

Bharat Petroleum Corporation Ltd.

Investor Presentation

August 2019



**Energising
Business**

**Energising
Society**

**Energising
Environment**

Ek boond paani
"Project BOOND"



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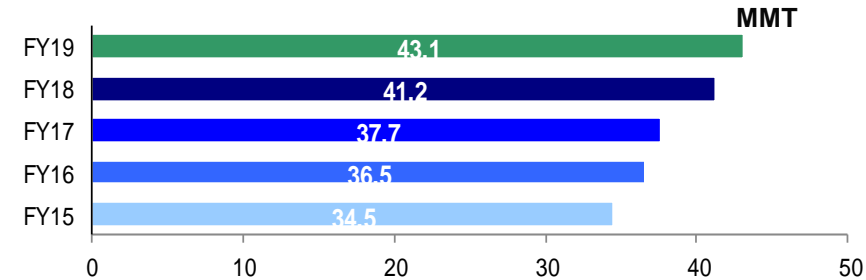
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1. Corporate Overview

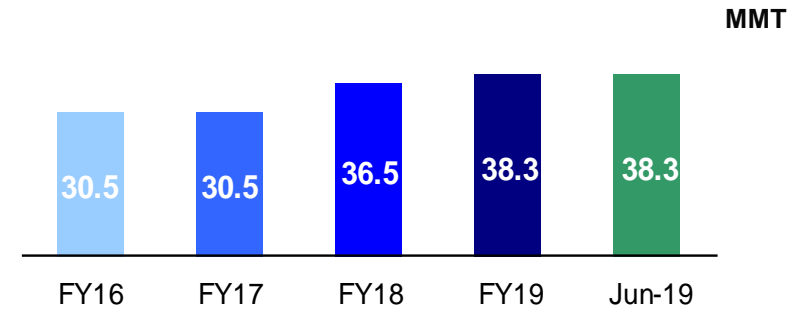
Introduction

- India's 6th largest company by turnover over INR 3,376 bn in FY19 and INR 2,773 bn in FY18
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 43.07 MMT in FY19 and 41.21 MMT in FY18
 - Domestic market share of 21% during FY19
- Majority Govt. of India shareholding of 53.29% and explicit Govt. support through under-recovery compensation mechanism
- # 275 ranking on Fortune 2019 global list; ranks 6th among the only seven Indian companies on the list
- The Govt. of India conferred BPCL with "MAHARATNA" status in Sep 2017
- Well positioned to meet market demand across India through Strategically located Refineries and Marketing Infrastructure
- Successful foray into upstream business.
- Ratings at par with the Sovereign
 - Baa2 (Outlook Positive) by Moody's / BBB- (Outlook Stable) by Fitch

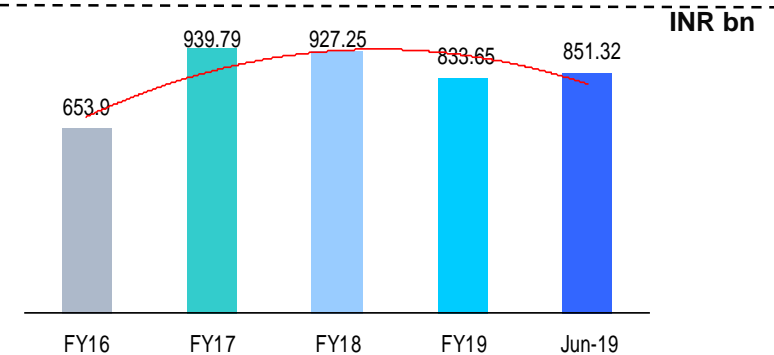
Market Sales



Refining Capacity



Market Capitalization ^

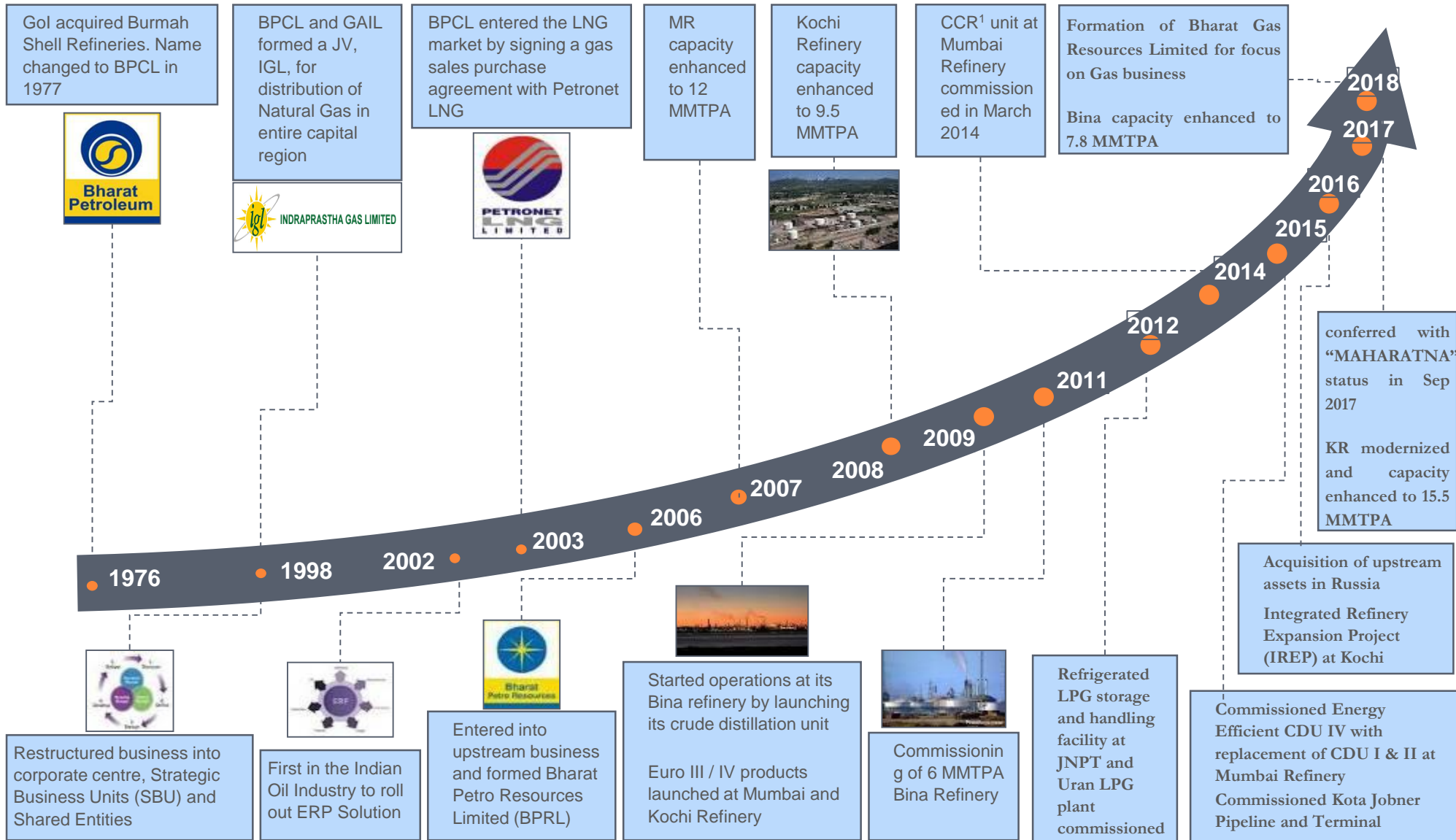


^ Market capitalization figures as on period end

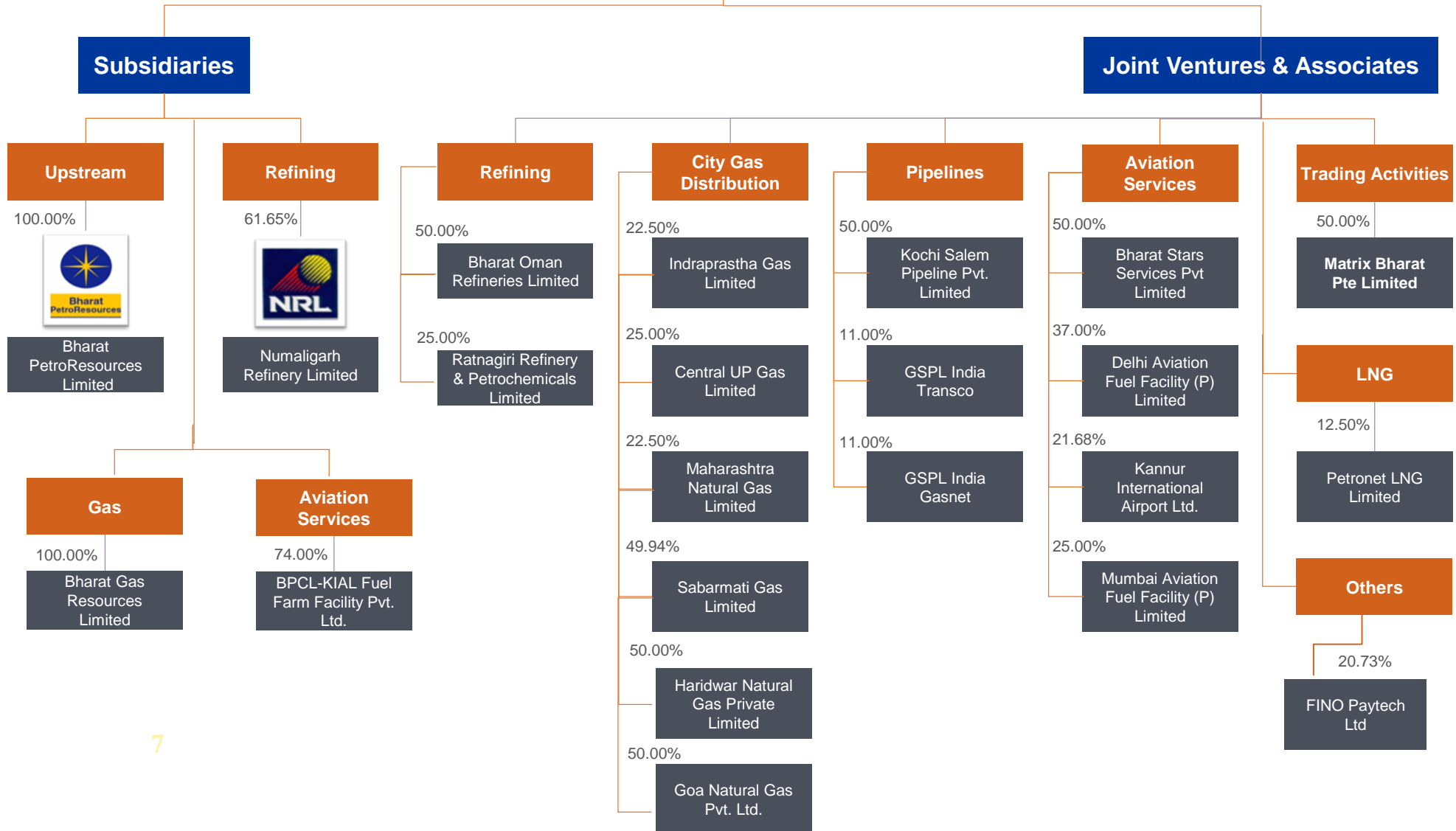
FY means Financial year ending 31st March

Source: National Stock Exchange

Important Milestones










Major Subsidiaries/ JVs



2. Business Overview

Diversified Product Offering and Presence Across Value Chain

BHARAT PETROLEUM CORPORATION LIMITED

Refinery	Retail	LPG	Industrial/ Commercial	Aviation	Lubricants	Gas
 <ul style="list-style-type: none"> • Refining capacity of 38.3 MMTPA • 15% of the country's refining capacity 	 <ul style="list-style-type: none"> • 26% market share¹ • 14,802 retail outlets • 123 depots /installations 	 <ul style="list-style-type: none"> • 26.68% market share¹ • Currently 5,907 distributors • 52 LPG bottling plants 	 <ul style="list-style-type: none"> • Currently 8,000+ customers 	 <ul style="list-style-type: none"> • 26% market share¹ in ATF • 56 Aviation service stations 	 <ul style="list-style-type: none"> • 18.83% market share¹ • Currently 16,000 customers • More than 1000+ grades of products 	 <ul style="list-style-type: none"> • 50+ major LNG customers
<ul style="list-style-type: none"> • Strategically located refineries 	<ul style="list-style-type: none"> • Pan India presence across products 	<ul style="list-style-type: none"> • Various Innovative offerings with ventures in allied business 	<ul style="list-style-type: none"> • Reliable, innovative and caring supplier of I&C products 	<ul style="list-style-type: none"> • Present at all the major gateways and airports for into plane services 	<ul style="list-style-type: none"> • Major OEM tie ups such as Tata Motors, Honda, Genuine Oil, TVS etc. 	<ul style="list-style-type: none"> • Emerging Markets
<ul style="list-style-type: none"> • Four refineries in Mumbai, Kochi, Numaligarh and Bina 	<ul style="list-style-type: none"> • Pioneer in branded retail outlets, branded fuels ex: Speed 	<ul style="list-style-type: none"> • Current customer base of 68mn incl. retail and bulk 	<ul style="list-style-type: none"> • Pioneer in IT integration and Supply Chain Management 	<ul style="list-style-type: none"> • Fuel Farm Operations through MAFFFL and DAFFL 	<ul style="list-style-type: none"> • Product customization 	<ul style="list-style-type: none"> • 100% subsidiary BGRL for focus on Gas business • City gas distribution networks in 10 cities + 13 new GAS

1. Market share includes sale by PSU as well as private oil marketing companies. All figures as of 30th June 2019

2. Source : Ministry of Petroleum and Natural Gas.

Refining Coverage

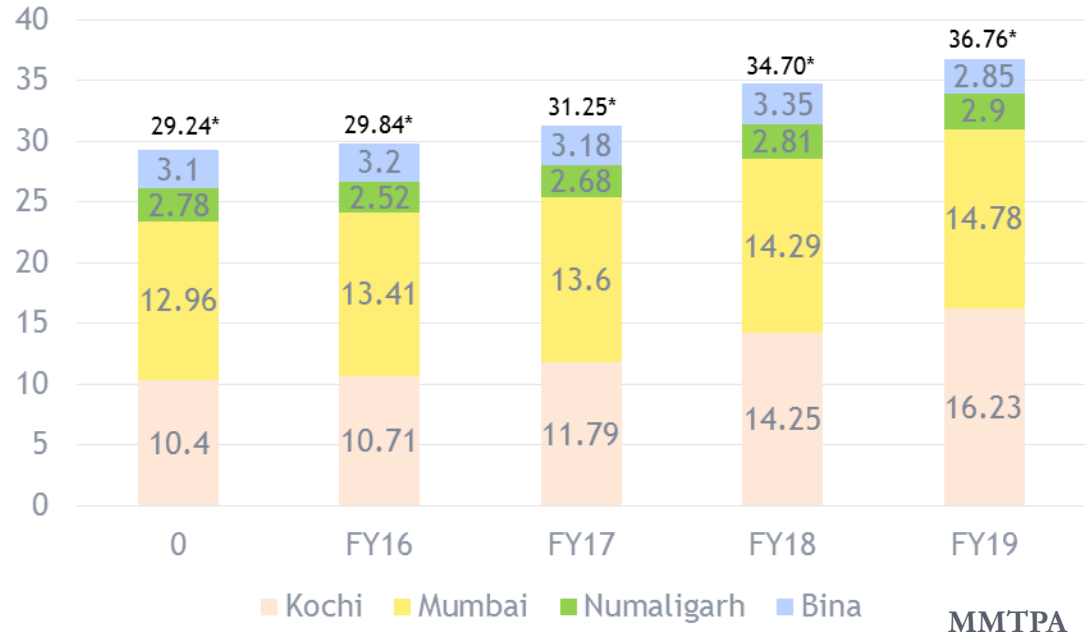
Installed Capacity

Refining Capacity



- Capacity Utilization consistently above nameplate capacities
- State of the art refinery at Bina

Refining Throughput



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

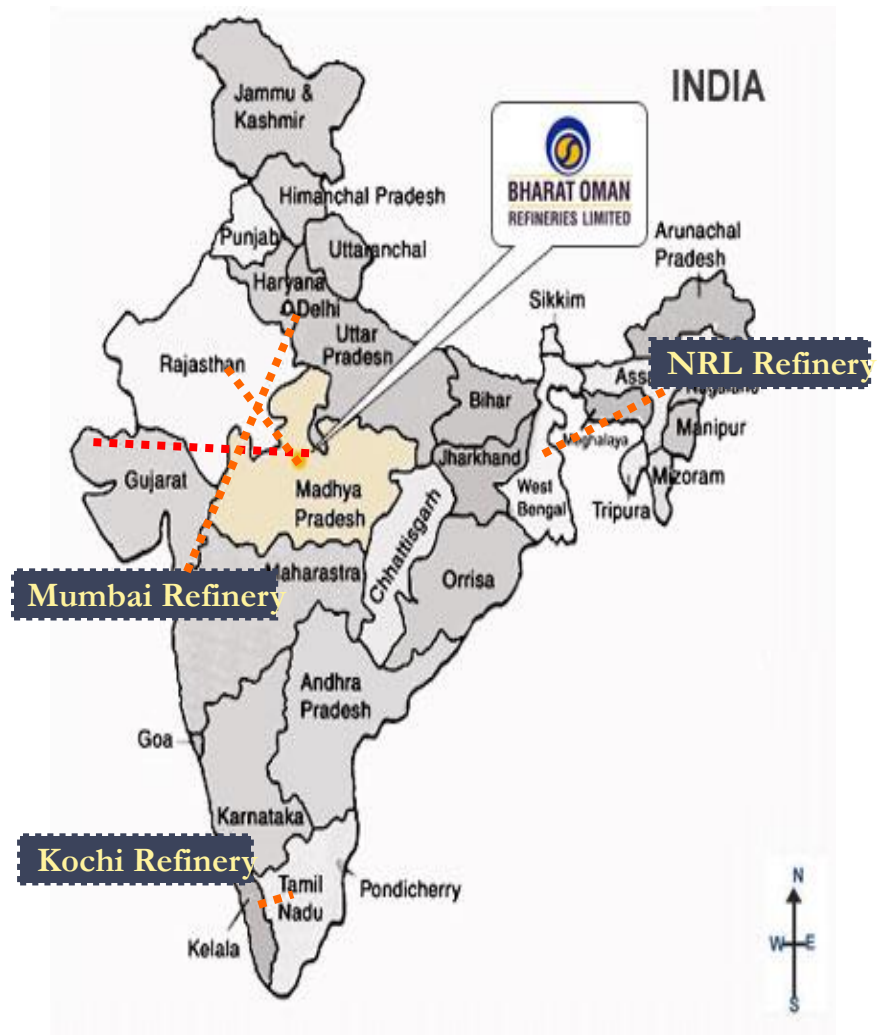
Four Strategically located refineries across India

Refinery Utilization rates above name-plate capacities

935-km cross country pipeline to source crude to BORL

Bina Refinery

- Bharat Oman Refineries Limited (BORL) - BPCL Interest 50% with 7.8 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)
- Bina Kota Pipeline for evacuation of products
- Low cost capacity expansion from 6 MMTPA to 7.8 MMTPA
- GRM of \$7.5/bbl during Q1FY20 and \$9.8/bbl during FY19



Pipelines :

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

Numaligarh Refinery

- Numaligarh Refineries Limited (NRL) - BPCL Interest 61.65% with 3 MMT Refining capacity in the north-eastern state of Assam
- Largest producer of paraffin wax in the country
- GRM of \$10.67/bbl during Q1FY20 and \$11.8/bbl during FY19

Expansion Plans

- Capacity expansion from from 3 to 9 MMTPA
- Total Project Cost of Rs.22,594 crores
- Integrated with an 8 MMTPA 1,398 km crude pipeline from Paradip to Numaligarh
- Integrated with a 6 MMTPA 650 km product pipeline from Numaligarh to Siliguri

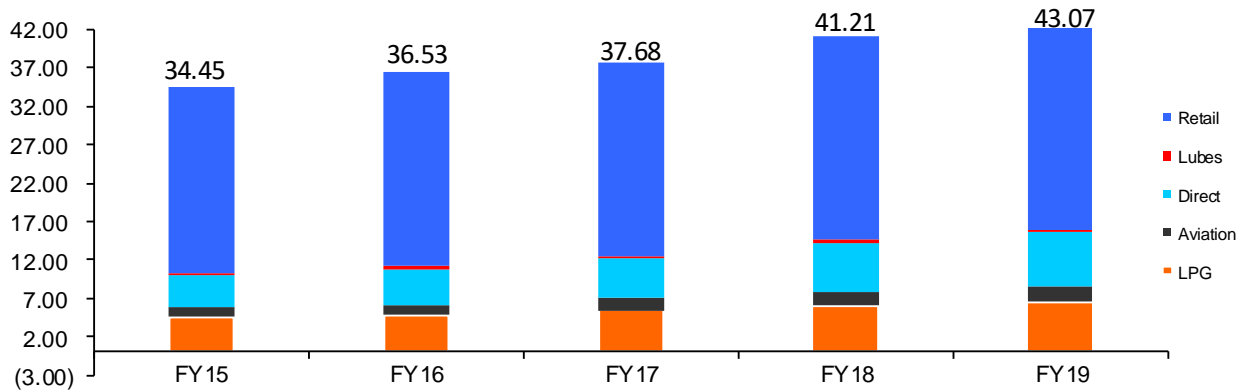
Other Projects

- Diesel Hydrotreater Project with capex of Rs.1031 crores completed in Jan 2018
- Bio-refinery through JV planned at a cost of Rs.1,259 crores at Numaligarh
- 129.5 km India Bangladesh Product Pipeline at a cost of Rs.346 crores including Government Grant-in-Aid of Rs.285 crores

Numaligarh refinery to consolidate refining portfolio required to support downstream retailing market in North-eastern India

Marketing Operations and Efficiencies

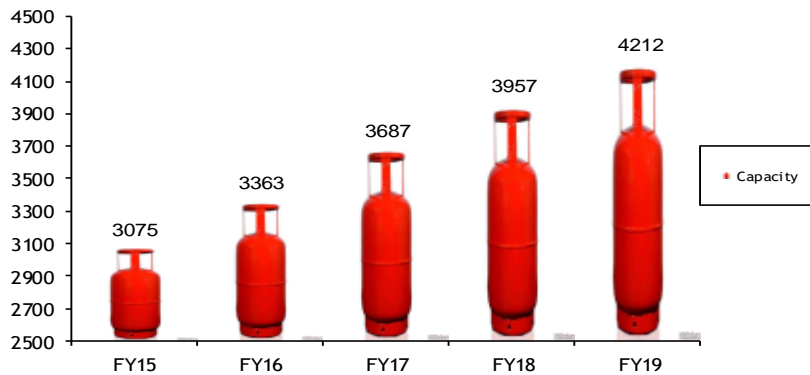
SBU Market Sales (MMT)



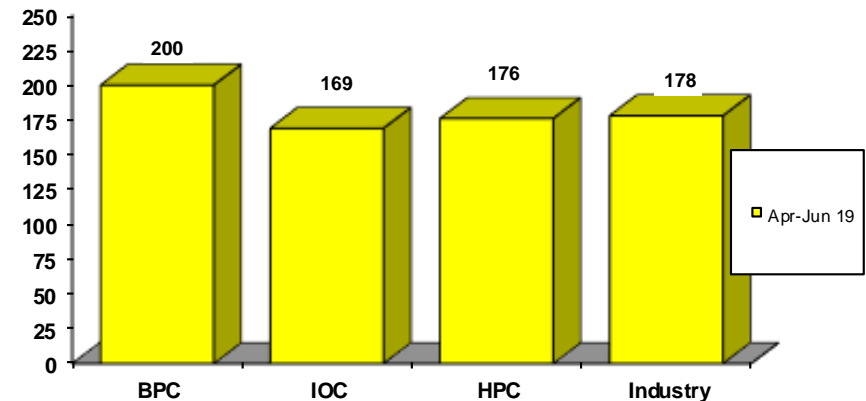
Retail Market Share of MS & HSD *

- MS > 28.60%
- HSD > 28.67%

LPG Bottling Plant Capacity (TMTPA)



Thru'put per Outlet BPC Vs. Industry (KL/month)



* Market share is PSU Market share on Jun 19

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

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

- Kochi Refinery – MS Block Project for Euro VI grade gasoline
- Mumbai Refinery – Gasoline Hydro-treatment Unit
- Kochi – Diversification into Niche Petrochemicals – Propylene Derivatives Petrochemical Project (PDPP)
- Retail : Network expansion with infrastructure growth and upgradation
- LPG import terminal at Haldia, West Bengal
- Bina Kanpur Product Pipeline

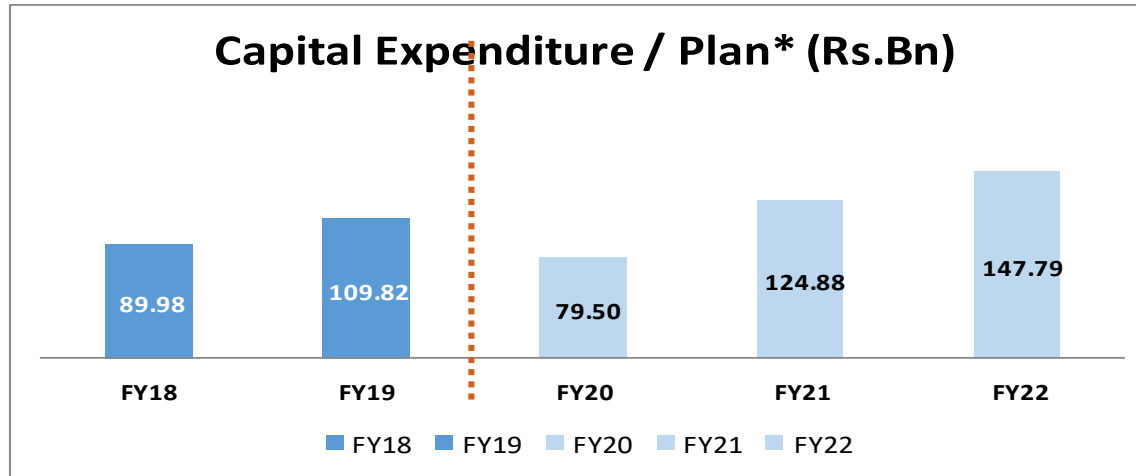
Significant Expansion in Downstream & Marketing network to drive future growth

Upcoming projects

- Investments in Mozambique – FID completed
- Refineries – Upgrade/ Expansion / De-bottlenecking
- **NRL Refinery –Capacity Expansion from 3 MMTPA to 9 MMTPA**
- Investments in Gas – 11 GAs in 9th round and 2 GAs in 10th round
- Expansion of marketing infrastructure across all business verticals
- Bio-refinery at Bargarh
- Polyol Project at Kochi
- New facilities at Rasayani near Mumbai
- 6000 new retail outlets in the next three years

More expansions in Upstream, Downstream business & Marketing network

Capex Strategy



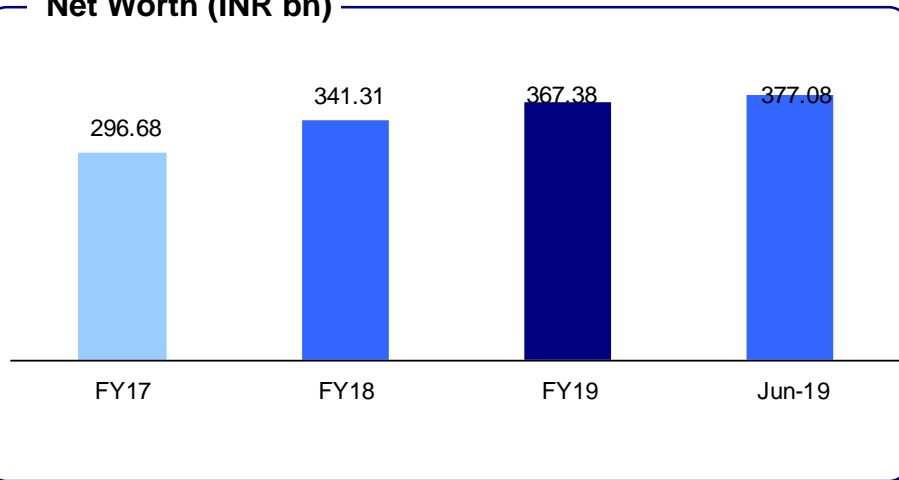
* Capex Plan excludes investment in Mozambique and projects pending approval

- Strategically expanding 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 and bulk petrochemicals
- Improve margin and value through facility upgrades

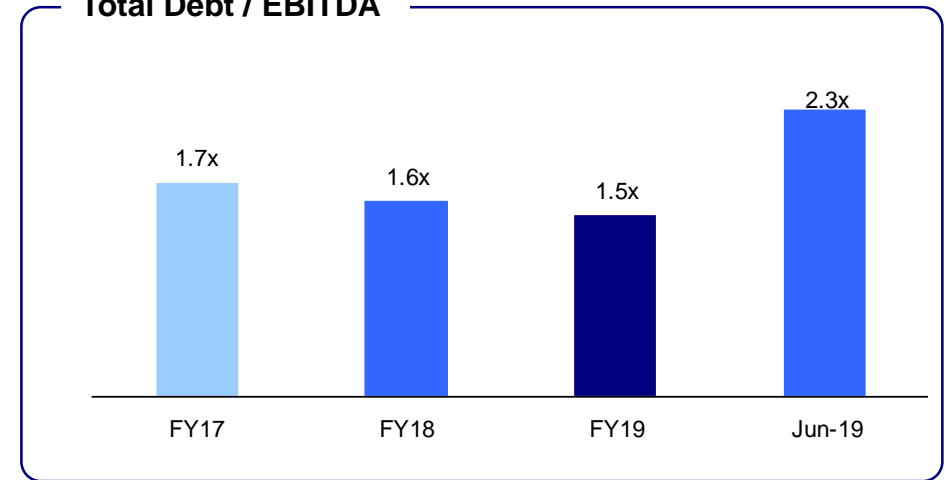
Significant Expansion in Upstream and Downstream business to drive future growth

Improved Financial Performance

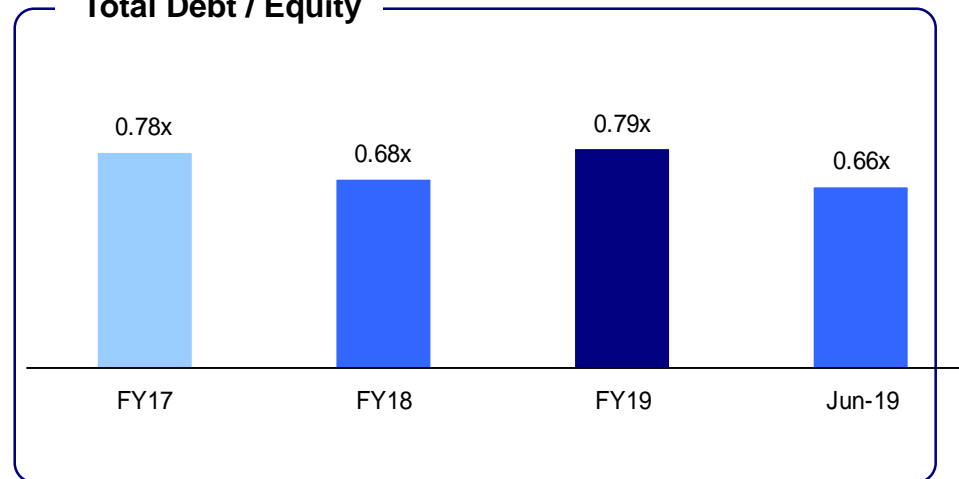
Net Worth (INR bn)



Total Debt / EBITDA

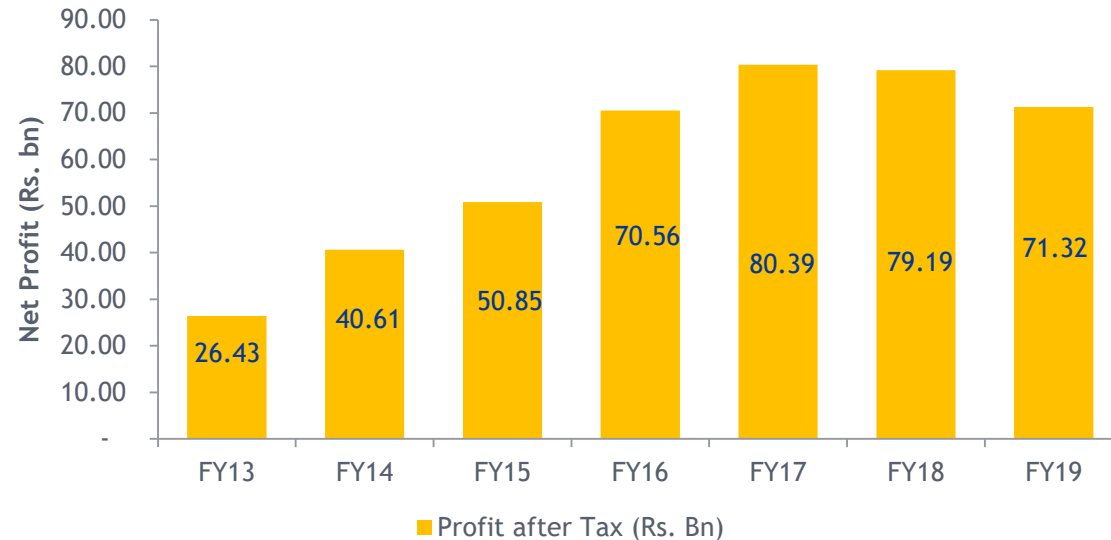


Total Debt / Equity

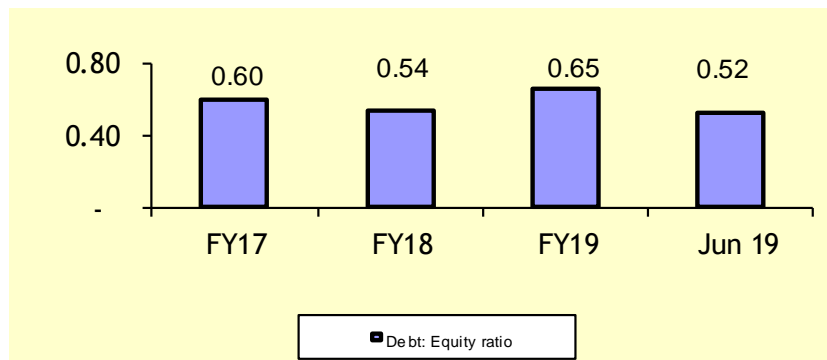


Stable Earnings and Sound Financial Leverage driving Credit Strength

Improved Financial Performance

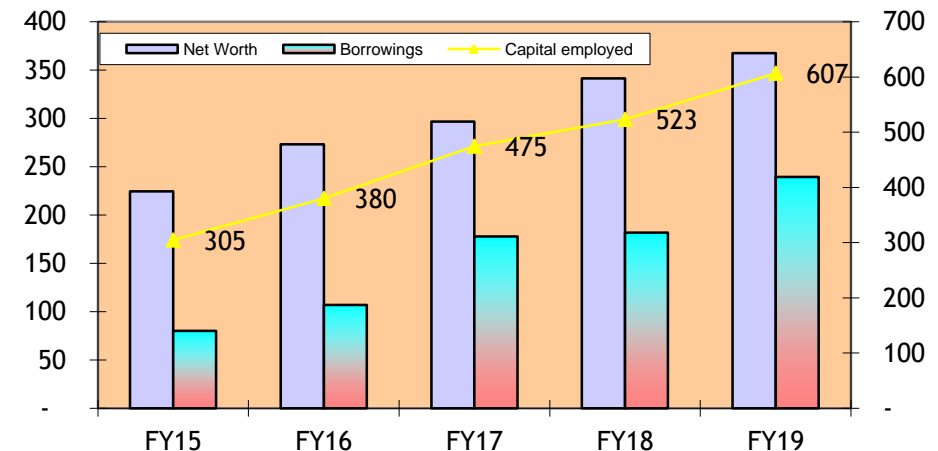


Adjusted Debt-Equity Ratio ⁽¹⁾



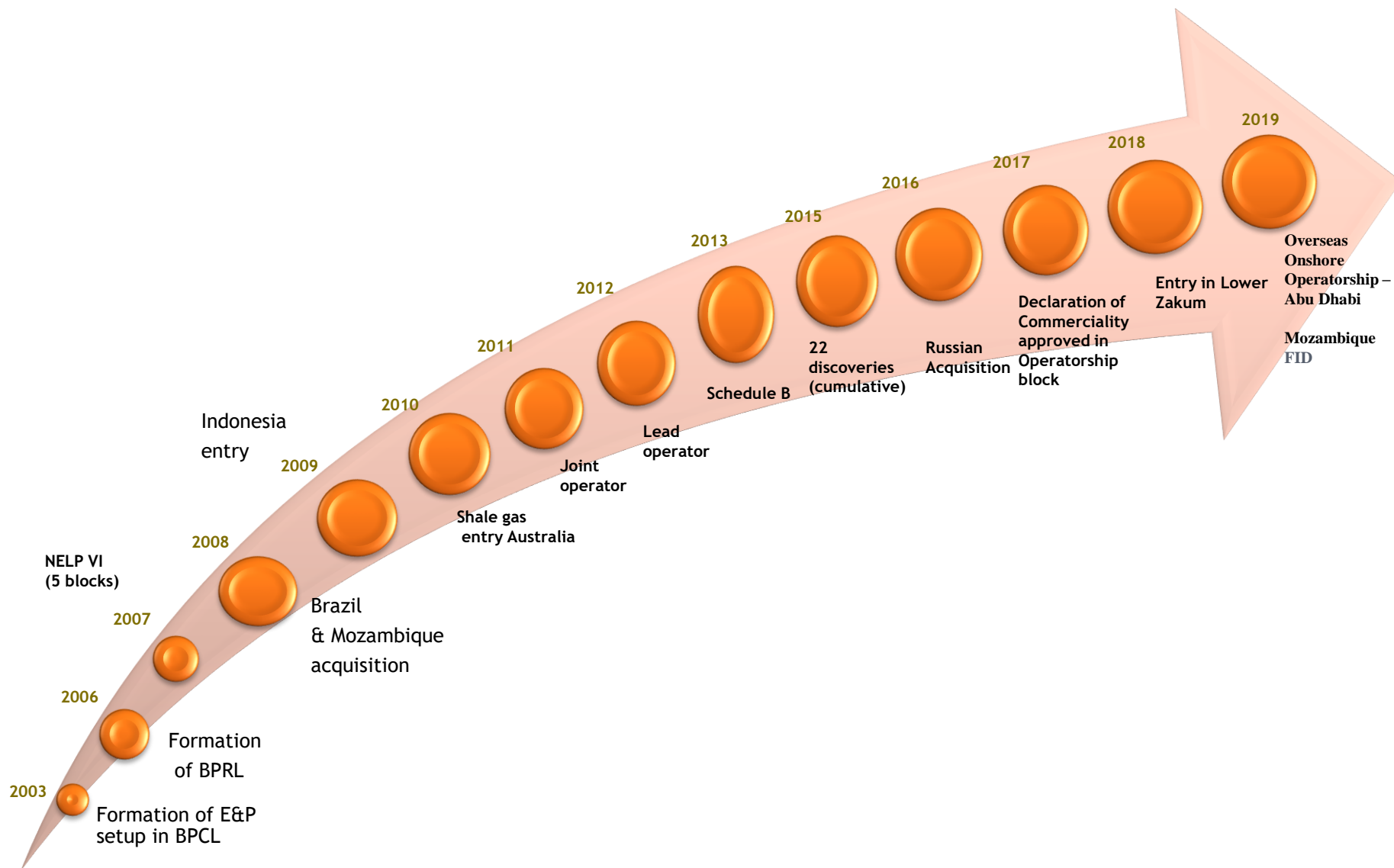
(1) Adjusted for bonds outstanding as on period end

Adjusted Capital Employed (INR Billion) ⁽¹⁾



Stable Earnings and Sound Financial Leverage driving Credit Strength

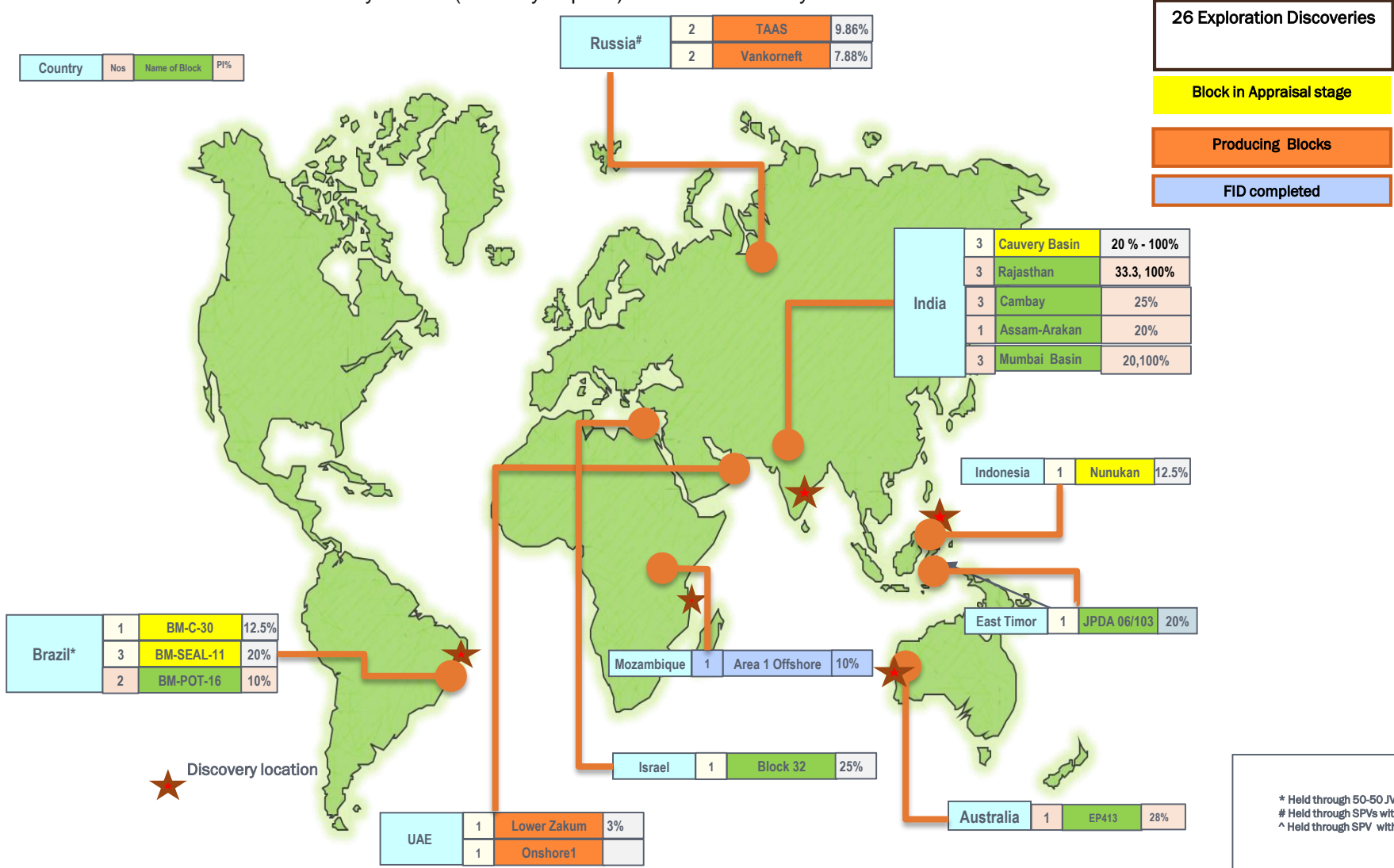
BPRL's Upstream Story over the years.....



Upstream Global Spread

BPCL through its subsidiary BPRL has Participating Interests in 26 blocks across 6 countries and Equity Participation in Vankor and Taas in Russia

- Estimated recoverable reserves of about 75 TCF till date in Rovuma basin (Mozambique)
- Production 20 MMTPA by Vankor (currently at peak) and 1.2 MMTPA by Taas



* Held through 50-50 JV with Videocon Ind.
 # Held through SPVs with OIL & IOCL
 ^ Held through SPV with ONGC Viesh and IOCL

Global Upstream Footprint

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

Within India

Exploration Block	Operator	BPCL Stake	Partners
NELP—IV			
CY/ONN/2002/2	ONGC	40.0%	ONGC
NELP—VI			
CY/ONN/2004/2	ONGC	20.0%	ONGC
NELP—VII			
RJ/ONN/2005/1	HOEC, BPRL	33.33%	IMC
NELP—IX			
CB/ONN/2010/11	GAIL, BPRL	25.0%	EIL, BIFL, MIEL
AA/ONN/2010/3	OIL	20.0%	ONGC
CB-ONN-2010/8	BPRL, GAIL	25.0%	EIL, BIFL, MIEL
MB-OSN-2010/2	OIL	20.0%	HPCL
DSF 2016			
5 Blocks	BPRL	100.0%	-
OALP-I	BPRL	100.0%	-

Indonesia

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

Brazil

Exploration Block	Operator	BPCL Stake ¹	Partners
BM-SEAL-11 (3 blocks)	Petrobras	20.0%	Videocon
BM-C-30 (1 block)	BP*	17.85%	Videocon, Total
BM-POT-16 (2 blocks)	Petrobras	10.0%	Videocon, Petrogal, BP

Mozambique

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

United Arab Emirates

Block	Operator	BPCL Stake	Other Partners
Lower Zakum	ADNOC	3%	CNPC, INPEX, ENI, Total, Falcon Oil, IOCL
Onshore 1	Urja Bharat	50%	(50:50 SPV of BPRL & IOCL)

Australia and East Timor

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

Russia

Block	Operator	BPCL Stake	Partners
Vankor (2 Blocks)	Vankorneft	7.89% ²	Rosneft, OIL, IOCL, ONGC
TAAS- Yuryakh (2 Blocks)	TYNGD	9.87% ³	Rosneft, BP, OIL, IOCL

Israel

Exploration Block	Operator	BPCL Stake	Partners
Block 32	ONGC Videsh	25%	IOCL, OIL

1. BPCL's effective stake held through 50:50 JV with Videocon.
2. BPCL's effective stake held through its 33% stake in the JV with Oil India and Indian Oil for the 23.9% stake acquisition of JSC Vankorneft (Vankor)
3. BPCL's effective stake held through its 33% stake in the JV with Oil India and Indian Oil for the 29.9% stake acquisition of Tass-Yuryakh Neftegazodobycha (TYNGD)
4. BPCL's effective stake held through SPV with ONGC Videsh & IOCL

* The operator, Anadarko, resigned from the operatorship and withdrew from the concession contract in March 2018. BP has been selected as the new Operator and formal approval is being obtained from the Regulator for PI redistribution and appointment of new Operator.

Highly Experienced Management Team

The senior management team has in-depth knowledge and extensive experience in the Oil and Gas industry.

Best in Class Management Team in Place



Mr. D Rajkumar, Chairman & Managing Director

- 32 years of experience, out of which almost 15 years of board experience as MD of BPCL's JV and subsidiary companies
- Has experience in marketing, to pipeline projects and across the integrated upstream and downstream oil sector



Mr. N. Vijayagopal, Director Finance

- He has vast experience of 31 years in financial management and is a member of the Institute of Chartered Accountants of India and a Bachelor of Law.
- He has experience in Treasury Management, Risk Management, Taxation and Budgeting, Fund Management etc.



Mr. R Ramachandran, Director Refineries

- Almost 34 years of industry experience
- Has previously held the post of MD, Bharat Oman Refineries and has experience across Refinery Operations, Product Planning, Technical Services, Project Conceptualization, and Project Financing



Mr. K Padmakar, Director Human Resources

- Over 33 years of experience with BPCL
- He has had experience across HR and ERP functions



Mr. Arun Kumar Singh, Director Marketing

- Over 33 years of industry experience in Oil Marketing
- Director on boards of Indraprastha Gas Ltd. and Bharat Gas Resources Ltd.
- He has headed functions like Pipelines, Supply Chain Optimization, Retail Business Unit, LPG Business Unit, Central Procurement etc.

Numerous Awards & Recognition

Awarded 'Maharatna' Status

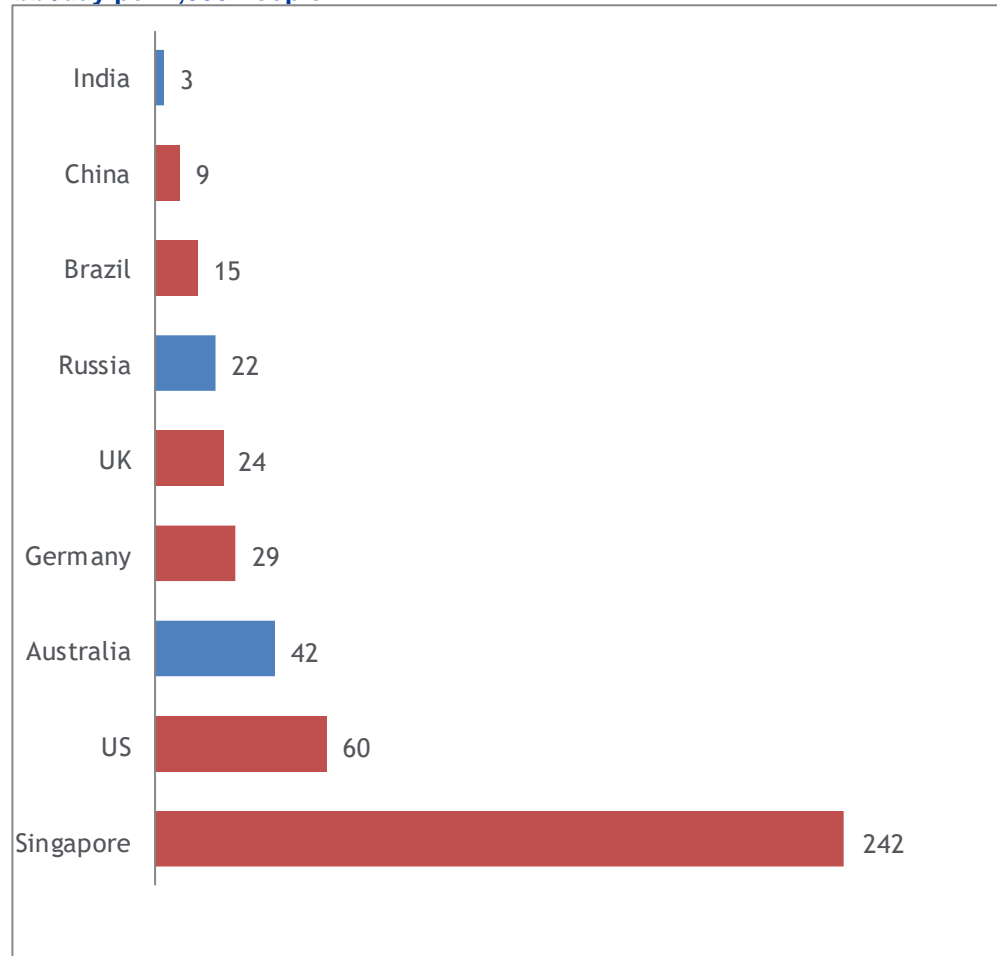


3. Industry Overview

India – Attractive Industry Dynamics

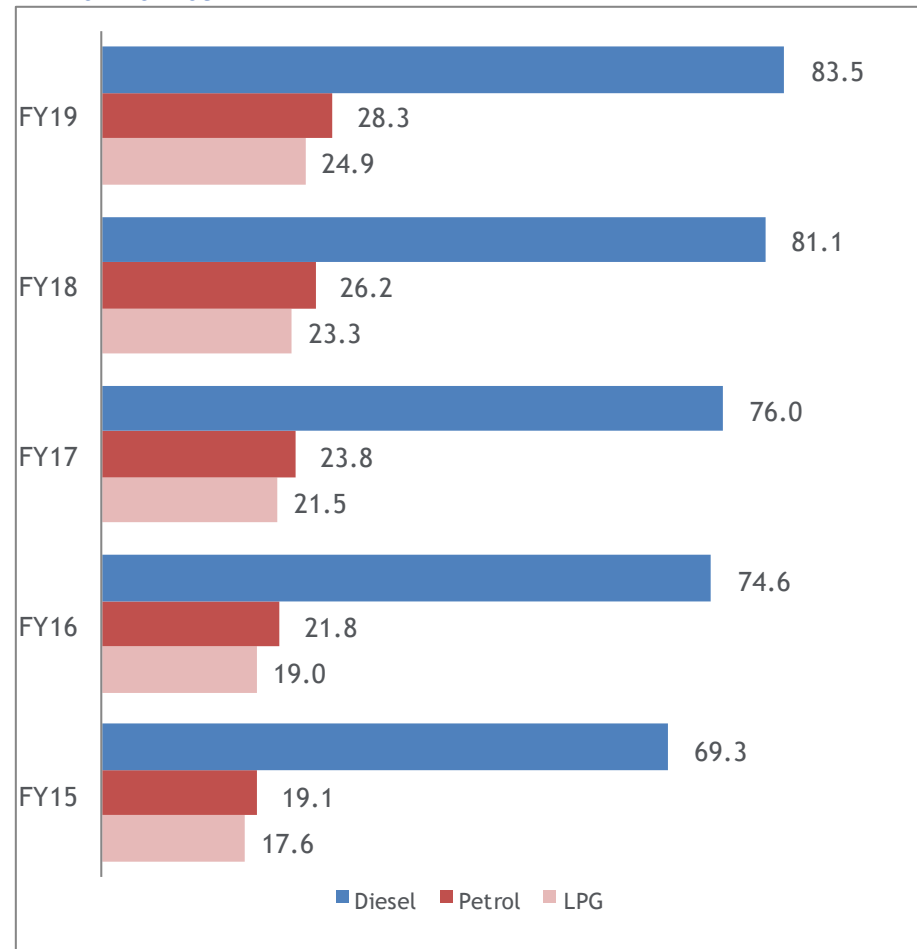
Significant potential for domestic O&G companies given low per-capita oil consumption and growing demand.

Per Capita Oil Consumption bbl/day per 1,000 People



Source: Oil Consumption from BP Statistical Review 2016, Population from World Bank, Estimates 2015

India Oil Demand Million Tonnes



Source: PPAC

Positive Policy actions

- Petrol Prices De-regulated completely
- Gasoil (Retail) – Deregulation announced effective 19th October 2014
- Gasoil – Bulk sales completely deregulated since January 2013
- Restricted supply/Targeted subsidies for cooking fuel products
- LPG DBTL scheme - Domestic LPG fully enrolled
- SKO PDS DBTK scheme – launched on pilot basis in 4 districts and now implemented in the state of Jharkhand
- Govt. has consistently compensated OMCs including BPCL for under recoveries and ensured reasonable profitability



Thank You