director Human Resources

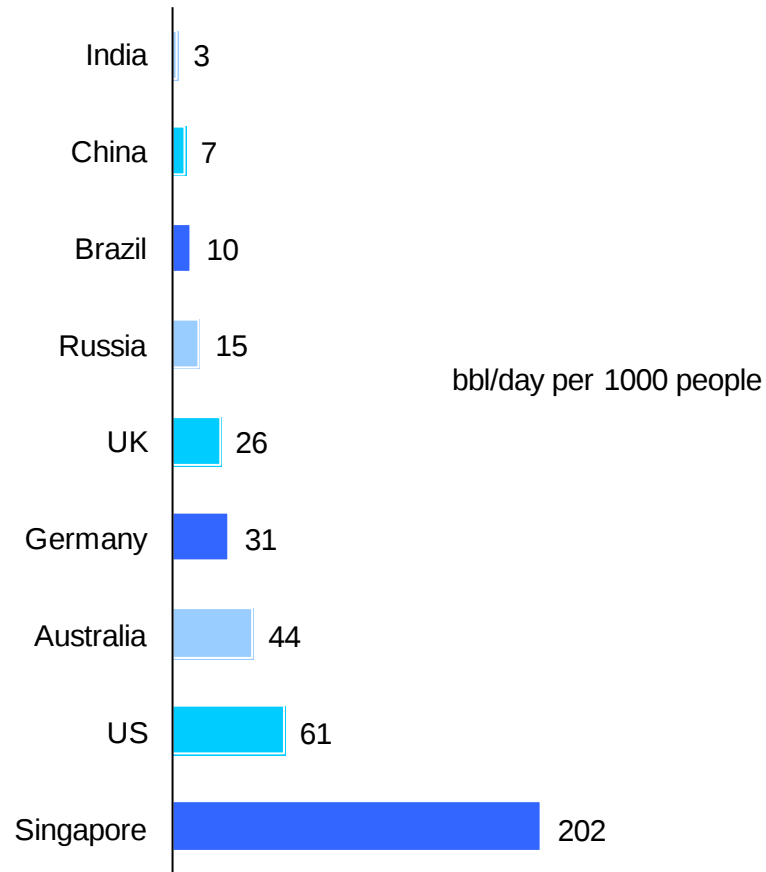
- Over 26 years of experience with BPCL and prior to that worked with BHEL and NTPC Limited
- He also holds the position of Director on the Boards of Bharat Oman Refineries Limited.
- He has had experience across business vertical such as Lubricants, Business & Information Technology and HR function

The Senior Management team has in-depth Knowledge and Extensive Experience in the Oil and Gas industry

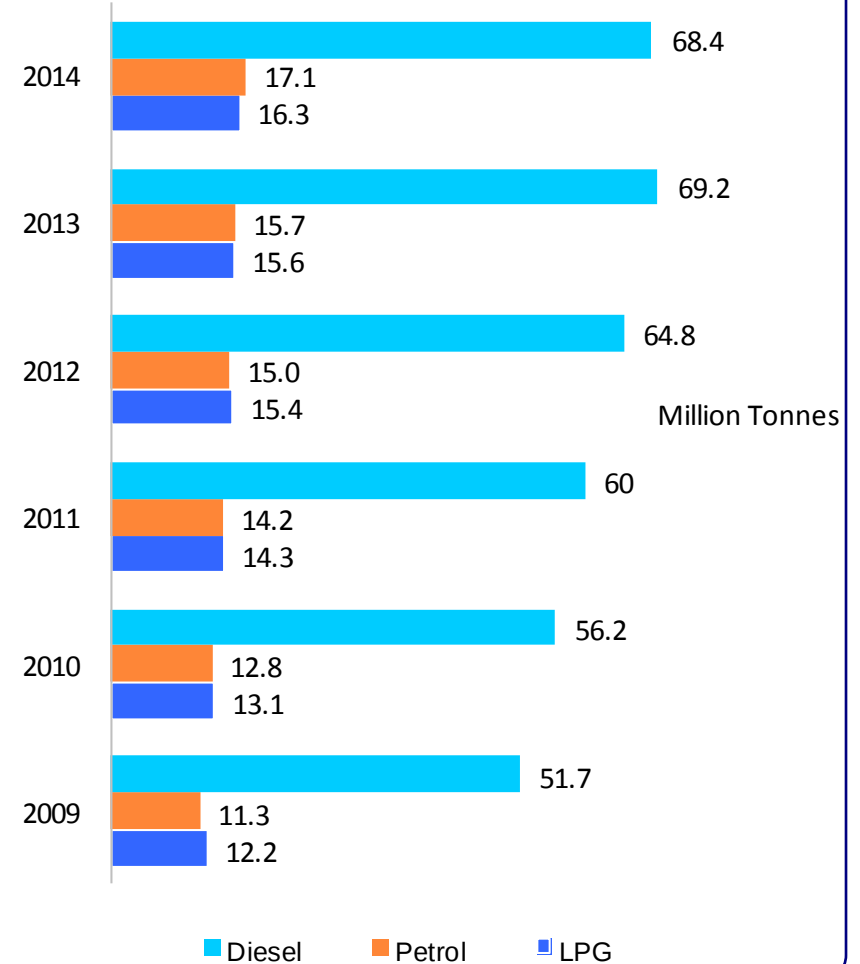
3. Industry Overview

India - Oil and Gas Demand

Per Capita Oil Consumption



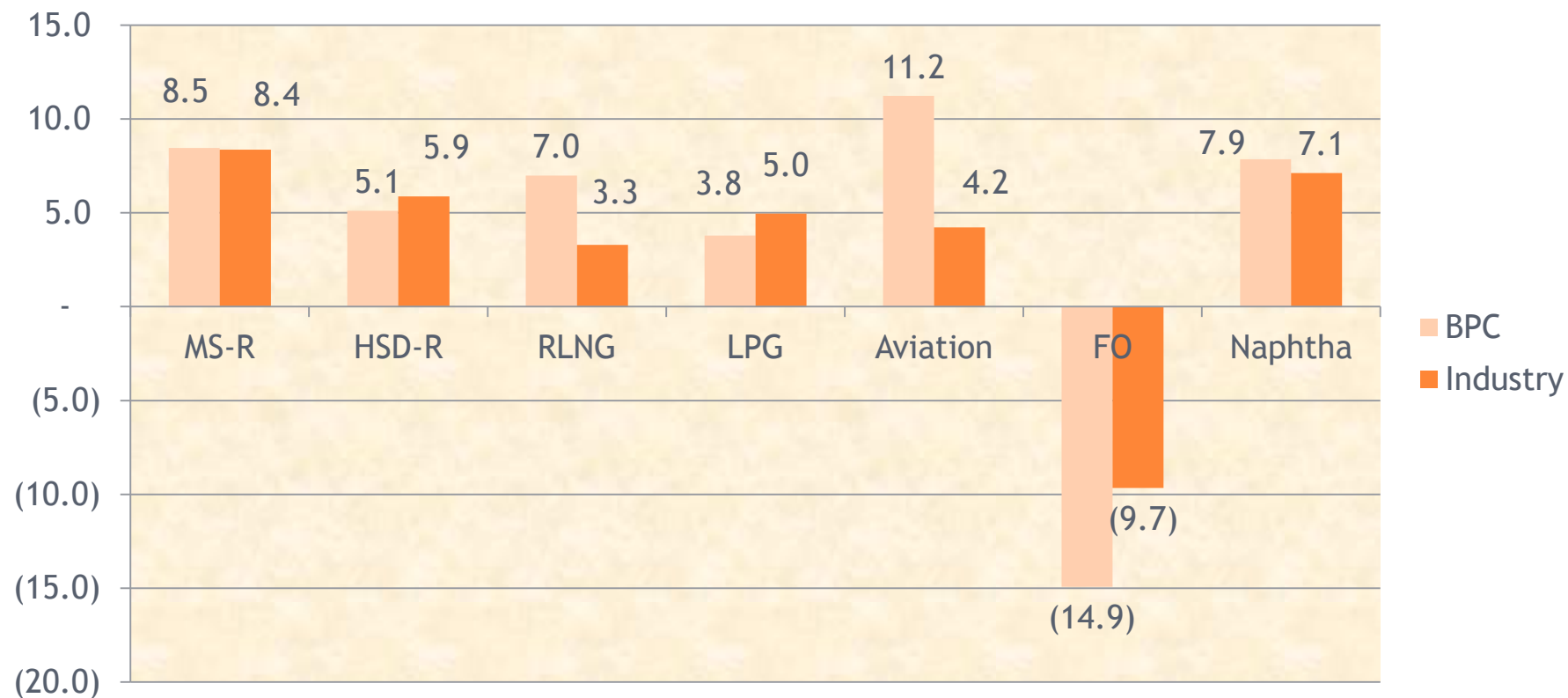
India Oil Demand



Source: CIA World Factbook, Central Statistics Office

Significant Potential for Domestic O&G Companies given the Low per-capita Oil Consumption and Growing demand.

Industry (PSU) Vs BPC sales growth (%) during FY14



Overall Growth (%)	
Industry (PSU)	0.62
BPC	2.10

Indian Oil Industry

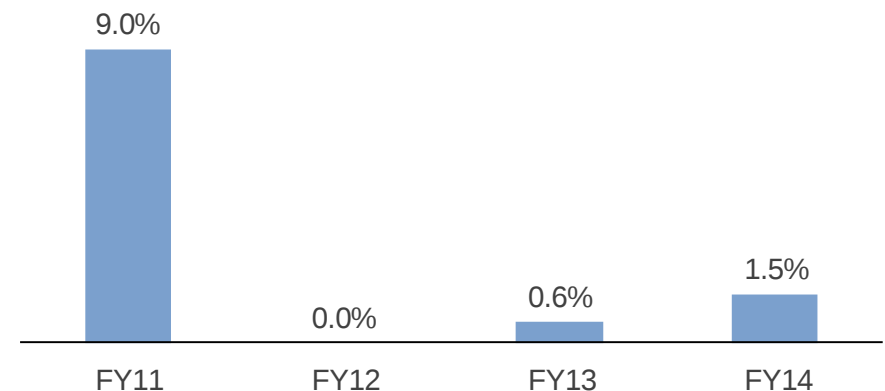
Sharing of Under Recoveries

- Prices of retail sales of diesel, LPG and Kerosene Oil are capped by the Government of India (GoI)
- Under-recoveries shared among GoI, the public sector OMCs and the public sector upstream companies (ONGC, OIL and GAIL)
- Under-recoveries determined and compensated provisionally by the GoI on quarterly basis
- Govt. has consistently compensated OMCs including BPCL for under recoveries and ensured reasonable profitability

Positive Policy actions

- Petrol Prices De-regulated completely
- Gasoil (Retail) – Regular consumer price increases
- Gasoil – Bulk sales completely deregulated
- Restricted supply/Targeted subsidies for cooking fuel products

% Sharing of Under Recoveries by OMCs



Strategic position in the Indian economy with way to deregulation of fuel sector in the country



Thank You