



Bharat Petroleum Corporation Ltd.

Investor Presentation

June 2015

**Energising
Business**

**Energising
Society**

**Energising
Environment**

Ek boond paani
"Project BOOND"



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1. Corporate Overview

Introduction

- India's 3rd largest company by turnover over INR 2,379 bn in FY15
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 34.45 MMT in FY15
 - Domestic market share of 21% during FY15
- Majority Govt. of India shareholding of 54.93% and explicit Govt. support through under-recovery compensation mechanism
- # 242 ranking on Fortune 2014 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 17 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

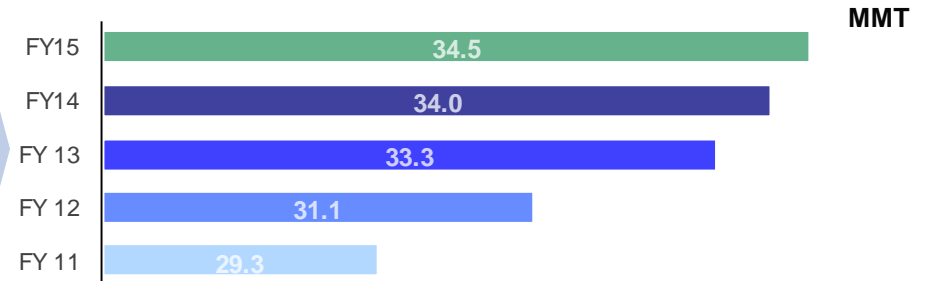
(2) Wood Mackenzie, Company reports

MMBOE - Million barrels of oil equivalent

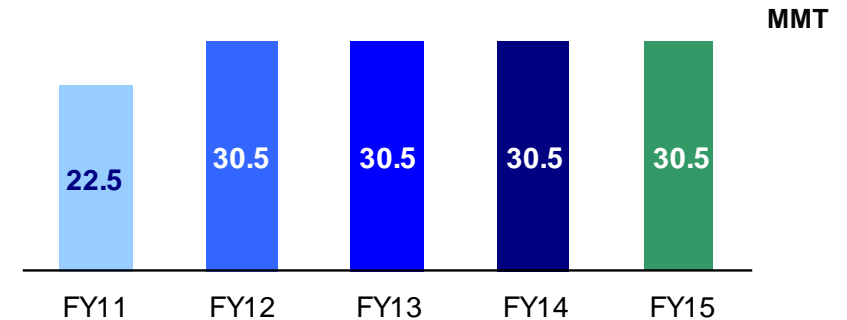
^ Market capitalization figures as on period end

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

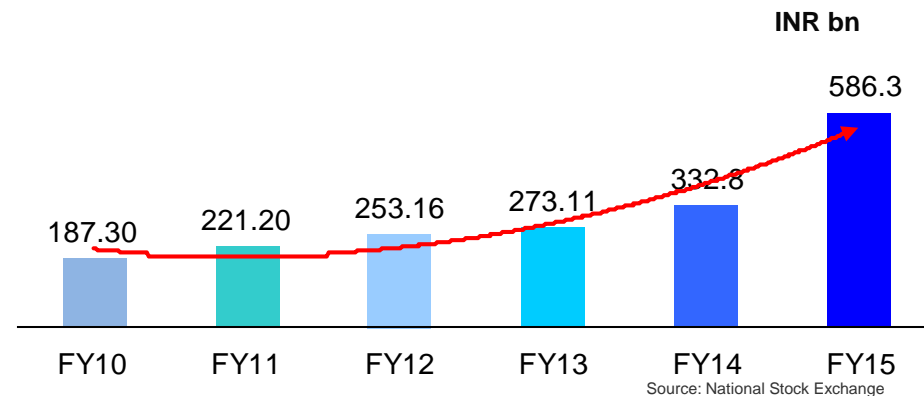
Market Sales



Refining Capacity

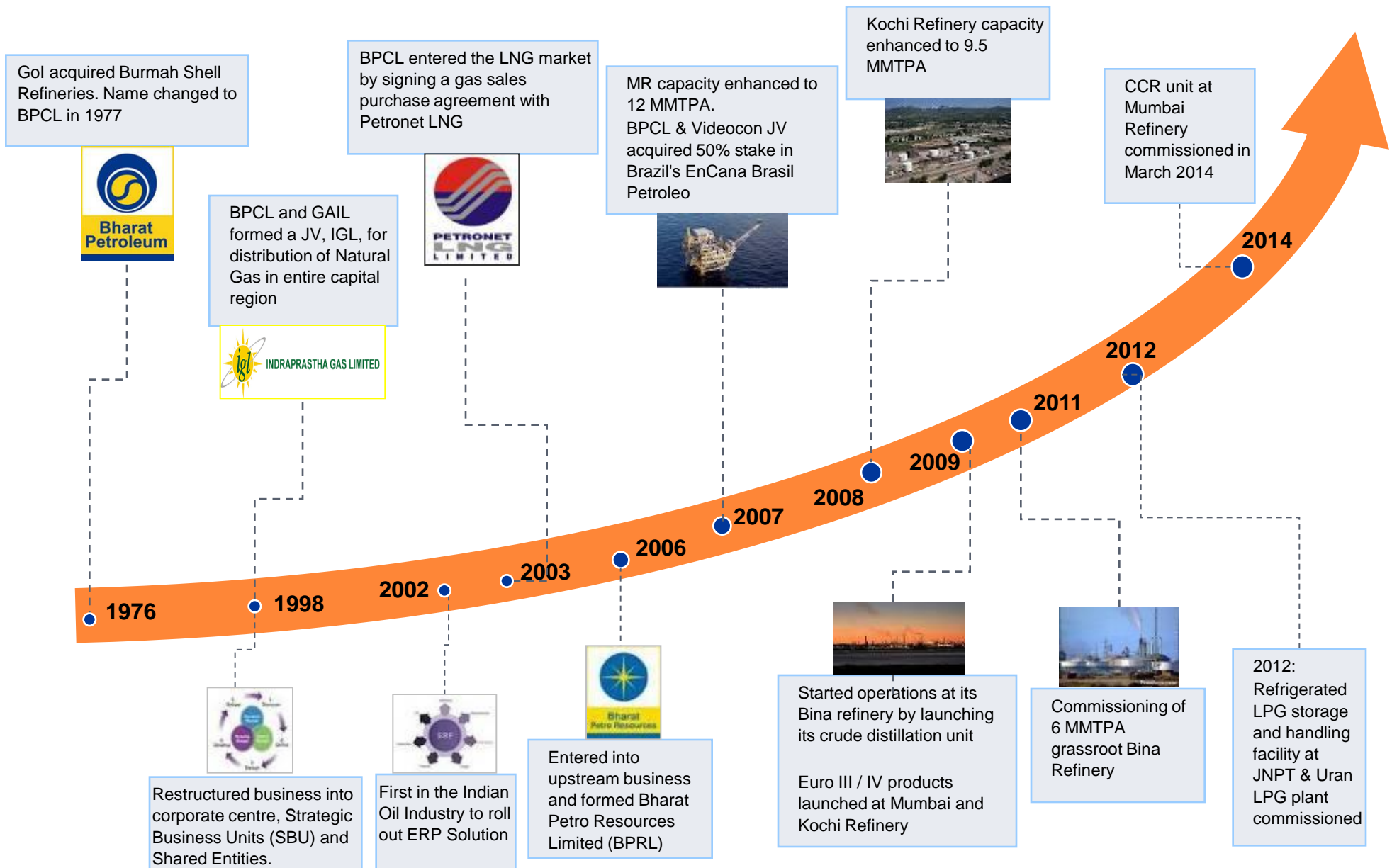


Market Capitalization^

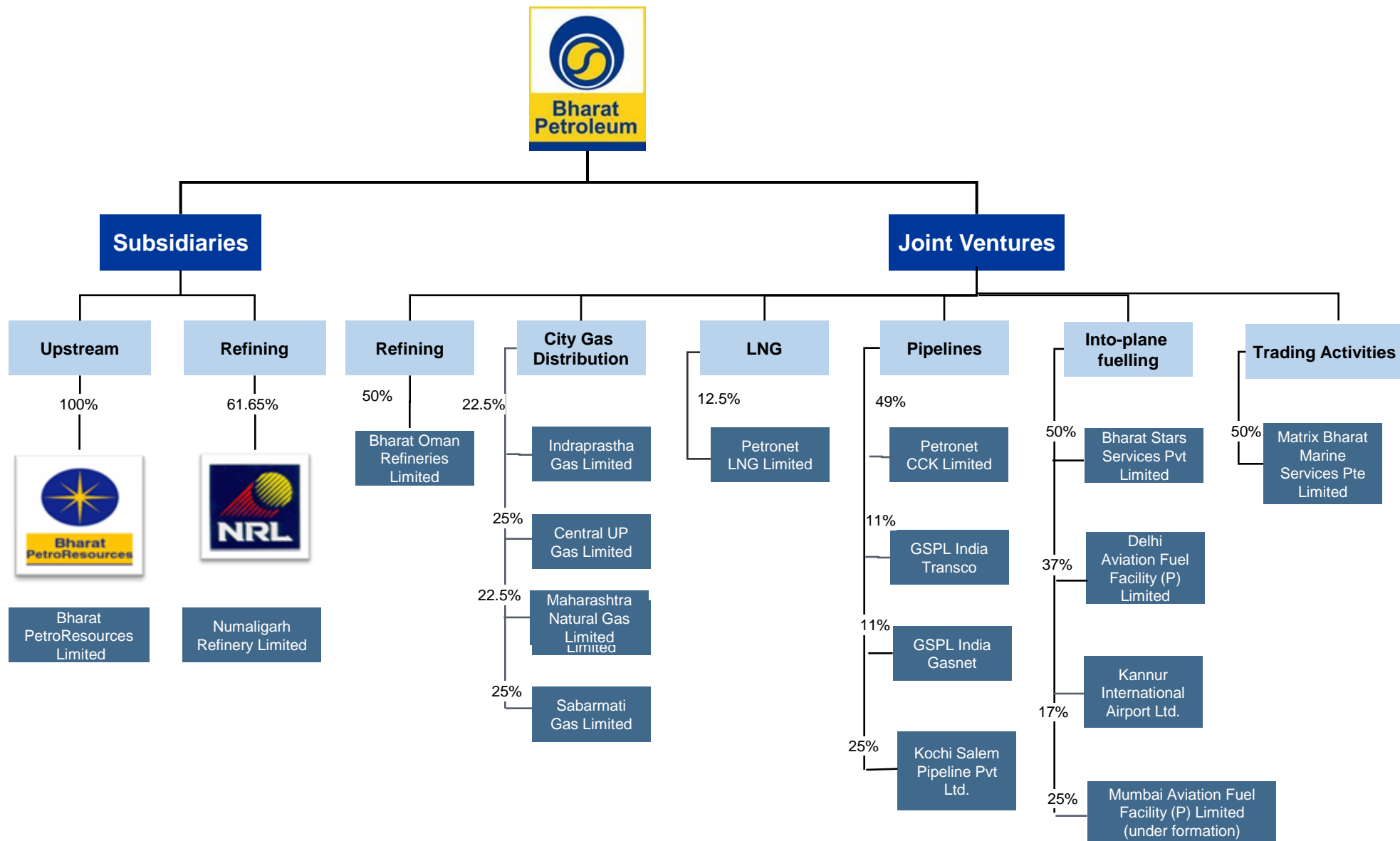


India's Leading Oil and Gas Company with presence across the Hydrocarbon Value Chain

Important Milestones











Major Subsidiaries/ JVs



Key Business Verticals

BHARAT PETROLEUM CORPORATION LIMITED

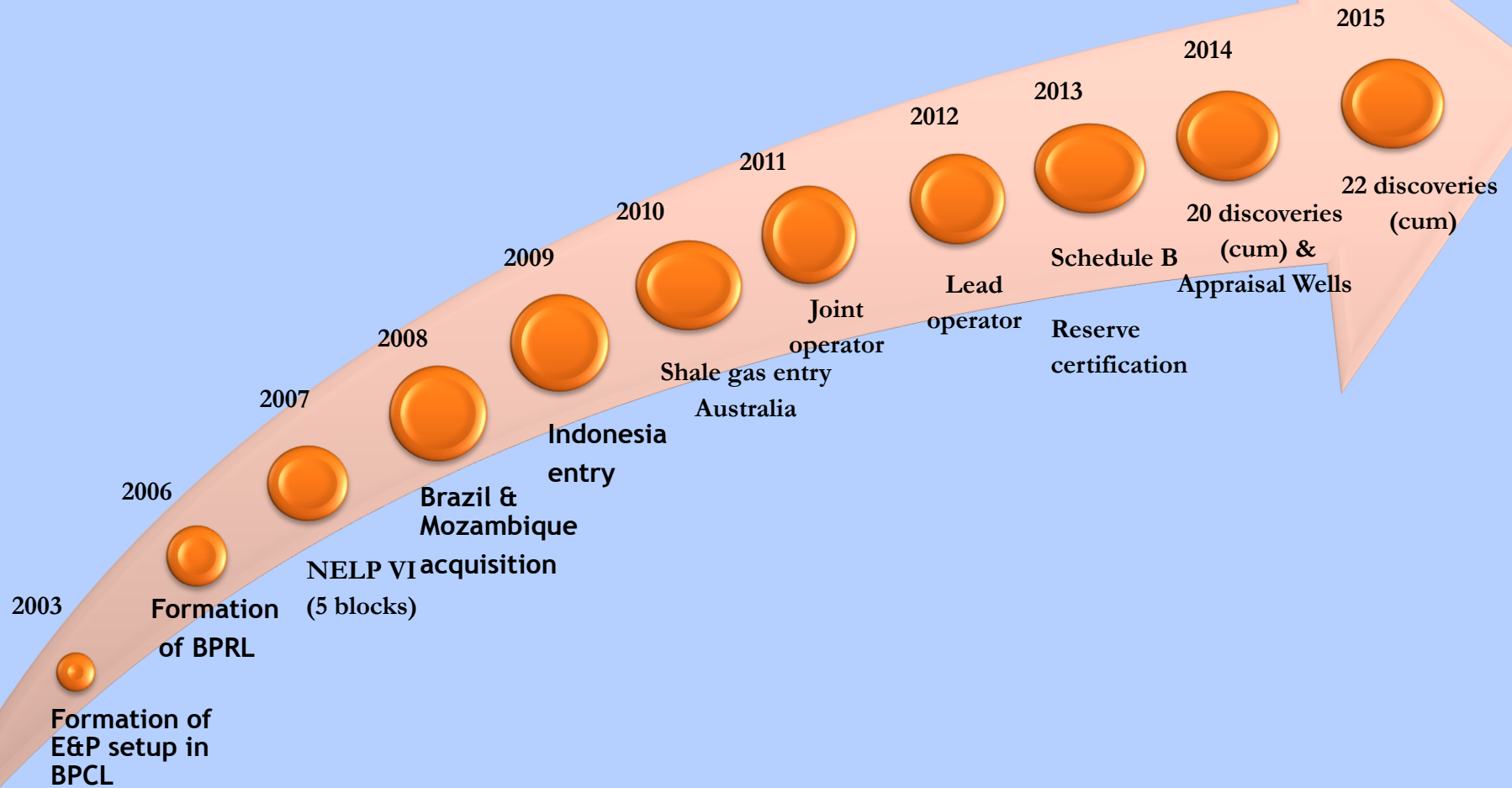
| Refinery | Retail | Upstream | Gas | Industrial / Commercial | Lubricants | LPG | Aviation |
|---|---|--|--|---|---|---|--|
|  <ul style="list-style-type: none"> Refining capacity of 30.5MMTPA 14% of the country's refining capacity⁽¹⁾ |  <ul style="list-style-type: none"> 27.6% market share* 12,809 retail outlets 116 depots and 12 installations |  <ul style="list-style-type: none"> PI in 17 oil & gas blocks 7 blocks in India and 10 overseas |  <ul style="list-style-type: none"> Currently 54 major LNG customers |  <ul style="list-style-type: none"> Currently 7,000 customers |  <ul style="list-style-type: none"> 23.9% market share* Currently 16,000 customers More than 1000+ grades of products |  <ul style="list-style-type: none"> 25.6% market share* Currently 4,044 distributors 50 LPG bottling plants |  <ul style="list-style-type: none"> 22.5% market share* in ATF 38 Aviation service stations |
| <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"> Global spread into pure play Exploration | <ul style="list-style-type: none"> Emerging Markets | <ul style="list-style-type: none"> Reliable, innovative and caring supplier of I&C products | <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"> Various Innovative offerings with ventures in allied business | <ul style="list-style-type: none"> Present at all the major gateways & airports for into plane services |
| <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"> Only Indian OMC to have made significant discoveries | <ul style="list-style-type: none"> One JV in LNG and 4 city gas distribution JV's | <ul style="list-style-type: none"> Pioneer in IT integration and Supply Chain Management | <ul style="list-style-type: none"> Product customization | <ul style="list-style-type: none"> Current customer base of 45.8mn incl. retail and bulk | <ul style="list-style-type: none"> Only OMC to implement "Apron Fuel Management System" |

(1) Source : Ministry of Petroleum and Natural Gas

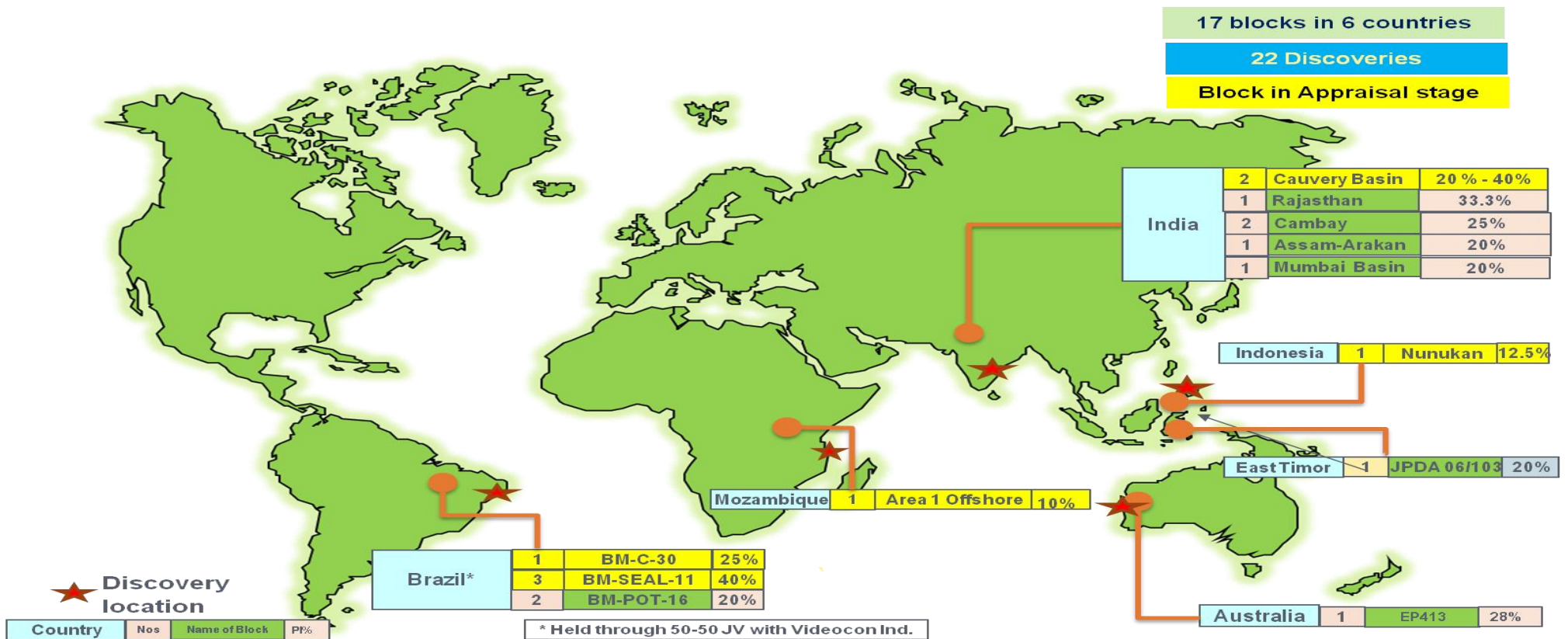
* Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st March 2015

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 | Under Estimation |
| Total | 50-70+ |

Brazil

| Concession | Well | Net Pay |
|------------|---------------------------|---------------|
| BM-C -30 | Wahoo - 1 | 65m |
| BM-SEAL-11 | Barra and Barra1 | 34+18 m & 12m |
| | Farfan and Farfan 1 | 40m & 44m |
| | Cumbe (multiple pay zone) | 38 m |

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

Global Upstream Footprint

Within India

| Exploration Block | Operator | BPRL 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% | 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 | BPRL 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, |

Brazil

| Exploration Block | Operator | BPRL 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 |
| C-M-30-101 | 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 |

* BPCL's effective stake held through 50:50 JV with Videocon

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

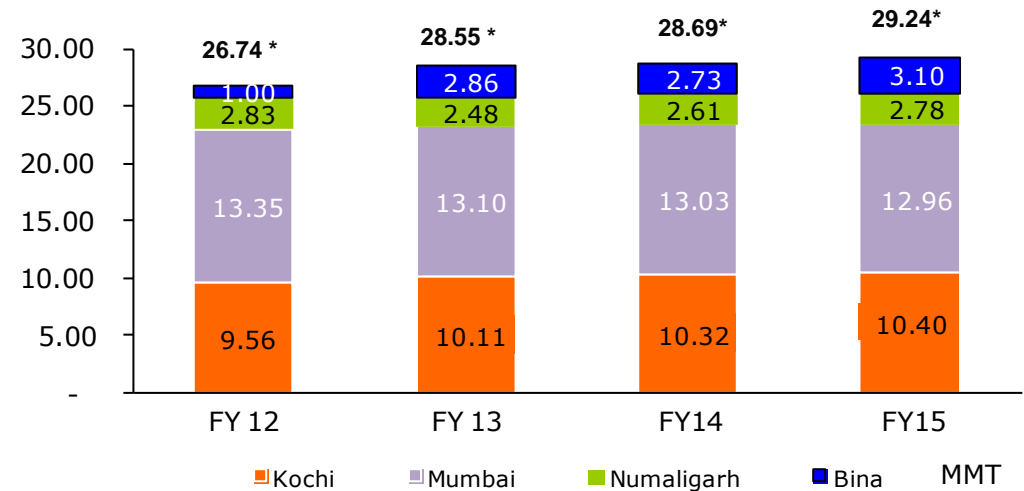
Refining Coverage

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

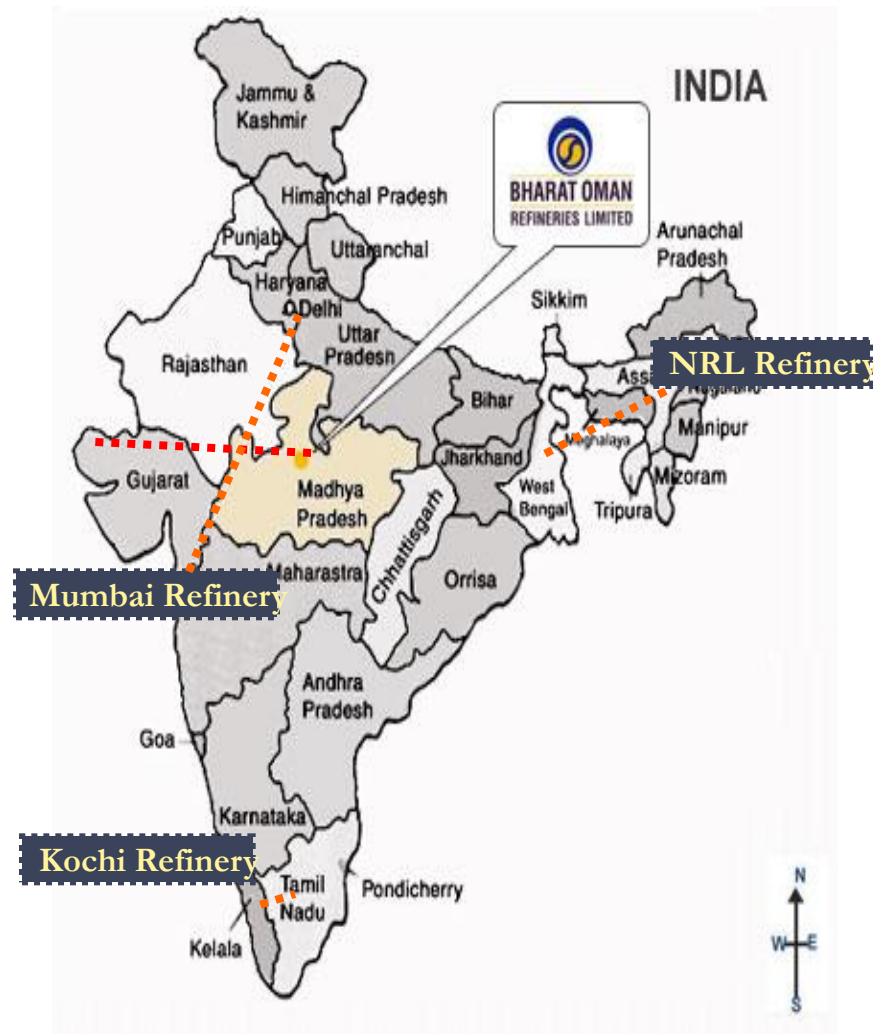
Refinery Utilization rates significantly above global peers

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 operating at more than 100% of the design capacity during FY15
- GRM of 6.1 \$/bbl during FY15 and 16.4 \$/bbl during Q4FY15

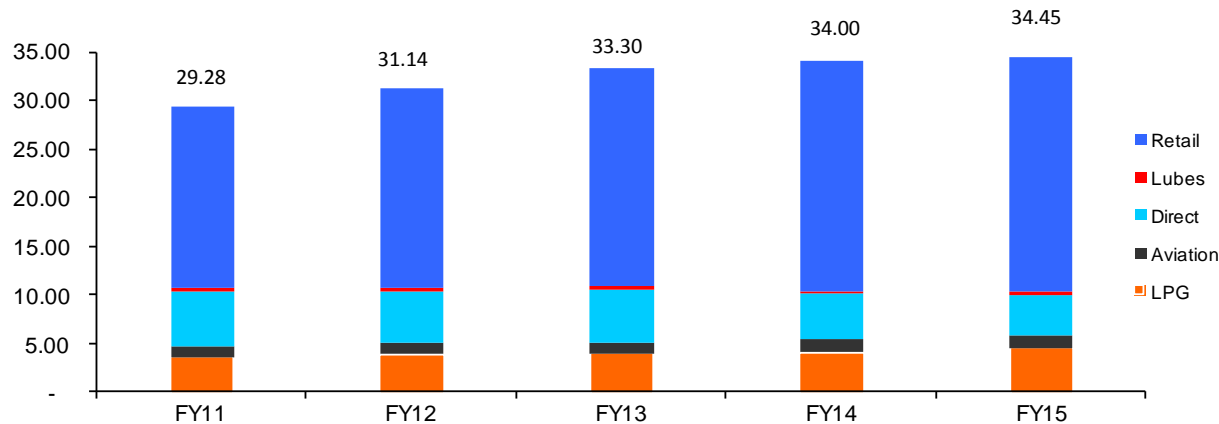
Pipelines : ■■■■■■



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

Marketing Operations and Efficiencies

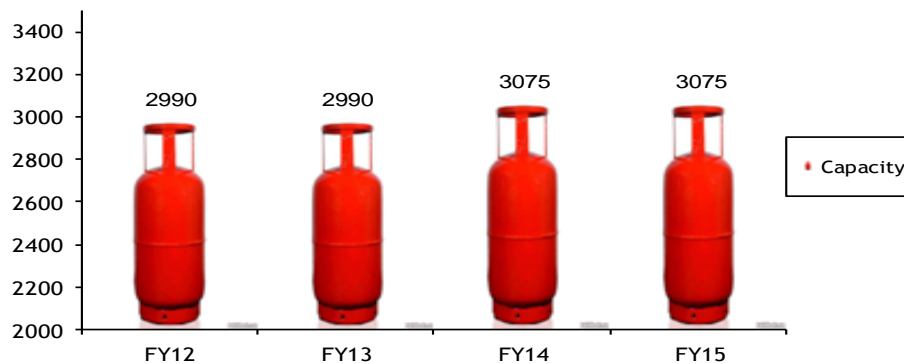
SBU Market Sales (MMT)



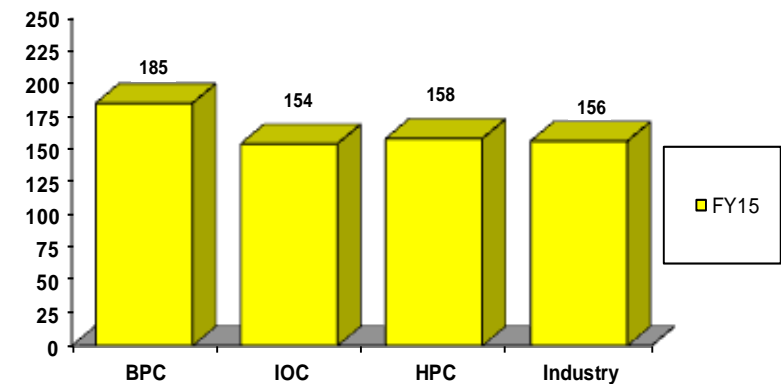
Retail Market Share of MS & HSD *

- MS > 28.10%
- HSD > 28.70 %

LPG Bottling Plant Capacity (TMTPA)



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



* Market share includes sale by PSU as well as private oil marketing companies. All figures are for Apr-Mar 2015

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

Marketing Expertise and Industry Pioneer Status

Retail Initiatives

- Launched the first branded fuel in India i.e. Speed
- Over 5700 Automated Outlets
- In & Out Stores : 165 convenience stores, available in around 100 cities
- Highway Strategy - "GHAR". The new growth engine
 - Chain of strategically located One Stop Truck Shops (OSTS)
 - Dedicated fleet sales team



Brand & Customer Loyalty Programme

- Pure for Sure (PFS)
 - Pioneer program guaranteeing fuel Quality and Quantity
 - Currently covering 45% retail network
- Loyalty programmes
 - Petrocard – India's largest loyalty programme having 0.66 mn customers
 - Smartfleet card – 1.24 mn customers



Landmark Initiatives

Technology Initiatives

- E business: e-biz.com/ e banking (B2B)
 - 90% plus customers collections
 - Online indenting/tracking
- E business: e-bharatgas.com (B2B / B2C)
 - All India – All Customers (B2C)
 - Online refill booking/tracking (B2C)
 - Bulk customers direct order (B2B)



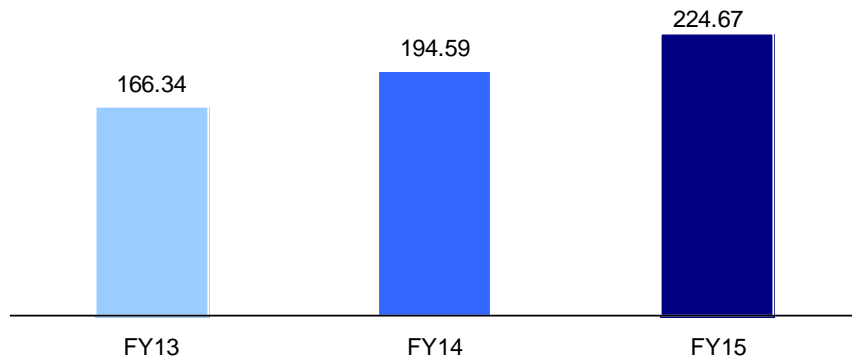
Other Key Initiatives

- First to implement ERP (SAP) for increase in efficiency
- First in the industry to start computerization in 1960's
- Innovators in new business practices
 - Product-wise business structure adopted for greater focus
 - Off take agreement with subsidiaries and JV's

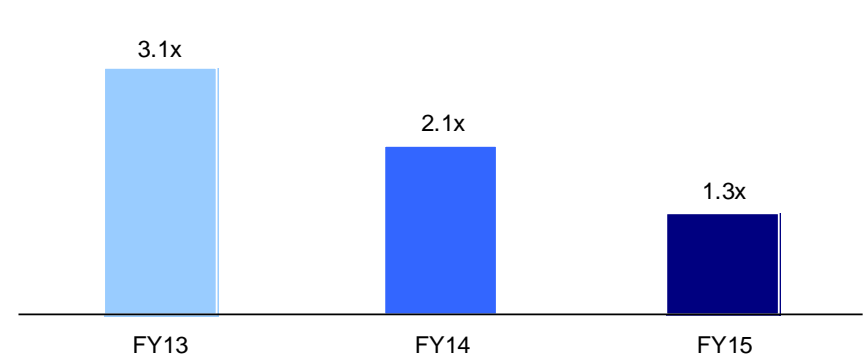
Continuous innovation to extend customer focus and improve operational and financial efficiency

Improved Financial Performance

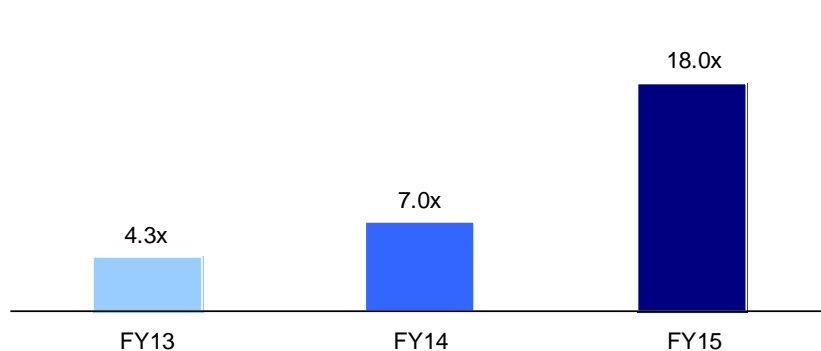
Net Worth (INR bn)



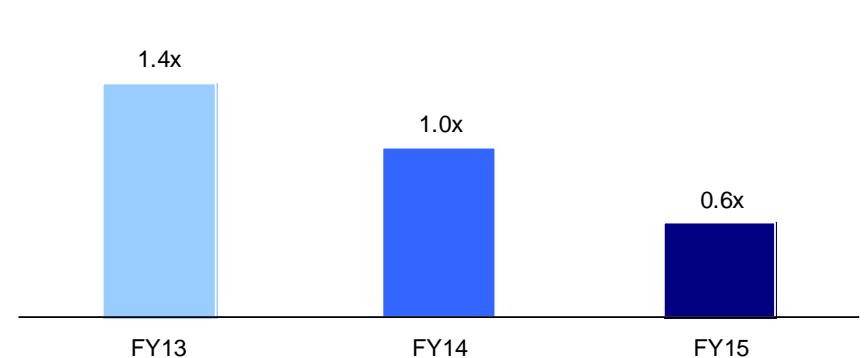
Total Debt / EBITDA



EBITDA / Interest



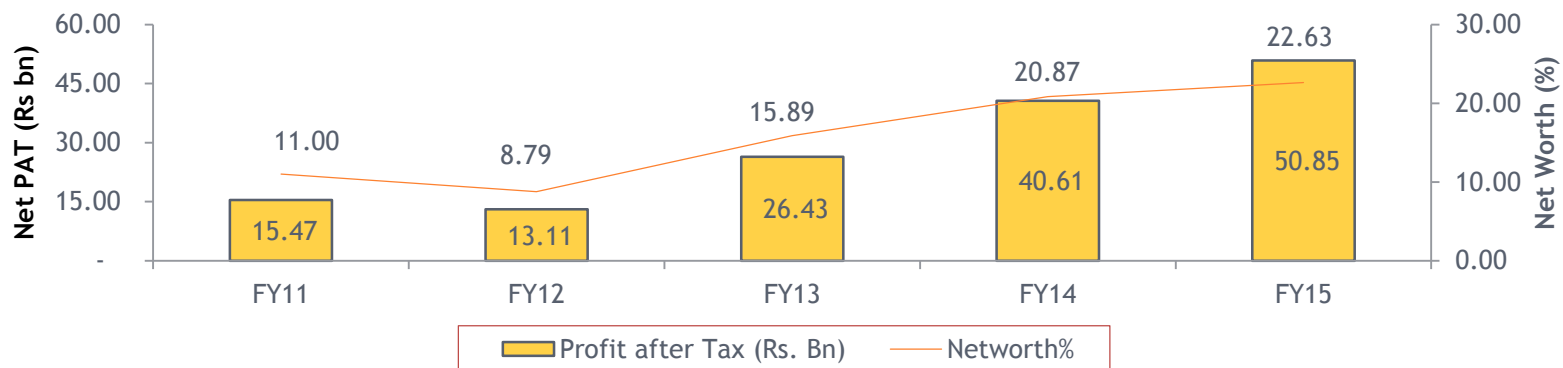
Total Debt / Equity



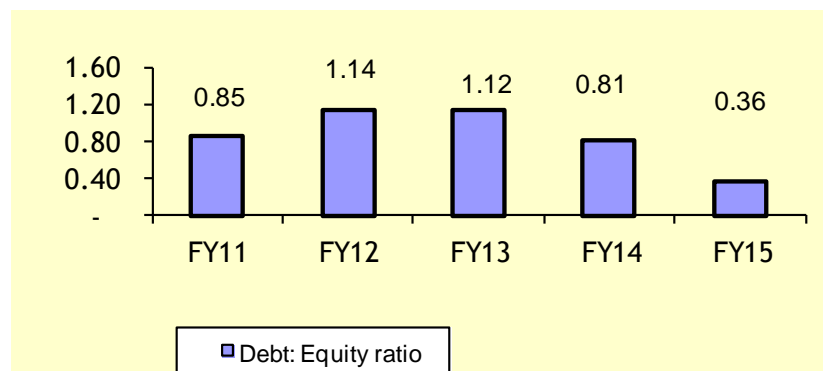
Stable Earnings and Sound Financial Leverage driving Credit Strength

Improved Financial Performance

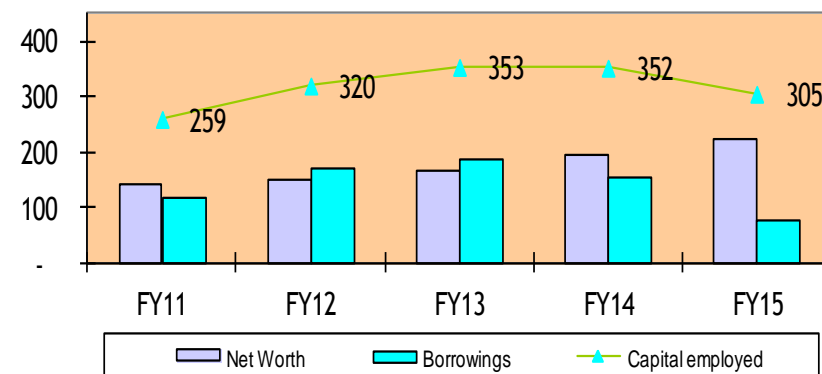
PAT (INR Billion)/ Networth (%)



Adjusted Debt-Equity Ratio ⁽¹⁾



Adjusted Capital Employed (INR Billion) ⁽¹⁾

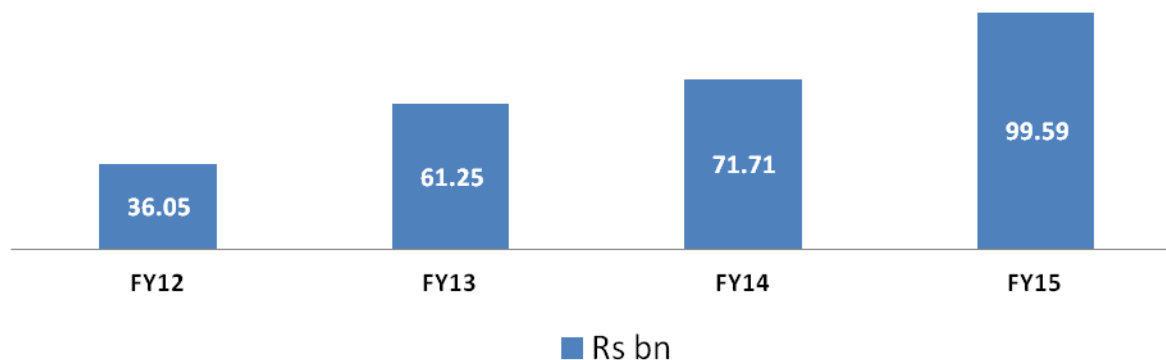


(1) Adjusted for bonds outstanding as on period end

Stable Earnings and Sound Financial Leverage driving Credit Strength

Future Strategy

Capital Expenditure



- 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 Reformate (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 – Recently commissioned in March 2015
- 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., Bharat Oman Refineries 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



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. and Bharat PetroResources Ltd (BPRL).
- 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

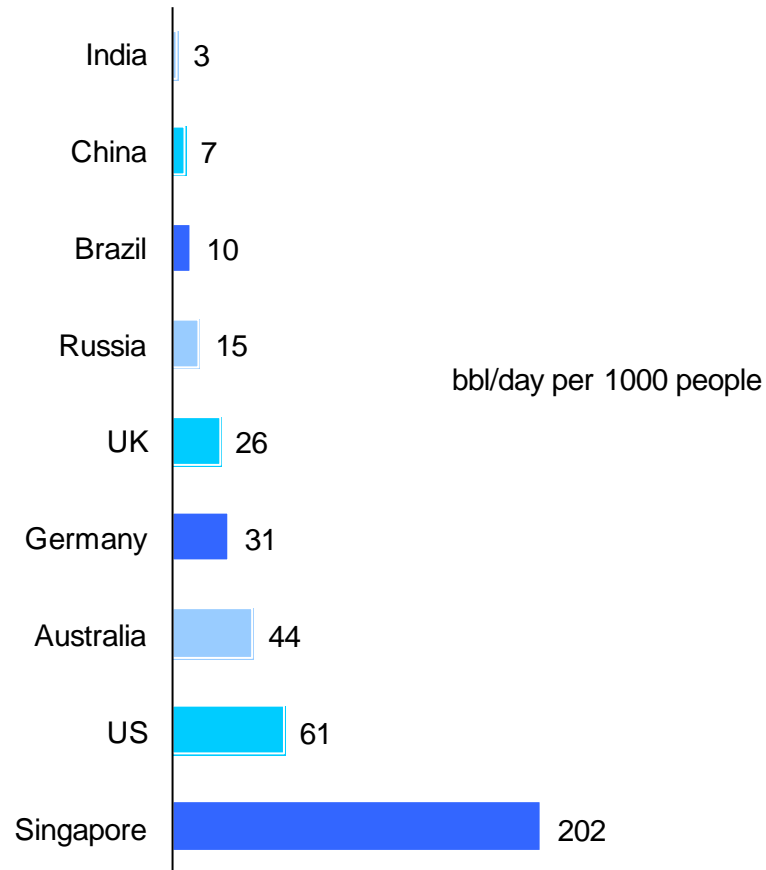
- Over 26 years of experience with BPCL and prior to that worked with BHEL and NTPC Limited
- He also holds the position of Director on the Boards of Bharat Oman Refineries Limited.
- He has had experience across business vertical such as Lubricants, Business & Information Technology and HR function

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

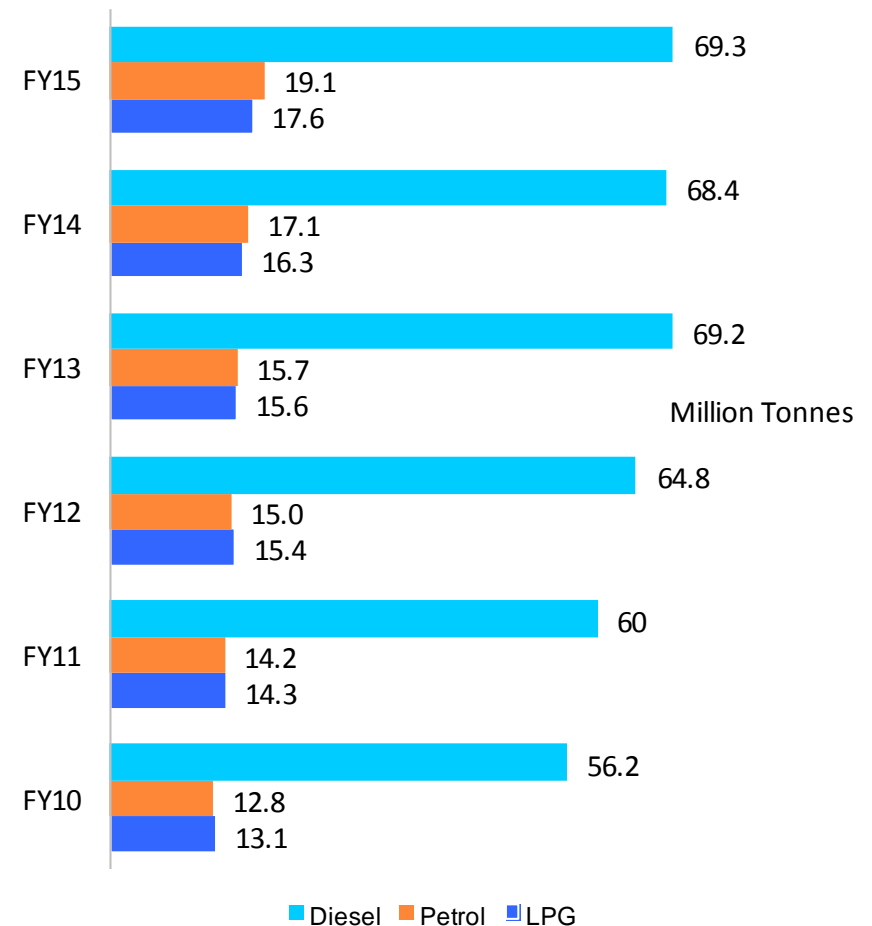
3. Industry Overview

India - Oil and Gas Demand

Per Capita Oil Consumption



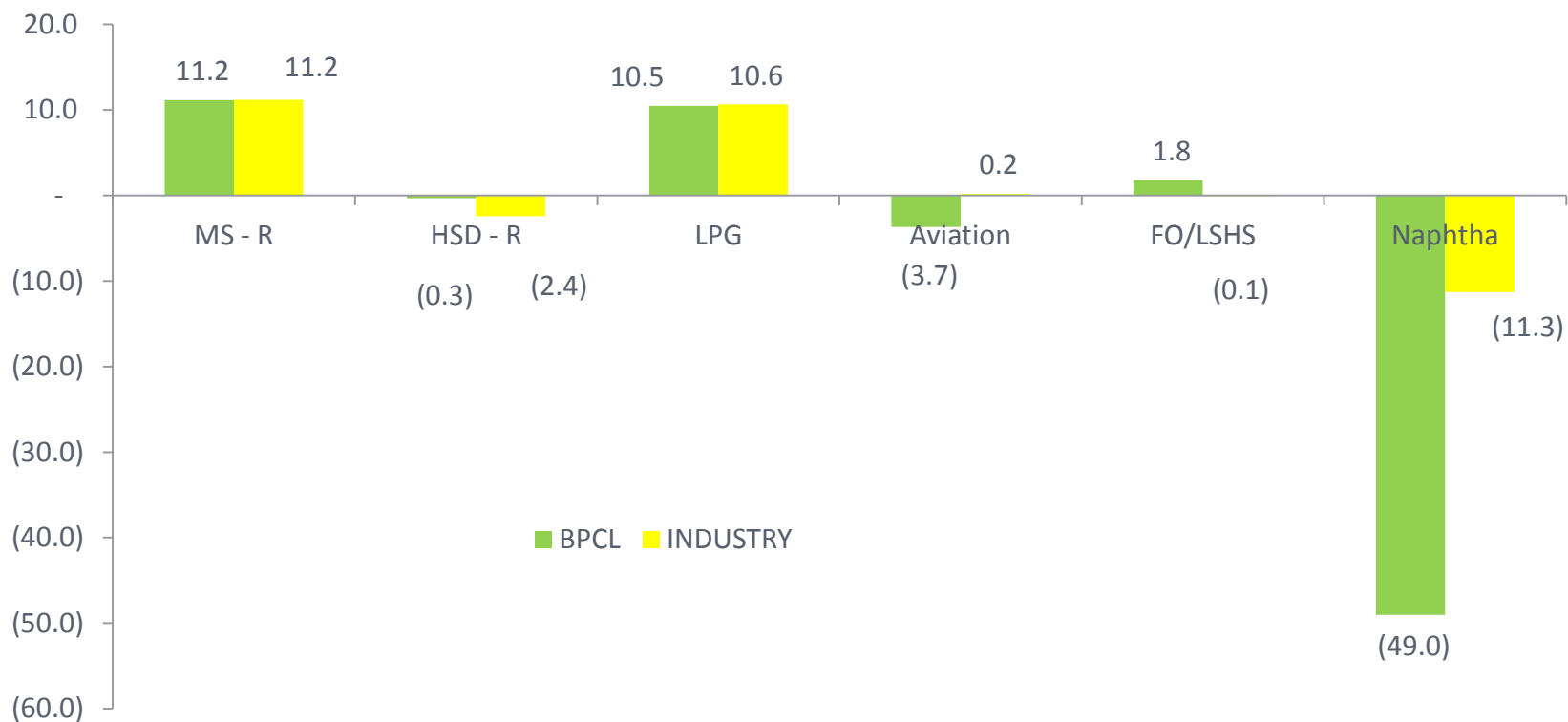
India Oil Demand



Source: CIA World Factbook, Central Statistics Office, Estimates 2012

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

Industry (PSU) Vs BPC sales growth (%) during FY15



| Overall Growth (%) | |
|--------------------|------|
| Industry (PSU) | 2.22 |
| BPC | 1.32 |

Indian Oil Industry

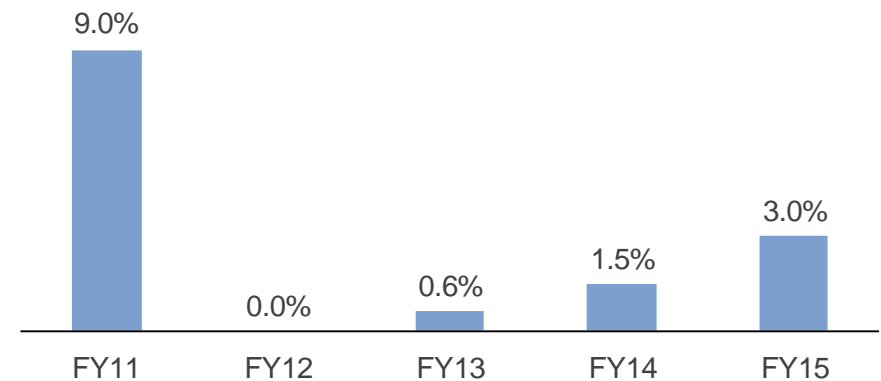
Sharing of Under Recoveries

- Prices of retail sales of LPG and PDS 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) – Deregulation announced effective 19th October 2014
- Gasoil – Bulk sales completely deregulated since January 2013
- 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