

Bharat Petroleum Corporation Ltd.

Investor Presentation

November 2018



**Energising
Business**

**Energising
Society**

**Energising
Environment**

...ek boond paani
"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

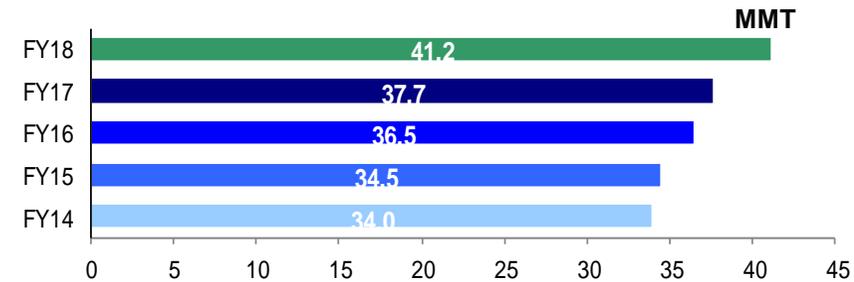
1.	Corporate Overview	4
2	Business Overview	9
3.	Industry Overview	23

1. Corporate Overview

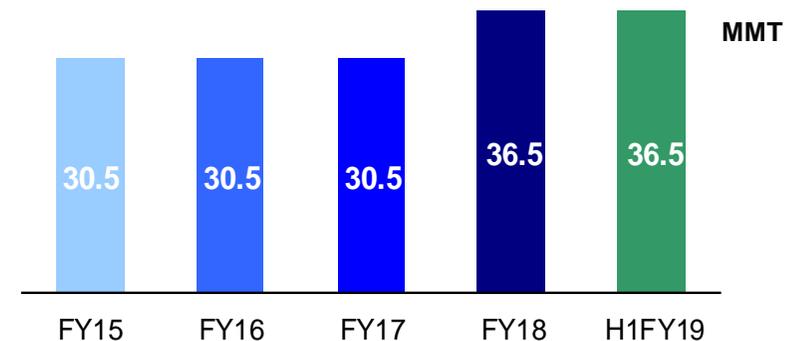
Introduction

- India's 6th largest company by turnover over INR 2,772 bn in FY18 and INR 2,420 bn in FY17
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 41.21 MMT in FY18 and 37.68 MMT in FY17
 - Domestic market share of 21% during FY18
- Majority Govt. of India shareholding of 53.93% and explicit Govt. support through under-recovery compensation mechanism
- # 314 ranking on Fortune 2018 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

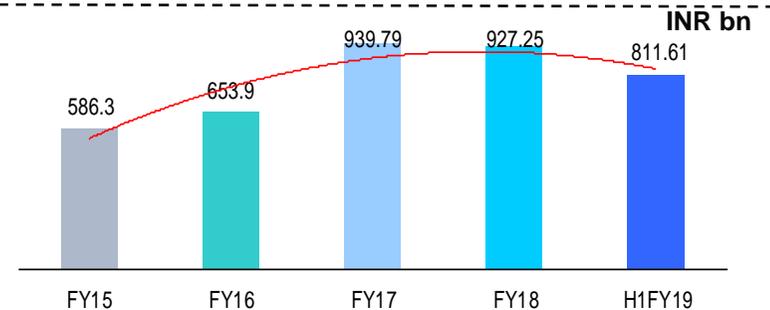
Market Sales



Refining Capacity



Market Capitalization ^

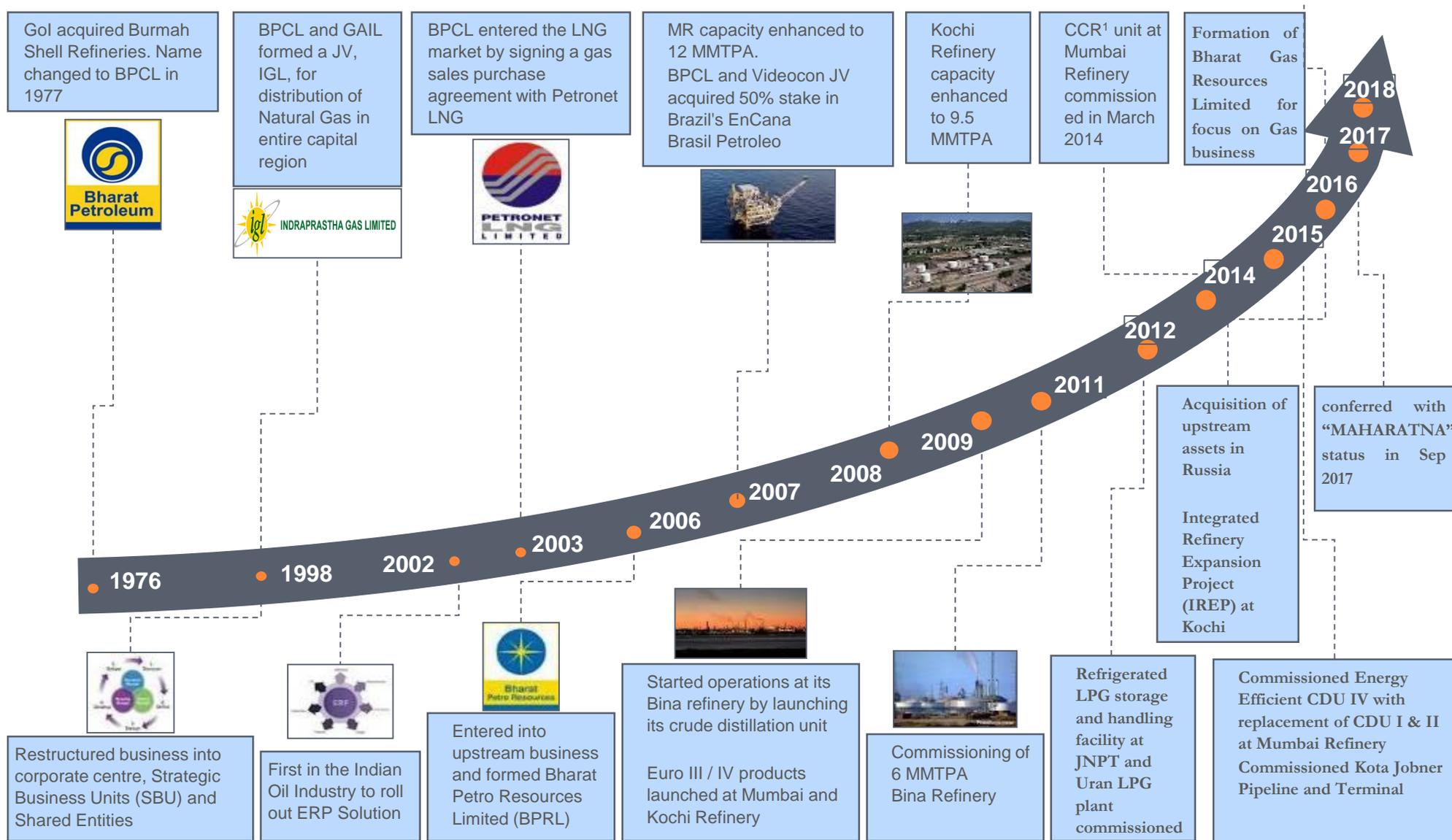


^ Market capitalization figures as on period end

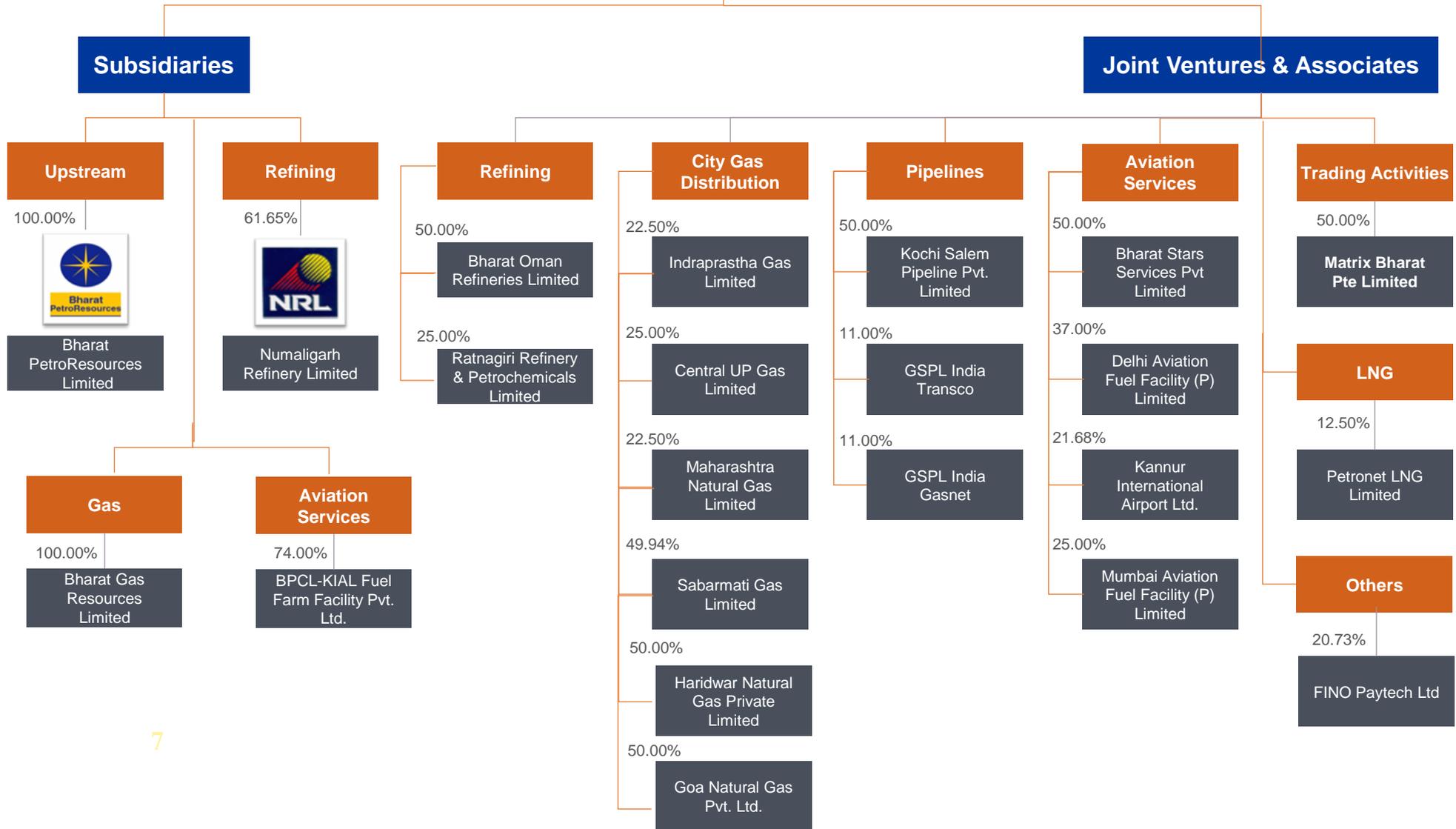
FY means Financial year ending 31st March

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 36.5 MMTPA 15% of the country's refining capacity 	 <ul style="list-style-type: none"> 26.3% market share¹ 14,565 retail outlets 115 depots and 13 installations 	 <ul style="list-style-type: none"> 26.6% market share¹ Currently 5,422 distributors 51 LPG bottling plants 	 <ul style="list-style-type: none"> Currently 8,000+ customers 	 <ul style="list-style-type: none"> 25.2% market share¹ in ATF 43 Aviation service stations 	 <ul style="list-style-type: none"> 16.3% 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"> Only OMC to implement "Apron Fuel Management System" 	<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 + 11 new GAs

1. Market share includes sale by PSU as well as private oil marketing companies. All figures as of 30th September 2018

2. Source : Ministry of Petroleum and Natural Gas.

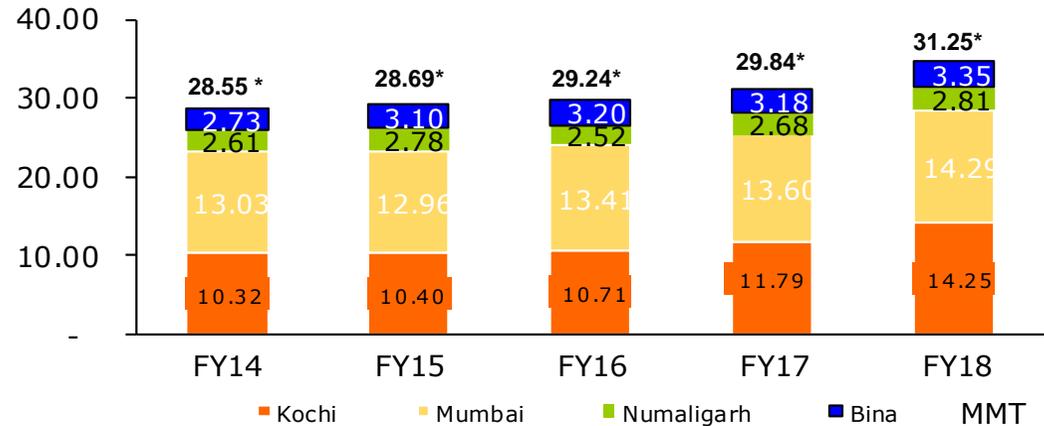
Refining Coverage

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

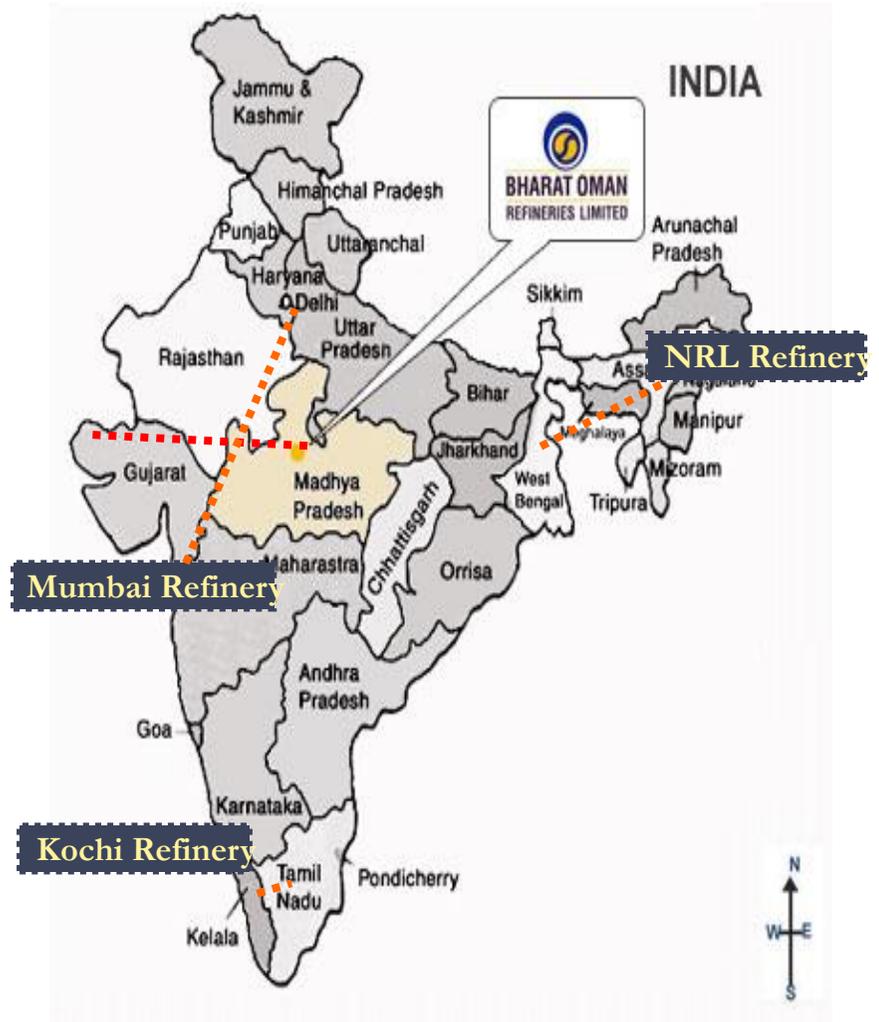
Refinery Utilization rates significantly above global peers

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 operating at more than 100% of the design capacity during FY17
- Low cost capacity expansion from 6 MMTPA to 7.8 MMTPA
- GRM of \$11.4/bbl during Q2FY19 and \$11.7/bbl during FY18

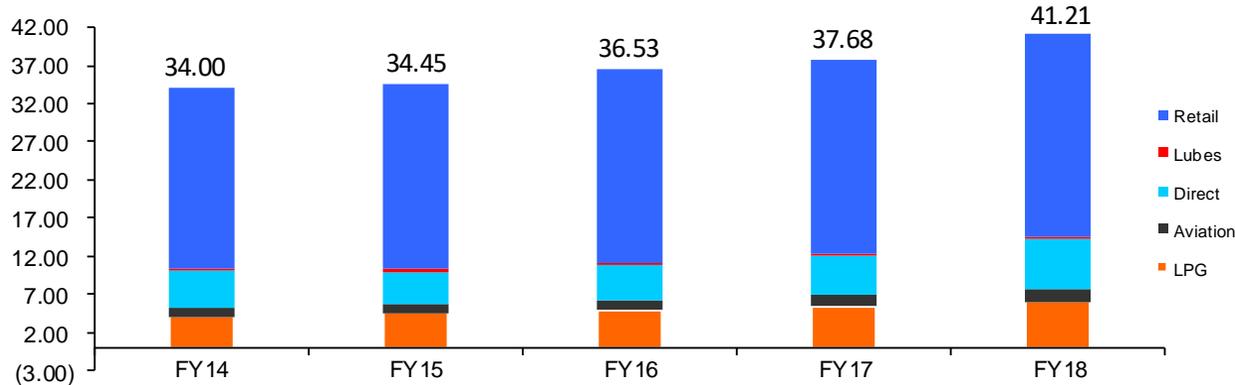
Pipelines : ■■■■■■■■



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

Marketing Operations and Efficiencies

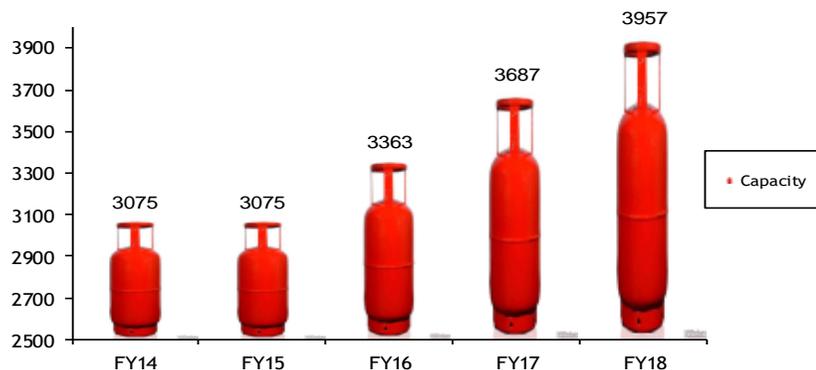
SBU Market Sales (MMT)



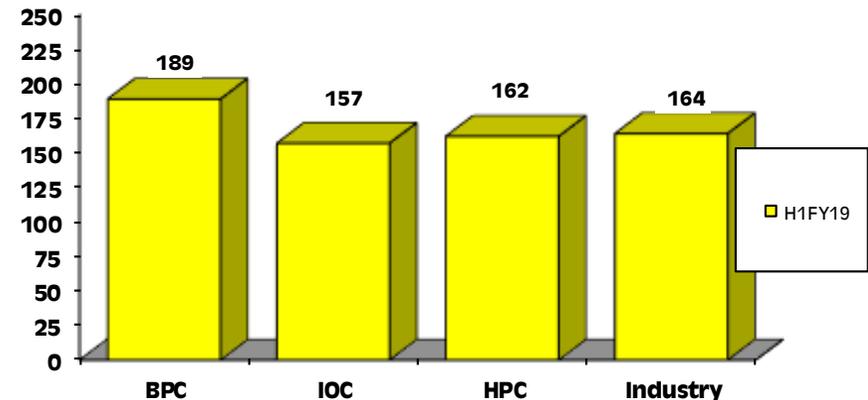
Retail Market Share of MS & HSD *

- MS > 26.32%
- HSD > 26.46%

LPG Bottling Plant Capacity (TMTPA)



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

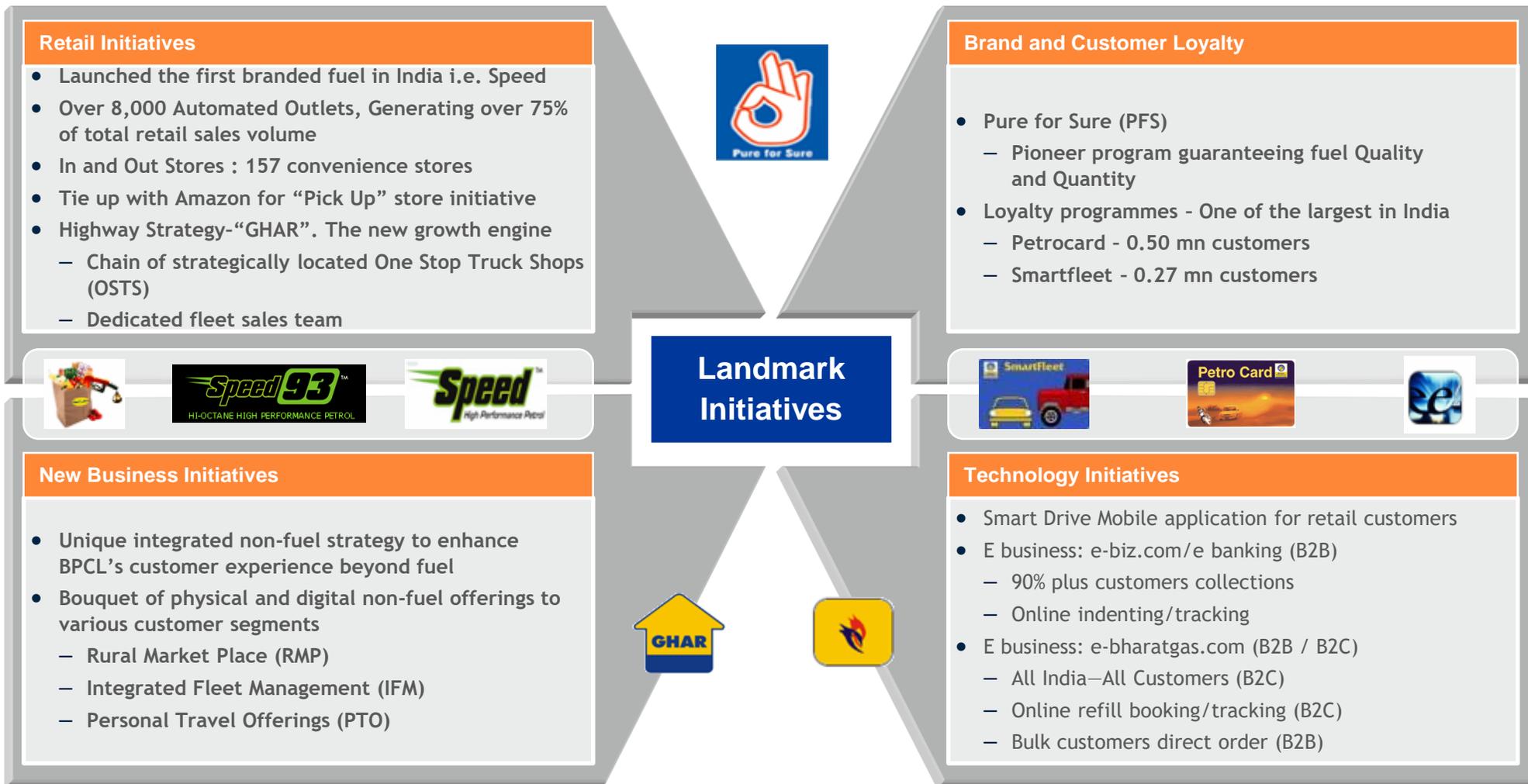


* Market share includes sale by PSU as well as private oil marketing companies during H1FY19

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

Efficient Marketing Operations and Infrastructure

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



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
- Bina Refinery – Creeping Capacity Expansion from 6 MMTPA to 7.8 MMTPA
- Investments in Gas pipelines – GIGL & GITL pipelines in Joint Venture
- Kochi – Diversification into Niche Petrochemicals – Propylene Derivatives Petrochemical Project (PDDP)
- Retail : Network expansion with infrastructure growth and upgradation
- LPG import terminal at Haldia, West Bengal

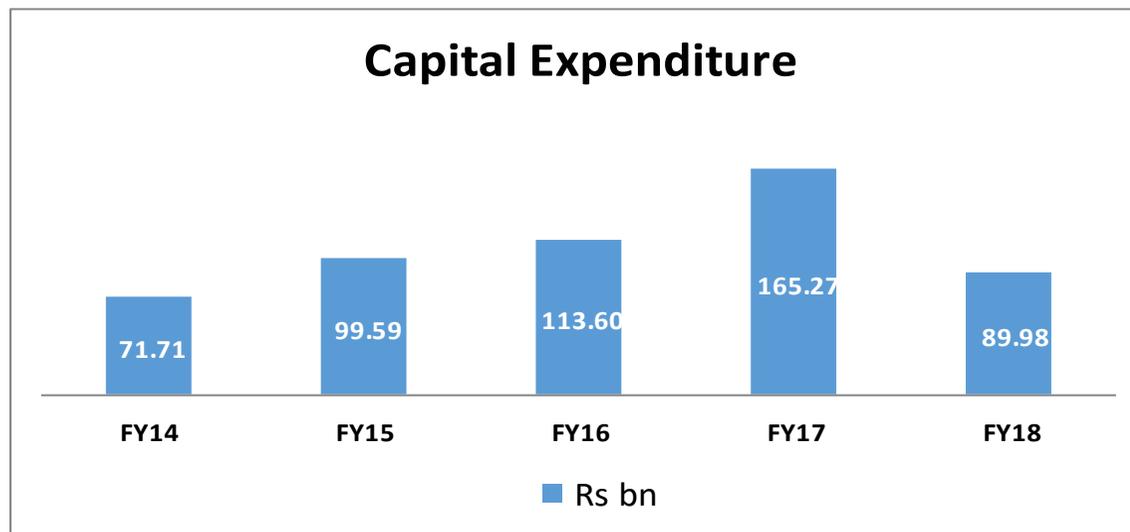
Significant Expansion in Downstream & Marketing network to drive future growth

Upcoming projects

- Funding for upstream developments and new assets
- Refineries – Upgrade/ Expansion / De-bottlenecking
- Investments in Gas
- Expansion of marketing infrastructure across all business verticals
- Bio-refinery at Bargarh
- Polyol Project at Kochi
- New facilities at Rasayani near Mumbai

More expansions in Upstream, Downstream business & Marketing network

Capex Strategy

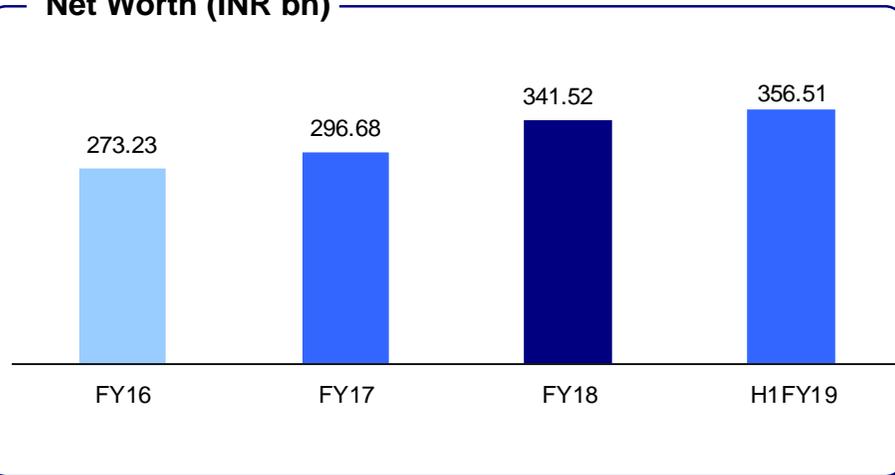


- Strategically expanding upstream activities through inorganic and organic growth opportunities
- Investment in refining and distribution capacity to bridge the gap between sales volumes and production
- Expand capacities and improve efficiencies at existing installation and refineries
- Create opportunities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

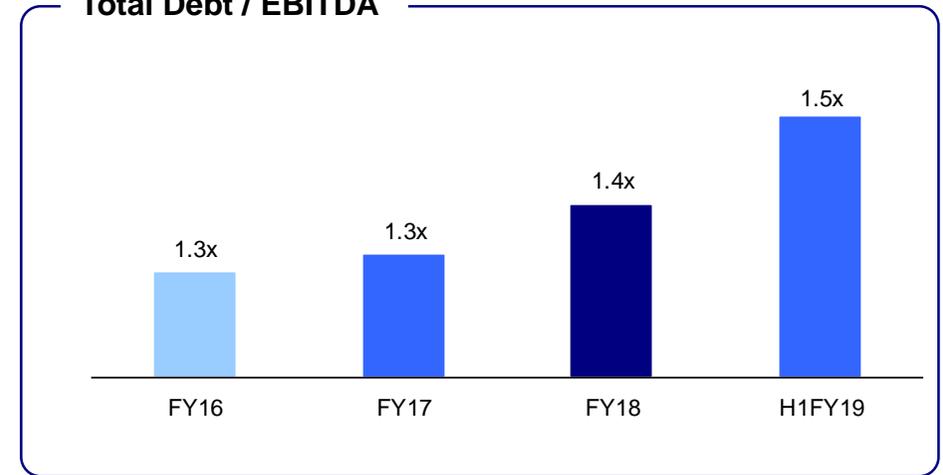
Significant Expansion in Upstream and Downstream business to drive future growth

Improved Financial Performance

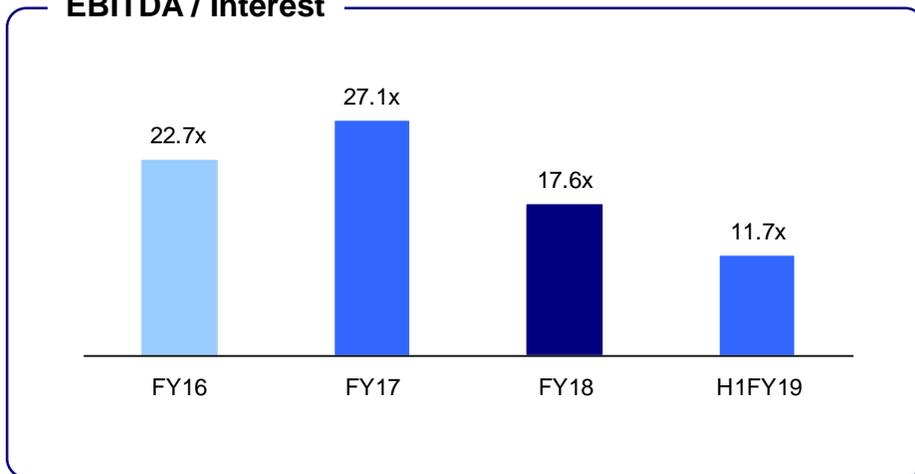
Net Worth (INR bn)



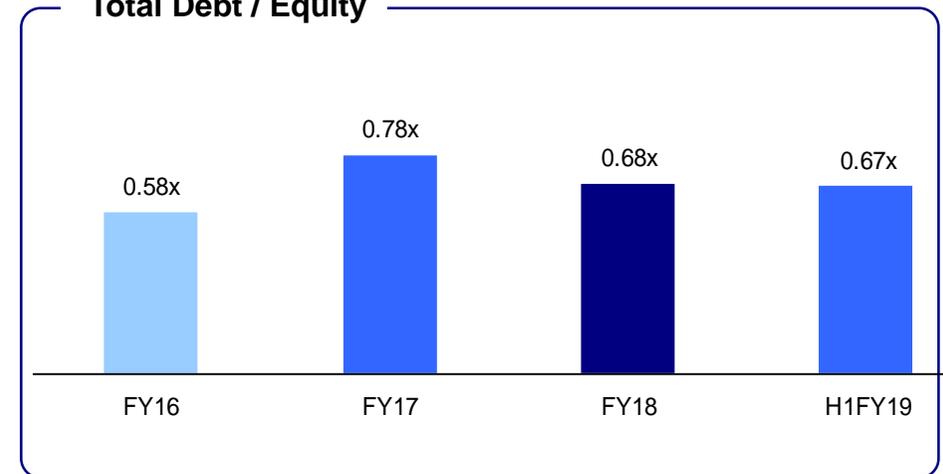
Total Debt / EBITDA



EBITDA / Interest

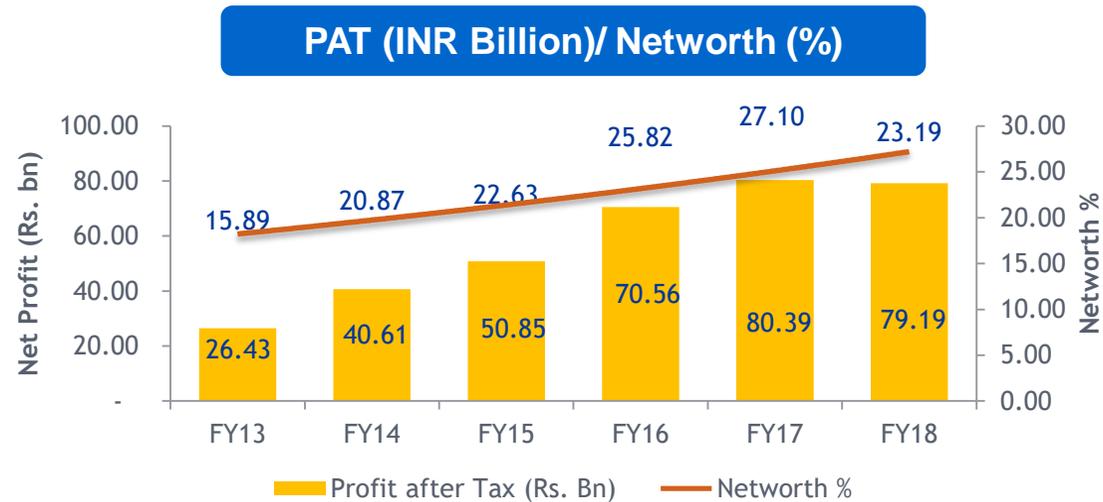


Total Debt / Equity

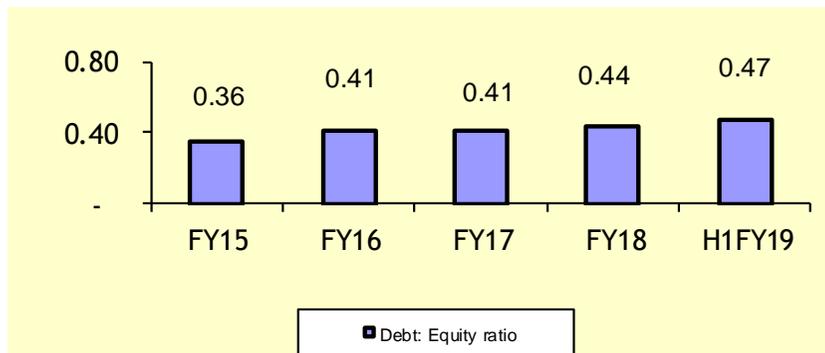


Stable Earnings and Sound Financial Leverage driving Credit Strength

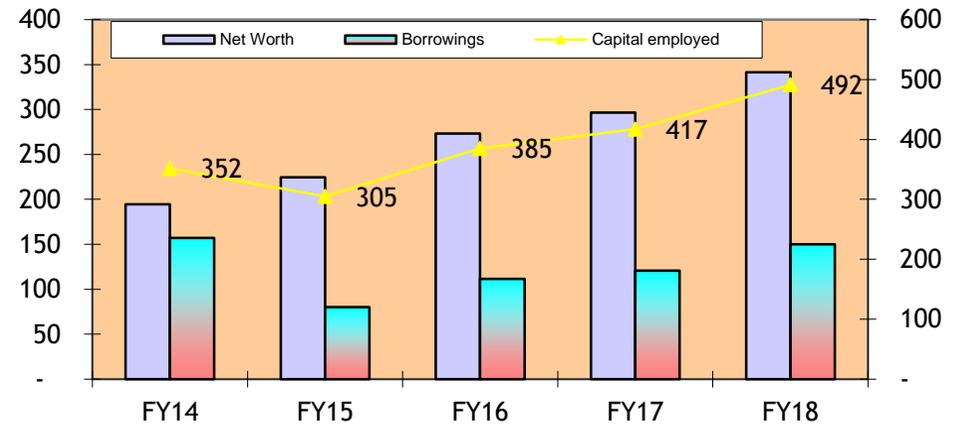
Improved Financial Performance



Adjusted Debt-Equity Ratio ⁽¹⁾



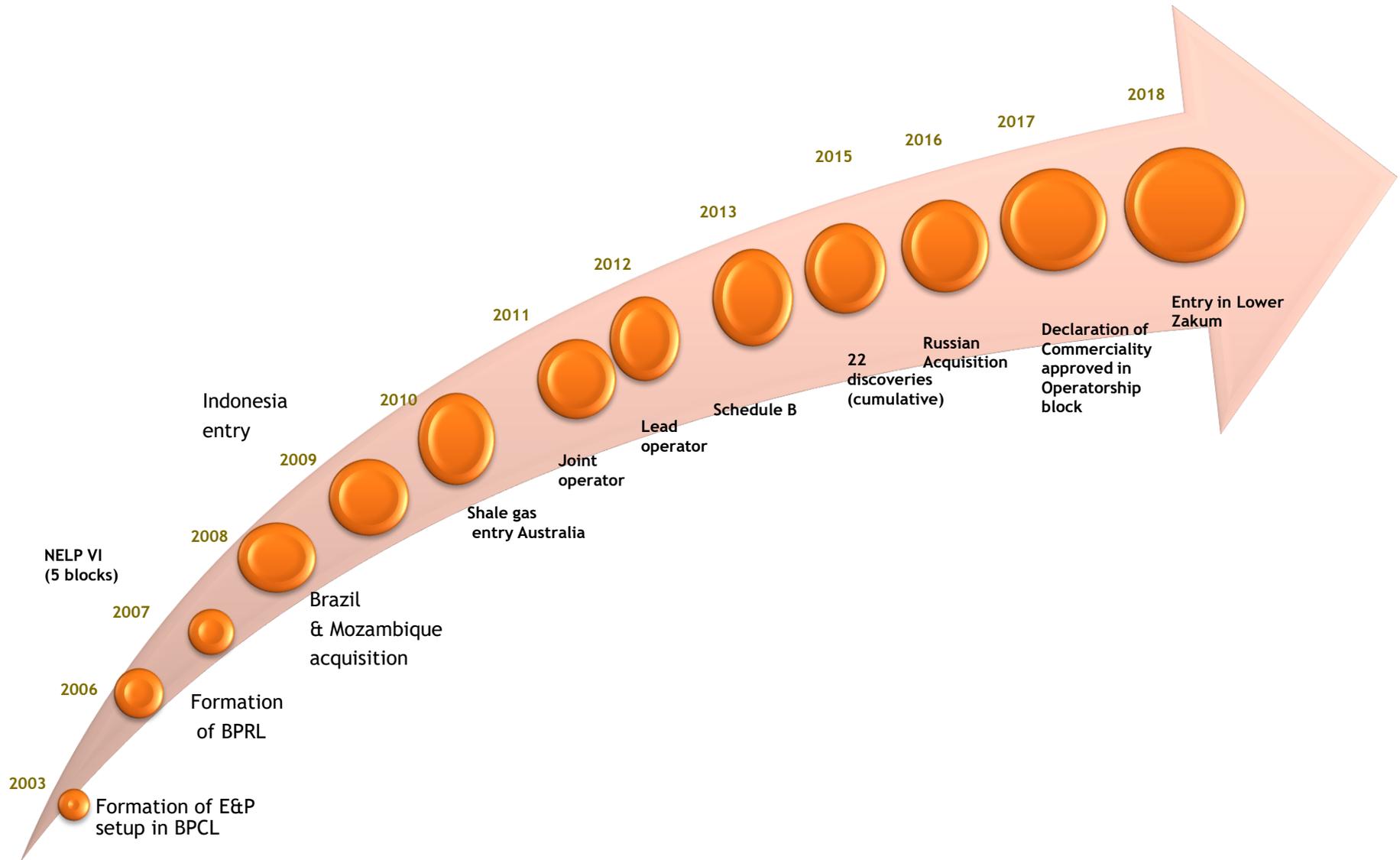
Adjusted Capital Employed (INR Billion) ⁽¹⁾



(1) Adjusted for bonds outstanding as on period end

Stable Earnings and Sound Financial Leverage driving Credit Strength

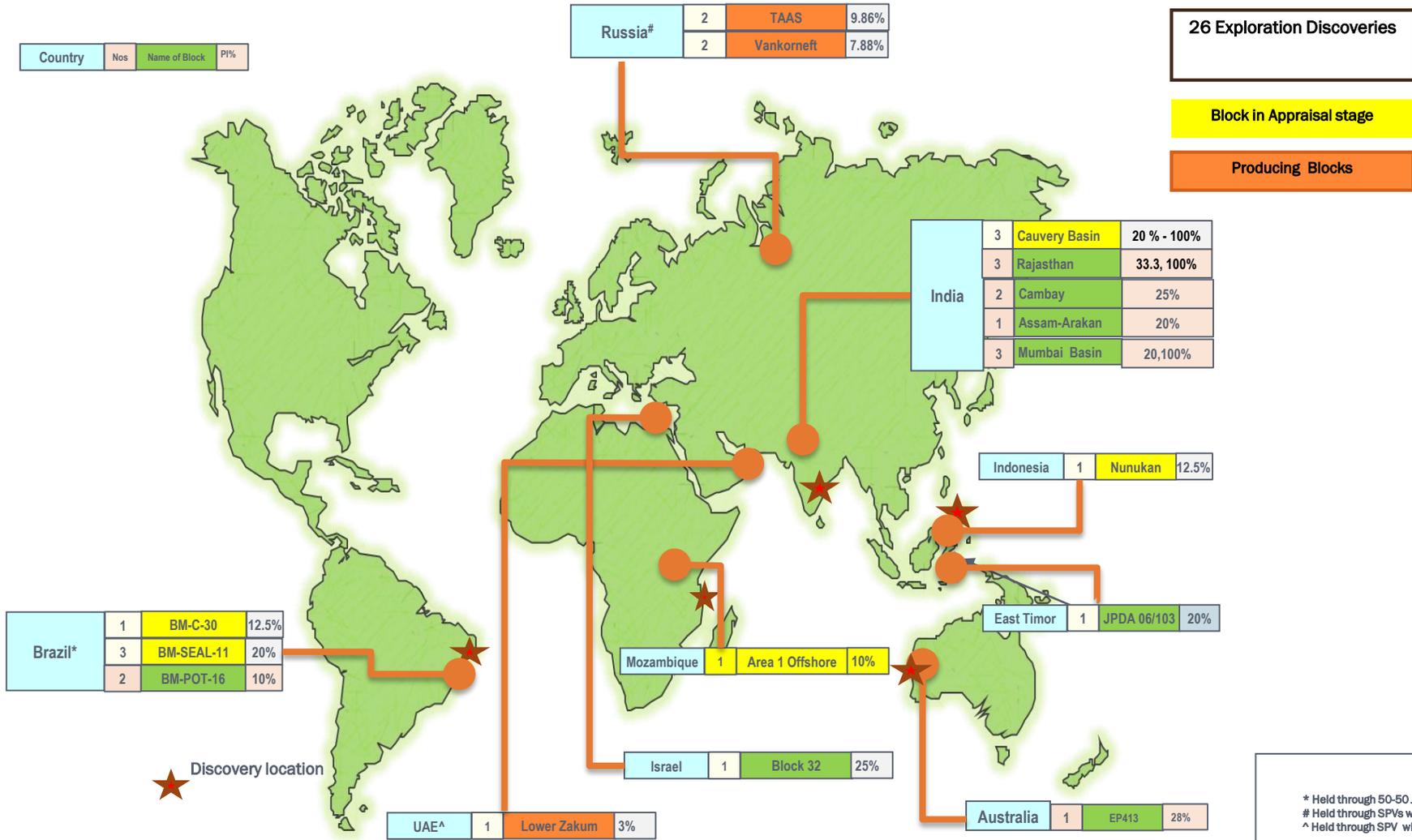
BPRL's Upstream Story over the years.....



Upstream Global Spread

BPCL through its subsidiary BPRL has Participating Interests in 22 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



26 Exploration Discoveries

Block in Appraisal stage

Producing Blocks

* 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)	Anadarko	12.5%	Videocon, BP and Maersk
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

Exploration Block	Operator	BPCL Stake ⁴	Partners
Lower Zakum	ADNOC	3%	CNPC, INPEX, ENI, TOTAL, OVL, 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%	ARC Energy

Russia

Exploration Block	Operator	BPCL Stake	Partners
Vankor (2 Blocks)	Vankorneft	7.89% ²	Rosneft, OIL, IOCL, OVL
Srednebotuobinskoe (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

Highly Experienced Management Team



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. R. Ramachandran, Director Refineries

- Almost 34 years of industry experience
- He also holds the position of Director on the Board of Bharat Oman Refineries Ltd. and permanent invitee on the Board of Numaligarh Refinery Ltd.
- Prior to his current position, he held the post of Managing Director, Bharat Oman Refineries Ltd. Has varied experience in Refinery Operations, Product Planning, Technical Services, Project Conceptualization, Project Financing and setting up of grass root Refinery and Revamps.



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.
- Prior to his taking over as Director (Marketing), he headed many internal functions/departments, namely, President, BPRL, Pipelines, Supply Chain Optimization, Retail Business Unit, LPG Business Unit, Central Procurement Organization etc.

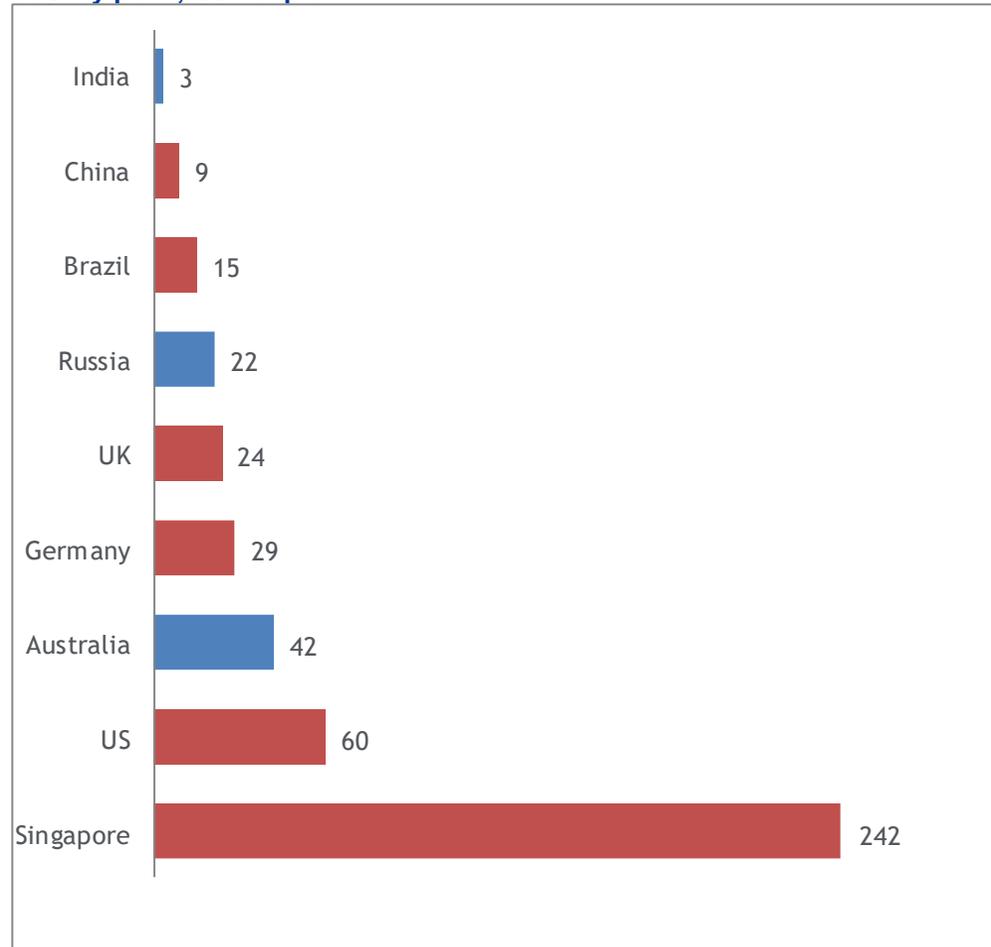
The Senior Management team has in-depth Knowledge and Extensive Experience in the Oil and Gas industry

3. Industry Overview

India – Attractive Industry Dynamics

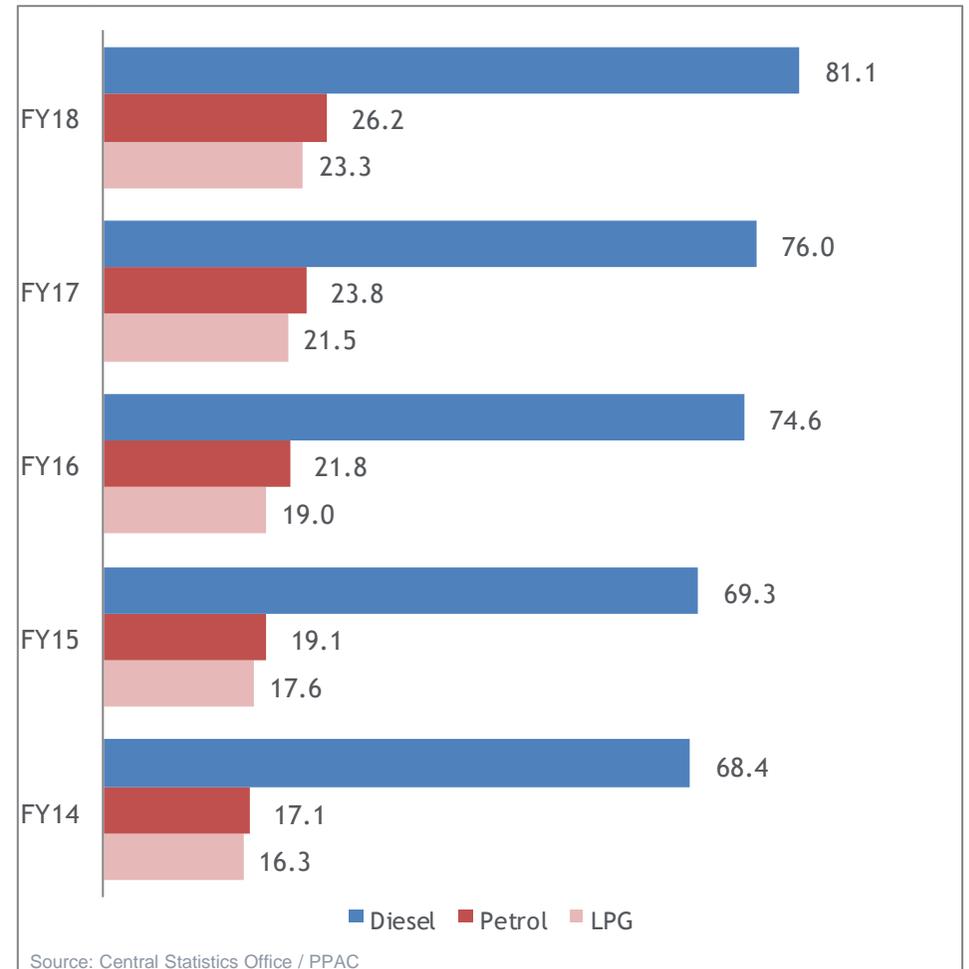
Significant potential for domestic O&G companies given low per-capita oil consumption and growing demand.

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: Central Statistics Office / PPAC

Indian Oil Industry

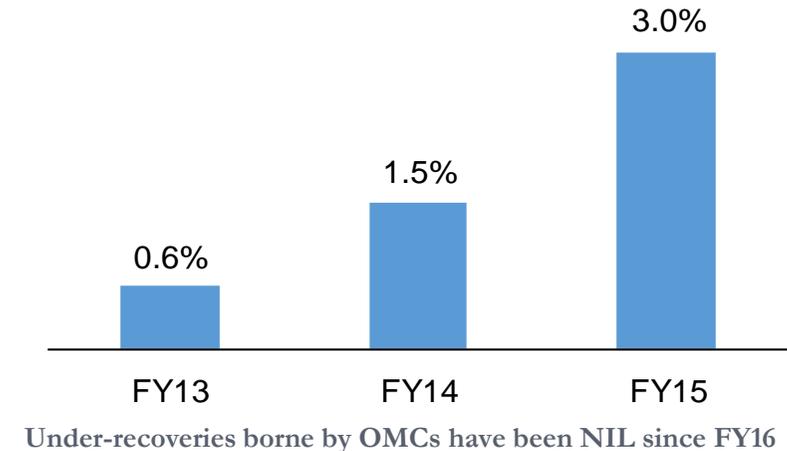
Compensation of Under Recoveries

- Prices of retail sales of LPG and PDS Kerosene Oil are capped by the Government of India (GoI)
- 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) – 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

% Sharing of Under Recoveries by OMCs



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



Thank You