



ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

Conquering Newer Horizons

PRESS RELEASE

Oil India Limited (OIL) completes transaction for acquisition of interest in PetroNeft's Oil Block in Russia

Dated: 04th July, 2014

Oil India Limited (OIL), the second largest Government owned exploration and production company in the country, has completed the acquisition of 50% shareholding in WorldAce Investments Limited (WorldAce), a Cyprus based wholly owned subsidiary of PetroNeft Resources Limited (PTR), which owns License 61 in Tomsk Oblast region in Western Siberia, Russia. PetroNeft Resources Plc is listed at Dublin Stock Exchange and London Stock Exchange. The total commitment from OIL will be US\$ 85 million including US\$ 45 million for development capex. The effective date of the acquisition is 01st Jan 2014.

This marks OIL's entry into Russia and is a significant addition to the Company's overseas E&P portfolio. Very recently in June, 2014 OIL had also signed an MoU with Russia's Gazprom International BV for joint pursuit of exploration opportunities across the globe as well as collaborate on Liquefied Natural Gas.

License 61 is located on the eastern side of the Ob river in the oil-bearing region of the Tomsk Oblast. The 4,991 sq. Km. license contains 7 oil fields and over 25 identified prospects and leads. The block started production in 2010. Current production from the license is around 2,100 barrels of oil per day.

OIL had earlier signed definitive agreements on 17th April, 2014, with PTR, to take 50% non-operating interest in Licence 61 in Tomsk Oblast in Russia. Subsequent to the signing of the definitive agreements, the major Conditions Precedents for successful closure of the deal, including the approval of shareholders of PetroNeft and Russian regulatory approvals were obtained. The deal was successfully closed on 3rd July, 2014.

Rothschild and Thomson and Knight acted as the exclusive financial and legal advisor respectively to OIL on this transaction.