



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office : Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg,
Vasant Kunj, New Delhi-110070

CIN: L74899DL1993GOI054155 Website: www.ongcindia.com Email: secretariat@ongc.co.in

ONGC/CS/SE/2017

18th September, 2017

The BSE Limited, Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001	National Stock Exchange of India Ltd. Exchange Plaza Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051
BSE Security Code No. 500312	Symbol- ONGC ; Series - EQ

Sub: Press Release w.r.t. subsidiary company

Dear Sir(s),

We hereby inform that the ONGC Videsh Limited, a wholly-owned subsidiary of the company, has entered into an extension of Production Sharing Agreement (PSA) in its existing asset viz. Azeri-Chirag-Deep water portion of Gunashli (ACG) oil fields. In this regard the enclosed 'Press Release' is being issued.

The aforesaid extension does not involve acquisition of shares or takeover of other entity in terms of Regulation 30 of the SEBI (LODR) Regulations, 2015.

This is for your kind information and record please.

Thanking You,

Yours faithfully,
for Oil and Natural Gas Corporation Ltd.

(M E V Selvam)
Company Secretary

Press Release



The Azerbaijan Government announced extension of ACG PSA to 2049 with co-venturers, including ONGC Videsh Limited.

New Delhi – ONGC Videsh Limited announced that the Consortium partners of the giant ACG Fields in Azerbaijan have entered into an agreement with Azerbaijan Government and State Oil Company of the Azerbaijan Republic (SOCAR) for extension of duration of the Production Sharing Agreement (PSA) for Azeri-Chirag-Deep water portion of Gunashli (ACG) oil fields until December 31, 2049. ONGC Videsh Limited, the subsidiary of the Indian flagship Oil and natural Gas Corporation Limited (ONGC) holds a participating interest in ACG oil fields in the Azerbaijan Sector of Caspian Sea. The other partners in the Consortium are BP, Chevron, INPEX, Statoil, ExxonMobil, TPAO and ITOCHU. The agreement is subject to ratification by the Parliament (Milli Majlis) of the Republic of Azerbaijan.

The agreement was signed in Baku on 14th September, 2017 in the presence of H.E. President Ilham Aliyev of the Republic of Azerbaijan and a group of visiting senior government and state officials, by Rovnag Abdullayev, President of SOCAR, on behalf of the Azerbaijan Government, and by the representatives of the co-venture companies, including ONGC Videsh Limited. Ambassador of India to Azerbaijan Mr. Sanjay Rana was also present in the signing ceremony.

As part of the agreement, the international co-venturers will pay a bonus of \$3.6 billion to the State Oil Fund of the Republic of Azerbaijan, and SOCAR will increase its equity share in the ACG PSA from 11.65 per cent to 25 per cent. Following completion of the agreement, the new ACG participating interests will be: BP, 30.37 per cent; AzACG (SOCAR), 25.00 per cent; Chevron, 9.57 per cent; INPEX, 9.31 per cent; Statoil, 7.27 per cent; ExxonMobil, 6.79 per cent; TPAO, 5.73 per cent; ITOCHU, 3.65 per cent; and ONGC Videsh Limited, 2.31 per cent. ONGC Videsh's share of the total bonus payments is about USD111 million.

The ACG oil fields are located in the Caspian Sea, approximately 100 kilometers east of Baku, the capital of the Republic of Azerbaijan. The ACG oil fields currently produce crude oil at a rate of approximately 585,000 barrels per day (average rate for first half of 2017) from three oil fields (Azeri Oil Field, Chirag Oil Field and Deep water portion of Gunashli Oil Field). Crude oil produced at the ACG oil fields is transported through the Baku-Tbilisi-Ceyhan pipeline (BTC pipeline) to Ceyhan on the Mediterranean coast of the Republic of Turkey, from where it is shipped to customers.

The existing ACG PSA was signed on 20th September 1994 for thirty years. There is substantial amount of remaining oil and gas in the field and the PSA extension will benefit Azerbaijan and partners through sustained long term production. ONGC Videsh had acquired 2.7213% participating interest in the ACG PSA and 2.36% in BTC Pipeline from Hess Corporation on 28th March, 2013.