

CHAPTER-I

PARTICULARS OF ORGANISATION, ITS FUNCTIONS AND DUTIES

THE COMPANY

ONGC VIDESH Limited (OVL), the first Indian company to produce oil and gas from overseas acreages, now has a world wide presence in thirteen countries, with twenty two oil and gas projects. A wholly owned subsidiary of ONGC, OVL was incorporated as Hydrocarbons India Private Limited on March 5, 1965, and renamed as ONGC Videsh Limited on June 15, 1989. OVL has an authorised and paid-up share capital of Rs. 1,000 Crores.

It functions as the overseas arm of ONGC with the primary business of prospecting for oil and gas acreages abroad, including acquisition of oil and gas fields, exploration, development, production, transportation and export of oil and gas.

VISION

“To be a world class E&P company having an Organisation & Culture committed towards Sustainable Growth & Superior Profitability through pursuit of International Opportunities & Excellence in Execution”

MISSION

“By 2025 contribute 60 MMTPA of Equity Oil and Gas”

OBJECTIVES

- To support India’s energy security
- To build a balanced portfolio of exploration, discovered and producing assets in focus countries
- To build a team that excels in performance through assimilation of best practices and technologies
- To be at par with the best international oil and gas companies
- Be the strongest Indian player in the international E&P
- Build collaborative relations with its partners

SHAREHOLDING PATTERN

Name of the Shareholder	(Percentage of Shareholding)
ONGC	100

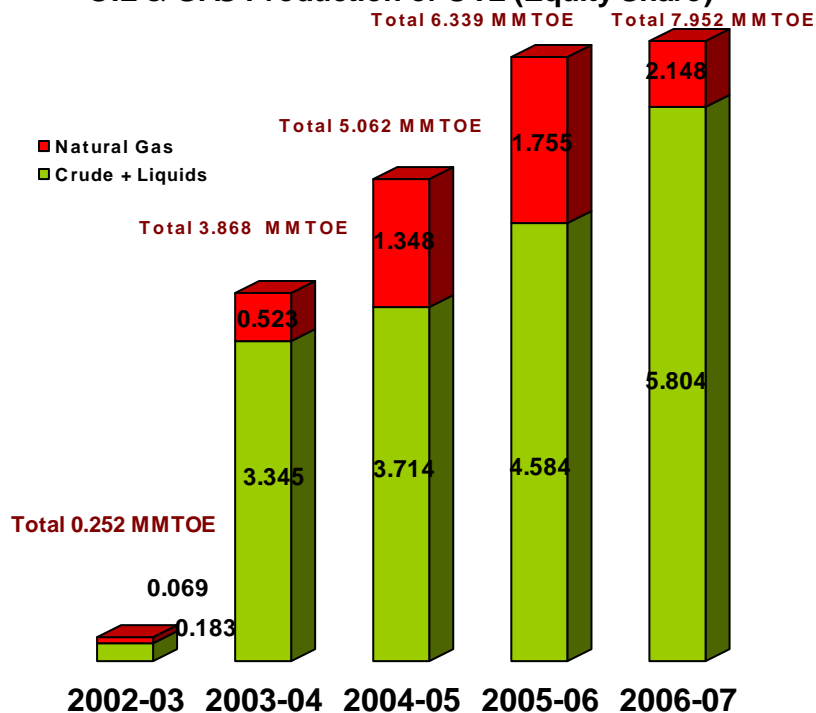
PERFORMANCE DURING 2006-07

OVL's gross oil and oil-equivalent-gas (O+OEG) production from its projects abroad (consolidated) increased from 6.339 MMT in 2005-06 to 7.952 MMT during 2006-07, which comprised 5.804 MMT of crude oil and 2.148 BCM of natural gas. The overall growth in oil and gas production of 25% was registered. Crude oil production from Block 5A in Sudan commenced during the year 2006.

The consolidated gross revenue of OVL during the financial year 2006-07 stood at Rs. 119,009.55 million registering 46% increase from last year's gross revenue of Rs. 81,707.28 million. During 2006-07, the consolidated profits were record high at Rs. 16,632.87 million, against Rs. 9,011.96 million for 2006-07 registering 85% increase. Export of crude oil from Sakhalin-1 project in Russia commenced from September 2006 and peak production of over 250,000 bbl/day with OVL share of 50,000 bbl/day was achieved in March, 2007. The Crude oil production from Block 5A in Sudan started in May, 2006.

The Consolidated Accounts incorporate accounts of ONGC Nile Ganga BV (Subsidiary), ONGC Narmada Limited (Subsidiary), ONGC Amazon Alaknanda Limited (Subsidiary) and ONGC Mittal Energy Limited (Jointly Controlled Entity):

OIL & GAS Production of OVL (Equity Share)



(Rs. in Million)

Particulars	2006-07	2005-06	2004-05
Total Income	119,009.55	81,707.28	60,258.42
Expenditure	89,741.58	64,770.27	45,846.92
Profit Before Tax	29,267.97	16,937.01	14,411.50

Provision for Tax (including Deferred Tax)	12,635.10	8,234.17	6,797.67
Profit After Tax	16,632.87	8,702.84	7,613.83
Share of Profit /(Loss)- Minority Interest of ONGC	0.00	(309.12)	---
Group Profit After Tax	16,632.87	9,011.96	7,613.83
Paid-up Equity Share Capital	10,000.00	3,000.00	3,000.00
Net Worth	43,735.65	21,977.47	12,226.94
Earning Per Share of Rs. 100 each (Rs.)	224.44	300.40	253.79

The details of OVL's production of Oil plus Oil-Equivalent Gas (O+OEG), including that of its wholly-owned subsidiary ONGC Nile Ganga B.V. for the last five years is as below:

(In MMT)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
OIL (MMT) (Including Condensate)	5.804	4.584	3.714	3.345	0.183
GAS (BCM)	2.148	1.755	1.349	0.523	0.07
TOTAL (O+OEG)	7.952	6.339	5.063	3.868	0.253

The details of balance proven Oil and Gas reserves held by OVL, including that of the wholly-owned subsidiaries is as under:

Particular	As on 31st March, 2007	As on 31st March, 2006	As on 31st March, 2005
Oil (including Condensate) (In MMT)	95.744	92.823	82.822
Gas (In BCM)	98.886	113.367	115.122
Total (In MMTOE)	194.630	206.190	197.944

INTERNATIONAL PRESENCE OF OVL

OVL had participation in 17 projects with 22 blocks in 11 countries as on 31st March, 2006. It acquired 9 projects with 18 blocks in 6 countries in 2006-07. In January, 2008, it has participation in 35 projects with 50 blocks in 17 countries namely Vietnam (3 projects), Russia (1 project), Sudan (4 projects), Iran (1 project), Iraq (1 project), Libya (3 projects), Myanmar (5 projects), Syria (2 projects), Qatar (1 project), Egypt (2 project), Cuba (2 projects), Nigeria Sao Tome Principe JDZ (1 project), Brazil (1 project), Nigeria (2 projects), Colombia (4 project), Turkmenistan (1 project) and Congo (1 project). Out of the existing 35 projects, OVL is operator in 15 projects and joint operator in 2 projects in 10 countries. OVL is currently producing oil and gas from Greater Nile Oil Project and Block 5A in Sudan, Block 06.1 in Vietnam, Al Furat project in Syria, Sakhalin-I project in Russia and Mansarovar Energy Project in Colombia. Block BC-10 in Brazil is currently under development with production expected to begin in 2009-10. Block A-1 and A-3 in Myanmar, North Ramadan Block and NEMED in Egypt, Najwat Najem Structure in Qatar and Farsi Offshore Block in Iran have discoveries and appraisal work is being carried out. The remaining projects are in exploration phase. The Brief details of OVL projects is as under:

Block 06.1, Vietnam:

OVL with 45% PI, British Petroleum (Operator) with 35% PI and PetroVietnam, a Vietnamese Government-owned entity with 20% PI, have developed the Lan Tay field in Block 06.1, Vietnam. The field started commercial production in January, 2003. OVL's share of the development expenditure was estimated at USD 228 million, against which about USD 192 million has been invested till 31st March, 2007. Currently as part of Phase II development, installation of a compression module on the Lan Tay Platform has been taken up. During 2006-07, OVL's share of production from the project was about 1.842 BCM of gas and 0.030 MMT of condensate.

Block 127 in Vietnam:

OVL secured through participation in Licensing Round, 100% PI with Operatorship in Block 127, Vietnam. The PSC for the Block was signed in Hanoi, Vietnam on 24th May, 2006. Block 127 is an offshore deepwater Block, located at water depth of more than 400 meters with 9,246 sq km area. The investments during the 3-year first exploration period would be about USD 56.5 million, including signature bonus of USD 2 million. OVL has invested approx USD 2 million till 31st March, 2007 in the Block. In the event of a commercial discovery made in the contract area, PetroVietnam at its option may hold a PI of up to 20% in the Block. OVL has awarded a contract for 1,150 sq km 3D seismic survey in the Block. Currently, the acquisition of 3D seismic data is in progress in the Block.

Block 128 in Vietnam:

OVL secured through participation in Licensing Round, 100% PI with Operatorship in Block 128, Vietnam. The PSC for the Block was signed in Hanoi, Vietnam on 24th May, 2006. Block 128 is an offshore deepwater Block, located at water depth of more than 400 meters with 7,058 sq km area. As per current estimates, OVL's investment during the 3-years first exploration period would be about USD 49.70 million including signature bonus of USD 2 million. OVL has invested approx USD 2 million till 31st March, 2007 in the Block. In the event of a commercial discovery made in the contract area, PetroVietnam at its option may hold a PI of up to 20% in the Block. OVL has awarded a contract for 1,500 sq km 3D seismic survey in the Block. Currently, the acquisition of 3D seismic data is in progress in the Block.

Greater Nile Oil Project (GNOP), Sudan:

ONGC Nile Ganga BV (ONGBV) holds 25% PI in Greater Nile Oil Project (GNOP), Sudan; the other partners in this project are China National Petroleum Corporation (40% PI), Petronas Carigali Overseas Sdn Berhad, a subsidiary of the Malaysian National Oil Company, Petronas (30% PI) and Sudapet, the National Oil Company of Sudan (5% PI). ONGBV's share in oil production from GNOP was 3.157 MMT during 2006-07.

Block 5A, Sudan:

OVL holds 24.125% PI in Block 5A in Sudan. OVL partners Malaysian National Oil Company, Petronas with 67.875% PI and Sudanese Government Company, Sudapet with 8% PI in the Block. The Block is jointly operated by White Nile Petroleum Operating Company (WNPOC) a consortium of Petronas and Sudapet. Two fields i.e Thar Jath and Mala, have been put on production in Block 5A. Production of oil from the project started in May, 2006. OVL's share of production, during the year 2006-07 was 0.270 MMT of oil. At present, a cluster of fields-Mala Satellites is being put on development with first oil targeted for March 2008. Extensive exploration is also going on in the Block. OVL has already committed investment of USD 424 million in the Block, out of which USD 323 million has been invested till 31st March, 2007.

Block 5B, Sudan:

OVL holds 23.5% PI in Block 5B in Sudan along with Malaysian National Oil Company, Petronas (39% PI), Sudanese Government Company, Sudapet (13% PI) and Swedish oil company Lundin Petroleum AB (24.5% PI) as partners. The Block is jointly operated by White Nile Petroleum Operating Company (WNPOC) a consortium of Petronas and Sudapet. In view of the security clearance after the peace

agreement in Sudan, field activities were planned during the year 2006. However, due to difficult terrain, swampy and uncertain conditions and security issues, only acquisition of 500 lkm of 2D seismic data could be completed as against the planned acquisition of 1,100 lkm of 2D seismic and drilling of 3 wild cat wells. OVL has committed investment of USD 66 million in these Blocks, out of which USD 37 million has been invested till 31st March, 2007.

Pipeline Project, Sudan:

An agreement was signed by OVL with the Ministry of Energy & Mining (MEM), Government of Sudan (GOS) on 30th June, 2004, for construction of a 12", 741-km multi-product pipeline from Khartoum refinery to Port Sudan. The project was executed on Build, Own, Lease and Transfer (BOLT) basis at a base lump sum price of USD 194 million subject to variations, and was to be completed within 16 months from signing of the agreement. Payment of the lump sum price along with lease rental would be received in 18 equal semi annual instalments, with first instalment due in December 2005. Oil India Limited, the other partner in the project, has 10% PI in the project. OVL's share of investment / expenditure in the project was USD 112 million (net of USD 33.25 million being non-recourse financing by the EPC contractor). OVL has already completed the construction and handed over the pipeline to GOS on 31st August 2005, two months ahead of the scheduled completion date. The pipeline has since been commissioned and is being operated by the Government of Sudan. First five repayment installments have been received.

Sakhalin-I, Russia:

Sakhalin-1 is a large oil and gas field in far east offshore in Russia. OVL holds 20% PI in the field; a subsidiary of Exxon-Mobil as the operator holds 30% PI; Sodeco, a consortium of Japanese companies holds 30% PI and balance 20% PI is held by two subsidiaries of Rosneft, a Russian Government entity. OVL's net cash outflow in this project was approved at USD 1,556 million (excluding carry finance), which has been invested by the company. With the start of exports of Sakhalin -1 crude oil from September, 2006, the project started to generate a positive cash flow. With the completion of facilities for Phase I Chayvo, the planned peak production for the current phase of 250,000 barrels per day was achieved in March, 2007. During 2006-07, OVL's share of production was about 0.955 MMT of oil and 0.306 BCM of gas.

Exploration Block A-1, Myanmar:

Block A-1 is an exploration Block in offshore Myanmar. OVL holds 20% PI in the Block, GAIL (India) Limited, another Indian PSU holds 10% PI, Daewoo International Corporation of Korea as the operator holds 60% PI and KOGAS of Korea holds the

balance 10% PI. share of investment in exploration phase till March 2007 was about USD 45 million. Commercial quantity of natural gas has been discovered in two of the fields, Shwe and Shwe Phyu, in the Block. Consortium's request for extension of exploration period for additional 5 years till 31st October, 2011 has been allowed by the Myanmar Oil and Gas Enterprise. The Shwe and Shwe Phyu field appraisals have been completed by the consortium and the Initially In-Place reserves certified by an independent firm, for the Shwe and Shwe Phyu gas fields are 3.84 TCF. So far, a total of 15 wells have been drilled in the block, out of which 9 wells have been gas bearing. As intimated by the Government of Myanmar, the Gas from the Block would be exported to China for which negotiations are currently in progress.

Block A-3, Myanmar:

OVL holds 20% PI in exploration Block A-3 with an area of 6,780 sq km in Myanmar offshore with bathymetry upto 1500 m located south of the Block A-1. OVL is participating in the Block along with Daewoo International Corporation who is the operator with 60% PI, GAIL with 10% PI and KOGAS with 10% PI. OVL's share of investment in the Block upto 31st October, 2007 is estimated to be approx USD 33.80 million out of which about USD 20 million has been invested till 31st March, 2007. Commercial quantity of natural gas has been discovered in the Block in Mya field. As intimated by the Government of Myanmar, the Gas from the Block would be exported to China along with the Block A-1 gas for which negotiation is in progress.

Exploration Blocks NC-188 and NC-189, Libya:

OVL holds 49% PI in exploration Blocks NC-188 and NC-189 in Libya with Turkish Petroleum Overseas Company (TPOC), a subsidiary of National Oil Company of Turkey, holding the remaining 51% PI with Operatorship. OVL's share of investment in the exploration phase is currently estimated at about USD 30 million, out of which about USD 15 million has been invested till 31st March, 2007. As exploration phase of five years was completed on 21st February, 2005, the Government of Libya has granted its approval for further extension for three years w.e.f. 12th June, 2006 to complete the remaining work obligations of drilling two wells in Block NC-189 and one well in Block NC-188. Further, the operator is planning to drill two wells and acquire 500 LKM of new 2D seismic data in Block NC-189.

Block 81-1, Libya:

Block 81-1 measuring 1,809 sq km is an onshore exploration Block located in Ghadames Basin in south-west Libya. OVL holds 100% PI with operatorship in the Block. OVL's estimated /committed investment during exploration phase is approx USD 32.10 million, out of which USD 7 million has been invested till 31st March, 2007.

Currently, the interpretation of the existing seismic data is being carried out. Further, the contract for acquisition of 2D and 3D seismic data in the Block has been awarded.

Contract Area 43 in Libya:

OVL participated in Libya's 3rd Bid Round in 2006 and was awarded contract Area 43; the Exploration and Production Sharing Agreement (EPSA) was signed with National Oil Corporation of Libya on 5th March, 2007. The Contract Area consisting of four blocks measuring total area of 7,449 sq km located in Cyrenaica offshore in the Mediterranean Sea. The block boundaries extend from the coastline to the water depth of about 2,200 meters. The minimum work programme comprises acquisition of 1,000 lkm of 2D, 4,000 sq km of 3D seismic data and drilling of one exploratory well during the exploration phase of five years. Presently, about two third of the Contract Area has sparse coverage of 2D seismic data acquired earlier. As per current estimates, OVL's investment would be approx USD 71 million during the exploration phase. The exploration activities in the block are expected to start soon.

Al Furat Project, Syria:

ONGBV and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), holds 33.33% to 37.5% PI in four Production Sharing Contracts (PSCs) comprising 36 producing fields in Syria from Petro-Canada. The project is being managed through a Dutch joint venture company, named Himalaya Energy (Syria) B.V., wherein ONGBV and Fulin Investments Sarl, hold 50% shareholding each. ONGBV was funded by ONGC and OMEL, in the ratio of 55:45. A sum of about USD 158 million was invested by ONGC and about USD 65 million by OVL through OMEL to acquire the stake. During the year, the parent company ONGC transferred its share in the project to OVL w.e.f date of acquisition. The fields are operated by Al Furat Petroleum Company (AFPC), jointly owned by Syrian Petroleum Company, the National Oil Company, and Shell, the other partner in the fields. OVL's share in the production of crude oil during 2006-07 was about 1.095 MMT.

Farsi Offshore Exploration Block, Iran:

Farsi is an offshore exploration Block in Iran spread over 3,500 sq km. OVL holds 40% PI as operator and the remaining PI is held by Indian Oil Corporation Limited (40% PI) and Oil India Limited (20% PI). Against OVL's currently estimated share of investment of about USD 35.6 million in the exploration phase, actual expenditure of about USD 32 million has been incurred till 31st March, 2007 mainly on reprocessing and interpretation of historical seismic data, acquisition of new 2D and 3D seismic data and drilling of four wells. OVL successfully completed drilling of four wells including a high pressure complex gas well in the Block, thereby strengthening its credentials as a capable and efficient operator in the trans-national environment; more significantly the

campaign resulted in discovery of oil and gas, the assessment of which is currently in progress. The project being under Exploration Service Contract, OVL is required to establish the commerciality of the discovery and if accepted, submit a proposal for entering into contract for the development phase.

Exploration Block-8, Iraq:

OVL is the sole licensee of Block-8, a large onland exploration Block in Iraq spread over 10,500 sq km. The minimum expenditure obligation for the first phase of exploration is USD 15 million, against which an investment of about USD 1.6 million has been made till 31st March, 2007. Though, the work relating to archival, reprocessing and interpretation of the existing seismic data has been completed, due to prevailing conditions in Iraq, OVL notified the force majeure situation to the Ministry of Oil, Iraq in April, 2003. As per information obtained, all pre-war contracts are to be reviewed by the constitutionally elected Iraqi Government. As this contract is one of the few contracts which were ratified by the Government of Iraq by passing a separate law and OVL had completed a part of the committed work programme and was to commence acquisition of additional seismic data before the notification of force majeure, it is confident of retaining the license.

Najwat Najem, Qatar:

Najwat Najem is a proven oil bearing structure located offshore North East Qatar, spread over an area of about 120 sq km. OVL holds 100% stake in the Block as operator under the Appraisal, Development and Production Sharing Agreement with the Government of the State of Qatar. OVL's investment during the appraisal / delineation phase is currently estimated at about USD 102.21 million, out of which about USD 12 million has been invested till 31st March, 2007. The reprocessing and interpretation of 200 sq km of 3D seismic has been completed at ONGC's Geodata Processing and Interpretation Centre at Dehradun. The Drilling of First well NN-3 (NNCG) commenced on 06.07.2007. However, due to sub-surface complications, the drilling was abandoned on December 14, 2007 at depth of 6410 feet in Arab-D formation. The drilling of second well NNSW commenced with the spudding on 19th December, 2007.

Block 34 and 35 in Cuba:

OVL signed a Production Sharing Contract on 10th September, 2006 at Havana with CUPET, the State Oil Company of the Republic of Cuba for two offshore exploration Blocks 34 and 35 with 100% PI located in Exclusive Economic Zone of Cuba. As per current estimates, OVL's investment would be approx USD 46.45 million during the 24-month first exploration period for deepwater Blocks 34 and 35. Acquisition of 2D seismic data has been completed and acquisition of 3D seismic data is planned

during the third quarter of 2007-08. Further, the interpretation of the existing seismic data is being carried out.

25, 26, 27, 28, 29, 35A and 36 in Cuba:

During the year, OVL acquired 30% PI from Repsol-YPF of Spain, in deep water exploration Blocks 25, 26, 27, 28, 29, 35A and 36 located in Cuba. The Blocks are spread over nearly 12,000 sq km in Cuba's Exclusive Economic Zone (EEZ). The supplementary agreement with Government of Cuba for assignment of stakes in the Block was signed on 23rd May, 2006. The transaction is effective from 1st January, 2005. The other partners in the Blocks are Repsol-YPF with 40% PI as operator and Norsk Hydro with 30% PI. OVL's share of investment in the Blocks for remaining work commitment and the past cost is about USD 31.50 million, against which the Company has invested approx USD 16 million till 31st March, 2007 including payment of USD 7.50 million to Repsol-YPF towards past cost. During the year operator completed the acquisition, processing and interpretation of seismic data. Currently, there is proposal to enter into fourth exploration period having a commitment of drilling of one well.

Block BC-10 in Brazil:

OVL through its wholly owned subsidiary Company, ONGC Nile Ganga BV (ONGBV) acquired 15% Participating Interest (PI) in a deepwater offshore Block BC-10 in Brazil on 25th April, 2006. Block BC-10 is located in the Campos Basin approximately 120 km southwest from the city of Vitoria off the coast of Brazil with a water depth of around 1800 meter. The other partners in the Block are Shell with 50% PI as operator and Petrobras with 35% PI. As per current estimates, OVL's net cash outflow in this project till first oil production from the project would be approx USD 478 million, against which the Company has invested approx USD 205 million till 31st March, 2007 including acquisition cost of about USD 170 million. The Block is currently being developed using sub-sea wells which will be connected via sub-sea manifolds, flowlines, and risers to a Floating Production, Storage and Offloading Vessel (FPSO). The production of oil from the project is expected to begin in late 2009.

Mansarovar Energy Project in Colombia:

Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture comprising a subsidiary of OVL i.e. ONGC Amazon Alaknanda Limited (OAAL) and a subsidiary of Sinopec International Petroleum Exploration and Production Corporation (SIPC) has acquired Omimex de Colombia Ltd. (Omimex) from Texas based Omimex Resources,

Inc. The signing of the agreements / transfer of shares was done on 20th September, 2006. The transaction is effective from 1st April, 2006. MECL is currently producing oil at 20,000 bbls/d. MECL's assets constitute a 100% interest in the light oil Velasquez fee mineral property and a 50% interest in the Nare and Cocorna association contracts where the Colombian national oil company, Ecopetrol S.A. (Ecopetrol) holds the remaining 50%. MECL also owns 100% of the Velasquez-Galan pipeline, which runs 189 km from the Velasquez property to Ecopetrol's Barrancabermeja refinery. OVL has invested approx USD 437.5 million toward cost of acquisition. During 2006-07, OVL's share of production was about 0.297 MMT of oil.

OPL 279 in Nigeria:

ONGC Mittal Energy Limited (OMEL), a joint venture company incorporated by OVL along with Mittal Investments Sarl in Cyprus, has been awarded exploration Block OPL 279 in Nigeria. The PSC for the block has been executed and the effective date of the PSC has been determined to be 23rd February, 2007. While presently, OMEL holds 60% PI in OPL 279 with a local Nigerian company, EMO holding 40% PI in the Block. OMEL plans to farm out a portion of PI to International Oil Company (ies) subject to reaching agreements for the same / approvals of the Nigerian authorities. The EMO would be carried by other participants in their respective share of participation. The estimated OVL's share of investment through OMEL would be approx USD 73 million in the block during the exploration phase.

OPL 285 in Nigeria:

OMEL has also been awarded exploration Block namely OPL 285 in Nigeria. The PSC for the block has been executed and the effective date of the PSC has been determined to be 23rd February, 2007. While presently, OMEL holds 90% PI in OPL 285 with a local Nigerian company, EMO holding 10% PI in the Block. OMEL plans to farm out a portion of PI to International Oil Company(ies) subject to reaching agreements for the same / approvals of the Nigerian authorities. The EMO would be carried by other participants in their respective share of participation. The estimated OVL's share of investment through OMEL would be approx USD 46 million in the Block during the exploration phase.

Block-2, Nigeria-São Tomé & Príncipe, JDZ:

ONGC Narmada Limited (ONL), OVL's 100% subsidiary incorporated in Nigeria, holds 13.5% PI in deep water exploration Block-2 in Nigeria-São Tomé & Príncipe, Joint Development Zone (JDZ). The other partners in the Block include Sinopec (28.67% PI), Addex Petroleum (14.33% PI), ERHC Energy Inc. (22% PI), Equator Exploration (9% PI), Amber (5% PI), Foby (5% PI) and A & Hatman (2.5% PI) with Sinopec as the operator. ONL's share of investment, inclusive of the carry obligations to A &

Hatman, till March, 2007 is estimated to be approx USD 17 million. The exploration work in the Block is currently under progress.

Block AD-2, AD-3 and AD- 9 in Myanmar:

OVL has signed Production Sharing Contract (PSCs) with the Myanmar Oil and Gas Enterprise (MOGE), the Govt. of the Union of Myanmar enterprise for three offshore deep-water exploration blocks: AD-2, AD-3 & AD-9. OVL is the operator with 100 % Participating Interest in all the three deep water blocks. The blocks have been awarded to OVL on the basis of mutual understanding and cooperation between India and Myanmar in the hydrocarbon sector. The blocks AD-2, AD-3 and AD-9 extend over an area of 8100 sq. km, 9900 sq. km and 7800 sq. km respectively with water-depths of 1500 to 3000 metres in the Rakhine Coasts in Myanmar. The exploration period spread over four phases extends to 5 years for AD-2; and 7 years for AD-3 and AD-9. Upon discovery of oil and gas, development and production operations shall spread over a period of 20 years.

Block NEMED in Offshore, Egypt:

OVL have acquired 33% participating interest in the North East Mediterranean Deepwater Concession (NEMED) Block, in Egypt Mediterranean Sea. The concession at present measures about 31,125sq km. NEMed Block was awarded to Shell (100%) in July 1998 following a Bidding Round held by the Egyptian General Petroleum Company (EGPC). Concession Agreement signed on 16th March, 1999. The other partners in the Block are Shell with 51% PI as operator and Petrobras with 16% PI. First phase of exploration expired in March, 2004 and presently the second exploration phase is in progress. Five wells have been drilled in the block. Two wells had gas discovery and one indicated residual gas saturation. The discovered volume of Gas Initially In Place (GIIP) has been estimated to be 1.9 (tcf).

Block – RC-8, RC-9 and RC-10 in Colombia:

ONGC Videsh Limited has been awarded 3 offshore exploration blocks in Colombia – 2 blocks in collaboration with Ecopetrol (the National Oil Company of Colombia) and one block in collaboration with Ecopetrol and Petrobras in a bidding round christened the 'Caribbean Round 2007' in Columbia. ONGC Videsh's Participating Interest in Block RC – 9 and RC – 10 is 50% with Ecopetrol, holding another 50%. In block RC - 8, OVL's participation is 40% with Ecopetrol holding 40% and Petrobras, National Oil Company of Brazil holding another 20% Participating Interest. OVL shall be the Operator in Blocks RC- 8 and RC-10. Ecopetrol is operator in RC-9 Block.

Block 11 & 12 Offshore, Turkmenistan:

OMEL has acquired 30% Participating Interest (PI) in an exploration Block 11 & 12, Offshore Turkmenistan in the Caspian Sea. Covering an area of 5663 square km, the block is located close to discovered and producing fields, and contains a number of prospects with significant reserve potential. Discoveries have been made in adjoining areas such as Ashrafi and Karabakh. The block was earlier awarded by the Government of Turkmenistan to Maersk Oil, in December, 2002. The consortium now comprises of OMEL with 30% Participating Interest (PI); Wintershall, a German company with 34% PI and Maersk Oil, a Denmark company with 36% PI. Earlier, Wintershall and Maersk had acquired seismic data and drilled one exploratory well in the block. The well had provided indications of hydrocarbons. Another well is planned to be drilled by the new consortium during 2008.

MTPN Block, Congo:

OVL has acquired 20% PI in Block MTPN, Congo from ENI, effective from 1st August, 2006 through its Joint Venture Company OMEL. The other partners in the Block are ENI with 40% PI as operator and ExxonMobil with 40% PI. The Block is currently under exploration.

SUBSIDIARY / JOINT VENTURE COMPANIES-

1) ONGC NILE GANGA BV

ONGC Nile Ganga BV (ONGBV) holds 25% PI in Greater Nile Oil Project (GNOP), Sudan; the other partners in this project are China National Petroleum Corporation (40% PI), Petronas Carigali Overseas Sdn Berhad, a subsidiary of the Malaysian National Oil Company, Petronas (30% PI) and Sudapet, the National Oil Company of Sudan (5% PI). ONGBV's share in oil production from GNOP was 3.157 MMT during 2006-07. ONGBV and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), holds 33.33% to 37.5% PI in four Production Sharing Contracts (PSCs) comprising 36 producing fields in Syria from Petro-Canada. The project is being managed through a Dutch joint venture company, named Himalaya Energy (Syria) B.V., wherein ONGBV and Fulin Investments Sarl, hold 50% shareholding each. ONGBV was funded by ONGC and OMEL, in the ratio of 55:45. A sum of about USD 158 million was invested by ONGC and about USD 65 million by OVL through OMEL to acquire the stake. During 2006-07, the parent company ONGC transferred its share in the project to OVL w.e.f date of acquisition. The fields are operated by Al Furat Petroleum Company (AFPC), jointly owned by Syrian Petroleum Company, the National Oil Company, and Shell, the other partner in the fields. OVL's share in the production of crude oil during 2006-07 was about

1.095 MMT. ONGC BV holds 15% PI in the deepwater offshore Block BC-10 in Brazil through its wholly owned subsidiary ONGC Campos Ltda.

2) ONGC NARMADA LIMITED

ONGC Narmada Limited (ONL), Company's 100% subsidiary incorporated in Nigeria, holds 13.5% PI in deep water exploration Block-2 in Nigeria-São Tomé & Príncipe, Joint Development Zone (JDZ). The other partners in the Block include Sinopec (28.67% PI), Addex Petroleum (14.33% PI), ERHC Energy Inc. (22% PI), Equator Exploration (9% PI), Amber (5% PI), Foby (5% PI) and A & Hatman (2.5% PI) with Sinopec as the operator. ONL's share of investment, inclusive of the carry obligations to A & Hatman, till March, 2007 is estimated to be approx USD 17 million. The exploration work in the Block is currently under progress.

3) ONGC Amazon Alaknanda Limited

ONGC Amazon Alaknanda Limited (OAAL) is a wholly owned subsidiary of OVL incorporated on 8th August, 2006 in Bermuda. OAAL is engaged in exploration and production activities and holds stake in E&P project in Colombia through holding 50% shares in Mansarover Energy Colombia Limited (MECL), a 50:50 Joint Venture company with Sinopec of China.

4) ONGC MITTAL ENERGY LIMITED

OVL along with Mittal Investments Sarl (MIS) promoted ONGC Mittal Energy Limited (OMEL), a joint venture company incorporated in Cyprus. OVL and MIS holds 49.98% and 48.02% shares of OMEL respectively with 2% shares held by SBI Capital. OMEL holds PI in the AFPC Syrian Assets through ONGBV. Further, OMEL holds stake in two exploration Blocks namely OPL 279 and OPL 285 in Nigeria and in exploration Block 11 & 12, Offshore Turkmenistan.

The other details of the OVL projects is available on the company website www.ongcvidesh.com

COMPANY OFFICES

REGISTERED OFFICE

ONGC VIDESH LIMITED

6th Floor "Kailash Building"

26 Kasturba Gandhi Marg

NEW DELHI – 110 001

Ph.No.23730368, 23713632, 23713752/41291100

FAX No. 23730369

OVERSEAS OFFICES

1. Sudan Project

(a) Amsterdam Office

ONGC NILE GANGA B.V.
Regus, Teleport
Tower 13.03//13.04
Kingsfordweg 151, 1043
1043, GR AMSTERDAM
THE NETHERLANDS
Tel: 0031-20-4919813/9821
Fax: 0031-20-4917401

(b) Khartoum Office

ONGC NILE GANGA B.V.
PO Box 10797, 7th Floor
AAID Building
Plot No.2/1, Block-9E
Khartoum, Sudan
Tel: 00249-183-790815/16
Fax:00249-183-790814

2. Vietnam Project

ONGC VIDESH LIMITED

Villa No.9, Lotus Road, An Phu Superior Compound
District-2, Ho Chi Minh City
S.R.VIET NAM
Tel No.: 00-84-8-5190289
Fax No.: 00-84-8-7444309

3. Sakhalin Project

ONGC VIDESH LIMITED

514, Sakhalin Centre
32, Kommunisticheski Prospect
Yuzhno-Sakhalinsk
RUSSIA – 693009
Tel No. : 007-4242-499699
Fax No. : 007-4242-499588

4. Iran Project

ONGC VIDESH LIMITED

Suit No.707, Sayeh Tower
Opposite Mellat Park
Vali E-Asr Avenue
Tehran, Iran
Tel No.00-98-21-22047082/83,22058081
Fax No.00-98-21-22045824

5. Iraq Project

ONGC VIDESH LIMITED

1st Floor, AL-Saha Building
Saadoon Street,
Baghdad, Iraq
Tel: 00-964-1-7171354

6. Qatar Office

ONGC VIDESH LIMITED

RAC-40, Al Hilal
Doha, Qatar
Mobile No. + 974-5136374

7. Dubai Office

ONGC VIDESH LIMITED

LOB-17, Suit-413
P O Box - 261061
Jebel Ali Free Zone
Dubai (U.A.E.)
Tel No. 00-971-4-8811572/8811760
Fax No.00-971-4-8811569

8. Libya office

ONGC VIDESH LIMITED

AL-Fateh, tower-2
5th Floor No.59, Tripoli
Libya
Tel No. 00-218-213351399
Fax No.00-218-213351392

9) Venezuela

ONGC VIDESH LIMITED

Torre Provincial B,
Nivel 4 Oficina Nro. 42,
Av. Francisco de Miranada,
Chacao Caracas – Venezuela
Tel. No.: 00-582122641780
Fax No.: 00-582122677986

10) Kazakhstan

ONGC VIDESH LIMITED

House No. 12,
Novolunnaya Street 11,
Chubary micro District,
Astana, Kazakhstan
Tel No.: 0073172-241268

11) Brazil

ONGC VIDESH LIMITED

Centro Empresarial Barra Shopping
Av. Das Americas, 4200,
Bloco 8B, Salas, 303&304,
Barra da Tijuca, -22640-102
Rio de Janeiro, Brazil
Tel. No. : 00-55-21-33854825
 00-55-21-33854826
Fax No. : 00-55-21-33854827

12) Cuba

ONGC VIDESH LIMITED

Edificio Jerusalem, Oficina 212
3rd Ave, e-calle 78y80, Miramar
Ciudad de la Habana, Cuba
Tel. no.: 0053-52939557

13) Nigeria Office

ONGC NARMADA LIMITED

13, Ologun Agbaje Street,
Victoria Island,
Lagos, Nigeria
Tel. No.: 00-234-14447391
Fax No.: 00-234-14447395

14) Colombia

MANSAROVAR ENERGY COLOMBIA LIMITED

Transversal 21
No 100-20, PISO 9,
Bogota DC,
Colombia
Tel no.: 005716916914
Fax no.: 005716162571

15) Bermuda

ONGC AMAZON ALAKNANDA LIMITED

Dorchester House,
7 Church Street, Hamilton HM 11, Bermuda

Working Hours at New Delhi Office: 9.30 A.M to 5.30 P.M