DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated December 14, 2007
(The Draft Red Herring Prospectus will be updated upon RoC filing)
100% Book Built Issue

OIL INDIA LIMITED

Our Company was originally incorporated on February 18, 1959 under the Companies Act, 1956 ("Companies Act") as a private limited company. The name of our Company was changed from Oil India Private Limited to Oil India Limited with effect from May 4, 1961. **Registered Office**: P.O. Duliajan, District Dibrugarh, Assam 786 602, India. Tel: +91 (374) 2800 508. Fax: +91 (374) 2800 433. **Corporate Office**: OIL House, Plot Number 19, Sector 16A, Noida, District Gautam Budh Nagar, Uttar Pradesh 201 301, India. Tel: +91 (120) 2488 333. Fax: + 91 (120) 2488 310. For details in change of our name and registered office, see the section titled "History and Certain Corporate Matters" beginning on page 144 of this Draft Red Herring Prospectus. **Contact Person and Compliance Officer**: Mr. S.K. Senapati, Company Secretary, Tel: +91(120) 2488 312. Fax: +91(120) 2488 412. E-mail: investors@oilindia.in Website: www.oilindia.in, www.oilindia.nic.in

PUBLIC ISSUE OF UP TO 26,449,982 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE OF OIL INDIA LIMITED ("OIL INDIA", "THE COMPANY" OR "THE ISSUER") AGGREGATING RS. [●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO 24,045,438 EQUITY SHARES ("NET ISSUE") AND A RESERVATION OF UP TO 2,404,544 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"), AT THE ISSUE PRICE. THE ISSUE SHALL CONSTITUTE 11% OF THE FULLY DILUTED POST-ISSUE CAPITAL OF THE COMPANY.

PRICE BAND: RS. [•] TO RS. [•] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH
THE FACE VALUE OF EQUITY SHARES IS RS.10 EACH. THE FLOOR PRICE IS [•] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [•] TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Business Days after revision of the Price Band subject to the Bid/Issue Period not exceeding 10 (ten) Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the members of the Syndicate.

This is an Issue of less than 25% of the post-Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2) (b) of the SCRR (as defined herein) through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allotted to Qualified Institutional Buyers (**"QIBs"**) on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds subject to valid Bids being received at or above Issue Price. In addition, in accordance with Rule 19(2) (b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue will aggregate at least Rs. 1,000 million. If at least 60% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees (as defined herein), subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of our Equity Shares, there has been no formal market for our Equity Shares. The face value of our Equity Shares is Rs. [•] each and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for our Equity Shares by way of Book Building) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in our Equity Shares or regarding the price at which our Equity Shares will be traded after listing. As this is an issue of Equity Shares, our Company has not opted for credit rating from a Securities and Exchange Board of India ("**SEBI**") registered credit agency.

IPO GRADING

Pursuant to the SEBI Guidelines, this Issue has been graded by [•] and has been assigned a grade of [•]/5. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. The name of the IPO grading agency and the rationale furnished by it for its grading, will be updated at the time of filing the Red Herring Prospectus with the RoC/ Designated Stock Exchange. For more information on the IPO Grading, see the section titled "General Information" beginning on page 54 of this Draft Red Herring Prospectus.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. Our Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xiii of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer has made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

Our Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. We have received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [•] and [•], respectively. [•] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
JM FINANCIAL **JM Financial Consultants Private Limited** 141, Maker Chambers III, Nariman Point, Mumbai 400 021, India. Tel: +91 (22) 6630 3030 Fax: +91 (22) 2204 7185 Email: oilipo@jmfinancial.in Investor Grievance e-mail: grievance.ibd@jmfinancial.in Website:www.jmfinancial.in Contact Person: Ms. Poonam Karande SEBI Registration Number: INM000010361	Morgan Stanley **Morgan Stanley India Company Private Limited** 1101-1115, Hilton Towers, Nariman Point, Mumbai 400 021, India. Tel: +91 (22) 6621 0555 Fax: +91 (22) 6621 0556 E-mail: oilindia@morganstanley.com Investor Grievance e-mail: investors_india@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Ms. Sonali Johari SEBI Registration Number: INM000011203	citi **Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar Nariman Point, Mumbai 400 021, India Tel: +91 (22) 6631 9999 Fax: +91 (22) 6631 9803 E-mail: oil.ipo@citi.com Investor Grievance e-mail: investors.cgmib@citi.com Website: www.citibank.co.in Contact Person: Mr. Shitij Kale SEBI Registration Number: INM000010718	HSBC **HSBC Securities and Capital Markets (India) Private Limited,** 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001, India Tel: +91 (22) 2269 4921 Fax: + 91 (22) 2263 1984 Email: oilindiaipo@hsbc.co.in Investor Grievance e-mail:investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking Contact Person: Mr. Abhishek Saha SEBI Registration Number: INM000010353	KARVY **Karvy Computershare Private Limited** Karvy House 46, Avenue 4, Street Number1, Banjara Hills, Hyderabad 500 034, India. Tel: +91 40 2342 0815 Toll Free Number: 1-800-345 4001 Fax: +91 40 2342 0814 Email: ganapathy@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR000000221

ISSUE PROGRAMME

BID / ISSUE OPENS ON	[•]		BID / ISSUE CLOSES ON	[•]

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DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates the following terms have the following meanings in this Draft Red Herring Prospectus.

Company Related Terms

In this Draft Red Herring Prospectus, unless the context otherwise indicates, all references to "OIL", the "Company" and the "Issuer" are to Oil India Limited, a public limited company incorporated in India under the Companies Act, with its registered office currently situated at P.O. Duliajan, District Dibrugarh, Assam, 786 602, India and unless the context otherwise requires the terms "we", "us" and "our" are to Oil India Limited.

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee..........................	The committee described in the section entitled "Our Management" beginning on page 171 of this Draft Red Herring Prospectus
Auditors	The statutory auditors of our Company, being M/s A.K. Sabat & Co. and M/s Chatterjee & Co.
Board or Board of Directors	The board of directors of our Company
Directors	The directors of our Company
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
Promoter	The President of India, acting through the MoPNG, GoI
Registered Office	The registered office of our Company, currently situated at P.O. Duliajan, District Dibrugarh, Assam 786 602, India

Issue Related Terms

Term	Description
Allocation Amount.........................	The amount payable by a Bidder on or prior to the Pay-in Date after deducting the Margin Amount
Allotment/Allot	The allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom our Equity Shares are Allotted
Bankers to the Issue	The bankers to the Issue in this case being [•]
Basis of Allotment…………………...	The basis on which Equity Shares will be allotted to Bidders under the Issue and which is described in the section titled "Issue Procedure" beginning on page 343 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form

Term	Description
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue and which shall be notified in one English national daily newspaper, one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation
Bid/Issue Opening Date	The date on which the members of the Syndicate start accepting Bids for the Issue and which shall be notified in one English national daily newspaper, one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which Bidders can submit Bids, including any revisions thereof
Book Building Process...................	The book building process as described in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Issue, in this case being JM Financial Consultants Private Limited & Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids will be accepted, including any revision thereto
Confirmation of Allocation Note or CAN...	The note, advice or intimation of allocation of Equity Shares sent to Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLMs. A Bid submitted at the Cut-off Price is a valid Bid. Only Retail Individual Bidders and Eligible Employees are entitled to bid at the Cut-off Price for a Bid Amount not exceeding Rs. 100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price
Depository……………………….	A body corporate registered as a depository with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant…………...	A depository participant as defined under the Depositories Act
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account to the Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[•]
Draft Red Herring Prospectus........	This draft red herring prospectus dated December 14, 2007 and issued in accordance with section 60B of the Companies Act and the SEBI Guidelines, which does not contain complete particulars of the price at which our Equity Shares are offered and the Issue size in terms of value
Eligible NRI	An NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for our Equity Shares

Term	Description
Eligible Employee……………………………	All or any of the following: (a) a permanent employee of our Company as of the date of filing of the Red Herring Prospectus and based, working and present in India as on the date of submission of the Bid cum Application Form. (b) a Director of our Company (excluding Government Nominee Directors) as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form
Employee Reservation Portion……...	The portion of the Issue being up to 2,404,544 Equity Shares available for allocation to Eligible Employees
Equity Shares	Unless the context otherwise indicates, the Equity Shares of our Company with a face value of Rs. 10 each
Escrow Account	An account to be opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid and the Allocation Amount paid thereafter
Escrow Agreement........................	The agreement to be entered into among our Company, the Registrar, the BRLMs, the other members of the Syndicate and the Escrow Collection Bank(s) for collection of the Bid Amounts and, where applicable, remitting refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Banks..............	The escrow collection banks in this case being [•], which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Account will be opened
First Bidder....................................	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Financial Year/fiscal/FY	The period of 12 months ending on March 31 of a particular year, unless otherwise stated
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
Issue	The public issue of 26,449,982 Equity Shares at the Issue Price for cash aggregating Rs. [•] million
Issue Account	The account to be opened with the Banker(s) to the Issue to receive monies from the Escrow Account on the Designated Date
Issue Price	The final price at which Equity Shares will be Allotted. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Margin Amount.............................	The amount paid by the Bidder at the time of submission of the Bid and which may range between 10% to 100% of the Bid Amount
Memorandum of Understanding....	The agreement entered into on December 12, 2007 between our Company and the BRLMs pursuant to which certain arrangements are agreed in relation to the Issue
Monitoring Agent..........................	[•]
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Portion or 721,363 Equity Shares available for allocation to Mutual Funds only out of the QIB Portion

Term	Description
Net Issue	Issue net of Employee Reservation Portion, consisting of up to 24,045,438 Equity Shares to be Allotted in the Issue at the Issue Price
Net Proceeds………………………....	Proceeds of the Issue, after deducting the underwriting and management fees, selling commission and other expenses associated with the Issue
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have bid for Equity Shares for an amount higher than Rs. 100,000 (but not including NRIs, other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than 10% of the Net Issue or 2,404,544 Equity Shares at the Issue Price available for allocation to Non-Institutional Bidders
Non-Resident Indian or NRI..........	A person resident outside India, as defined under the FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
Pay-in Date....................................	The Bid/Issue Closing Date with respect to Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN sent to Bidders with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount
Pay-in Period.................................	The period commencing on the Bid/Issue Opening Date and extending until the Pay-in Date
Price Band	The price band between the Floor Price of Rs. [•] per Equity Share and a Cap Price of Rs. [•] per Equity Share, including all revisions thereof as may be permitted by the SEBI Guidelines
Pricing Date...................................	The date on which our Company, in consultation with the BRLMs, finalises the Issue Price
Prospectus......................................	The prospectus to be filed with the RoC pursuant to section 60 of the Companies Act, 1956 containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process on the Pricing Date
Qualified Institutional Buyers or QIBs……………………………..	Public financial institutions specified in section 4A of the Companies Act, FIIs, scheduled commercial banks, Mutual Funds, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million
QIB Margin Amount.....................	An amount representing at least 10% of the Bid Amount being the amount QIBs are required to pay at the time of submitting a Bid
QIB Portion	The portion of the Net Issue being at least 60% of the Net Issue or at least 14,427,263 Equity Shares at the Issue Price to be Allotted to QIBs on a proportionate basis
Refund Account	The account opened with (an) Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Bank.............................. …	The Escrow Collection Bank(s) in which an account is opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made
Refund through electronic transfer of funds…………………………………	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, NEFT or RTGS, as applicable
Registrar to the Issue......................	Karvy Computershare Private Limited

Term	Description
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion................................	The portion of the Net Issue being not less than 30% of the Net Issue or not less than 7,213,631 Equity Shares at the Issue Price available for allocation to Retail Individual Bidders
Revision Form	The form used by Bidders to modify the number of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with section 60B of the Companies Act which does not have complete particulars of the price at which our Equity Shares are offered and the Issue size in terms of value and which will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date
Share Purchase Agreement .... ….	An agreement proposed to be entered between the President of India, IOCL, HPCL, BPCL and our Company for the Transfer as defined hereunder
Stock Exchanges	BSE and NSE
Summary Independent Technical Report	The summary independent technical report from Gaffney, Cline & Associates (Consultants) Pte Ltd describing its conclusions as of March 31, 2007 which appears at Appendix A of this Draft Red Herring Prospectus.
Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The agreement between the members of the Syndicate and our Company in relation to the collection of Bids in the Issue
Syndicate Members......................	[•]
Transfer…………………………….	Transfer by the MoPNG of 10,700,220 Equity Shares to Indian Oil Company Limited, 5,350,110 Equity Shares to Hindustan Petroleum Corporation Limited and 5,350,110 Equity Shares to Bharat Petroleum Corporation Limited at the Issue Price
Transaction Registration Slip or TRS .... ….	The slip or document issued by a member of the Syndicate to a Bidder as proof of registration of the Bid
Underwriters.................................	The members of the Syndicate
Underwriting Agreement	The agreement between our Company, and the Underwriters to be entered into on or after the Pricing Date

Conventional and General Terms

Term	Description
Act or Companies Act..................	Companies Act, 1956 as amended from time to time
AS	Accounting Standard, as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
CAGR...	Compounded Annual Growth Rate
CDSL...	Central Depository Services (India) Limited
Citi	Citigroup Global Markets India Private Limited
COD..	Committee on Disputes
DGH	Directorate General of Hydrocarbons
DGMS	Directorate General of Mines Safety
DPE	Department of Public Enterprises

Term	Description
Depositories.................................	NSDL and CDSL (defined hereinafter)
Depositories Act...........................	The Depositories Act, 1996, as amended from time to time
ECS..	Electronic clearing service
EGM	Extraordinary general meeting of the shareholders
EPS	Earnings per share, i.e., profit after tax for a fiscal year divided by the number of Equity Shares outstanding at the end of the fiscal year
E&P	Exploration and Production
EU..	European Union
FCNR Account............................	Foreign Currency Non-Resident Account established in accordance with the FEMA
FDI..	Foreign direct investment as understood under applicable Indian regulations
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations thereunder and amendments thereto
FEMA Overseas Investment Regulations..................................	The Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended from time to time
FIIs..	Foreign institutional investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI
FVCI	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time) registered with SEBI
GDP	Gross Domestic Product
GIR No………………………..	General index register number
GoI or Government	Government of India
HSBC...	HSBC Securities and Capital Markets (India) Private Limited
HUF	Hindu undivided family
ICAI..	Institute of Chartered Accountants of India
IFRS..	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP...............................	Generally accepted accounting principles in India
IPO..	Initial public offering (i.e., the Issue)
ISO	International Standarisation Organisation
Industrial Policy	The policy and guidelines relating to industrial activity in India, issued by the Government of India from time to time
JM Financial...............................	JM Financial Consultants Private Limited
KG	Krishna Godavari
Km	Kilometers
Mts..	Meters
MAT	Minimum Alternate Tax
MoPNG	Ministry of Petroleum and Natural Gas, Government of India
MoEF..	Ministry of Environment and Forests, Government of India
MoU..	Memorandum of Understanding
Morgan Stanley	Morgan Stanley India Company Private Limited
N/A	Not applicable
NEFT	National Electronic Fund Transfer
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account established in accordance with the FEMA

Term	Description
NRO Account...............................	Non-Resident Ordinary Account established in accordance with the FEMA
NSDL...	National Securities Depository Limited
OCB..	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
OFC	Optic fibre cable
OHSAS...	Operational Health and Safety Standard
OIDB	Oil Industry Development Board
PCB	Pollution Control Board
PAN	Permanent account number allotted under the I.T. Act
P/E Ratio	Price to earnings ratio
RBI	Reserve Bank of India
Re...	One Indian Rupee
RoC..	The Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Mizoram and Arunachal Pradesh, at Shillong
RONW..	Return on Net Worth
Rs...	Indian rupees
RTGS...	Real time gross settlement
SCRA...	Securities Contract (Regulations) Act, 1956, as amended from time to time
SCRR...	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines...........................	SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended from time to time
SEBI Insider Trading Regulations..............................	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time
Securities Act or SEC	United States Securities Act of 1933, as amended from time to time
Sq km.......................................	Square kilometer
STT..	Securities Transaction Tax
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
US..	United States of America
USD or US$	United States Dollar
US GAAP……………………...	Generally accepted accounting principles in the United States of America
VCF(s)	Venture capital funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time
VRS	Voluntary retirement scheme
UNCITRAL……………………	United Nations Commission on International Trade Law

Industry Related Terms

Term	Description
ANG	Adsorbed Natural Gas
API..	American Petroleum Index
APM	Administered Pricing Mechanism
CBM	Coal/lignite Bed Methane
CNG...	Compressed Natural Gas
Bbls..	Barrels
Bcm	Billion cubic meters
GDP	Gross Domestic Product
GL..	Ground land
IMR	Inspection, Maintenance and Repair
JOA..	Joint Operating Agreement
KL..	Kilo liter
KM……………………………..	Kilometer
L...	Liter
LNG...	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
mmbbls	Million barrels
mmcm or mmscm.........................	Million standard cubic meters
MMSCUMD	Million standard cubic meter per day
MMTA or MMTPA	Million metric tonnes per annum
MS	Motor spirit
MT	Metric tonnes
NELP...	New Exploration Licensing Policy
NGL...	Natural Gas Liquids
OCC …………………………..	Oil Co-ordination Committee
PDS……………………………	Public Distribution System
PEL..	Petroleum Exploratory License
PML...	Petroleum Mining Lease
PPAC...	Petroleum Planning and Analysis Cell
PSC……………………………	Production Sharing Contract
SCM……………………………	Standard cubic meter
SKO……………………………	Superior Kerosene Oil
Sq km…………………………..	Square kilometer

References to other business entities

AGCL	Assam Gas Company Limited
BCPL	Brahmaputra Cracker and Polymer Limited
BPCL	Bharat Petroleum Corporation Limited
British Gas.................................	British Gas Exploration and Production India Limited
BRPL	Bongaigaon Refinery Private Limited
BSNL...	Bharat Sanchar Nigam Limited
Enpro	Enpro India Limited, subsequently renamed Jubilant India Limited
Essar	Essar Oil Limited
GAIL	Gail (India) Limited
Geoglobal.................................	Geoglobal Resources (Barbados) Incorporated
Geopetrol..................................	Geoglobal International Incorporated
GSPCL	Gujarat State Petroleum Corporation Limited
HOEC	Hindustan Oil Exploration Company Limited
HPCL...	Hindustan Petroleum Corporation Limited

IBP..	Indo Burma Petroleum Company Limited
ICSA..	ICSA (India) Limited
IOCL..	Indian Oil Corporation Limited
IOTL	Indian Oil tanking Limited
ITERA......................................	ITERA Oil and Gas Company, Russia
Medco..	Medco International Holding Private Limited
NRL	Numaligarh Refinery Limited
ONGC	Oil and Natural Gas Corporation Limited
OVL...	ONGC Videsh Limited
POC	Premier Oil Cachar B.V.
RIL...	Reliance Industries Limited
Shiv Vani	Shiv Vani Oil and Gas Exploration Services Limited
Suntera Cyprus	Suntera Resources Limited, Cyprus
Suntera Nigeria.........................	Suntera Nigeria 205 Limited, Nigeria

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA, CURRENCY OF PRESENTATION AND RESERVE INFORMATION AND CONVERSION OF DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "US", "USA" or "United States" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited restated financial statements as of six months ended September 30, 2007, and March 31 for the years ended 2007, 2006, 2005, 2004 and 2003 prepared in accordance with Indian GAAP and the Companies Act and adjusted in accordance with the SEBI Guidelines, as stated in the report of our Auditors, included in the section titled "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and US GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market and Industry Data

Market and industry data used throughout this Draft Red Herring Prospectus has been obtained from various government, multilateral and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but it has not been independently verified by us and its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

Period*	Period end (in Rupees)	Period average (in Rupees)
Fiscal 2004	43.39	43.39
Fiscal 2005	43.75	43.75
Fiscal 2006	44.61	44.61
Fiscal 2007	43.59	43.59
September 30, 2007	39.74	40.86
December 10, 2007	39.38	

** Source: www.rbi.gov.in*

Reserve Information, Conversion of Data and Exploration Acreage

In this Draft Red Herring Prospectus, we report certain reserve and resource data. Our reserves and resources consist of our percentage interest in total reserves or resources, as applicable, which in turn consists of our 100% interest in our independent oil and gas properties and our percentage interest in joint ventures and PSCs, and do not include any adjustments for royalties, cess, taxes or other amounts payable by us. Production is calculated on the same basis. Independent reserves refer to our reserves attributable to independent operations.

At our request, Gaffney, Cline & Associates (Consultants) Pte Ltd, independent petroleum engineering consultants, carried out an audit of our reserves in certain of our independent producing areas as of March 31, 2007. None of the reserve information as of March 31, 2007 appearing with respect to our Digboi field in the Upper Assam basin is covered by the Summary Independent Technical Report or has been subject to an audit on our behalf. None of the reserve information as of March 31, 2007 appearing with respect to our participating interest in the PSC relating to the Kharsang field is covered by the Summary Independent Technical Report or has been subject to an audit on our behalf. In addition, all of our estimates of our joint venture proved reserves have been provided to us by our joint venture partner, based on international standards that may differ from those used by us.

Units of oil have been converted at a rate of one standard cubic meter to 6.289 barrels. However, our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels; volume sold has been converted at this rate. For further information, see "Management's Discussion and Analysis Financial Condition and Results of Operation-Note on Presenation."

From time to time, we relinquish portions or the entirety of our exploration acreage. In this Draft Red Herring Prospectus, exploration acreages includes all acreage until formally relinquished. Our management has agreed to relinquish Block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator. Formal relinquishment has not occurred on the date of the Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "propose", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Similarly statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, change in global and domestic oil and gas prices, change in the subsidy regime in India, technological changes, our exposure to market risks, supply and demand of petroleum and natural gas products in global markets, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic tax rates and changes in competition in our industry.

For further details that could cause our current plans and expectations and actual results to differ, see the section titled "Risk Factors" beginning on page xiii of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither our Company, nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for our Equity Shares Allotted pursuant to the Issue.

RISK FACTORS

An investment in equity securities involves a high degree of risk. The risks and uncertainties described below together with the other information contained in this Draft Red Herring Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are relevant to our business, the industry and the country in which we operate our business and the offering of Equity Shares. Additional risks, not presently known to us or that we currently deem immaterial, may also impair our business operations. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. You should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on pages 99 and 236 of this Draft Red Herring Prospectus. If any one or some combinations of the following risks were to occur, our business, results of operations and financial conditions could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. You should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Prior to making an investment decision, you should carefully consider all of the information contained in this Draft Red Herring Prospectus (including the restated summary financial statements beginning on page 50 of this Draft Red Herring Prospectus).

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See the section titled"Forward-Looking Statements" beginning on page xii of this Draft Red Herring Prospectus. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risk factors described in this section.

Internal Risk Factors

Risk Factors relating to our Industry

1. A substantial or extended decline in international prices for crude oil would have a material adverse effect on our business.

Declines in crude oil prices may adversely affect our revenues and profits, and substantial or extended declines will have a material adverse effect on our financial condition, including our liquidity and our ability to finance planned capital expenditure, and our results of operation. Historically, international prices for oil have been volatile and have fluctuated widely in response to changes in many factors. These fluctuations are expected to result in fluctuations in our results of operations. We do not and will not have control over the factors affecting prices for oil. These factors include:

- global and domestic economic conditions;
- global and regional economic and political developments in resource-producing regions, particularly the Middle East;
- global and regional supply and demand;
- the ability of the Organization of Petroleum Exporting Countries and other oil and gas producing nations to set and maintain global production levels and prices;

- discoveries of, and commercial availability of, alternative fuels at cheaper prices that affect our realized prices under our oil and value-added products sales contracts;
- Indian and foreign governmental regulations and actions, fiscal or otherwise, including tariffs on imports and sharing of subsidies;
- price and availability of new technology; and
- environmental conditions.

It has not been possible to forecast future oil product price movements with accuracy. Our profitability is primarily determined by the difference between prices received for crude oil, natural gas and LPG produced by us and the costs of finding, developing and producing and transporting these hydrocarbons. We do not enter into oil or gas hedging contracts to reduce our exposure to fluctuations in oil and gas prices. For more detailed analysis of the impact of fluctuation of prices for oil on our results of operations and financial condition, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations— Factors affecting our Results of Operations" beginning on page 242 of this Draft Red Herring Prospectus. Lower prices of oil may also reduce the economic viability of projects planned or in development. In addition, lower oil prices may result in the impairment of higher cost reserves and other assets which may result in decreased earnings or losses. Conversely, higher prices of oil could increase our shares in the under-recovery of oil marketing companies as a result of the GoI subsidy system for MS, diesel, LPG (for domestic use) and SKO (PDS), which could reduce or eliminate any benefit received by us with respect to such increases. For further details, see "—The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations" beginning on page xxii of this Draft Red Herring Prospectus. Although crude oil prices have risen substantially in the recent past, there can be no assurance that they will continue to rise, sustain their present levels or not decrease. All these factors may have a material adverse effect on our business, financial condition and results of operation.

2. If we fail to acquire or find and develop additional reserves, or if we fail to redevelop existing fields, our reserves, production and profitability may decline materially from their current levels over time.

All of our independent proved plus-probable oil reserves, as well as 94.48% of our independent natural gas reserves are in the Upper Assam basin, which is a maturing resource province. Consequently, we currently experience and will continue to experience decreasing production rates from such resources. Unless we conduct successful exploration and development and redevelopment activities or acquire properties containing proved plus probable reserves, or both, our reserves will decline over time as existing reserves are produced. In addition, the volume of production from oil and natural gas properties generally declines as reserves are depleted.

For example, the Dikom field in the Upper Assam basin has been a major producing field since fiscal 1991 and accounted for approximately 10% of our crude oil production for fiscal 2007. After initial development and recording its peak annual production level of 5.69 million barrels for fiscal 1999, it experienced declining production levels. For fiscal 2007, our production from the Dikom field was 2.23 million barrels. Our future production will be highly dependent upon our success in acquiring or finding and developing additional reserves and redeveloping existing resources in a timely and cost-effective manner and doing so will be increasingly challenging because development and redevelopment of mature fields require increased levels of expenditure. If we are unsuccessful, our reserves and production will decline, which will adversely affect our business, financial condition and results of operation.

In addition, we have a limited global presence in the field of oil exploration, development and production. Most major international oil and gas exploration and production companies have been in the business of acquiring international assets for a long period of time and have accumulated a large share of the world's hydrocarbon resources. We have now initiated a strategy to acquire both producing properties and exploration acreages overseas but we expect to be unable to match the international oil majors in the quantity and rate of reserve accretion and discovery of commercially viable hydrocarbon reserves. We may also have to venture into more difficult and hostile environments, both politically and geographically, where exploration, production and development will be more technologically challenging and expensive. In the course of certain investments in joint ventures where we are not the operator, we are dependent to an extent on the operating partner, including for initially qualifying to bid for a project and for the overall success of the joint venture. We also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner.

***3. We encounter competition from other oil and natural gas companies in all areas of our operations, including the acquisition of licenses for exploratory prospects, and competitive pressure on our business is likely to continue*.**

The oil and gas industry is extremely competitive, especially with regard to exploration for, and exploitation and development of, new sources of oil and natural gas. The GoI implemented NELP, in 1999 whereby private participation in the allocation of exploration acreages was permitted through competitive bidding. In the six completed rounds of NELP bidding since 1999, the GoI has offered a total of 199 blocks, of which we have bid for 46 and were awarded 23 (two of which were subsequently relinquished), due to competitive pressure, among other things. The GoI now automatically approves 100% foreign equity ownership in exploration activities conducted under NELP. This policy is aimed at encouraging foreign oil companies to invest in India. In addition, new domestic and foreign entrants, including the world oil majors, may seek to enter the exploration and production industry in India, and increased competition could adversely affect our business by limiting the number of new exploration blocks that will be available to us in the future. For example, further licensing rounds under NELP may involve many of the large international oil companies seeking to acquire licenses for exploration through their subsidiaries and joint ventures. The companies that have been granted exploration licenses in the various rounds of NELP include other public sector companies such as ONGC, IOCL, GSPCL and GAIL, as well as private companies such as British Gas, RIL, Cairn Energy Limited and Niko Resources. Further, there can be no assurance that we will not lose our existing PELs under the GoI's relinquishment policy. For example, due to failure to find a suitable party for providing services for acquisition of 2D seismic data, resulting in non-completion of work program commitments, our management has agreed to relinquish Block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator. For further details on NELP, see the section titled "Regulations and Policies" beginning on page 135 of this Draft Red Herring Prospectus.

We face similar competition for acquisition of exploration and production acreages internationally.

Some of our domestic and foreign competitors are much larger, more established companies with substantially greater resources. These companies may be able to bid more aggressively for exploration blocks and may be able to acquire a greater number of properties and prospects, including operatorships and licenses, in India and abroad, than we are able to acquire.

Further, in the long term, commercially viable production of proposed substitutes for oil and gas such as fuel cells or agro-fuels may be available at cheaper prices than oil and gas. If such developments occur, additional expenditure on acquisition of oil and gas exploration licenses may not be commercially viable.

4. We require certain registrations and permits from the GoI and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions, which we have applied for or are either in the process of making an application for such approvals, licenses, registrations and permissions. Subsequent to our execution of certain PSCs, we have applied for grant of PELs for block RJ-ONN-2004/2 in the Rajasthan basin, covering an area of 2,196 square kilometers, block RJ-ONN-2004/3 in the Rajasthan basin, covering an area of 1,220 square kilometers, block KG-ONN-2004/1 in Pondicherry, covering an area of 38 square kilometers and block KG-ONN-2004/1 in Andhra Pradesh, covering an area of 511 square kilometers. We have also applied for permission from the Divisional Forest Officer, Sivsagar to carry out seismic survey operations in the Abhoypur Reserve Forest.

Additionally, we have applied for extensions of PELs, but are yet to receive such extensions, in respect of the following areas:

- 19 square kilometers in Dumduma Extension (Forest), Assam;
- 427 square kilometers in Dibrugarh, Assam for the riverine and non-riverine areas;
- 480 square kilometers in Tinsukia, Assam for the riverine and non-riverine areas;
- 111 square kilometers in Borhat, Assam;
- 748 square kilometers in Murkongselek, Assam;
- 370 square kilometers in Namsai, Arunachal Pradesh; and
- 694 square kilometers in Pasighat, Arunachal Pradesh.

For further details, see the section titled "Government and Other Approvals" beginning on page 309 of this Draft Red Herring Prospectus. If we fail to obtain any of these approvals or licenses or renewals thereof, in a timely manner, or at all, our business could be adversely affected.

5. Hydrocarbons exploration is capital-intensive and involves numerous risks, including the risk that, after substantial expenditures, we will encounter oil or natural gas reservoirs that may not be commercially viable for production.

We are exploring various geographic areas in India where environmental conditions are sensitive or challenging, limited data are available and costs can be higher. For example, we are planning to conduct exploration activity in the Brahmaputra riverbed, which is subject to inundation by flooding, and in the mountainous and heavily forested North East Frontier Areas, which currently lack the basic infrastructure (including transportation and supply of utilities) necessary to provide sufficient access to the sites to support our exploration activity. Additionally, we make substantial expenditures in our producing and exploration acreage in the North East region of India and our loss on such expenditure may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. We are also involved in exploration activities in India and four overseas countries (including through our equity investments in Suntera Nigeria) where we are not the operators in some of the areas and have limited control over expenditure and drilling decisions. In addition, we may become increasingly involved in deep-water projects, which require the use of high-resolution surveys and infrastructure for interpretation and involve greater exploration expenditures than traditional exploration practices.

The cost of drilling, completing and operating wells is often uncertain. As a result, we have in the past incurred, and may continue to incur, cost overruns, or may be required to curtail, delay or terminate drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or variations in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements, and shortages or delays in the availability of drilling rigs and the delivery of equipment. We have encountered delays in domestic exploration projects due to failure of third party contractors hired for the project to complete their scope of work in a timely manner, as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations and unanticipated conditions prevailing in the areas of exploration.

Our overall exploration activity within any particular project area may be unsuccessful. For example, we have carried out exploration activities without any commercial success in the North Bank region of Brahmaputra river in the North East (Lakhimpur), and along with our joint venture partners in Mumbai deep-water. Internationally, we have carried out exploration activity in the Ivory Coast without commercial success. If such failures continue to occur in the future, they may have a material adverse effect on our business, financial condition and result of operations.

6. We are effectively prohibited from exporting crude oil in our PSCs.

The PSCs signed by us under NELP effectively bar us from exporting crude oil, as under the terms of the PSCs we are under an obligation to sell all our entitlement to crude oil in the domestic market until such time as the total availability of the crude oil and condensate from all petroleum production activities in the country meets the total national demand. This could restrict our ability to monetize our reserves.

Risk Factors relating to our Business

7. We have recently received two demand notices from the income tax authorities that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

The Additional Commissioner of Income Tax, Dibrugarh through its assessment orders and demand notices dated November 29, 2007 has imposed a demand of approximately Rs. 8,402.30 million on our Company on account of the discounts granted to oil marketing companies on crude oil and LPG sales that were disallowed by the assessing authorities. Our Company is in the process of filing an appeal before the Commissioner of Income Tax against the aforesaid demand. If these appeals are determined against us, we would be liable to pay the demand raised and any additional amounts as may be imposed by the income tax authorities, which could have a material adverse impact on our financial condition and results of operations. For further details of the demand notices, see the section titled "Outstanding Litigation and Material Developments" beginning on page 278 of this Draft Red Herring Prospectus.

8. There are certain criminal proceedings involving our Company and certain officials that, if determined against us, could have a material adverse impact on our results of operations and financial condition.

There are seven criminal proceedings that have been initiated against our Company/our employees on violations of certain provisions of the Mines Act. These proceedings are, inter alia, in relation to the death/injury of certain personnel as a result of accidents during the course of their employment. These cases have been filed against employees who were supervising the oil wells or drilling locations at the time of the accident. These proceedings have been initiated against certain of our employees, including, Mr. N.N. Gogoi, Mr. B.P. Bhattacharjee, Mr. D.K. Banik, Mr. P.K. Dutta, Mr. N.R. Deka and Mr. Naba Jyoti Bhuyan.

Additionally, there are three motor vehicle related compensation claims involving our Company and certain officials. The aggregate claims against us in these cases are Rs. 5.06 million approximately.

Our Company has also filed two criminal cases against certain third parties on allegations of theft and damage to property.

For further details of the cases mentioned above, see the section titled “Outstanding Litigation and Material Developments” beginning on page 278 of this Draft Red Herring Prospectus.

9. We are involved in environment-related public interest litigations in relation to our proposed seismic surveys on the Brahmputra river bed.

We are involved public interest litigations, some of which are based on alleged environmental violations and have been filed by public organistions and NGOs. For example, there is a case filed against us in the Guwahati High Court alleging that the seismic survey on the Brahmaputra river bed is being conducted without appropriate scientific assessment of the concerns raised by the environmental impact assessment report. In other cases filed in the same court, our proposal to carry out surveys in the Brahmaputra river bed have been challenged on grounds that the survey will damage the environment and wild life in the surrounding areas. For details of such proceedings, see the section titled "Outstanding Litigation and Material Developments— Public Interest Litigations and Environmental Cases beginning on page 280 of this Draft Red Herring Prospectus. We have currently suspended our seismic survey activity in the concerned areas. A multi-displinary advisory group of MoEF has been established to review the environmental impact in relation to our proposed seismic studies. These claims are pending final adjudication and if determined against us could require us to cease our operations, relinquish the relevant PELs and pay monetary compensation, which could harm our reputation and have material adverse affect on our business, financial condition and results of operations.

10. We are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our results of operations and financial condition.

We are involved in a number of proceedings including civil, employee grievances, labour disputes, consumer proceedings, land acquisition and land title matters, which are related primarily to our ordinary course of business. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it would have a material adverse affect on our financial condition, results of operations and cash flows. Brief details of such proceedings and the claim amounts in relation to these cases, where claims have been quantified, are set forth below:

- There are five cases against us in relation to allegations of environmental damages caused by our operations including public interest litigations challenging seismic surveys proposed to be conducted on the Brahmaputra river bed and surrounding areas.

- There are 23 civil cases filed against us for claims aggregating to Rs. 2,668.26 million approximately. The aggregate includes a claim of Rs. 2,648.20 million (as quantified by our Company on September 30, 2007) on account of tax imposed by the Assam Taxation (Specified Lands) Amendment Act, 2004.

- There are 25 employee related cases filed against us on issues related to, *inter alia*, promotion and arrears of salary and pension for claims aggregating to Rs. 0.66 million approximately.

- There are 20 labour cases filed against us in relation to, *inter alia*, termination of services and demands for service benefits by workmen.

- There are eight arbitration claims pending against us for claims aggregating to Rs. 564.76 million and US$ 11.55 million approximately. We have also filed counter claims aggregating to Rs. 327.47 million (including an award of Rs. 8.51 million) and US$ 7.65 million approximately in such proceedings.

- There is one consumer complaint pending against us for a claim aggregating to Rs. 1.50 million approximately.

- There are 15 title suits and land related proceeding against us for claims aggregating to Rs. 45.64 million approximately.

- There are 39 cases against us in relation to demands for enhanced compensation in relation to land acquisition for claims aggregating to Rs. 37.32 million.

- There are three statutory notices pending against us for claims aggregating to Rs. 34.57 million approximately.

- There are eight applications pending under the RTI Act.

- There are ten civil cases filed by our Company for claims aggregating to Rs. 35.03 million approximately.

For details of such proceedings, see the section titled "Outstanding Litigation and Material Developments" beginning on page 278 of this Draft Red Herring Prospectus.

11. We are involved in a number of tax related legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

We are also involved in certain tax related legal proceedings that are incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various tribunals and appellate tribunals and if determined against us, could have a material adverse impact on our financial condition, results of operations.

There is one sales tax case in relation to demands raised on us for various assessment years where we have quantified the amount demanded to Rs. 148.96 million approximately. Additionally, there is one service tax case where the amount demanded by the tax authorities aggregates to Rs. 184.05 million.

Furthermore, apart from the income tax demand of Rs. 8,402.30 million as stated aforesaid, we are also involved in certain income tax and excise tax proceedings where we have claimed certain deductions or refunds from the appropriate authorities. For instance, there are six income tax cases that pertain to appeals we have filed in relation to deductions aggregating to Rs. 2,762.98 million claimed by us for various assessment years. In addition, there is one excise tax case and one customs related matter where we have demanded a refund of Rs. 11.77 million and Rs. 1.15 million respectively.

For further details, see the section titled "Outstanding Litigation and Material Developments" beginning on page 278 of this Draft Red Herring Prospectus.

12. The crude oil and natural gas initially in place, reserves and contingent resources data in this Draft Red Herring Prospectus are estimates, and our actual production, revenues and expenditure with respect to our reserves may differ materially from these estimates.

Petroleum engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable crude oil and natural gas reserves and rates of production necessarily depend upon several variables and assumptions, including the following:

- Historical production from the area compared with production from other comparable producing areas;
- Interpretation of geological, geochemical and geophysical data;
- Assumptions concerning the future performance of wells and surface facilities;
- Assumptions concerning the future availability of physical facilities including drilling rigs and infrastructure;
- Assumptions concerning development planning;
- Assumed effects of regulations and fiscal policies adopted by governmental agencies;
- Assumptions concerning future crude oil and natural gas prices, and the fiscal taxation regime;
- Capital expenditures; and
- Assumptions concerning future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

Many of the factors, assumptions and variables involved in estimating reserves are based on data that are currently available and subject to variations over time. Results of drilling, testing and production after the date of the estimates may require upward or downward revisions in our reserve data, which could be significant. Any downward adjustment could lead to lower future production and thus adversely affect our financial condition, future prospects and market value.

At our request, Gaffney, Cline & Associates (Consultants) Pte Ltd, independent petroleum engineering consultants, carried out an audit of our reserves in certain of our independent producing areas as of March 31, 2007 - see Appendix A to this Draft Red Herring Prospectus for further details. Based on our own estimate of our total proved plus probable reserves as of March 31, 2007, the reserves covered in the audit constituted 99.03% of our independent proved plus probable oil reserves, 99.28% of our independent proved plus probable gas reserves, 97.50% of our total proved plus probable oil reserves and 99.28% of our total proved plus probable gas reserves. None of the reserve information as of March 31, 2007 appearing with respect to our Digboi field in the Upper Assam basin is covered by the Summary Independent Technical Report or has been subject to an audit on our behalf. None of the reserve information as of March 31, 2007 appearing with respect to our participating interest in the PSC relating to the Kharsang field is covered by the Summary Independent Technical Report of Gaffney, Cline & Associates (Consultants) Pte Ltd or has been subject to an audit on our behalf. In addition, all of our estimates of our joint venture proved reserves have been provided to us by our joint venture partner, based on international standards that may differ from those used by us.

Because all reserves estimates are subjective and judgmental, each of the following items may differ materially from those assumed in estimating reserves as set forth in the Summary Independent Technical Report:

- the quantities and qualities of crude oil and natural gas that are ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future crude oil and natural gas sales prices and fiscal regulations.

Many of the assumptions used in estimating reserves are beyond our control and may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties and require us to make our best judgments as to future events based upon information available. The accuracy of any reserves or resources evaluation depends on the quality of available information and petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in our reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. Changes in the price of crude oil and natural gas may also materially adversely affect the estimates of our proved and probable reserves because the reserves are evaluated based on prices and costs as of the appraisal date.

Substantial uncertainties exist with regard to estimation of contingent resources, in addition to those set out above that apply to reserves. The probability that contingent resources will be economically recoverable is lower than for proved or probable resources.

Further, we have provided certain estimates regarding oil and gas initially in place in this Draft Red Herring Prospectus. These estimates are based solely on volumetric analysis of our various licence areas and are not used by us as the primary basis for development capital expenditure decisions. Accordingly, you should not rely on this oil or gas in place data as the primary basis for your investment decision.

The reserve information included in this Draft Red Herring Prospectus also is not intended to comply with the reporting requirements of the SEC. There are currently no clear regulations governing public disclosure of potential reserves by oil and gas companies operating in India or their use in securities offering documents. On May 25, 2006, the MoPNG issued guidelines for the announcement of new discoveries and on May 30, 2006, the DGH issued guidelines for the classification of resources and reserves. Since these guidelines were issued, the DGH has publicly stated that it is contemplating working with SEBI to formulate a new set of guidelines that would govern public statements of commercial discoveries or potential reserves by oil and gas companies in India. Our ability to make disclosure of our reserves estimates would be subject to any changes to law, regulation or guidelines that may occur and we may be restricted or prevented from making such disclosure in the future as a result of any such changes.

13. The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations.

Although the prices of our sales of crude oil are generally market determined, the prices of retail sales of MS, diesel, LPG (for domestic use) and SKO (PDS) by India's public sector oil marketing companies (BPCL, HPCL and IOCL) are capped by the GoI at a price below the international selling price. The price caps are also changed by the GoI from time to time. The GoI operates a subsidy system pursuant to which the under-recoveries of these oil marketing companies are currently shared among the GoI, the public sector oil marketing companies and the public sector upstream companies (which include us and ONGC with respect to MS and diesel, and us, GAIL and ONGC with respect to LPG (for domestic use) and SKO (PDS)). This subsidy sharing system was introduced by the GoI in fiscal 2004, and we were first required to participate in the system in fiscal 2005. The upstream oil companies' share of the under-recovery is generally allocated based on the upstream oil companies' relative prior-year profits, except in the case of LPG, which is allocated based on production. However, there remains unpredictability as to the share of the under-recovery that is allocated to the upstream oil companies both individually and as a group. The upstream companies' share of the under-recovery is implemented through a discount on crude oil and LPG sale prices to the downstream companies.

For fiscal 2005, we contributed Rs. 7,045.85 million to the sharing of these under-recoveries, by providing a discount of US$ 6.44 per barrel of crude oil and Rs. 11,286.27 per ton of LPG. For fiscal 2006, we contributed Rs. 9,774.94 million to the sharing of these under-recoveries, by providing a discount of US$ 9.22 per barrel of crude oil and Rs. 10,260.53 per ton of LPG. For fiscal 2007, we contributed Rs. 19,937.48 million to the sharing of these under-recoveries, by providing a discount of US$ 19.26 per barrel of crude oil and Rs. 14,898.94 per ton of LPG. For the six months ended September 30, 2007, we contributed Rs. 7,797.56 million to the sharing of these under-recoveries, by providing a discount of US$ 17.20 per barrel of crude oil and Rs. 10,400.59 per ton of LPG.

This sharing of the downstream companies' under-recovery has materially and adversely affected our results of operations since fiscal 2005. The GoI has not announced the subsidy sharing formula for fiscal 2008 and so this cannot yet be quantified; consequently it is possible our subsidy burden may increase, particularly if oil prices are higher in fiscal 2008. Also, it is not clear whether this sharing of the under-recovery will continue for fiscal 2009 at current levels and the amount of our required contribution to the sharing of the under-recovery is uncertain. If the GoI reduces its contribution to the LPG and crude oil products subsidy and the same is not matched by an increase in consumer prices for these products, our required contributions to the sharing of these under-recoveries may increase. If we are required to contribute to a greater extent to the sharing of any under-recovery for fiscal 2008 or beyond, it will have a material negative impact on our results of operation and financial conditions.

14. Our business is dependent on the continued operation of a single pipeline to transport all of our oil production.

For fiscal 2007, crude oil sales accounted for Rs. 48,056.53 million, or 79.90%, of our revenues. All of our independent oil production is derived from our fields in the Upper Assam basin and is transported via a 1,157 kilometer cross-country crude oil pipeline to four public sector refineries in the North East region of India. The pipeline was first constructed in 1962 and needs to be continually updated and maintained to remain operational. Additionally, the pipeline traverses difficult terrain and is subject to acts resulting from insurgency, terrorism and civil strife in the region. Our pipeline has in the past been targeted by insurgent groups. Our pipeline has been bombed on a number of occasions, most recently, in September 2007, which resulted in a disruption to our pipeline operations at Tengakhat in Dibrugarh district in the North-East region of India. Our only alternative arrangement in the event of an interruption to the operation of our pipeline is certain storage facilities, which we believe could accommodate our crude oil production for a period of up to four days, based on our present production rate. Therefore, in the event that we were to suffer a significant interruption in the flow of the pipeline due to natural catastrophe, breakdown, maintenance issues, terrorist activity, sabotage or any other factor, it would have a material adverse effect on our business, financial condition and results of operations.

15. Our exploration, development and production operations are subject to various risks and natural disasters, and resulting losses may cause material liabilities that are not covered by insurance.

Exploration for and production of oil and natural gas is hazardous, and man-made and natural disasters, operator error or other accidents can result in oil spills, blowouts, cratering, fires, equipment failure, and loss of well control, which can injure or kill people, damage or destroy wells and production facilities, and damage property and the environment. Offshore operations are subject to marine perils, including severe storms and other adverse weather conditions, vessel collisions, and governmental regulations as well as interruptions or termination by governmental authorities based on environmental and other governmental considerations. Also, we run the risk that we may not find any economically productive natural gas or oil reservoirs. In addition, the costs of drilling, completing and operating wells could be subject to shortages of, or delays in obtaining, equipment, and the inadequacy or unavailability of, or other problems with, transportation facilities. Breakdowns in our equipment or that of contractors, or in the infrastructure on which we rely, could disrupt our operations and adversely affect our business. In particular, our computers, telecommunications and electronic systems and equipment are vulnerable to breakdowns, disruptions or other problems that may adversely affect our operations. We maintain insurance coverage against some, but not all, potential losses. For example, we have no insurance coverage for loss of profits or earnings, damaged or destroyed data or records, or damage or loss due to pollution or contamination arising out of our onshore exploration and production activities. Losses and liabilities arising from such events may significantly reduce our revenues or increase our costs (for example, by incurring extra costs on site restoration, disaster recovery and workers' compensation or rehabilitation) and have a material adverse effect on our results of operations and financial condition.

16. We are exposed to risks brought about by asset concentration.

As of March 31, 2007, all of our independent proved plus probable oil reserves and approximately 94.48% of our independent proved plus probable gas reserves were concentrated in the Upper Assam basin in Assam and Arunachal Pradesh. The concentration of our proved plus probable oil and natural gas reserves increases our exposure to an event that could adversely affect the development or production of oil and natural gas in a limited geographic area, including catastrophic damage to wells, pipelines, installations and natural catastrophes or events that could result in the loss of our oil or natural gas reserves. Additionally, we face security risks in some of our assets and basins in the North East region of India, and, because of our concentration of assets in this region, we may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. For example, our pipeline has in the past been targeted by insurgent groups. Our pipeline has been bombed on a number of occasions, most recently, in September 2007, which resulted in a disruption to our pipeline operations at Tengakhat in Dibrugarh district in the North-East region of India. The region is also a difficult terrain geographically and not easily accessible, which could increase the costs associated with remedying damage to our assets. Some of our Indian and international interests are located in politically and economically unstable areas which create security risks that have disrupted our operations in the past and could do so in the future. Any adverse event with respect of these areas will have a material adverse effect on our business, financial condition and results of operations.

17. We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, the limitations of liability set forth in our insurance policies may not be enforceable in all instances or may not protect us from liability for damages. These may lead to financial liability and other adverse consequences for us. Further, even where we have availed of insurance cover, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. This may have a material adverse effect on our business, financial condition and results of operations.

18. Our development projects involve many uncertainties and operating risks that can prevent us from realizing profits and may cause substantial losses.

Our development projects may be delayed or may not be entirely successful for many reasons, including financial constraints, cost overruns, lower oil and gas prices, equipment shortages, mechanical and technical difficulties, the failure to obtain necessary governmental approvals, and industrial action. These projects may also sometimes require the use of additional new and advanced technologies, which can be expensive to acquire and implement, and may not function as expected. In addition, some of our future development projects are expected to be located in logistically difficult environments, or will involve challenging reservoirs, which may exacerbate such problems. We have encountered delays in certain other development projects due to failure of third party contractors hired for the project to complete their scope of work in a timely manner as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations, and unanticipated conditions prevailing in the areas of development activity. There is a risk that other development projects that we undertake may suffer from similar or additional problems.

We are increasingly developing smaller satellite fields with shorter life spans and we encounter the technological challenge of establishing re-usable facilities, and also face the challenge of remaining profitable. Our development projects in mature fields also face potentially higher operating costs and capital expenditure. In addition, our development projects, particularly those in remote areas, could become less profitable, or unprofitable, if we experience a prolonged period of lower than expected oil or gas prices.

19. Our gas prices are controlled by the GoI, which limits the profitability of our gas production business.

The prices for most of our natural gas sales are subject to certain GoI price limits. The first form of price limitation is a GoI price cap that is determined based on the region of production. These price caps are subject to adjustment for calorific content and, for certain customers, inflation. In addition to the price caps, we are required to sell natural gas at a price below the price fixed by the GoI to certain customers, primarily power sector companies, fertilizer producers and small consumers, to the extent of certain pre-existing commitments. With respect to our sales that occur below the price caps, we were, until July 2005, entitled to claim reimbursement of the difference from a gas pool account. Since July 2005, we are reimbursed for the shortfall from the capped price through a GoI budgetary allocation. Only a small portion at of our gas sales is at market-determined prices. For further details, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operation—Factors affecting our Results of Operations—Gas Pricing" beginning on page

244 of this Draft Red Herring Prospectus. There can be no assurances that the operation of the price caps or the GoI budgetary allocation will not be changed in a way that will adversely affect our gas monetization strategy or otherwise have a material negative impact on our results of operation and financial conditions.

20. Our strategy to diversify our domestic operations through downstream integration may not be successful.

We have begun to implement and intend to continue to pursue a strategy of vertical integration into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. For further details, see the section titled "Business—Strategy" beginning on page 101 of this Draft Red Herring Prospectus. Currently, we hold a 26% equity stake in NRL and a 10% equity stake in BCPL. The continued implementation of this strategy will require additional substantial investment into business areas in which we have no or limited experience and we will face competitive disadvantages against companies that have more experience operating in downstream businesses. The success of our entry into downstream businesses will also depend upon our ability to integrate those businesses with our upstream operations, which will require our management to devote significant time and resources. To the extent that we are unable to successfully and profitability operate any downstream business in which we enter or to integrate those businesses into our upstream operations, we may recognize lower than expected returns on our current or future investments or suffer a loss on those investments.

21. We may be expanding our ventures in areas in which we have a limited operating history and such future performance is uncertain.

We have limited operating history in sectors other than oil exploration and production. While these sectors do not contribute to a significant portion of our revenue, they may in the future be areas we plan to diversify into more aggressively. We have entered into a dark fibre lease agreement with BSNL for leasing our telecom infrastructure and a joint venture with ICSA for undertaking prospective projects in the field of engineering, procurement and contracts for pipeline intelligent cathodic protection and allied jobs related to cathodic protection of pipelines in India and overseas.

Because of our limited operating history in such areas, our historical financial results may not accurately predict our future performance. Further, because of our narrow business focus, our financial results are more sensitive to changes and downturns within our industry than companies with more diversified lines of business. For example, as a result of industry factors or factors specific to us, we may have to alter our anticipated methods of conducting our business, such as the nature, amount and types of risks we assume.

22. The use of enhanced recovery methods creates uncertainties that could adversely affect the Company's results of operations and financial condition.

All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are in the Upper Assam basin which is a maturing resource province and where production has, historically, been declining. Specifically, ten of our 15 producing fields are in decline. In order to increase the production of oil and gas in these fields, we are currently using and intend to increase our use of enhanced recovery methods. If our enhanced recovery methods do not allow for the extraction of oil and gas in the manner or to the extent that we anticipate, it could have a material adverse affect on our business, our future results of operations and financial conditions.

23. We depend in part on small to medium size discoveries within our existing acreage to maintain our levels of production.

In recent years, we have depended in part on making small to medium size discoveries to maintain our levels of production. An ability to continue to make small to medium size discoveries will depend on a number of factors, many of which are outside our control. There are no assurances we will be able to continue to make or to exploit such discoveries in the future. Additionally, we may incur significant expenditures seeking small and medium size discoveries but may ultimately fail to realize additional reserves or production. If we are unsuccessful in making and exploiting small and medium size discoveries, our reserves and production may decline, which may adversely affect our business, financial condition and results of operation.

24. The GoI allocates most of the crude oil we produce, which reduces our negotiating power.

The GoI allocates most of the crude oil produced in the industry, including most of the crude oil we produce, and this reduces our negotiating power with respect to the prices for the crude oil we provide to these allocated customers. Although our memoranda of understanding with the GoI-controlled refining companies to which our crude oil is sold expired on March 31, 2004, at the direction of the GoI we are still providing crude oil to our customers on the same terms and conditions as were provided in the expired MoU. If and when we enter into a new MoU with our allocated customers, there can be no assurances as to the terms and conditions of such MoU, the pricing terms of which will depend on the then prevailing market conditions and our relative negotiating power. All of these factors may have a material adverse effect on our business, financial condition and results of operations.

25. We are required to seek the approval of the GoI for certain decisions under our PSCs, which may limit our ability to take certain actions under those contracts.

The PSCs, which are in a standard format, that we have entered into with the GoI and the other parties to such contracts, confer certain rights on the GoI and require us to seek the approval of the GoI in certain circumstances. For example:

- upon the expiry of an exploration phase, the GoI determines whether the other parties to such PSCs can proceed to the next exploration phase or whether they must relinquish the contract area;
- the GoI has the right to access the exploration acreage and to inspect and test the appliances used for measuring the volume and quality of petroleum, and may require the other parties to such PSCs to take remedial steps if it believes that the exploration activities are causing harm and damage to the environment;
- the operator of the exploration area cannot be changed without prior approval from the GoI; and
- in each exploration area, the GoI nominates two members of the management committee, which has a mandate to approve, inter alia, the annual work programs, proposals for approval of development plans, appointment of auditors and proposals for abandonment plans and site restorations.

Consequently, we face the risk of substantial governmental involvement in our activities, which limits our ability to take certain actions under those contracts or may cause a delay in us taking such actions, which could have a material adverse effect on our business, results of operations and financial conditions.

26. Much of the Company’s equipment is old and significant expenditure may be required to maintain operability and operations integrity.

Much of the equipment which the business of the Company utilizes, including pipelines, drilling equipment and production facilities are old and requires upgradation, revamping or replacement. Despite the planned significant operating and capital expenditure there can be no guarantee that the equipment will not suffer material damage through, wear and tear, natural disasters or industrial accidents, or will not require further significant capital improvements or maintenance in the future which could have a material adverse effect on our business, financial condition and results of operations.

27. We may not be able to upgrade our existing technologies and to assimilate and acquire new, more advanced technologies in a timely and cost-effective manner.

All of our proved plus probable oil reserves, as well as 94.48% from independent natural gas reserves, are in the Upper Assam business, which is a maturing resource province. In order to optimize production from these provinces, carry out exploration in deep-water areas, exploit non-producing basins and acquire knowledge and expertise about frontier basins, it is necessary that we adopt advanced technology rapidly and cost-effectively, and train our personnel in the operation and maintenance of such technology. If we are unable to acquire such technology in a timely manner or fail to appropriately revamp existing technology, we may not be able to fully exploit our reserves.

As acquisition of technology is highly capital intensive, if such technology is not utilized in a productive and efficient manner, we may not realize the benefits we expect from such technology and our operations and profitability may be adversely affected. There can be no assurances that we will be able to successfully implement the technology on which our strategy is dependent and our failure to do so could have a material adverse effect on our business, results of operations and financial conditions. In addition, if we are unable to acquire new technology we may have to incur even greater expense to lease such technology than we would have incurred to acquire it.

In addition, our ability to exploit in a cost-effective manner any reserves discovered will be dependent upon, among other things, the availability of the necessary infrastructure and utilized to exploit and transport oil and gas to potential buyers at a commercially acceptable price. Oil is usually transported by pipelines and ocean tankers to refineries, and gas is usually transported by pipelines to processing plants and end users. For example, we are currently conducting exploration activities in the deep waters of the Bay of Bengal on the east coast of India where no suitable transportation arrangements exist and infrastructure will have to be built if we are successful in our exploration in this region. We may not be successful in our efforts to arrange suitable infrastructure in time for the cost-effective transportation of our potential production.

28. We may not be able to successfully limit our gas flare in connection with our natural gas production.

As part of our strategy, we intend to focus on the commercialization of our natural gas reserves and resources and to improve our utilization of natural gas. Our ability to do so successfully is in part dependent upon our ability to limit our gas flaring. In particular, we may be required to flare gas in the event we are unable to establish surface production facilities by the time we first begin production within any given field. As development drilling is undertaken in a field, we begin to install surface facilities to handle the field's production. However, there is often a time lag between the start of production and surface facilities being ready for production. If the field is producing associated gas before surface facilities are available to handle production, we are required to flare such gas, which results in a reduction in the amount of gas realized from our producing fields. Our inability to successfully limit gas flaring could have an adverse effect on our ability to successfully implement our gas monetization strategy. Additionally, regulations governing gas flaring are less restrictive in India than in many other parts of the world. If India were to adopt more restrictive gas flaring regulations, there can be no assurance that we would be able to comply with such regulations.

29. Our experience is primarily limited to exploration and production activities onshore in India, which makes us dependent on the expertise of third parties in connection with offshore exploration and development.

Historically, our exploration and production activities have been primarily limited to onshore fields in India. However, as part of our strategy, we intend to seek to acquire domestic or international offshore blocks. Because we have limited experience in the exploration and production of oil from offshore blocks, we enter into arrangements in respect of blocks in deep water areas pursuant to which we are non-operators and therefore must rely on the technical know-how of the third party operator and are bound by the operator's actions under the terms of the relevant PSC. We also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner. Additionally, our need to enter into arrangements with third party bidders may put us at a competitive disadvantage in the domestic or international bidding processes for offshore blocks as compared to bidders that are capable of operating the blocks.

30. Some of our Indian and international interests are located in politically and economically unstable areas which create security risks that have disrupted our operations in the past and could do so in the future.

We face security risks in some of our assets and basins in Assam and Arunachal Pradesh, which are located in the North East region of India. We have suffered the adverse effects of insurgency, terrorism and civil strife in the region, and our oil installations have been targeted by insurgent groups. We have had several instances of attacks against our staff, including the kidnapping of and killing of our officials in the North East region. We have experienced interruptions in our production and exploration activities due to these attacks. Our pipeline network may also be targeted by insurgent groups operating in North East, which could disrupt our deliveries to refineries and adversely affect our production from that region.

We have taken steps to bolster our security; we interact closely with various state administrations and security forces. We have instituted protective measures for the safety of personnel and installations, and we have disaster management plans in place. We have insurance coverage for losses arising from riot, strike, and malicious and terrorist damage. However, our onshore insurance policy does not provide coverage for damage to insured properties arising out of total or partial cessation of work or retardation, interruption or cessation of any process or operations arising from such risks. Despite these measures, we remain susceptible to security threats that may have an adverse effect on the conduct of our operations.

We also have participating interests in assets located in Iran, Libya, Gabon and Nigeria and were recently awarded two exploration blocks in Yemen as part of a consortium, many of which have experienced instability in the recent past, or may experience instability in the future, which may have a material adverse effect on our operations in these countries. We may also acquire new exploration or production acreages in these or other countries that are subject to instability. The oil and gas industry has in the past been subjected to regulation and intervention by governments around the world, including in the regions and countries in which we operate, relating to such matters as environmental protection, controls, restrictions on production, and potentially, nationalization, expropriation or cancellation of contract rights, as well as restrictions imposed by other governments on entities conducting business in such countries. In the event that such adverse events that are beyond our control occur in the areas of our operations overseas, contractual provisions and bilateral agreements between countries may not be sufficient to safeguard our interests, and our operations in those areas may be materially adversely affected.

31. Failure to implement our gas monetization strategy may adversely affect our business and financial results.

As of March 31, 2007, we had independent proved plus probable natural gas reserves of approximately 46.04 billion cubic meters. As of March 31, 2007, we also have contingent natural gas reserves of 30.43 billion cubic meters based on best estimates. However, for fiscal 2007, our natural gas production amounted to only 2.26 billion cubic meters of natural gas, representing an average production of approximately 6.21 million cubic meters of natural gas per day. Historically, we have not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam. However, as part of our strategy, we intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment, which we refer to as our gas monetization strategy. For further details on this strategy, see the section titled "Business—Strategy" beginning on page 101 of this Draft Red Herring Prospectus. This strategy involves a number of risks and uncertainties including the following:

- our limited track record in investing in gas facilities, gas transmission or distribution systems and have not engaged in investing in distribution on the scale contemplated by our strategy;
- significant additional capital expenditure may be required to implement our gas strategy which may require us to seek additional funding;
- we may face competition for the commercialization of our gas resources from a number of other national and multinational oil and gas companies;
- our gas strategy may subject us to additional governmental and regulatory requirements that we currently are not exposed to with our existing oil exploration and production business.
- the development of demand for natural gas in certain markets within India, particularly in Assam, that currently have low levels of natural gas consumption;
- the quality of the natural gas that we are able to commercialize; and
- future pricing of gas, which may be subject to subsidies or concessions over which we have no control.

Should any of these risks and uncertainties arise, we may fail to implement our gas monetization strategy, which may adversely affect our financial performance.

32. Our plan to accelerate our exploration and development has significant expenditure requirements and, if we are unable to obtain the necessary funds for such expenditure in a timely manner, our business may be adversely affected.

We intend to make substantial additional investments in new projects to accelerate our exploration and development in existing acreages, which will require significant expenditure. For further details, see the section titled "Business—Strategy" beginning on page 10 of this Draft Red Herring

Prospectus, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" beginning on page 266 of this Draft Red Herring Prospectus and "Objects of the Issue" beginning on page 72 of this Draft Red Herring Prospectus. Such projects entail exploration, engineering, technological upgrades, construction and other commercial risks, and the projects currently contemplated by us may involve significant cost overruns, may not be completed in a timely manner or at all, or may not operate as planned. If we do not have sufficient internal resources to fund our capital expenditure requirements in the future, we may need to raise funds through debt or equity financings or enter into joint ventures. If we are unable to raise these funds or enter into joint ventures in a timely manner or at all, we will be unable to implement our business plan, which may have a material adverse effect on our business, results of operations and financial condition.

In addition, specific projects contemplated by us requiring investment above Rs. 1,500 million are subject to independent technical and financial review and to formal approvals pursuant to established rules and procedures. Further, we need GoI approval for all investments in joint ventures (in India or overseas) in amounts exceeding Rs. 2,000 million. We cannot assure you that such approvals will be issued or that such projects will be implemented as currently planned. In addition, delays in obtaining any such approvals may put us at a competitive disadvantage.

Even if we are able to obtain the necessary funds to meet our capital expenditure requirements, these expenditures may not result in the augmentation to our reserves and production that we had anticipated.

33. We may become increasingly dependent on third party expertise and equipment as a result of our strategy to acquire both producing properties and exploration acreages

We are significantly reliant on our existing infrastructure and equipment for our present exploration and production activities, which reduces our production costs. However, as a result of our strategy to acquire both producing properties and exploration acreages, we may become increasingly reliant on the acquisition of new infrastructure and equipment. Our ability to acquire such infrastructure and equipment in a cost-effective manner will be determined by market conditions, and there can be no assurances that we will be able to acquire the new infrastructure and equipment we need to support our strategy in a cost-effective manner or at all. Even if we are able to acquire new infrastructure and equipment in a cost-effective manner, we may still face increased production costs.

34. Information contained in our Restated Financial Statements included in this Draft Red Herring Prospectus has been extracted from our audited financial statements and our auditor's reports on those financial statements are qualified.

Information contained in our Restated Financial Statements included in this Draft Red Herring Prospectus has been extracted from our audited financial statements for fiscal 2003, fiscal 2004, fiscal 2005, fiscal 2006, fiscal 2007 and for the six months ended September 30, 2007. These audited financial statements are not included in this Draft Red Herring Prospectus. Our auditor’s reports on those financial statements contained qualifications. For additional information, see "Auditor’s Qualifications and Treatment in Restated Financial Information" which appears in Annexure IV C to "Financial Statements" beginning on page 198 of this Draft Red Herring Prospectus.

35. We are subject to certain contingent liabilities under Indian Accounting Standards.

As of September 30, 2007, our aggregate contingent liabilities not provided for under Indian Accounting Standards amounted to Rs. 8,453.17 million, including contingent liabilities relating to:

- lawsuits and other claims that are being contested by us and the liabilities whereof are not admitted by us;
- letters of credit executed by us;
- claims against us or for which we may otherwise be liable in respect of our joint ventures;
- various income tax appeals and other taxes (such as land, sales, services and PEL fees) and the liabilities whereof are not admitted by us;
- in respect of various excise appeals and various show-cause notices issued by excise authorities, liabilities whereof are not admitted by us;
- other liabilities (including customs demands); and
- capital commitments in relation to certain contracts that are pending execution.

In addition, we are guarantors for payment obligations that do not have a specified maximum amount, such as the obligation to indemnify the beneficiary of the guarantee for certain losses or damages arising from the contract. For further details, see "Statement of Contingent Liabilities", which appears in Annexure XVII to "Financial Statements" beginning on page 235 of this Draft Red Herring Prospectus.

To the extent that any of these or future contingent liabilities become actual liabilities, it would adversely affect our results of operations and financial condition.

36. We may be unable to obtain payment for transportation costs and sales taxes for the crude oil produced by us that we transport to the GoI controlled refineries.

The MoPNG determines annually whether to permit us to recover our transportation costs and sales tax from the public sector refineries to which we transport our crude oil production. The determination is made retroactively for the prior fiscal year. For fiscal 2004 through fiscal 2006 the MoPNG allowed us to recover 50% of our transportation tariffs for crude oil that we produced and transported to IOCL and did not allow us recovery from NRL. For fiscal 2004 through fiscal 2006, the MoPNG did not allow us to recover sales tax amounts. For fiscal 2007, the MoPNG allowed us full recovery, on a net basis, of our transportation tariffs and sales tax for crude oil that we produced and transported to all public sector refineries. The aggregate transportation tariff recovery amounts were Rs. 102.80 million, Rs. 135.15 million, Rs. 126.46 million and Rs. 226.70 million for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. We have accounted for an aggregate transportation tariff recovery amount of Rs. 42.02 million for the six months ended September 30, 2007. The sales tax recovery amount was Rs. 1,545.83 million for fiscal 2007. There can be no assurances as to whether we will be permitted recovery of our transportation tariffs and sales tax from the public sector refineries to which we transport our crude oil production for fiscal 2008 or future periods.

37. Attracting and retaining management and technical personnel is a challenge.

If we are unable to attract or retain our managerial and technical personnel, our business and operations may be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge for companies in India. In particular, we depend on specific key talent such as geologists and upstream energy specialists. We face specific disadvantages in our efforts to attract and retain our management. As a public sector undertaking, GoI policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel and these policies may not permit us to pay market rates. Consequently, private sector market participants that are able to pay at market rates in exploration and production activities in the oil and gas industry have been attracting qualified personnel and diluting the talent pool available to public sector undertakings. Also, because our main operational activities lie in the remote and politically sensitive North East region of India, we face competitive disadvantages in attracting and retaining key personnel.

Our failure to have or retain quality personnel in key positions and functions in place could have a material adverse effect on our business, results of operations and financial condition.

38. We may incur material costs to comply with, or suffer material liabilities as a result of health, safety and environmental laws and regulations.

Our operations are subject to extensive laws and regulations pertaining to pollution and protection of the environment and health and safety of workers. These laws and regulations govern, among other things, emissions to the air, discharges onto land and into water, maintenance of safe conditions in the workplace, the remediation of contaminated sites, and the generation, handling, storage, transportation, treatment and disposal of waste materials. We incur, and expect to continue to incur, significant capital and operating casts to comply with these requirements, including costs to reduce air emissions and discharges to the natural water bodies and to remedy contamination at various facilities where our products or wastes have been handled or disposed. We also could incur significant costs, including cleanup costs, fines and civil and criminal sanctions, if we fail to comply with these laws and regulations or the terms of our permits. Future changes to environmental laws and regulations could cause us to incur significant additional expense or result in restrictions to our operations.

Our operations expose us to risks inherent in the use of hazardous materials, including pipeline and storage tank leaks and ruptures, explosions and releases of hazardous or toxic substances. These operating risks can cause personal injury, property damage and contamination to the environment, and may result in the shutdown of affected facilities and the imposition of penalties on our company as well as our personnel.

We may incur environmental liabilities in respect of our operations even for environmental damage caused by acts or omissions of our contractors. Under the production-sharing arrangements entered into by us with various parties, we are required to indemnify the contractors, as well as the GoI and the relevant state government, for environmental damage and related losses caused by our exploration and production operations to the extent of our participating interest in such venture, subject to limited exceptions. Also, some of our service contracts limit the contractors' liability for pollution caused by their activities. For instance, in some contracts, we are obligated to indemnify the contractor for surface damage arising out of sub-surface damage caused by the personnel or equipment of the contractor irrespective of the cause for the damage, subject to limited exceptions. Our insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by contractors, our joint venture partners or by us and this may result in a material adverse impact on our results of operations. For example, our insurance policy in respect of our domestic onshore exploration and production operations does not cover liabilities arising from pollution or contamination. For further details on environmental regulations in India, see the section titled "Regulations and Policies" beginning on page 135 of this Draft Red Herring Prospectus.

39. We are subject to stringent labor laws and trade union activity.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution and imposes financial obligations on employers upon employee layoffs. This makes it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business and profitability.

Under the agreement signed between our company and our work contract laborers at our Duliajan field headquarters on January 1, 2000 (valid for a ten-year period), the laborers agreed not to raise any demands during the period of this agreement. However, there have been demands as well as sporadic incidences of agitation in Shalmari and Kathaloni. Further, the memorandum of settlement between our company and workmen, represented by trade unions at Calcutta, Rajasthan, Delhi and Bhubhaneswar dated January 1, 1997 expired on December 31, 2006 and is currently in process of renewal. Any work stoppage could have an adverse affect on our business, financial condition and results of operation and the price of our Equity Shares.

40. We do not have any registered patents or trademarks, and failure to protect our intellectual property rights may adversely affect our business.

We have not yet completed the registration of the Company's trademark or logo, although we have made applications to do so. We also do not have registered patents for any of the technological advances we have made in our research and development activities. We operate in an extremely competitive environment, in both our existing business and our planned ventures into the downstream businesses where generating brand recognition could be a significant element of our business strategy. If we fail to protect our intellectual property rights, including patents, trademarks, trade secrets and copyrights, our business may be adversely affected.

41. Some of the countries in which we operate, such as Iran and Sudan, are subject to certain international sanctions.

Economic sanctions and restrictions on exports and other transfers of goods have been implemented by the United States or the European Union, or both, in relation to certain countries in which we do business, including Iran and Sudan. None of the proceeds of the Issue will be specifically used to fund activities that are subject to US or EU economic sanctions or export controls. Our current operations in these jurisdictions are not material to our revenue, profit or financial condition. We seek to comply fully with international sanctions to the extent they are applicable to us. However, in doing so our ability to do business in these jurisdictions may be limited. Future changes in international sanctions may prevent us from doing business in certain jurisdictions entirely.

42. We rely on the GoI or its nominees to offtake crude oil in kind.

Our PSCs under NELP entitle the GoI throughout the term of the contract to offtake its share of crude oil. While our Company has the right to lay pipelines and the GoI has an obligation to lift the crude oil on a current basis so as not to cause a restriction of production or inconvenience, there is an ongoing risk of offtake default. In particular, the responsibility (both financial and execution) of construction of infrastructure for offtake is not agreed upon at the time of entering into the PSC.

Similarly, the other parties to the PSCs have a similar obligation to offtake crude oil with the attendant risk of offtake defaults including due to inadequacy of infrastructure, and transport logistics.

Some of our pre-NELP PSCs oblige sale of all crude oil to the GoI or its nominee. Though the obligation to make payments is with the GoI and it is the responsibility of the GoI to offtake crude oil on a current basis so as not to cause a restriction of production or inconvenience, there is a risk of offtake default as outlined for PSCs under NELP.

Also, in our PSCs, the GoI typically nominates a third party to offtake crude oil and we have no control on the selection of this assignee.

43. Some of our immovable properties have certain irregularities in title, as a result of which our operations may be impaired.

We possess immovable properties at various locations for the purpose of our business, held either on a freehold or a leasehold basis. Certain of our properties have also been acquired through processes instituted under the Land Acquisition Act, 1894, upon payment of compensation as determined through examinations conducted by the Land Acquisition Officer. In some instances, the land acquisition procedures prescribed under the Land Acquisition Act, 1894 are yet to be completed so as to provide us with a clear and absolute title to the relevant immovable properties. Additionally, some of our immovable properties have one or more of the following irregularities in title:

- the conveyance/sale deeds have not been executed;
- the conveyance deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped;
- the process by which changes in beneficial ownership are formally recorded in the land registries in India, i.e. mutations, have not yet been carried out in the records of the local land registries;
- the lease deeds have not been executed;
- the lease deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped; and
- the lease deeds have expired and have not yet been renewed.

Our business may be adversely affected if we are unable to continue to utilize these properties as a result of any irregularity of title or otherwise.

44. We are subject to restrictive covenants under our credit facilities that limit our flexibility in managing our business.

There are certain restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our borrowings. For instance, under the terms of our agreements with OIDB for certain short term borrowings, we are required to seek the prior approval of OIDB in case we have to transfer, dispose of, alienate, charge, pledge or part possessions with any of our assets. These restrictive covenants may restrict our operations and we cannot assure you that we have been compliant with the terms of such restrictive covenants in the past or that we shall receive favorable permissions from such banks and financial institutions in the future. For further details of these restrictive covenants, see the section titled "Financial Indebtedness" beginning on page 276 of this Draft Red Herring Prospectus.

45. We have incurred borrowings in connection with our exploration program and may not be able to meet our obligations under these debt financing arrangements.

We have availed of certain short term and unsecured loans from banks and financial institutions for our exploration program in high-risk areas. See the section titled "Financial Indebtedness" beginning on page 276 of this Draft Red Herring Prospectus. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. There can be no assurance that we will generate sufficient cash to enable us to service existing or proposed borrowings, comply with covenants or fund other liquidity needs. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed project. There can be no assurance that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have a material adverse effect on our cash flows, business and results of operations.

46. One of the companies in we have substantial equity investment has incurred losses in the recent fiscal periods which may adversely affect our results of operations.

We have a 25% equity stake in Suntera Nigeria which has incurred losses (as per its financial statements) in recent years, as set forth in the table below.

Name of the company	(Net Loss) (In USD)
	December 31, 2006
Suntera Nigeria	(689,315)

Risk Factors relating to this Issue

47. The objects of this Issue are only based on our management estimates and have not been appraised by any bank or other financial institution. Additionally, we have not entered into definitive agreements to use the net proceeds of this Issue.

Our fund requirements and the use of proceeds in relation to this Issue are based on management estimates and have not been appraised by any bank or financial institution. Although we propose to utilize the proceeds of this Issue for exploration, appraisal and development of certain blocks, purchase of capital equipment and diversification into downstream activities, we have only entered into some definitive agreements in respect of the fulfillment of the Objects as at the date of this Draft Red Herring Prospectus. For instance, we have only placed definitive purchase orders for some capital equipment and are relying on budgetary quotations in relation to equipment that we are yet to purchase.

Since our fund requirements are based on management estimates, they are also subject to a number of variables including possible cost overruns, or changes in management’s views of the desirability of current plans and budgets, among others. In particular, in relation to our diversification activities to establish an integrated refinery and petrochemical complex at Viskhapatnam, the decision to enter into a binding agreement for carrying out front end engineering design studies is dependent on the outcome of certain feasibility studies. Although, we have allocated Rs. 110 million for this project, our contribution is dependent on the outcome of such a binding agreement which may be higher than our present estimates and we may have to fund the difference through internal accruals.

48. The interests of the GoI as our controlling shareholder may conflict with your interests as a shareholder.

Upon the completion of the Issue, the GoI will hold approximately 188.60 million shares, or approximately 78.43%, of our fully diluted post-Issue paid up Equity Share capital. Additionally, upon completion of the Issue, IOCL, HPCL and BPCL, each a government-controlled oil company, will own in aggregate approximately 21.40 million shares, or approximately 8.91% of our fully diluted post-Issue paid up Equity Share capital. Consequently, the GoI, acting through the MoPNG, will continue to control us and will have the power to elect and remove our directors and determine the outcome of most proposals for corporate action requiring approval of our Board of Directors or shareholders, such as proposed five-year plans, revenue budgets, capital expenditure, dividend policy, transactions with other GoI-controlled companies such as GAIL, IOCL, BPCL or ONGC or the proposed assertion of claims against such companies and other public sector companies. In addition, under the MoU signed with the MoPNG and our Articles of Association, the President of India may issue directives with respect to the conduct of our business or our affairs for as long as we remain a Government Company under the Companies Act. For instance, under article 162 of our Articles of Association, we require the prior approval of the President of India to undertake any capital expenditure exceeding Rs. 1,000 million as long as the President of India continues to hold 51% of our Equity Share Capital. Similarly, under articles 116 and 118 of our Articles of Association, the President of India, by virtue of holding 51% of our Equity Share Capital, has the power to appoint the non-retiring Directors on our Board, i.e. one-third of the members of the Board, and also has the power to appoint our Chairman and Managing Director and determine the terms and conditions including remuneration and tenure applicable to the appointment.

The interests of the GoI may be different from our interests or the interests of our other shareholders. As a result, the GoI may take actions with respect to our business that may not be in our or our other shareholders' best interests. The GoI could, by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, takeover or other business combinations involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company or initiate a merger with another public sector undertaking. In particular, given the importance of the petroleum industry to the economy and the mass consumption of certain petroleum products by the Indian public, the GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximize our profits.

49. You will not be able to sell immediately any of the Equity Shares you subscribe to in this Issue on an Indian stock exchange.

The Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with Depositary Participants in India are expected to be credited within two Business Days of the date on which the Issue and Allotment is approved by the Board. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

50. There is no existing market for the Equity Shares, and the price of the Equity Shares may be volatile and fluctuate significantly in response to various factors.

An active market for the Equity Shares may not develop or be sustained after the Issue. The market price of our Equity Shares may vary from the Issue Price after the Issue.

The market price of our Equity Shares may fluctuate significantly due to factors beyond our control, including, but not limited to: volatility in the Indian and global securities markets; external factors affecting our operating results, including the risks outlined in this section; investor perceptions of our future performance; changes in factors affecting general market valuations of companies in the oil and natural gas industry, including changes in the price of crude oil and natural gas; announcements by us or others of significant technological developments, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments; political developments or other governmental action or regulation in India or other countries; and additions or departures of key personnel.

In addition, the BSE or the NSE may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. There is a risk that you will not be able to sell your Equity Shares at a price at or above the Issue Price.

51. Future sales of Equity Shares by shareholders, including by the GoI, or any future equity offerings by us may adversely affect the market price of the Equity Shares.

Upon the completion of the Issue, the GoI will hold approximately 188.60 million shares, or approximately 78.43%, of our fully diluted post-Issue paid up Equity Share capital. Additionally, upon completion of the Issue, IOCL, HPCL and BPCL, each a government-controlled oil company, will own in aggregate approximately 21.40 million shares, or approximately 8.91% of our fully diluted post-Issue paid up Equity Share capital. The market price of the Equity Shares could be affected by sales of a large number of the Equity Shares by the GoI or another of our shareholders (including IOCL, HPCL and BPCL) or by a perception that such sales may occur.

In addition, if we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding to the extent that we conduct future equity or convertible equity offerings. Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

52. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds in future periods.

External Risk Factors

1. Our performance is linked to the performance of the oil and gas industry in India.

The increase in demand for petroleum products in India has lagged behind the growth in gross domestic product. During the ten-year period ended March 31, 2007, the CAGR of consumption of petroleum products was approximately 3.58% compared to a CAGR for GDP of 7.6% for the same period. Growth in energy consumption has tended to lag behind GDP growth over the past half decade due to several factors, including increased oil prices and price volatility and, perhaps most significantly, due to the fact that the expansion in the Indian economy has been disproportionately concentrated in the services sector rather than in more energy-intensive sectors such as heavy industry and agriculture.

2. We are exposed to potentially adverse changes in the tax and royalty regimes of India, including the states of India, and other jurisdictions in which we operate.

We operate primarily in India and, also operate in five other countries around the world, and any of these countries, including India and the states of India or other countries in which we may operate in the future, could modify their tax or royalty laws in ways that would adversely affect us. Tax and royalty rates affecting the oil exploration and production industry tend to change in correlation to prices of crude oil. Significant changes in the tax or royalty regimes of India, including the states of India, and other countries in which we operate could have a material adverse affect on our liquidity, financial condition and results of operations.

The tax regime applicable to us in respect of fields awarded to us by the GoI on nomination basis is subject to change. For example, oil industry development cess (the **"OID cess"**), is payable under the Oil Industry (Development) Act, 1974, and the rate of such cess could be increased by the GoI. With effect from March 1, 2002, OID cess was Rs. 1,800 per metric ton sold. With effect from March 1, 2006, OID cess was increased to Rs. 2,500 per metric ton sold. This was concomitant with the increase in international crude oil prices, thus not allowing us to benefit fully from the deregulation of oil prices in India and the increase in international oil prices.

Royalty payable in respect of crude oil and natural gas under the Oilfield (Regulations and Development) Act, 1948 (the **"Oilfield Act"**), can also be increased by the GoI by amending the schedule to this Act by issuing a notification. However, the Oilfield Act prevents the GoI from raising the rate of royalty above 20% of the well head value in the case of crude oil production and 10%, in the case of natural gas production. Currently, the royalty rate for crude oil production is 20% for onshore production and 10% for offshore production in shallow water areas, while the royalty rate for natural gas production is 10%. For deep-water production of oil and natural gas, the royalty rate is half of the applicable offshore rate for the first seven years from the date of commencement of commercial production and after a period of seven years, the royalty rate is the same as applicable to offshore production in shallow water areas. The GoI has the ability to increase the rate of royalty for offshore production of crude oil and natural gas up to the limits prescribed by the Oilfield Act by issuing a notification, without amending the Oilfield Act. It can also increase the prescribed limits by amending the Oilfield Act by an act of Parliament.

Under most of the pre-NELP PSCs awarded by the GoI in respect of exploratory areas for which we hold PELs, we had the option to take an initial participating interest (and contributed investment) of up to 10% during the exploration phase. Following any commercial discovery, we have the option, without incurring the cost of past exploration activities, to increase our participating interest (and contributed investment) by up to an additional 30%, which would allow us to obtain an aggregate stake of as much as 40%. However, under such contracts, and regardless of whether we take such an initial or subsequent participating interest in the contract, we are required to make royalty and cess payments in respect of the entire production from the area. This means we must make royalty and cess payments in respect of not only our own share of production but the participating interest of other participants as well. Large amounts of such statutory levies payable by us in connection with these contracts may have an adverse affect on our results of operations.

Additionally, the Government of Assam has imposed a tax on specified crude oil bearing lands, used for extracting crude oil and natural gas bearing lands, used for extracting natural gas effective as of January 1, 2005. Under the present rates, we are required to pay Rs. 200 for every metric ton of the annual productivity of land used to extract crude oil and Rs. 100 for every 1,000 cubic meter of the annual productivity of land used to extract natural gas. Although we have filed an appeal before the Guwahati High Court challenging the decision of the court to dismiss our petition challenging the legality of such taxation, there can be no assurance that the court will adjudicate in our favour and that we will not have to pay such tax for the previous assessment years and for the future. As of September 30, 2007, we have estimated the tax payable by our Company as Rs. 2,648.20 million. For further details of this case, see the section titled "Outstanding Litigation and Material Developments—Litigation by the Company—Civil Cases" beginning on page 306 of this Draft Red Herring Prospectus.

In India, we utilize various tax deductions as well as fiscal benefits, including certain tax holidays. For further details, see the section titled "Statement of Tax Benefits" beginning on page 82 of this Draft Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations— Factors affecting our Results of Operations" beginning on page 242 of this

Draft Red Herring Prospectus. Future changes in the tax provisions applicable to us could have a material adverse impact on our results of operations and financial condition.

3. Certain recent changes in the regulatory framework in India could have a material adverse effect on our business, results of operations and financial condition.

Among other recent developments, the Petroleum and Natural Gas Regulatory Board Act, 2006 (the **"PNGRB Act"**) came into force in India in April 2006 and was renotified on October 1, 2007, the new effective date. The PNGRB Act provides for the creation of a "Petroleum and Natural Gas Regulatory Board" (the **"PNG Board"**) and vests the PNG Board with certain powers and functions, including: (a) the protection of Indian consumers' interests by fostering fair trade and competition among those engaged in or intending to be engaged in refining, processing, storage, transportation, distribution, marketing, import and export of petroleum (defined by the PNGRB Act as including crude oil), petroleum products and natural gas including laying of pipelines for transportation of petroleum, petroleum products and natural gas; (b) ensuring adequate availability in the Indian market of petroleum, petroleum products and natural gas: (c) monitoring prices and taking corrective measures to prevent restrictive trade practices in relation to petroleum, notified petroleum, petroleum products and natural gas; (d) securing equitable distribution of petroleum and petroleum products; (e) imposing fees and other charges and (f) regulating the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas.

Although our exploration, development and production activities will continue to be regulated by the MoPNG and the DGH and will not fall under the jurisdiction of the PNG Board, our activities of refining, storage and transportation of crude oil and natural gas (including our pipeline business) fall under the jurisdiction of the PNG Board. As the rules, regulations and jurisprudence of the PNG Board in relation to the refining, storage and transportation of crude oil and natural gas are uncertain and under-developed, there can be no assurance that such rules, regulations and jurisprudence will not evolve in a manner which may result in a material adverse effect on our business, results of operations and financial condition, including through the imposition of different pricing mechanisms for the refining, storage and transportation of crude oil or natural gas from what have otherwise been agreed or will be agreed in the various contracts governing the refining, storage and transportation of crude oil and natural gas to which we are a party.

4. The regulatory framework in India is evolving, and regulatory changes could have a material adverse effect on our business, results of operations and financial condition.

We are subject to regulation and supervision by the GoI and its departments. In addition, so long as the GoI's shareholding in our company equals or exceeds 51%, we will continue to be classified as a Government Company and will be subject to regulations generally applicable to PSUs in India as well as contractual obligations under the MoU signed with the MoPNG. These regulations concern personnel matters, including the appointment of key management personnel and the hiring, dismissal and compensation of employees, as well as budgeting and capital expenditure. As a PSU, our mandate includes a social responsibility that may not be agreeable with our commercial objectives. For instance, the GoI mandates that public sector enterprises like us give preferences to other public sector enterprises over private sector companies when they bid for our contracts.

Under the current policy of the GoI, disputes between public sector enterprises such as our Company and GoI departments, or between different public sector enterprises, must be referred to, and clearance must be obtained from, a committee of secretaries of the GoI known as the Committee on Disputes (the **"COD"**), before any legal action may be commenced. This limits our ability to take legal action in the event of a dispute between us and another public sector enterprise or between the GoI and us.

In addition to regulations specific to PSUs, we are subject to various other governmental policies, laws and regulations in the oil and gas sector. The GoI has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian oil and natural gas industry. It exercises substantial control over the growth of the industry, for example, by awarding blocks in NELP rounds. There can be no assurance that we will be successful in obtaining interests in blocks, awarded in NELP rounds in the future. In addition to its direct participation in the oil and gas exploration, development and production industry through the MoPNG and its indirect impact through environmental laws and regulations, the GoI awards licenses and leases for exploration, production, development, transportation and sale of hydrocarbons. While many GoI policies, such as the administered pricing mechanism for regulating oil prices, have been liberalized, and there has been a move towards market orientation, we continue to be subject to regulated prices for gas, limitations on export of crude oil and natural gas, and requirements to contribute to the GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS). For further details, see "—Our gas prices are controlled by the GoI, which limits the profitability of our gas production business" beginning on page xxiv of this Draft Red Herring Prospectus and "— The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations" beginning on page xxii of this Draft Red Herring Prospectus. Further, in the exploration licenses and mining leases in which we have an interest, the GoI retains the ability to direct our actions in certain circumstances. Our ability to pursue our own strategy fully in relation to development, production and marketing of oil and gas and value-added products in accordance with our own commercial interests has been affected by such conditions. In addition, the GoI plays an important commercial role in the execution of crude oil and natural gas exploration, development and production activities in India, in particular through GoI-controlled companies such as ONGC and us. The oil and gas industry worldwide is characterized by relatively frequent changes in economic and fiscal policy by governments depending largely on the prevailing world oil and gas price environment with periods of high prices usually resulting in an increased tax burden for the industry (whether through amendments to legislation or PSCs, changes in interpretation of legislative or contractual terms or similar actions). Although the fiscal regime applicable to the Indian oil and gas industry has been relatively stable in the past, there can be no assurance that this stability will continue in the future.

Presently, MoPNG discharges the regulatory functions relating to the petroleum industry in India. Additionally, the PNGRB Act came into force in India in April 2006. The PNGRB Act provides for the creation of the PNG Board and vests the PNG Board with certain powers and functions relating to refining, storage and transportation of petroleum, petroleum products and natural gas. For further details, see "—Certain recent changes in the regulatory framework in India could have a material adverse effect on our business, results of operations and financial condition" beginning on page xxxix of this Draft Red Herring Prospectus. In the future, Indian regulators, including the MoPNG and the PNG Board, may adopt new policies, laws or regulations. Our business could be materially adversely affected by any unfavorable regulatory changes.

In addition, existing Indian regulations require that we apply for and obtain various GoI licenses and other approvals, including in some cases extensions of exploration licenses awarded under the NELP, grants of mining leases, and renewals or extensions of mining leases, in order for us to conduct our exploration, development and production activities. If in the future we are unable to obtain any such necessary approvals, our level of reserves and production would be adversely affected. For further details on regulation affecting the oil and gas exploration development and production industry, see the section titled "Regulations and Policies" beginning on page 135 of this Draft Red Herring Prospectus.

5. ***We are subject to risks arising from exchange rate fluctuations.***

The international price of crude oil and value-added products, which account for the substantial majority of our sales revenues, is denominated in U.S. Dollars. Most of our expenditure, as well as our accounts as a whole, are denominated in Indian Rupees. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of U.S. Dollars for Indian Rupees, may materially affect our revenues and results of operations. We do not currently hedge our foreign currency exchange rate exposure. For further details, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations— Factors affecting our Results of Operations" beginning on page 242 of this Draft Red Herring Prospectus.

6. **Notes to Risk Factors:**

- Public issue of 26,449,982 Equity Shares for cash at a price of Rs. [•] per Equity Share aggregating Rs. [•] million. The Issue would constitute 11% of the fully diluted post Issue paid-up capital of our Company.

- The net worth of our Company before the Issue as of September 30, 2007 was Rs. 77,052.04 million.

- The net asset value per Equity Share as of September 30, 2007 was Rs. 360.05 per Equity Share.

- Our Promoter, the President of India holds 98.13% of our paid-up share capital. The average cost of acquisition per Equity Share by the Promoter is Rs. 1.69. The average cost of acquisition of our Equity Shares by our Promoter has been calculated by taking into account the amount paid to acquire the Equity Shares including the issue of bonus shares. For further details, see the section titled “Capital Structure” beginning on page 65 of this Draft Red Herring Prospectus.

- Investors are advised to refer to our financial statements relating to related party transactions in the section titled “Financial Statements—Statement of Related Party Transactions” beginning on page 226 of this Draft Red Herring Prospectus.

- Investors may contact the BRLMs and the Compliance Officer, for any complaints, information or clarifications pertaining to the Issue. Any clarifications or information relating to the Issue shall be made available by the BRLMs and the Company to the investors at large and no selective or additional information would be available for a selection of investors in any manner whatsoever.

- Investors are advised to see the section titled “Basis for Issue Price” beginning on page 79 of this Draft Red Herring Prospectus.

- Under subscription in the Issue in any category, except in the QIB Portion, will be met with spill-over from other categories at the sole discretion of our Company, in consultation with the BRLMs. If at least 60% of the Net Issue is not subscribed to by QIBs, the entire application money will be refunded forthwith. In case of over-subscription in all categories, at least 60% of the Net Issue shall be Allotted on a proportionate basis to QIBs.

- In terms of to Rule 19(2)(b) of the SCRR, this being an Issue of less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allotted to QIBs on a proportionate basis out of which, 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net

Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

- Except, as disclosed in the section titled "Capital Structure" beginning on page 65 of this Draft Red Herring Prospectus, neither the President of India who is our Promoter, nor our Directors have purchased or sold any Equity Shares, during a period of 6 (six) months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

- Except, as disclosed in the section titled "Our Management" beginning on page 171 of this Draft Red Herring Prospectus, none of our Directors or key managerial personnel have any interest, in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

- Trading in our Equity Shares for all investors shall be in dematerialised form only.

SUMMARY

This is only a summary and does not contain all the information you should consider before investing in our Equity Shares. Investors are advised to read the entire Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Management's Discussion and Analysis" and "Financial Statements", beginning on page xiii, 236 and 187 of this Draft Red Herring Prospectus.

Overview

We are the second largest oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production *(Source:DGH).* We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are also present internationally through the exploration of crude oil and natural gas in Gabon, Iran, Libya and Nigeria and were recently awarded exploration blocks in Yemen as part of a consortium. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for nearly five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Bikaner-Nagaur basin in the state of Rajasthan. As of March 31, 2007, our estimated independent proved plus probable crude oil reserves were approximately 539.66 million barrels and our independent proved plus probable natural gas reserves were approximately 46.04 billion cubic meters. In addition to our independent reserves, we have a participating interest of 8.52 million barrels of proved plus probable reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. As of March 31, 2007, we also have contingent natural gas resources of 30.43 billion cubic meters based on best estimates. For fiscal 2007, our gross production amounted to approximately 21.99 million barrels of oil and approximately 2.26 billion cubic meters of natural gas, representing an average daily production of approximately 60,238 barrels of oil and 6.21 million cubic meters of natural gas. Our production amounted to approximately 10% and 7% of India's total production of crude oil and natural gas, respectively, for fiscal 2007 (*Source: DGH)*. For the six months ended September 30, 2007, our production amounted to approximately 10.69 million barrels of oil and approximately 1.04 billion cubic meters of natural gas, representing an average production of approximately 58,428 barrels of oil and 5.68 million cubic meters of natural gas per day.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 43.94 million barrels of crude oil in fiscal 2007 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We also own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar.

We also have interests in downstream activities through a 26% equity stake in NRL and a 10% equity stake in BCPL. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in

Sudan that was completed in 2005. We also have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, cathodic protection, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2004, 2005 and 2006. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 40,971.50 million, Rs. 60,365.57 million and Rs. 60,077.77 million, for the fiscal years 2005, 2006 and 2007, respectively. Our profit after tax was Rs. 10,616.84 million, Rs. 16,899.31 million and Rs. 16,399.86 million, for fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our profit after tax as restated was Rs. 11,170.93 million, Rs. 18,090.45 million and Rs. 15,741.77 million for fiscal 2005, fiscal 2006 and fiscal 2007, respectively For the six months ended September 30, 2007, our revenues were Rs. 31,151.93 million, our profit after tax was Rs. 8,811.33 million and our profit after tax as restated was Rs. 8,914.75 million.

Competitive Strengths

We believe that our success can be attributed to a combination of the following competitive strengths:

Our large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin. As of March 31, 2007, we had independent proved plus probable crude oil reserves of approximately 539.66 million barrels and independent proved plus probable natural gas reserves of approximately 46.04 billion cubic meters. All of our independent oil reserves and 94.48% of our independent natural gas reserves are located in the Upper Assam basin, which has been in continuous production since 1889. All of our production of crude oil consists of sweet crude (28 degree API) which is benchmarked to Nigerian Bonny Light.

Our sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons. The PELs held by us in respect of acreages where we are the operator cover a total area of approximately 37,225 square kilometers, out of which 27,140 square kilometers were acquired through the NELP bidding process and the remaining 10,085 square kilometers of which were acquired on a nomination basis. More than 66% of our PELs where we are the operator reside in the Upper Assam and Assam-Arakan basin, the Krishna-Godavari basin and the Bikaner-Nagaur basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons. The PELs in which we have a participating interest as non-operator cover a total exploration acreage of 82,763 square kilometers, out of which an area of 70,706 square kilometers is under NELP blocks and 12,057 square kilometers is covered under our joint venture blocks. We have obtained participating interests in 19,152 square kilometers of exploration acreages overseas in Gabon, Iran, Libya and Nigeria. In addition, we were recently awarded two exploration blocks in Yemen as part of a consortium, covering an area of 2,221 square kilometers.

Our track record of making and exploiting small to medium size discoveries. From fiscal 2003 to September 30, 2007, we made 15 small to medium size discoveries, which we define as those discoveries with a proved plus probable reserves size of less than 30 million barrels of oil and oil equivalent gas, in addition to two major discoveries with a proved plus probable reserves size of over 30 million barrels of oil and oil equivalent gas over this time period. We believe these small and medium size discoveries have contributed to our reserve replacement ratio and production capacity.

We view our expertise in the exploration and development of deep-seated thin reservoirs as a competitive advantage with respect to both our existing acreage and acreage we seek to acquire.

Our reservoir management skills for ageing and depleting fields. Oil and natural gas production in India is derived mainly from ageing and depleting fields. We deploy a wide array of improved oil recovery techniques and enhanced oil recovery techniques to achieve maximum recovery from our oil reserves. As part of our reservoir management strategy, we induct these techniques at an earlier stage in the life of our oil fields to try to achieve maximization of our recoveries. We believe these measures have enabled us to maintain production rates in our fields in the Upper Assam basin despite the declining nature of majority of the fields in the last three decades.

Our beneficial cost structure resulting from our status as an integrated exploration and production company with nearly five decades of operating experience. We have an installed onshore infrastructure built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and workover rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in our main oil- and gas-producing regions of India, which we believe provides us with a competitive advantage. Additionally, our nearly five decades of experience as an organization, together with the training and experience of our human resources, allows us to devise operational procedures and maintanence schedules for our equipment and facilities that strive to minimize downtime and cost. Our integrated oil and gas infrastructure, combined with our in-house expertise enables us to manage our costs and time efficiently. Consequently, our average finding costs and all-in production costs benefit from our optimized manpower costs, low interest expense, relatively high use of in-house services in place of more expensive third-party contractors, utilization of depreciated infrastructure and equipment, adoption of cost-saving technology in our exploration, development and production operations, and effective use of our large store of geological data and expertise.

Strategy

In pursuit of our strategic objectives, we intend to:

Achieve a balanced growth of our portfolio of assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally. We intend to acquire exploration acreages, discovered blocks and producing properties. Domestically, we intend to continue to pursue our selective bidding strategy in future NELP rounds to acquire more geographically balanced exploration acreage. We will continue to follow a bidding strategy pursuant to which we aggressively target those blocks that we believe offer the most opportunity based on nearly five decades of exploration experience with the geological conditions in India. In the past six rounds of NELP bidding, we selectively bid for 46 exploration blocks and were successful in acquiring 23 of these blocks, two of which we have subsequently relinquished. Internationally, we will seek to acquire both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. We intend to implement our acquisition strategy utilizing both joint ventures with other leading players in the industry, as well as under our arrangement with IOCL pursuant to which we have a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Our MoU with IOCL allows us to enter into project-specific agreements for overseas natural gas and oil exploration development and production opportunities. We have also entered into an MoU with BG Exploration and Production India Limited to evaluate joint participation in mutually identified exploration blocks to be offered under NELP VII licencing rounds. In addition, we have entered into MoUs with ITERA and Phoenix Petroleum and

Energy Limited, among others, in respect of pursuing exploration and production opportunities in India and Libya, and Venezuela, respectively. For further details, see the section titled "History and Certain Corporate Matters—Material Agreements" beginning on page 155 of this Draft Red Herring Prospectus.

Accelerate our exploration and development in existing acreages to augment our current reserves and production. We have a developed expenditure plan to accelerate our exploration and development activities in our existing acreages.

In our nomination blocks, which are at different stages of prospecting, development or production of crude oil and natural gas, we propose to conduct 1,150 GL kilometers of 2D seismic data acquisition, processing and interpretation and 850 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 400 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,050 square kilometers of 3D seismic data acquisition, processing and interpretation in our nomination blocks. We also propose to drill 26 and 24 exploratory wells in our nomination blocks in fiscal 2009 and fiscal 2010, respectively. In addition, we propose to drill 38 and 48 development wells in fiscal 2009 and fiscal 2010, respectively.

In our NELP and pre-NELP blocks where we are the operator under a PSC, we propose to conduct 775 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,759 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 100 GL kilometers of 2D seismic data acquisition, processing and interpretation and 350 square kilometers of 3D seismic data acquisition, processing and interpretation in these blocks. We also propose to drill seven and 23 exploratory wells during fiscal 2009 and fiscal 2010, respectively.

In fiscal 2009, in NELP and pre-NELP blocks where we are the non-operator under a PSC, we estimate we will make an aggregate contribution of Rs. 253.24 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 2,991.87 million towards our proportionate share of cost of exploratory drilling in fiscal 2009 and fiscal 2010. Additionally, we also propose to drill three development wells in our NELP blocks where we are the operator under a PSC. In our pre-NELP blocks, where we are the non-operator, we estimate we will make an aggregate contribution of Rs. 280 million towards our proportionate share in cost of development drilling in fiscal 2010.

In our overseas blocks, we propose to conduct 350 GL kilometers of 2D seismic data acquisition, processing and interpretation and 100 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 500 square kilometers of 3D seismic data acquisition, processing and interpretation in these blocks. We also propose to drill three and two exploratory wells in our overseas blocks during fiscal 2009 and fiscal 2010, respectively. In our non-operator blocks, we estimate we will make an aggregate contribution of Rs. 160 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation, in fiscal 2009 and fiscal 2010.

We plan to spend approximately Rs. 27,119.02 million in connection with our exploratory and appraisal activities, including 2D seismic data and 3D seismic data acquisition, processing and interpretation and drilling of exploratory wells and approximately Rs. 8,730.99 million in connection with development activities to accelerate our exploration and development in existing acreages during fiscal 2009 and fiscal 2010.

Continue to improve our rate of recovery through the application of advanced recovery techniques. We intend to implement a number of improved and enhanced oil recovery techniques to redevelop our maturing fields in the Upper Assam basin and improve recovery of our crude oil reserves, with a goal of increasing our current average recovery rates. These measures include:

- capacity augmentation to increase water injection in matured fields combined with infill drilling to drain the reservoirs more effectively;

- implementation of suitable enhanced oil recovery techniques in selected reservoirs;

- a prioritized work-over program and gravel packs in sand ingress prone reservoirs;

- resiting, augmentation and upgradation of existing production facilities, work-over and coil tubing units and drilling rigs to improve operational efficiency;

- the installation of modern artificial pumping and lifting equipment; and

- implementation of water arrest techniques.

We believe that our implementation of advanced recovery techniques and development plans will enable us to maintain and increase our production levels, which could be further enhanced by our acquisition strategy.

Monetize our natural gas resources in the Upper Assam basin. As of March 31, 2007, we had independent proved plus probable natural gas reserves of approximately 45.71 billion cubic meters. Of our total proved plus probable natural gas reserves, 94.48% are located in the Upper Assam basin, which is a basin with proven commercial production or known accumulation of hydrocarbons . However, we have historically not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam in the past. For fiscal 2006, domestic consumption of natural gas exceeded domestic supply by 20% (*Source: BP Statistical Review of World Energy, 2007*) and we believe that the demand for natural gas within the Indian market is likely to increasingly exceed natural gas production. We therefore intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment. We also intend to improve our utilization of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding of our distribution network.

Selectively diversify our domestic operations through downstream integration. We intend to continue an active strategy of vertical integration in order to diversify our sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. We have acquired a 26% equity stake in NRL and a 10% equity stake in BCPL. We have entered into an MoU with two public sector undertakings, HPCL and GAIL, and two private companies, Total France S.A. and Mittal Energy Investments Pte Limited, to establish a refinery and a petrochemical complex at Vishakhapatnam, Andhra Pradesh.

We have also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business in India and overseas in partnership with IOTL, and pursuing intelligent cathodic protection pipeline business in India and overseas in partnership with ICSA. We are also involved in the construction of a 660 kilometer domestic product pipeline connecting Numaligarh refinery to Siliguri scheduled for completion in the fourth quarter of fiscal 2007. We also hold a 10% equity stake in a 741 kilometer pipeline project in Sudan that was completed in 2005.

We intend to seek and develop additional diversification opportunities along the oil and gas value chain as they arise, particularly in the areas of expertise gained during our nearly five decades of upstream oil operation.

We are undertaking pre-project activities for distributing clean natural gas and piped natural gas in the North East region of India with AGCL. We have also initiated a research program to carry out technological and economic viability study for the production of synthetic crude oil from coal pursuant to which we have established a pilot coal liquefaction plant at our research and development center in Duliajan.

THE ISSUE

Issue:	Up to 26,449,982 Equity Shares.
Which comprises:	
Employee Reservation Portion:	Up to 2,404,544 Equity Shares.
Net Issue:	Up to 24,045,438 Equity Shares.
Of which:	
Qualified Institutional Buyers Portion(1):	At least 14,427,263 Equity Shares (allocation on proportionate basis) out of which 5% of the QIB Portion or 721,363 Equity Shares (assuming the QIB Portion is 60% of the Net Issue) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and 13,705,900 Equity Shares (assuming the QIB Portion is 60% of the Net Issue) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion(2):	Not less than 2,404,544 Equity Shares (available for allocation on a proportionate basis).
Retail Portion(2):	Not less than 7,213,631 Equity Shares (available for allocation on a proportionate basis).
Equity Shares outstanding prior to the Issue:	214,004,400 Equity Shares.
Equity Shares outstanding post the Issue:	240,454,382 Equity Shares.
Objects of the Issue:	See the section titled "Objects of the Issue" beginning on page 72 of this Draft Red Herring Prospectus.

If at least 60% of the Net Issue cannot be Alloted to QIBs, then the entire application money will be refunded.

(1) Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

(2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the non-institutional categories and retail categories, would be allowed to be met with a spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLMs. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the ratio among the investor categories shall be at the discretion of our Company and the BRLMs.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our selected historical financial information derived from the audited and restated financial statements as of and for the six month period ended September 30, 2007 and for the fiscal years 2007, 2006, 2005, 2004 and 2003 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI Guidelines as described in the Auditors Report including in the section titled "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with the restated financial statements included in this Draft Red Herring Prospectus, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 236 of this Draft Red Herring Prospectus.

Summary Statement of Profit and Loss, as Restated

The statements of restated profits of our Company for the six months ended September 30, 2007 and for the fiscal years 2007, 2006, 2005, 2004 and 2003 are set out below:

(Rs. in million)

	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
INCOME						
Sales	27,355.65	52,850.89	54,705.79	38,137.44	30,430.75	28,252.72
Income from Transportation	451.16	1,041.16	796.07	742.99	1,019.45	715.56
Other Income	3,393.42	5,334.94	3,639.29	1,904.26	1,590.54	1,825.02
Other adjustments	2.45	872.90	1,110.72	117.71	1723.80	365.65
	31,202.68	60,099.89	60,251.87	40,902.41	34764.54	31158.95
Increase/(Decrease) In Stock	(50.75)	(22.12)	113.70	69.09	1.25	95.41
Total Income	31,151.93	60,077.77	60,365.57	40,971.50	34765.79	31254.36
EXPENDITURE						
Production, Transportation & Other Expenditure	15,457.16	30,439.30	27,048.70	20,823.39	16,673.48	15,281.08
Provision against debts, advances and other provisions/write-offs	765.21	1,927.05	1,121.73	676.04	933.45	591.35
Depletion	983.96	1,776.52	1,881.23	1,733.86	1,346.98	1,217.86
Depreciation	406.73	818.34	1,432.38	561.61	548.79	571.68
Interest & Debt Charges	247.59	139.55	161.87	166.51	323.16	201.52
Exchange Loss/(Gain)	42.37	11.24	(9.72)	(0.62)	23.29	(1.91)
VRS Compensation written off	-	-	299.62	99.87	99.87	-
Other Adjustments	184.42	84.94	1,701.95	607.15		(12.92)
Total Expenditure	18,087.44	35,196.94	33,637.75	24,667.82	19949.02	17,848.66
Profit for the period / year	13,064.49	24,880.83	26,727.82	16,303.67	14,816.77	13,405.70
Prior Period items	(11.32)	(54.56)	16.16	(72.23)	-	-
Profit Before Tax	13,053.17	24,826.27	26,743.98	16,231.44	14,816.77	13,405.70
Provision for Taxation	-	-	-	-	-	-
- Current Tax (Including Wealth Tax)	3,567.43	7,380.30	9,249.59	5,454.79	4,740.00	4,275.02
- Tax for earlier years	-	0.93	66.24	85.21	-	(555.02)
- Deferred Tax	662.41	1,020.18	497.85	74.60	579.73	518.42
- Fringe Benefit Tax	12.00	25.00	31.00	-	-	-
	4,241.84	8,426.41	9,844.67	5,614.60	5,319.73	4,238.42
Profit After Tax as per audited statement of accounts	8,811.33	16,399.86	16,899.31	10,616.84	9,497.04	9,167.28
Adjustments on account of :						
a) Changes in Accounting Policies	-	-	2,060.73	51.26	(485.27)	(147.48)
b) Other Adjustments and Prior Period Items	187.29	(992.47)	(1,133.82)	723.61	(1,785.65)	75.17
c) Current Tax Impact on Adjustments	(62.77)	337.82	424.07	(102.82)	398.05	(580.07)
d) Defered Tax Impact on Adjustments	(21.10)	(3.44)	(159.84)	(117.96)	204.95	64.04
Total of Adjustments after tax impact	103.42	(658.09)	1,191.14	554.09	(1,667.92)	(588.34)
Profit after Tax as Restated	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94
APPROPRIATIONS						
Interim Dividends	-	3,959.08	3,959.08	1,284.03	1,284.03	856.02

	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
Tax on Interim Dividends	-	555.26	555.26	172.19	164.52	-
Final Dividend (Proposed)	-	1,605.03	1,712.04	2,140.04	1,712.02	1,926.04
Tax on Proposed Dividend	-	272.78	240.11	300.14	219.35	246.77
Transfer to General Reserve	-	9,349.62	11,623.96	7,274.52	4,449.20	5,550.11
Balance of Profit and Loss Account	8,914.75	-	-	-	-	-
TOTAL	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94

Notes:

1. Negative figures have been shown in brackets.

Summary Statement of Assets and Liabilities, as restated

The statements of assets and liabilities of our Company for the six months ended September 30, 2007 and for the fiscal years 2007, 2006, 2005, 2004 and 2003 are set out below:

(Rs. in million)

-	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
FIXED ASSETS						
Gross Block	22,360.55	21,889.06	20,951.83	18,846.29	18,075.01	17,180.98
Less: Accumulated Depreciation	15,575.51	15,521.36	14,892.21	12,844.28	12,065.66	11,229.47
Net Block	6,785.04	6,367.70	6,059.62	6,002.01	6,009.35	5,951.52
Capital Work in progress	6,087.18	5,301.18	3,118.45	2,368.65	975.71	861.29
	12,872.22	**11,668.89**	**9,178.07**	**8,370.66**	**6,985.06**	**6,812.81**
PRODUCING PROPERTIES						
Gross Cost	41,114.82	38,440.81	35,563.95	32,270.90	28,305.90	25,078.27
Less: Depletion	19,167.05	18,183.08	16,406.56	14,578.49	12,824.13	11,434.55
Net Cost	**21,947.78**	**20,257.72**	**19,157.39**	**17,692.41**	**15,481.77**	**13,643.72**
PRE-PRODUCING PROPERTIES	**3,590.23**	**3,885.96**	**2,260.16**	**1,298.20**	**1,370.39**	**1,713.35**
INVESTMENTS	**4,836.56**	**4,075.45**	**4,301.53**	**1,819.31**	**2,245.86**	**1,617.26**
CURRENT ASSETS,LOANS AND ADVANCES						
Inventories	4,116.61	4,080.24	3,989.46	2,607.82	2,214.91	2,214.96
Sundry debtors	4,952.32	4,086.78	5,356.08	5,507.02	5,898.04	9,706.29
Cash and Bank Balances	42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12
Interest /Dividend accrued Term Deposits / Investments	2,223.10	1,571.96	1,094.13	596.32	16.28	24.81
Loans and Advances	6,175.15	12,607.91	4,449.28	9,315.41	9,371.19	9,269.07
Total Assets	**103,220.51**	**94,991.87**	**80,801.11**	**65,847.54**	**55,341.98**	**52,450.38**
LIABILITIES AND PROVISIONS						
Secured Loans	3,305.19	7,090.08	1,550.24	950.00	360.29	770.89
Unsecured Loans	893.75	1,050.00	1,400.00	1,861.61	2,235.73	2,739.51
Current Liabilities	10,656.10	8,002.55	9,053.77	5,701.63	3,814.37	3,343.42
Provisions	2,606.69	2,501.78	2,485.80	2,890.56	2,057.76	3,711.63
DEFERRED TAX LIABILITY (NET)	8,695.73	8,033.32	7,013.14	7,158.95	7,084.35	6,440.58
WELL ABANDONMENT SINKING FUND	11.03	10.72	10.00	-	-	-
Total Liabilities	**26,168.48**	**26,688.45**	**21,512.94**	**18,562.75**	**15,552.50**	**17,006.02**
NET WORTH	**77,052.04**	**68,303.42**	**59,288.18**	**47,284.79**	**39,789.48**	**35,444.36**
REPRESENTED BY						

	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Reserves and Surplus	74,911.99	66,163.38	57,148.13	45,144.74	37,649.44	33,304.31
	77,052.04	**68,303.42**	**59,288.18**	**47,284.79**	**39,789.48**	**35,444.36**

Note:

(1) The above statement should be read with the Notes on Adjustments made (Annexure IVA), Notes on Adjustments not made (Annexure IVB), Auditors' qualifications and treatment in Restated Financial Informations (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B)

(2) Reserve and Surplus comprises entirely of General Reserve.

RESTATED CASHFLOW STATEMENT

The statements of restated cash flow of our Company for the six months ended September 30, 2007 and for the fiscal years 2007, 2006, 2005, 2004 and 2003 are set out below:

(Rs. in million)

		Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
A	**Cash flow from operating activities :**						
	Profit before tax	13,053.17	24,826.27	26,743.98	16,231.44	14,816.78	13,405.70
	Adjustments(See Annexure IVA)	187.29	(992.47)	926.91	774.87	(2,270.92)	(72.31)
	Restated Profit Before Tax	13,240.46	23,833.80	27,670.89	17,006.31	12,545.86	13,333.39
	Adjustment for :						
	- Depreciation	406.73	818.34	(144.60)	588.98	637.69	673.08
	- Depletion	983.96	1,776.52	1,750.25	1,749.35	1,362.80	1,230.94
	- Provision for leave encashment	61.02	71.65	45.45	18.55	-	5.40
	- Foreign Exchange Gain/(Loss)	42.37	11.24	(9.72)	(0.62)	23.29	(1.91)
	- Provision for Post retirement medical benefits	34.31	9.62	59.23	320.01	-	-
	- Interest	247.59	139.55	161.87	166.51	323.16	201.52
	- Interest Income	(2,038.22)	(3,196.20)	(2,013.67)	1,407.37	(1,180.68)	(934.00)
	- Dividend Income	(478.16)	(172.56)	(154.40)	79.92	(65.39)	-
	-Grants	-	-	-	-	-	(2.99)
	-Other provision, adjustment and write offs	669.88	1,857.21	1,065.29	(2,413.79)	330.71	(56.39)
	Total	(84.14)	1,314.18	759.70	1,916.29	1,431.57	1,115.66
	Operating profit before working capital changes	13,156.32	25,147.98	28,430.58	18,922.59	13,977.43	14,449.05
	Adjustment for Changes in WC						
	- Debtors	(865.55)	1,269.30	150.94	391.02	3,808.25	(3,992.13)
	- Loans & Advances	6,421.60	(8,158.63)	4,866.13	55.78	(102.12)	407.49
	- Inventories	(36.37)	(90.78)	(1,381.63)	(392.91)	0.05	(122.37)
	- Sundry Creditors & other current liabilities	2,653.55	(1,051.22)	3,352.14	1,887.26	470.95	507.07
	Net Changes in Working Capital	8,173.23	(8,031.33)	6,987.57	1,941.15	4,177.13	(3,199.94)
	Direct Taxes paid (Net of Refund)	(3,400.00)	(7,406.23)	(9,222.79)	(5,940.47)	(6,014.45)	(3,324.36)
	Cash flow before prior period items	17,929.55	9,710.43	26,195.37	14,923.28	12,140.12	7,924.75
	Prior Period Items	11.32	(103.80)	86.88	(160.63)	72.23	-
	Net cash flow from operating activities'A'	17,940.87	9,606.42	26,282.25	14,762.65	12,212.35	7,924.75
B	**Cash flow from investing activities :**	-	-	-	-	-	-
	Purchase of Fixed Assets(Net)	(5,120.39)	(9,340.38)	(6,117.88)	(6,283.27)	(3,535.14)	(4,820.58)
	Investment Made	(3,928.32)	(0.02)	(2,482.17)	-	(910.34)	-
	Interest received	1,865.30	2,718.37	1,515.87	1,234.57	1,055.31	521.94
	Dividend received	13.62	172.56	154.40	79.92	65.39	-
	Investment Realised	3,167.22	-	-	426.54	281.70	1,203.36
	Net cash flow from investing activities 'B'	(4,002.57)	(6,448.27)	(6,929.79)	(4,542.23)	(3,043.08)	(3,095.28)
C	**Cash flow from financing activities :**						
	Repayment of borrowings	(3,941.13)	(350.00)	(461.61)	(374.11)	(914.38)	-
	Proceeds from borrowings	-	5,539.83	600.24	589.71	-	600.31
	Interest paid	(247.59)	(139.55)	(161.87)	(166.51)	(323.16)	(85.59)
	Dividend paid	-	(5,671.12)	(6,099.18)	(2,996.06)	(3,210.07)	(2,458.89)
	Tax on dividend	-	(795.37)	(855.40)	(391.55)	(411.29)	-
	Grant availed	-	-	-	-	-	83.16
	Net cash flow from financing activities 'C'	(4,188.72)	(1,416.21)	(6,977.83)	(3,338.52)	(4,858.90)	(1,861.02)

		Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
	Net Increase in cash and cash equivalents (A+B+C)	9,749.58	1,741.94	12,374.63	6,881.90	4,310.37	2,968.46
	Cash and Cash equivalent at the beginning of the period	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12	4,479.66
	Cash and Cash equivalent at the end of the period	42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12
	Components of Cash and Cash equivalents:						
	Cash & Cheques in Hand	12.48	10.01	13.04	7.21	4.24	3.60
	Balance with scheduled banks						
	Current Account	420.48	883.94	1,130.88	404.68	503.25	269.52
	Term Deposits	42,073.58	31,863.01	29,871.10	18,228.50	11,251.00	7,175.00
		42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12

Note:

1. Negative figures have been shown in brackets.

GENERAL INFORMATION

Registered Office of our Company

Oil India Limited
P.O. Duliajan,
District Dibrugarh,
Assam 786 602, India.
Tel: +91 (374) 2800 508
Fax: +91 (374) 2800 433
Email: oilindia@oilindia.in

Corporate Office of our Company

Oil India Limited
OIL House, Plot Number 19,
Sector 16 A, Noida,
District Gautam Budh Nagar,
Uttar Pradesh 201 301, India.
Tel: +91 (120) 2488 333
Fax: +91 (120) 2488 310

Registration Number: 001148

Company Identification Number: U11101AS1959GOI001148

Website: www.oilindia.in and www.oilindia.nic.in

Address of the Registrar of Companies

Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Mizoram and Arunachal Pradesh
Morello Building,
Ground Floor,
Shillong 793 001, India.

Board of Directors

The following persons constitute our Board:

Sr. No.	Name of Director	Designation	Age (years)	Address
1.	Mr. M.R. Pasrija	Chairman and Managing Director	59	E-261, Naraina Vihar, New Delhi 110 028, India
2.	Mr. N.M. Borah	Director (Operations)	55	M-125, Greater Kailash-II, New Delhi 110 048, India
3.	Mr. J.K. Talukdar	Director (Human Resources and Business Development)	59	C-1/85, Sector-31, Noida, Gautam Budh Nagar 201 301, India
4.	Mr. T.K. Ananth Kumar	Director (Finance)	54	S1/522, Asian Games Village, New Delhi 110 009, India
5.	Mr. B.N.Talukdar	Director (Exploration and Development)	52	S1/523, Asian Games Village, New Delhi 110 009, India

Sr. No.	Name of Director	Designation	Age (years)	Address
6.	Mr. A.K. Jain	Government Nominee Director	45	N-22, Nivedita Kunj, Sector-10, R.K. Puram, New Delhi 110 021, India
7.	Ms. Aditi S. Ray	Government Nominee Director	52	788, Asian Games Village, New Delhi 110 009, India

Currently, we do not have any independent directors on our Board. The appointment of independent directors as per the requirement of Clause 49 of the Listing Agreement, to be executed with the Stock Exchanges, is pending with MoPNG, GoI for consideration. For further details of our Board, see the section titled "Our Management" beginning on page 171 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. S.K. Senapati,
OIL House, Plot Number 19,
Sector 16A, Noida,
District Gautam Budh Nagar,
Uttar Pradesh 201301, India.
Tel: + 91 (120) 2488 312
Fax: +91(120) 2488 412
E-mail: investors@oilindia.in

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refund orders, etc.

Book Running Lead Managers

JM Financial Consultants Private Limited
141, Maker Chambers III,
Nariman Point,
Mumbai 400 021, India.
Tel: + 91 (22) 6630 3030
Fax: + 91 (22) 2204 7185
Email: oilipo@jmfinancial.in
Investor Grievance e-mail: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms. Poonam Karande
SEBI Registration Number: INM000010361

And

Morgan Stanley India Company Private Limited
1101-1115, Hilton Tower
Nariman Point,
Mumbai 400021, India.
Tel: +91 (22) 6621 0555
Fax: +91 (22) 6621 0556
Email: oilindia@morganstanley.com
Investor Grievance e-mail: investors_india @morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Ms. Sonali Johari
SEBI Registration Number : INM000011203

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar,
Nariman Point,
Mumbai 400 021, India
Tel: +91 (22) 6631 9999
Fax: +91 (22) 6631 9803
Email: oil.ipo@citi.com
Investor Grievance e-mail: investors.cgmib@citi.com
Website: www.citibank.co.in
Contact Person: Mr. Shitij Kale
SEBI Registration Number : INM000010718

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001, India
Tel: +91 (22) 2269 4921
Fax: + 91 (22) 2263 1984
Email: oilindiaipo@hsbc.co.in
Investor Grievance e-mail: investorgreivance@hsbc.co.in
Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking
Contact Person: Mr. Abhishek Saha
SEBI Registration Number: INM000010353

Domestic Legal Advisors to our Company

Amarchand and Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers,
216, Okhla Industrial Estate, Phase III,
New Delhi 110 020, India.
Tel.: +91 (11) 2692 0500
Fax: +91 (11) 2692 4900

Domestic Legal Advisors to the Underwriters

Luthra & Luthra Law Offices
103, Ashoka Estate,
Barakhamba Road,
New Delhi 110 001, India.
Tel: + 91 (11) 4121 5100
Fax: + 91 (11) 2372 3909

International Legal Counsel to the Issue (as to English, New York and US federal law)

Ashurst LLP
Broadwalk House,
5 Appold Street,
London EC2A 2HA,
United Kingdom.
Tel: +44 (20) 7638 1111
Fax: +44 (20) 7638 1112

Syndicate Members

[•]

Bankers to our Company

Indian Overseas Bank
70, Golf Links,
New Delhi 110 001, India.
Tel: +91 (11) 2463 4703
Fax: +91 (11) 2463 4703
E-mail: golffbr@delirc01.iobnet.co.in
Contact Person: Mr. M. Lakshminarayana

State Bank of India
CAG Branch, Tolstoy Marg,
Jawahar Vyparya Bhawan,
New Delhi 110 001, India.
Tel: +91 (11) 2335 6817
Fax: +91 (11) 2335 2793
E-mail: cagnd@sbi.co.in
Contact Person: Mr.Sushil Kumar

Punjab National Bank
N-86, Janpath,
New Delhi 110001, India.
Tel: +91 (11) 2331 9923
Fax: +91 (11) 2331 9925
E-mail: nikhil@pnb.co.in
Contact Person: Nikhil Chaudhary

Union Bank of India
SSI Branch, Sector 15,
Naya Bans, Noida 201 301, India.
Tel: +91 (120) 2514 124
Fax: +91 (120) 2511 426
E-mail: manoj.ipm@rediffmail.com
Contact Person: Mr. Manoj Srivastava

Allahabad Bank
17, Parliament Street,
New Delhi 110 001, India.
Tel: +91 (11) 23743697
Fax: +91 (11)23363694
E-mail: delpst@allahabadbank.co.in
Contact Person: Mr. L.M. Pandey

United Bank of India
Connaught Circus Branch,
J.C. Das Building, 90-8, Connaught Circus,
New Delhi 110 001, India.
Tel: +91 (11) 2336 0661
Fax: +91 (11) 2334 7012
E-mail: bmcon@unitedbank.co.in
Contact Person: Mr. N.K. Kapoor

United Commercial Bank
5, Parliament Street,
New Delhi 110 001, India.
Tel: +91 (11) 2371 0016
Fax: +91 (11) 2371 0015
E-mail: bo.fccnewdelhi@ucobank.in
Contact Person: Mr. N.K. Midha

Corporation Bank
M-41, Connaught Circus,
New Delhi 110 001, India.
Tel: +91 (11) 2341 6038
Fax: +91 (11) 2332 1208
E-mail: cb141@corpbank.co.in
Contact Person: Mrs. S.M. Swathi

Canara Bank
H-54, Connaught Place,
New Delhi 110 001, India.
Tel: +91 (11) 2335 0509
Fax: +91 (11) 2372 2047
E-mail: delhi2009@canbank.co.in
Contact Person: Mr. S. Segaran

ICICI Bank Limited
A-9, Phelps Building,
Connaught Place,
New Delhi 110 001, India.
Tel: +91 (11) 6631 0400
Fax: +91 (11) 24365231
E-mail: satish.mohan@icicibank.com
Contact Person: Mr. Satish Mohan

Standard Chartered Bank
H – 2, Connaught Circus
New Delhi 110 001, India.
Tel: +91 (11) 2340 6720
Fax: +91 (11) 2332 0641
E-mail: saket.kaura@in.standarchartered.com
Contact Person: Mr. Saket Kaura

Registrar to the Issue

Karvy Computershare Private Limited
Karvy House,
46, Avenue 4, Street Number 1,
Banjara Hills,
Hyderabad 500 034, India.
Tel: +91 (40) 2342 0815
Toll Free Number: 1-800-345 4001
Fax: +91 (40) 2342 0814
E-mail: ganapathy@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murli Krishna

Bankers to the Issue and Escrow Collection Banks

[•]

Petroleum Engineer

Gaffney Cline & Associates (Consultants) Pte Ltd
80, Anson Road, #31-01C,
Fuji Xerox Towers,
Singapore 079 907
Tel: + 65 6225 6951
Fax: +65 6224 0842
Email: ajohnson@gaffney-cline.com
Contact Person: Mr. Alex Johnson

Statutory Auditors of our Company

M/s. A.K. Sabat & Co.
A-348, Sahid Nagar,
Bhubaneshwar 751 007, India.
Tel: +91 (674) 2542 383
Fax: +91 (674) 2542 264
Email: aksabat@sify.com
Contact Person: Mr. A.K. Sabat

M/s. Chatterjee & Co,
153, Rash Behari Avenue, 3rd floor,
Kolkata 700 029, India.
Tel: +91 (33) 2465 6114
Fax: +91 (33) 2466 9310
Email: chaterji@vsnl.net
Contact Person: Mr. S.K. Chatterjee

Monitoring Agency

[•]

IPO Grading Agency

[•]

Statement of Inter se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities amongst the BRLMs:

Activities	Responsibility	Co-ordinator
(i) Capital structuring with the relative components and formalities such as type of instruments, etc.	JM Financial & Morgan Stanley, Citi, HSBC	HSBC
(ii) Due diligence of our Company's operations/ management/ business plans/ legal, etc. ▪ Drafting and designing of the offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalization of the Prospectus and filing with the Stock Exchanges.	JM Financial & Morgan Stanley, Citi, HSBC	JM Financial & Morgan Stanley
(iii) Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisements and brochures.	JM Financial & Morgan Stanley, Citi, HSBC	Citi
(iv) Appointment of other Intermediaries: (a) Printers; (b) Registrar; (c) Advertising agency; (d) Bankers to the Issue; (e) IPO Grading Agency; (f) Legal Counsels; and (g) Other Agencies	HSBC	HSBC
(v) International institutional marketing strategy, preparation of road show marketing presentation, frequenty asked questions ("**FAQ**") and co-ordination for all roadshow logistics including: ▪ Finalising the list and division of investors for one on one meetings, institutional allocation	JM Financial & Morgan Stanley, Citi, HSBC	HSBC
(vi) Domestic institutions/ banks/ mutual funds marketing strategy	HSBC, Citi, JM Financial and Morgan Stanley	Citi

Activities	Responsibility	Co-ordinator
Finalise the list and division of investors for one on one meetings, institutional allocation		
(vii) Retail/Non-institutional marketing strategy which will cover, *inter alia*, ▪ Finalize media, marketing and public relation strategy, ▪ Finalize centers for holding conferences for brokers, etc. ▪ Finalize collection centers, ▪ Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material, ▪ Domestic institutions/banks/mutual funds marketing strategy, ▪ Finalise the list and division of investors for one on one meetings, institutional allocation	JM Financial & Morgan Stanley, Citi, HSBC	JM Financial & Morgan Stanley
(viii) Managing the Book, coordination with Stock Exchanges, pricing and allocation to QIB Bidders.	JM Financial & Morgan Stanley, Citi, HSBC	JM Financial & Morgan Stanley
(ix) Post bidding activities including management of Escrow Accounts, co-ordinate non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders, etc. The post issue activities of the Issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the Refund Bank. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with our Company.	JM Financial & Morgan Stanley, Citi, HSBC	Citi

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Grading

Pursuant to the SEBI Guidelines, this Issue has been graded by [•] and has been assigned a grade of [•]/5. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. The name of the IPO grading agency and the rationale furnished by it for its grading, will be updated at the time of filing the Red Herring Prospectus with the RoC/ Designated Stock Exchange.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/ Issue Closing Date.

The principal parties involved in the Book Building Process are:

(1) Our Company;
(2) Book Running Lead Managers;
(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs;
(4) Registrar to the Issue; and
(5) Escrow Collection Banks.

This is an Issue of less than 25% of the post Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2)(b) of the SCRR through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allotted to QIBs on a proportionate basis out of which, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of 2 million securities are being offered to the public and the size of the Issue will aggregate to at least Rs. 1,000 million. If at least 60% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% margin amount upon submission of the Bid cum Application Form during the Bidding Period and Allocation to QIBs will be on a proportionate basis. For further details, see the section titled "Terms of the Issue" beginning on page 340 of this Draft Red Herring Prospectus.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed JM Financial Consultants Private Limited & Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited as the BRLMs to manage the Issue and to procure subscriptions to the Issue.

Whilst the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 Equity Shares and receipt of nine bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book, as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of Equity Shares bid for	Bid Price (Rs.)	Cumulative Equity Shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42 in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut off price i.e. at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

The process of Book Building under the SEBI Guidelines is relatively new and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Steps to be taken for bidding:

1. Check eligibility for making a Bid (see the section titled "Issue Procedure - Who Can Bid?" beginning on page 343 of this Draft Red Herring Prospectus).
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. Ensure that you have mentioned your PAN and attached copies of your PAN cards or PAN allotment letter to the Bid cum Application Form (see the section titled "Issue Procedure - 'PAN' or 'GIR' Number" beginning on page 362 of this Draft Red Herring Prospectus).
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.
5. Ensure the correctness of your demographic details (as defined in the section titled "Issue Procedure – Bidders Depository Account Details" beginning on page 356 of this Draft Red Herring Prospectus), given in the Bid cum Application Form, with the details recorded with your Depository Participant.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining (a) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and

(b) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Period

BID/ISSUE OPENS ON:	[•] 2007
BID/ISSUE CLOSES ON:	[•] 2007

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Business Days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 Business Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for our Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In million)
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point, Mumbai 400 021, India. Tel: + 91 (22) 6630 3030 Fax: + 91 (22) 2204 7185 Email: oilipo@jmfinancial.in	[•]	**[•]**
Morgan Stanley India Company Private Limited 1101-1115, Hilton Towers, Nariman Point, Mumbai 400 021, India. Tel: +91 (22) 66210555 Fax: +91 (22) 66210556 Email: oilindia@morganstanley.com	[•]	**[•]**
Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar, Nariman Point, Mumbai 400 021, India. Tel: +91 (22) 6631 9999 Fax: +91 (22) 6631 9803 Email: oil.ipo@citi.com	[•]	**[•]**
HSBC Securities and Capital Markets (India) Private Limited, **52/60, Mahatma Gandhi Road** **Fort, Mumbai 400 001, India** **Tel: +91 (22) 2269 4921** **Fax: + 91 (22) 2263 1984** **Email: oilindiaipo@hsbc.co.in**	[•]	**[•]**
Syndicate Members		
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

The above mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of our Equity Shares. The Underwriting Agreement is dated [•].

In the opinion of the Board of Directors (based on a certificate dated [•] given to them by BRLMs and the Syndicate Members), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to our Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure subscriptions or subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our share capital as on the date of filing of this Draft Red Herring Prospectus is set forth below.

(Rs. in million, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorized Capital*		
500,000,000 Equity Shares	5,000.00	[•]
B. Issued, Subscribed and Paid-Up Capital before the Issue**		
214,004,400 Equity Shares each	2,140.04	[•]
C. Present Issue in terms of this Draft Red Herring Prospectus		
Issue of: Up to 26,449,982 Equity Shares fully paid up	264.50	[•]
Comprising:		
• Net Issue of up to 24,045,438 Equity Shares fully paid up	240.45	[•]
• Employee Reservation of up to 2,404,544 Equity Shares fully paid-up	24.04	[•]
D. Net Issue to the Public		
Up to 24,045,438 Equity Shares fully paid-up	240.45	[•]
Of Which:		
QIB Portion of at least 14,427,263 Equity Shares	144.27	
Non-Institutional Portion of up to 2,404,544 Equity Shares	24.04	
Retail Portion of up to 7,213,631 Equity Shares	72.14	
E. Equity Capital after the Issue		
240,454,382 Equity Shares fully paid-up	2,404.54	[•]
F. Share Premium Account		
Before the Issue	Nil	
After the Issue	[•]	

* The authorized equity share capital of our Company was increased from Rs. 500 million divided into 500,000 equity shares of Rs. 1,000 each to Rs. 2,500 million divided into 2,500,000 equity shares of Rs. 1,000 each, through a special resolution of our shareholders dated September 23, 1994. By way of a special resolution of our shareholders dated August 11, 1995, the equity shares of Rs. 1,000 each were split into Equity Shares of the face value of Rs. 10 each. In addition, the authorised equity share capital of our Company was increased from Rs. 2,500 million divided into 250,000,000 equity shares of Rs. 10 each to Rs. 5,000 million divided into 500,000,000 Equity Shares of Rs. 10 each, through a special resolution of our shareholders dated September 23, 2006.

** *The MoPNG has, through its letter Number G-34014/2/2000-Fin.III dated September 11, 2007 conveyed its intention to transfer 10,700,220 Equity Shares of our Company to IOCL, 5,350,110 Equity Shares to HPCL and 5,350,110 Equity Shares to BPCL ("**Transfer**"). The Transfer is intended to be at the Issue Price. Since the Transfer shall take place at the Issue Price, the same shall be carried out after determination of the Issue Price, in terms of this Draft Red Herring Prospectus and the proposed Share Transfer Agreement. However, the Transfer shall be concluded prior to the filing of the Prospectus with the RoC.*

The President of India, acting through the MoPNG presently holds 98.13% of the issued and paid up Equity Share capital of our Company. Post the Transfer but prior to the Issue, the President of India, acting through the MoPNG will hold 188,599,560 Equity Shares, i.e. 88.13% of the fully diluted post-Issue paid-up Equity Share capital of our Company. Post the Transfer and after the Issue, the

President of India, acting through the MoPNG, will hold 188,599,560 Equity Shares, i.e. 78.43% of the fully diluted post-Issue paid-up Equity Share capital of our Company.

Notes to the Capital Structure

1. Share Capital History of our Company:

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of equity shares	Face Value (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
May 9, 1959	120,000	1,000*	1,000	Cash	Issue to the President of India and Burma Oil Company Limited (including subscription to the shares on signing of the Memorandum of Association by the President of India and Burmah Oil Company Limited)		120,000,000
January 29, 1960	60,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited		180,000,000
January 24, 1961	30,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited		210,000,000
April 28, 1961	30,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited		240,000,000
November 2, 1961	40,000	1,000*	1,000	Cash	Further issue to the President of India		280,000,000
September 23, 1994	420,000	1,000*	Nil	Bonus issue (in the ratio of 1.5 Equity Shares for every 1 Equity Share held)***	Capitalisation of reserves		700,000,000
August 11, 1995	Split of 700,000 Equity Shares of Rs. 1,000 each to 70,000,000 Equity Shares of Rs. 10 each						
March 29, 1996	1,334,800	10	109	Cash	Issue to employees of our Company	132,145,200	713,348,000
July 2, 1996	71,334,800	10	Nil	Bonus issue (in the ratio of 1 Equity Share for every 1 Equity Share held)***	Capitalisation of reserves	132,145,200	1,426,696,000
December 26, 2000	71,334,800	10	Nil	Bonus issue (in the ratio of 1 Equity Share for every 2 Equity Share	Capitalisation of reserves	0**	2,140,044,000

Date of Allotment	Number of equity shares	Face Value (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
				held) ***			
Total	**214,004,400**						**2,140,044,000**

**With effect from August 11, 1995, the equity shares of Rs. 1,000 each have been split into Equity Shares of the face value of Rs. 10 each. As of the date of this Draft Red Herring Prospectus, the outstanding pre-issue share capital of our Company is 214,004,400 Equity Shares of face value of Rs. 10 each.*

*** The Share Premium Account was capitalised in order to issue bonus shares on December 26, 2000.*

**** The bonus issues of equity shares of the Company have been made by way of capitalization of general reserves/profit and loss account/share premium account. The following table gives details of the bonus issue.*

Date of allotment of Bonus Shares	Ratio of the Bonus Issue	Number of equity shares issued as Bonus Shares	Face Value of Shares (Rs.)	Amount of reserves/ profit and loss account capitalized (Rs.)
September 23, 1994	1.5:1	420,000	1,000	420,000,000
July 2, 1996	1:1	71,334,800	10	713,348,000
December 26, 2000	1:2	71,334,800	10	713,348,000

2. Promoters' Contribution and Lock-in

(a) Details of Promoters Contribution locked in for three years are as follows:

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue paid up capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Sr. Number	Name of Shareholder	Date on which the Equity Shares were allotted / acquired	Date when made fully paid-up	Nature of consideration	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of pre-Issue paid-up equity capital	% of post-Issue paid-up equity capital
1.	President of India	December 26, 2000	December 26, 2000	Bonus issue (in the ratio of 1:2)	48,090,877	10	Nil	22.47	20
	Total				**48,090,877**			**22.47**	**20**

The Equity Shares proposed to be included as part of the minimum Promoter's contribution are arising out of the bonus issue to the Promoter out of the share premium account and free reserves of our Company, and hence are eligible for computation of Promoter's contribution.

The MoPNG has, through letter dated November 26, 2007, granted consent from the President of India for the lock-in of 20% of the fully diluted post-Issue paid-up Equity Share capital of our Company, held by it, for three years from the date of Allotment and lock-in of the balance pre-Issue Equity Share capital of our Company, held by it, for a period of one year from the date of Allotment.

Lock-in period shall start from the date of Allotment of the Equity Shares as per the terms of this Draft Red Herring Prospectus.

Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of clause 4.16.1 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable. We will also inform the Stock Exchanges about the details of the Equity Shares locked-in for a period of three years.

Furthermore, in terms of clause 4.16.1 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per clause 4.14 of the SEBI Guidelines, subject to the lock-in continuing to remain in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable.

Furthermore, the Equity Shares subject to the lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

(b) Details of share capital locked in for one year:

Other than the three years lock-in on the Equity Shares held by our Promoter as stated above, the entire Pre-Issue Equity Share capital of our Company, i.e. 165,913,523 Equity Shares, will be locked in for a period of one year from the date of Allotment in this Issue. On finalisation of the basis of Allotment for the Equity Shares to be issued pursuant to this Issue, we would mail stickers (to all shareholders holding shares in physical form) indicating the lock-in period to all shareholders whose Equity Shares are to be locked-in for a period of one year. The lock-in for Equity Shares held in dematerialised form would be created as per the bye laws of the depositories.

Pursuant to the Transfer, 21,400,440 Equity Shares shall be locked-in for a period of one year from the date of Allotment in this Issue and shall also be subject to the terms and conditions of the proposed Share Purchase Agreement.

Furthermore, in terms of clause 4.16.1 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per clause 4.14 of the SEBI Guidelines, subject to the lock-in continuing to remain in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

3. Shareholding pattern of our Company

Shareholding pattern of our Company before the Issue and prior to the Transfer*, and post Transfer but prior to the Issue, and after the Transfer and post-Issue would be as follows:

Name of Shareholder		Pre-Issue but prior to Transfer		Post Transfer but prior to the Issue		Post Transfer Post-Issue	
		Number of Equity Shares	**Percentage of Holding (%)**	**Number of Equity Shares**	**Percentage of holding (%)**	**Number of Equity Shares**	**Percentage of holding (%)**
1.	President of India	210,000,000	98.13	188,599,560	88.13	188,599,560	78.43
2.	Public (including Employees)	4,004,400	1.87	4,004,400	1.87	30,454,382	12.66
3.	IOCL	-	-	10,700,220	5.00	10,700,220	4.45
4.	HPCL	-	-	5,350,110	2.50	5,350,110	2.23
5.	BPCL	-	-	5,350,110	2.50	5,350,110	2.23
	Total	**214,004,400**	**100**	**214,004,400**	**100**	**240,454,382**	**100**

******The MoPNG has, through its letter Number G-34014/2/2000-Fin.III dated September 11, 2007 conveyed its intention to transfer 10,700,220 Equity Shares of our Company to IOCL, 5,350,110 Equity Shares to HPCL and 5,350,110 Equity Shares to BPCL. The Transfer is intended to be at the Issue Price. Since the Transfer shall take place at the Issue Price, the same shall be carried out after determination of the Issue Price, in terms of this Draft Red Herring Prospectus and the proposed Share Transfer Agreement.. However, the Transfer shall be concluded prior to the filing of the Prospectus with the RoC.*

4. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

5. In case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except in the QIB Portion, would be met, with spill-over from other categories, at the sole discretion of our Company, in consultation with the BRLMs.

6. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Employees other than as defined in this Draft Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue Portion to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 2,404,544 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.

7. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

8. The top ten shareholders of our Company and the number of Equity Shares held by them is as under:

   (a) The top ten shareholders of our Company as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sunder Chowkhani	41,000	Negligible
3.	Mr. Yogesh Kumar Karwa	15,100	Negligible
4.	Mr. Anshu Agarwal	15,300	Negligible
5.	Mr. Selvarani Thangavel	4,700	Negligible
6.	Mr. Ramji Lal Ladha	4,300	Negligible
7.	Mr. Lakshman Govender	4,000	Negligible
8.	Ms. Mita Nahata	3,900	Negligible
9.	Ms. Vandana Agarwal	3,800	Negligible
10.	Mr. Mahavir Prasad Karwa	3,700	Negligible

(b) The top ten shareholders of our Company two years, i.e. on December 12, 2005, before the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sunder Chowkhani	41,000	Negligible
3.	Mr. Yogesh Kumar Karwa	9,800	Negligible
4.	Mr. Satya Ranjan Chetia	4,650	Negligible
5.	Mr. Lakshman Govender	4,000	Negligible
6.	Ms. Mita Nahata	3,900	Negligible
7.	Mr. Kailash Agarwal	3,600	Negligible
8.	Mr. Sitash Das	3,450	Negligible
9.	Venture Merchandise Private Limited	3,450	Negligible
10.	Mr. Rakesh Kumar Karwa	3,350	Negligible

(c) The top ten shareholders of our Company ten days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sunder Chowkhani	41,000	Negligible
3.	Mr. Yogesh Kumar Karwa	15,100	Negligible
4.	Mr. Anshu Agarwal	16,450	Negligible
5.	Mr. Selvarani Thangavel	4,700	Negligible
6.	Mr. Ramji Lal Ladha	4,300	Negligible
7.	Mr. Lakshman Govender	4,000	Negligible
8.	Ms. Mita Nahata	3,900	Negligible
9.	Ms. Vandana Agarwal	3,800	Negligible
10.	Mr. Mahavir Prasad Karwa	3,700	Negligible

9. Except for the transfer of Equity Shares to Ms. Mallika Talukdar (wife of our Director, Mr. J.K. Talukdar) who purchased 400 Equity Shares on August 23, 2007 from Mr. Samar Priyadarshree and Mr. Sushil Chandra Mishra, neither the President of India, acting through the MoPNG, who is our Promoter, nor our Directors have purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

11. There are no partly paid up Equity Shares in our Company. The Equity Shares offered through this Issue shall be fully paid up.

12. Except our Chairman and Managing Director, Mr. M.R. Pasrija and our Directors, Mr. N. M. Borah, Mr. J. K. Talukdar, Mr. B.N. Talukdar who hold Equity Shares in our Company, none of the other Directors hold any Equity Shares. Further, all of our key managerial employees (excluding Mr. S. K. Senapati) hold Equity Shares in our Company. For further details, see the section titled "Our Management" beginning on page 171 of this Draft Red Herring Prospectus.

13. There would be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner, during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

14. Subject to the Transfer, presently we do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, either by way of split or consolidation of the denomination of Equity Shares or by further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements. We may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

15. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

16. As of the date of the filing of this Draft Red Herring Prospectus the total number of holders of our Equity Shares (including shares held jointly with others) was 6,325.

17. Our Company has not raised any bridge loans against the proceeds of the Issue.

18. Except as disclosed above, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

19. Our Company has not granted any options or issued any shares under any employees stock option or employees stock purchase scheme.

20. No Equity Shares held by our Promoter are subject to any pledge.

21. Our Promoter shall not participate in this Issue.

22. Any over subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the basis of Allotment.

23. We have not made any issue of Equity Shares during the preceding one year.

24. Under subscription, if any, in the Retail Portion and Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs.

OBJECTS OF THE ISSUE

The objects of the Issue are to achieve the benefits of listing and to fund requirements for fiscal 2009 and fiscal 2010 towards (a) exploration and appraisal activities; (b) development activities in producing fields; (c) purchase of capital equipments and contracts for facilities; and d) diversification of our existing business in downstream activities (the ‘‘**Objects**’’).

Our Company intends to utilize the proceeds of the Issue, after deducting underwriting and management fees, IPO grading fees, selling commission and other expenses associated with the Issue (the "**Issue Expenses**") for the Objects (the ‘‘**Net Proceeds**’’). Our funding requirements for the fiscal 2009 and fiscal 2010 are based on estimates prepared by our management.

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirement and intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of the inherent uncertainties relating to the oil and gas exploration process and the competitive and dynamic nature of the exploration and production industry, we may have to revise our expenditure, fund requirements and estimates of the completion dates. Moreover, these funding requirements are based on our existing estimates and the actual expenditure may vary. Our funding requirements are also dependent on a number of factors which may not be in the control of our management, including variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of our management.

Funding Requirement

The table below sets forth funding requirements for the fiscal 2009 and fiscal 2010 for the Objects which are estimated at Rs. 45,747.81 million approximately.

(RS. in million)

S. No.	Object	Estimated Cost	Estimated Deployment in Fiscal 2009	Estimated Deployment in Fiscal 2010
1.	Exploration and appraisal activities [(a)]	27,119.02	12,814.93	14,304.09
2.	Development activities in producing fields[(b)]	8,730.99	3,788.53	4,942.46
3.	Purchase of capital equipments & facilities [(c)]	9,587.80	5,677.00	3,910.80
4.	Diversification of existing business in downstream activities	310.00	110.00	200.00
5.	Issue expenses[(d)]	[•]		
.	**Total**	[•]	**22,390.46**	**23,357.35**

[(a)] *Exploration and appraisal activities include 2D and 3D seismic data acquisition, processing and interpretation, exploratory drilling and studies.*

[(b)] *Development activities include development drilling and completion of wells.*

[(c)] *Capital equipments include investments relating to purchase of capital equipment, contracts relating to creation of infrastructure, surface facilities and service contracts.*

[(d)] *To be incorporated at the time of filing the Prospectus.*

We propose to fund the Objects through the cash and bank balance and the Net Proceeds as set forth in the table below.

(Rs. in million)

S. No.	Means of finance	Amount
1.	Cash and bank balance*	[•]
2.	Issue Proceeds**	[•]

* *As on September 30, 2007, our Company had a cash and bank balance of Rs. 42,506.54 million. The exact amount of cash and bank balance of the Company required to be utilized for the Objects shall be disclosed at the time of filing of the Prospectus when Issue Proceeds are determined. We confirm that we shall not utilize such earmarked cash and bank balance for any purpose other than funding the Objects. Our Audit Committee shall monitor this utilization from time to time, as appropriate.*

** *To be incorporated at the time of filing the Prospectus.*

1. Exploration and appraisal activities

We are currently conducting exploration activities in 16 blocks located in Assam, Arunachal Pradesh, Uttar Pradesh and Uttranchal under PELs granted by the GoI, four pre-NELP blocks in Gujarat and Assam and 21 NELP blocks in the areas of Assam, Arunachal Pradesh, Mizoram, Rajasthan, Orissa, Andhra Pradesh and Pondicherry. Additionally, we are also involved in exploration activities in certain overseas blocks.

Our exploratory and appraisal activities include 2D and 3D seismic data acquisition, processing and interpretation and drilling of exploratory wells and are estimated to cost Rs. 27,119.02 million.

(A) Our funding requirements for 2D and 3D seismic data acquisition, processing and interpretation, including our proportionate share of costs for such studies where we are non-operator, are set forth below:

Fiscal	2D (in Gl km)	3D (in Sq km)	Aggregate cost (Rs. in million)
Fiscal 2009	2,275	2,709	4,156.45*
Fiscal 2010	500	1,900	3,432.15*
Total	**2,775**	**4,609**	**7,588.60***

* *includes our proportionate share of costs of surveys for blocks where we are not the operator.*

A detailed explanation of our estimated costs in relation to the aforesaid is as follows:

Nomination Blocks: In our nomination blocks, which are at different stages of prospecting, development or production of crude oil and natural gas, we propose to cover 1,150 GL kilometers of 2D seismic data acquisition, processing and interpretation and 850 square kilometers under 3D seismic data acquisition, processing and interpretation in fiscal 2009 and 400 GL kilometers under 2D seismic data acquisition, processing and interpretation and 1,050 sq km under 3D seismic data acquisition, processing and interpretation in fiscal 2010. The total expenditure for 2D and 3D seismic data acquisition, processing and interpretation in fiscal 2009 and fiscal 2010 is estimated at Rs. 2,189.53 million and Rs. 2,166.92 million respectively, aggregating to Rs. 4,356.45 million.

NELP and pre-NELP blocks: In our NELP and pre-NELP blocks, where we are operator under a PSC, we propose to cover 775 GL kilometers under 2D seismic data acquisition, processing and interpretation and 1,759 square kilometers under 3D seismic data acquisition, processing and interpretation in fiscal 2009 and 100 GL kilometers under 2D seismic data acquisition, processing and interpretation and 350 square kilometers under 3D seismic data acquisition, processing and interpretation in fiscal 2010. The total expenditure for 2D and 3D seismic data acquisition, processing and interpretation in fiscal 2009 and fiscal 2010 Rs. 1,234.16 million and Rs. 507.87 million respectively aggregating to Rs. 1,742.03 million.

In our non-operator blocks, we expect to contribute Rs. 26.90 million and Rs. 226.34 million as our proportionate share of the cost of the survey during fiscal 2009 and fiscal 2010 respectively, aggregating to Rs. 253.24 million.

Overseas Blocks: In our overseas blocks, where we are operator, we propose to cover 350 GL kilometers under 2D and 100 square kilometers under 3D in fiscal 2009 and 500 square kilometers under 3D in fiscal 2010. The total expenditure for 2D and 3D seismic data acquisition, processing and interpretation in fiscal 2009 and fiscal 2010 is Rs. 625.86 million and Rs. 451.02 million respectively aggregating to Rs. 1,076.88 million.

In our non-operator blocks, we expect to contribute Rs. 80 million and Rs. 80 million as our proportionate share of the cost of the survey during fiscal 2009 and fiscal 2010 respectively, aggregating to Rs. 160 million.

(B) Our funding requirements for drilling exploratory wells, including our proportionate share of costs for exploratory drilling where we are non-operator, are set forth below:

Fiscal	No. of Wells	Aggregate cost (Rs. in million)
Fiscal 2009	36	8,658.48
Fiscal 2010	49	10,871.94
Total	**85**	**19,530.42**

A detailed explanation of our funding requirements in relation to such activities is as follows:

Nomination Blocks: We propose to drill 26 exploratory wells in fiscal 2009 and 24 exploratory wells in fiscal 2010 respectively. Our estimated funding requirement for drilling these exploratory wells is Rs. 5,103.53 million and Rs. 5,248.94 million during the fiscal 2009 and fiscal 2010 respectively, aggregating to Rs 10,352.47 million.

NELP and pre-NELP blocks: In our NELP and pre-NELP, where we are the operator under a PSC, we propose to drill seven exploratory wells during fiscal 2009 and 23 exploratory wells during fiscal 2010 respectively at an expected outlay of Rs. 795.45 million and Rs. 4,450.63 million respectively, aggregating to Rs. 5,246.08 million.

In our NELP blocks, where we are the non-operator, we estimate we will contribute Rs. 1,928.75 million and Rs. 613.24 million towards our proportionate share in cost of exploratory drilling during the fiscal 2009 and fiscal 2010 respectively, aggregating to Rs. 2,541.99 million.

Similarly, in our pre-NELP blocks, where we are the non-operator, we expect to contribute Rs. 313.75 million and Rs. 136.13 million towards our proportionate share in cost of exploratory drilling during the fiscal 2009 and fiscal 2010 respectively, aggregating to Rs. 449.88 million.

Overseas Blocks: In our overseas blocks, where we are operator, we propose to drill three exploratory wells in fiscal 2009 and two exploratory wells in fiscal 2010 at an expected outlay of Rs. 517 million and Rs. 423 million respectively, aggregating to Rs. 940 million.

We confirm that none of the proceeds of this Issue will be used to fund existing or future participation, investment or activities in Iran, Sudan, Myanmar or any other countries or persons that are subject to economic sanctions imposed by the U.S. government and administered by the U.S. Export Administration Regulation and Office of Foreign Assets

Control of the U.S. Treasury Department or that are subject to EU legislation, including Council Regulation (EC) No. 1354/2005 and Council Regulation (EC) Nop 1184/2005.

2. Development Activities

Our development efforts are primarily focused in the areas falling under 19 PMLs in Assam, Arunachal Pradesh and Rajasthan. In our nomination blocks, we propose to drill 38 wells in fiscal 2009 and 48 wells in fiscal 2010 respectively and plan to spend Rs. 3,788.53 million in fiscal 2009 and Rs. 4,420.50 million in fiscal 2010 on these activities. Our total expenditure on drilling activities for our nominated blocks is Rs. 8,209.03 million.

Additionally, we also intend to drill three wells at an estimated outlay of Rs. 241.96 million in our NELP blocks, where we are the operator.

Furthermore, we estimate to contribute Rs. 280 million towards our proportionate share in the cost of drilling during fiscal 2010 for our pre-NELP blocks, where we are the non-operator.

3. Purchase of capital equipments to augment our E&P operations

To augment our E&P operations, we are required to purchase capital equipments on an ongoing basis. We have included investments relating to purchase of capital equipment, contracts relating to creation of infrastructure, surface facilities and service contracts in our planned outlay for capital equipments. Accordingly, we estimate that Rs. 9,587.80 million will be required for purchase of capital equipment during fiscal 2009 and fiscal 2010. The estimates are based on the budgetary quotations received by the Company or on prior orders.

We have placed orders/entered into contracts with various vendors for an aggregate amount of Rs. 4,431.83 million as on December 5, 2007. The details of the top ten orders/ contracts placed by us for procurement of capital goods and services aggregating to Rs. 3,701.17 million are as follows:

(Rs. in million)

Sl. No.	Name of Vendor	Date and Contract No.	Type of Services	Quantity ordered	Contract Expiry Date	Amount
1.	Shiv Vani	OIL/CCO/DRLG/GLOBAL/144/2006 dated June 4, 2007	Charter hire of workover rigs	2 Nos.	Contract to supply services up to June 3, 2011	612.87
2.	Schlumberger Asia Services Limited	OIL/CCO/GEOL/GLOBAL/145/R/2006 dated June 27, 2007	Hire of wire logging services	N.A.	August 1, 2010	569.38
3.	Halliburton Export Inc	7950288/DFD/P7 dated January, 31 2007	Supply of open hole logging unit with tools	1 Set	June 30, 2008	452.84
4.	Jaybee Energy Private Limited	OIL/CCO/DRLG/GLOBAL/141/2006 dated February 19, 2007	Charter hire of drilling rig	1 No.	February 18, 2009	444.71
5.	Jaybee Energy Private Limited	OIL/CCO/DRGL/GLOBAL/143/2006 dated December 13, 2006	Charter hire of work over rigs	2 Nos.	December 12, 2008	373.32
6.	Bharat Heavy	7901969/DID	Repair,	1 No.	September	346.44

Sl. No.	Name of Vendor	Date and Contract No.	Type of Services	Quantity ordered	Contract Expiry Date	Amount
	Electricals Limited	dated September 18, 2007	refurbishment and upgradation for drilling rig		17, 2008	
7.	Fabtach Projects and Engineers Private Limited	6675/T-101/05-06/VKG/01 dated April 18, 2007	Design, engineering, fabrication, supply, erection, testing and commissioning of mounded LPG storage bullets	3 Nos.	April 17, 2008	324.90
8.	China Petroleum Technology and Development	7950293/DFD/P 7 dated June 1, 2007	HP self propelled mobile work over/drills rigs	4 Nos.	May 31, 2008	255.07
9.	AGCL	CCO/PDMG/907 5/2004 dated March 21, 2005	Supply of material for construction of pipeline	N.A.	October 31, 2008	171.40
10.	Newsco Directional and Horizontal Drilling Services Inc. Canada	OIL/CCODRLG/ GLOBAL/146/2 006 dated February 7, 2007	Hiring of expert services with tools/ equipment for drilling J bend wells	N.A.	August 6, 2008	150.24

Orders remaining to be placed for capital equipments, on which tenders have been floated, are worth Rs. 221.20 million. Orders that are yet to be placed for capital equipments towards which no action has been initiated yet by our Company are worth Rs. 4,934.77 million. For such equipments which are yet to be ordered, we have relied upon budgetary quotations received by us and our past experience. Consequently our actual procurement cost may vary from the ones indicated above.

No second hand equipment or equipments have been purchased or are proposed to be purchased from the Net Proceeds.

As of December 5, 2007, we have incurred an expenditure of Rs. 279.60 million (as per the certificate of M/s Nath and Mahesh Associates, Chartered Accountants dated December 5, 2007), towards purchase of capital equipments.

4. Diversification of existing business in downstream activities

In order to attain the benefits of forward integration, we propose to invest in downstream activities viz crude refining and a gas cracker project. For this purpose, we have allocated a sum of Rs. 310.00 million of which Rs. 110 million is proposed to be used during fiscal 2009 and Rs. 200 million is proposed to be used during fiscal 2010. A brief description of such identified projects is set forth below:

Downstream Refinery and Petrochemical Complex

Our Company has entered into a MoU on October 18, 2007 with HPCL, GAIL, Mittal Energy Investments Pte Limited and Total France S.A., with the objective of studying and evaluating feasibility of building an integrated refinery and petrochemical complex at Viskhapatnam. As per the

MoU, all parties have agreed that any decision to enter into a binding agreement for carrying out front end engineering design studies in the next phase shall be taken after undertaking certain feasibility studies with respect to the proposed project. Therefore, our contribution will be dependent on the outcome of a definitive agreement pursuant to the results of the feasibility studies. We may also have to contribute additional resources pursuant to negotiations on the outcome of the definitive agreement that may be higher than the present estimates and may use internal accruals for the same. We have allocated Rs. 10 million towards acquisition of equity stake in the said project during fiscal 2009 and Rs. 100 million during fiscal 2010.

Brahmaputra Cracker and Polymer Limited

Brahmaputra Cracker and Polymer Limited was incorporated on January 8, 2007 with the objective to establish a gas cracker project complex at Lepetkata, District Dibrugarh, Assam to, *inter alia*, process natural gas, naphtha or any petroleum product and to distribute and market petrochemical products in India and abroad. The company was incorporated pursuant to a joint venture agreement with GAIL, NRL, the Government of Assam and our Company on October 18, 2006 with GAIL as the main promoter contributing to 70% of the equity share capital and our Company, NRL and the Government of Assam each contributing to the balance 10% equity share capital. The shareholding pattern as on the date of filing of this Draft Red Herring Prospectus is as follows:

Name of Shareholder	Number of Shares (face value Rs.10/-)	Percentage Shareholding (%)
GAIL	35,000	70
Government of Assam	5,000	10
NRL	5,000	10
Oil India Limited	5,000	10
Other nominees	80	Negligible
Total	**50,080**	**100.00**

As BCPL was recently incorporated on January 8, 2007, there are no financial statements available for BCPL and the company has not filed its annual report with the RoC. The authorized share capital of the company is Rs. 12,000 million. We do not have any agreement to acquire additional stake in the company. To increase our stake we may require further negotiations with other shareholders and may also require approval from the Government of Assam for the same. We have allocated Rs. 100 million during fiscal 2009 and Rs. 100 million during fiscal 2010 respectively towards our contribution in the share capital of BCPL.

Issue Expenses

The Issue Expenses include, among others, lead management, underwriting and selling commissions, IPO grading fees, listing fees, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses of the Registrar, the Depository and legal expenses. All expenses with respect to the Issue will be borne by the Company. The Issue expenses are as follows:

S. No.	Activity Expense	(Rs. in million)	% of Issue Size	% of Issue Expenses
1.	Lead management, underwriting and selling commissions*	[•]	[•]	[•]
2.	IPO Grading fees*	[•]	[•]	[•]
3.	Printing, distribution and stationery expenses*	[•]	[•]	[•]
4.	Advertising and marketing expenses*	[•]	[•]	[•]
5.	Others (Registrar, Depository, listing and legal fees etc.) *	[•]	[•]	[•]
Total estimated Issue expenses*		**[•]**	**[•]**	**[•]**

** To be incorporated at the time finalisation of Issue Price*

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In the event of significant variations in the proposed utilization, approval of our shareholders shall be duly sought. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through internal accruals and debt.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, our Company may temporarily invest the funds in accordance with the PSE policy and Board approvals from time to time. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds

The Board and the Monitoring Agency, [●] will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the proceeds of the Issue under a separate heading in our Directors' Reports for fiscal 2009 and fiscal 2010 clearly specifying the purpose for which such proceeds have been utilized. Pursuant to clause 49 of the Listing Agreement, we shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. The Monitoring Agency shall also place their report before the Audit Committee. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement shall be certified by the statutory auditors of our Company.

Our Company will also, in our Directors' Reports for fiscal 2009 and fiscal 2010 provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Our Company will not pay any part of the Issue proceeds as consideration to our Directors or key management personnel, except in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined in consultation with the BRLMs on the basis of assessment of market demand from investors for the Equity Shares through the book building process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled "Risk Factors" and "Financial Statements" beginning on pages xiii and 187, respectively, of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

Qualitative Factors

Factors Internal to the Company

- We are the second largest oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production *(Source:DGH)*. As of March 31, 2007, our estimated independent proved plus probable crude oil reserves were approximately 539.66 million barrels and our independent proved plus probable natural gas reserves were approximately 46.04 billion cubic meters.

- All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Bikaner-Nagaur basin in the state of Rajasthan.

- We have been present in the India oil and gas exploration and production industry for nearly five decades and count among our achievements the creation of a fully automated crude oil pipeline.

For a detailed discussion of these factors, see the section titled "Our Business" beginning on page 99 of this Draft Red Herring Prospectus.

Factors External to the Company

- The significant growth of India's economy over the past decade has led to increases in domestic energy consumption. During the five year period ended March 31, 2007, the CAGR of consumption of petroleum products was approximately 3.6% *(Source: PPAC, June 2007)*.

- Crude oil demand is projected to increase to about 1,393 million barrels per year by 2012. Gas demand is expected to reach 330 million standard cubic meters per day by 2012, which represents a CAGR of 10% for the period between 2005 and 2012. Increased use of gas for power generation, petrochemicals, fertilisers and city gas distribution are expected to drive demand growth in the country *(Source: Investment Commission of India)*.

- India is a net importer of crude oil and natural gas. There is currently a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production. In 2006, India consumed 939.9 million barrels of crude oil but produced only 294.54 million barrels. Similarly, India consumed 39.7 billion cubic meters of natural gas but produced only 31.8 billion cubic meters (*Source: BP Statistical Review of World Energy, 2007*).

For a detailed discussion of these factors, see the sections titled "the Indian Oil and Gas Industry" and "Risk Factors" beginning on pages 91 and xiii respectively of this Draft Red Herring Prospectus.

Quantitative Factors

1. Restated Earning Per Share of the face value of Rs.10 each (EPS)

Year Ended	EPS (Rs.)	Weight
Fiscal 2005	52.20	1
Fiscal 2006	84.53	2
Fiscal 2007	73.56	3
Weighted Average	73.66	

Based on earnings in the half year ended on September 30, 2007, EPS of the Company was Rs.41.66.

Notes:
1. The Earning per Share has been computed on the basis of the restated profits and losses of the respective years.
2. The denominator considered for the purpose of calculating Earnings per Share is the number of Equity Shares outstanding at the end of the respective years.

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●]

1. Based on fiscal 2007, Restated EPS of Rs.73.56, the P/E ratio at the Floor Price is [●] and the Cap Price is [●].
2. Based on Weighted average Restated EPS of Rs.73.66, the P/E ratio is [●]
3. Industry P/E

Highest	140.8
Lowest	15.1
Industry Composite*	46.1

Source: Capital Market magazine Vol. no. XXII/ 20 dated December 03 – 16, 2007.

** Industry composite has been computed as the average of the P/E ratios for the companies enlisted under the industry segment "Oil Drilling/ Allied Services" covered in the Capital Market magazine Vol. no. XXII/ 20 dated December 03 – 16, 2007.*

3. Return on Net Worth

Year	RONW (%)	Weight
Fiscal 2005	23.62%	1
Fiscal 2006	30.51%	2
Fiscal 2007	23.05%	3
Weighted Average Return on Net Worth	25.63%	

Net Worth is defined as share capital + reserves and surplus – miscellaneous expenses.

Return on Net Worth has been calculated as per the following formula:
(*Net Profit after tax as restated/ Net worth at the end of the year or period*)

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS

The minimum return on increased net worth required to maintain pre-Issue EPS is [●]%.

5. Net Asset Value (NAV) per Equity Share of the face value of Rs.10 each

Issue Price per share	**[●]**
Net Asset Value per share as at September 30, 2007	Rs.360.05
Net Asset Value per share as at March 31, 2007	Rs.319.17
Net Asset Value per share after the Issue	**[●]**

NAV has been calculated as per the following formula:

Net Asset Value per Equity Share represents Net Worth, as restated divided by the number of Equity Shares outstanding at the end of the period.

6. Comparison with Listed Industry Peers as on March 31, 2007

Name of Companies	EPS (Rs.)	P/E (times)	RONW (%)	NAV per Equity Share (Rs.)
Oil India Limited[1]	73.56	**[●]**	23.05%	319.17
Peer Group[2]				
ONGC	66.90	15.1	27.00	289.50
Cairn India Limited	-	-	-	164.50
Hindustan Oil Exploration Company Limited	-	-	-	76.70
Selan Exploration Technologies Limited	7.30	21.8	27.00	30.80

[1] Earnings Per Share, Return on Net Worth and Net Asset Value of the Company are based on the last audited restated financial statements for the year ended March 31, 2007.
[2] Source: "*Capital Market" magazine Vol. no.XXII/ 20 dated December 03 - 16, 2007. Data pertaining to Cairn India Limited in Capital Market magazine is based on five months period ended December 31, 2006.*

The BRLMs believes that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Specific attention of the investors is invited to the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on page xiii, 99 and 187 of this Draft Red Herring Prospectus respectively.

The Issue Price of Rs. [●] has been determined by us in consultation with the BRLMs and on the basis of the demand from the investors for the Equity Shares through the Book Building Process and is justified on the basis of the above accounting ratios.

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to our Company and our shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on our Company or our shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of our Company or our shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives our Company faces in the future, our Company may or may not choose to fulfill. The benefits discussed below are not exhaustive. This statement has been prepared based on the auditors report dated November 27 , 2007, received from A.K. Sabat & Co and Chatterjee & Co., Chartered Accountants. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

AUDITOR'S REPORT

To
The Board of Directors,
Oil India Limited,
P.O. Duliajan, Dist. Dibrugarh,
Assam 786 602.

Dear Sirs,

We hereby report that the enclosed statement states the possible tax benefits available to Oil India Limited ('Oil India Limited' or 'Company') and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. The benefits outlined in the statement will be dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be 'dependent upon such conditions being fulfilled. Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

(i) the Company is currently availing any of these benefits or will avail these benefits in future; or
(ii) the Company's share holders will avail these benefits in future; or
(iii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of the understanding of the business activities and operations of the Company.

For A.K. Sabat & Co.
Chartered Accountants

(A.K.Sabat)
Partner
Membership No. 30310

For Chatterjee & Co.
Chartered Accountants

(S.K.Chatterjee)
Partner
Membership No. 3124

Place : New Delhi

Dated: November 27, 2007

STATEMENT OF TAX BENEFITS

A. To the Company - Under the Income Tax Act, 1961

i) Specific Benefits

❖ The company is entitled to claim deduction under section 33ABA in respect of amounts deposited in special account with State Bank of India and interest accruing thereon under the Site Restoration Fund Scheme, 1999. The amount of deduction cannot exceed 20% of the taxable income for the year before allowing deduction under section' 33ABA. The funds deposited in the special account can be withdrawn only for the purpose of carrying site restoration and no deduction would be admissible for the expenditure incurred on site restoration out of the amount withdrawn from the special account.

❖ In respect of areas awarded to the company on nomination basis; in terms of section 42 of the Income Tax Act, 1961, read with the agreement entered into by the Company with the Central Government, the company is entitled to deduct the following costs in computing its taxable income:-

(a) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration License areas excluding expenditure on assets for which usual depreciation allowance is eligible whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.

(b) All intangible expenditure on exploration / prospecting / drilling in Mining Lease areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and

(c) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under Written Down Value (WDV) method.

❖ In respect of areas where the company has entered into Production Sharing Contracts with the GoI and some bodies corporate; the company is entitled to deduct exploration, drilling and development costs under section 42, in terms of Production Sharing Contracts in the manner laid down in each of the Contracts.

ii) General Benefits

❖ The company is entitled to claim deduction under section 35AC in respect of amounts paid to a public sector company, local authority, or to an approved association or institution, for carrying out any eligible project or scheme.

❖ In accordance with and subject to the provisions of Section 35DDA, the company is entitled to deduction of expenditure incurred by way of payment to an employee at the time of his voluntary retirement in five equal 'annual installments beginning from the year in which the expenditure is incurred.

❖ In accordance with and subject to the conditions specified in Section 80-IC of the Income Tax Act, 1961, the company is entitled to deduction of the entire profits derived from its Undertaking(s), which have begun or begins to manufacture or produce any article or thing, specified in the Fourteenth Schedule (Gas based intermediate products under item no. 13 and mineral based industry under item no. 16 covered under the Schedule) or commences any operation specified in that Schedule, or which manufactures or produces any article or things , specified in the Fourteenth Schedule or commences any operation specified in that Schedule and undertakes substantial expansion during the period beginning on 24^{th} day of December, 1997 and ending before the 1^{st} day of April'2007, in any of the North Eastern States .

- In accordance with and subject to the provisions of Section 35 the Company is entitled to deduction in respect of expenditure laid out or expended on Scientific Research related to the business.

- MAT credit allowable is the difference between MAT paid and the tax computed as per the normal provisions of the I.T. Act and can be utilised in those years in which tax becomes payable under the normal provisions of the Act. MAT credit can be utilised to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. MAT credit cannot be carried forward and set off beyond 7 years immediately succeeding the assessment year in which it becomes allowable under section 115JAA(1A) of the Act (section 115 JAA of the Act).

- By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in Section 115-O of the I.T. Act, are exempt from tax in the hands of the Company.

- By virtue of Section 10(35) of the Income Tax Act, 1961, the following income shall be exempt in the hands of the company:-

  (a) income received in respect of the units of a Mutual Fund specified under clause (23D); or
  (b) income received in respect of units from the Administrator of the specified undertaking; or
  (c) income received in respect of units from the specified company:

  Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be. For this purpose-

  (a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

  (b) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

- By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

  Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

  Equity oriented fund means a fund :

  (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five per cent of the total proceeds of such fund; and
  (ii) which has been set up under a scheme of Mutual Fund specified under clause (23D);

  Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

- Under section 48 of the Income Tax Act, 1961, if any shares are sold by the Company after being held for not less than twelve months, the gains (in cases not covered under section10(36) / 10(38) of the I.T. Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

- Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(36) / 10(38) of the I.T. Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

  i) National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

  ii) National Highway Authority of India constituted under section 3 of the National Highway authority of India Act, 1988;

  iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

  iv) National Housing Bank established under section 3(1) of the National Housing Bank Act. 1987: and

  v) Small Industries deve1opment Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989; .

- Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 10% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT and transaction of sale is entered on or after 01.10.2004 (section 111A of the I.T. Act).

- Under section' 112 of the Income Tax Act,]961 and other relevant provisions of the I.T. Act, long term capital gains (not covered under section 10(36) of the I.T. Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge & education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48] or at 10% (plus applicable surcharge & education cess) (without indexation], at the option of the company.

- As per the provisions of the I.T. Act, where the Tax Treaty has been signed between India and another country for the purposes of avoiding double taxation, then the taxpayer has option to be governed by the provisions of the Tax Treaty to the extent they are more beneficial. Thus, the taxpayer can avoid double taxation of the same income by using the tax treaty.

- Where the income is taxed by a country with which India does not have a tax treaty, then the taxpayer is entitled to get a deduction from the Indian income tax payable of the taxes paid in the other country. However, if the tax rate is higher in the other country, the credit will be restricted to the tax payable as per the Indian tax rate (section 90, 91 of the I.T. Act).

- Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (section 88E of the I.T. Act).

B. To the Members of the Company - Under the Income Tax Act, 1961

B. 1 Resident Members

❖ In terms of section 10(23D) of the Income Tax Act, 1961 all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including income from investment in the shares of the company,

❖ By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the IT Act, is exempt from tax in the hands of the shareholders.

❖ By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

❖ Under section 48 of the Income Tax Act, 1961, if the company's shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(36) / 10(38) of the I.T. Act) if any will be treated as long tern capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

❖ Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(36) / 10(38) of the I.T. Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

i) National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

ii) National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;

iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

iv) National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and

v) Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989;

❖ Under section 54F of the Income Tax Act, 1961 long term capital gains (in cases not covered under section 10(36) / 10(38) of the I.T. Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the sale proceeds from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

- ❖ Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 10% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT (section 111A of the I.T. Act) and transaction of sale is entered on or after 01.10.2004.

- ❖ Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the I.T. Act, long term capital gains arising (in cases not covered under section 10(38) of the I.T. Act), i.e., if shares are held for a period exceeding 12 months, on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge & education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge & education cess) without indexation, at the option of the shareholder.

- ❖ Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (section 88E of the I.T. Act).

B2 Non-Resident Indians/Non Residents Members [Other than Flls and Foreign venture capital investors]

- ❖ By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the IT Act, is exempt from tax in the hands of the shareholders.

- ❖ By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

  Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

- ❖ Under the first proviso to section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

- ❖ Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(38) of the I.T. Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

- ° National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act,] 981;

- ° National Highway Authority of India constituted under section3 of the National Highway Authority of India Act, 1988;

- ° Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

- ° National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and

- ° Small Industries Development Bank of India established under section 3(I) of the Small industries Development Bank of India Act,]989;

❖ Under section 54F of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the I.T. Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the sale proceeds from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

❖ Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (section 88E of the I.T. Act)

❖ Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 10% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT and transaction of sale is entered on or after 01.10.2004 (section 111A of the I.T. Act).

❖ Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the I.T. Act, long term capital gains (not covered under section 10(38) of the Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48 stated above] or at 10% (plus applicable surcharge & education cess) [without indexation], at the option of the shareholder.

❖ A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating To Certain Incomes of Non-Residents".

❖ Under section 115E of the Income Tax Act, 1961, where shares in the company are subscribed for in convertible Foreign Exchange by a 'Non Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(38) of the I.T. Act) be concessionally taxed at the flat rate of 10% (without indexation benefit but with protection against foreign exchange fluctuation) plus applicable Surcharge.

- ❖ Under provisions of section 115F of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the I.T. Act) arising to a non resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from Income tax, if the net consideration is invested in specified assets or specified savings certificates within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

- ❖ Under provisions of section 115G of the Income Tax Act, 1961 it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there-from.

- ❖ Under section 115-1 of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing Return of' Income under section 139 of the Income Tax Act declaring therein that the provisions of the chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him instead the other provisions of the I.T. Act shall apply.

- ❖ Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (section 88E of the I.T. Act)

- ❖ A non resident taxpayer has an option to be governed by the 'provisions of the I.T. Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the I.T. Act).

B3 FOREIGN INSTITUTIONAL INVESTORS (FIIs)

- ❖ By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the IT Act, is exempt from tax in the hands FIIs and accordingly no taxes are required to be withheld on dividend payment..

- ❖ By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

- ❖ Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(38) of the I.T. Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5 million during any financial year if investment is made on or after April 1, 2007, minimum for a period of 3 years in bonds issued by-

    - ° National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

- ° National Highway Authority of India constituted under section3 of the National Highway Authority of India Act, 1988;
- ° Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;
- ° National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
- ° Small Industries Development Bank of India established under section 3(I) of the Small industries Development Bank of India Act,]989;

❖ Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 10% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT (section 111A of the I.T. Act) and transaction of sale is entered on or after 01.10.2004.

❖ Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the I.T. Act, long term capital gains (not covered under section 10(38) of the I.T. Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge & education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48 stated above] or at 10% (plus applicable surcharge & education cess) [without indexation], at the option of the shareholder.

❖ Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (section 88E of the I.T. Act)

❖ A non resident taxpayer has an option to be governed by the provisions of the I.T. Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the I.T. Act).

UNDER THE WEALTH TAX ACT, 1957

Shares in a Company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a Company.

UNDER THE GIFT TAX ACT, 1958

Gift of shares of the Company made on or after October 1, 1998 are not liable to gift tax.

Note:- The tax benefits listed above are the possible benefits which the Company may avail depending upon its investment decisions/business activities. Several of these benefits will also be dependent upon Oil India Limited or its Shareholders fulfilling the conditions prescribed under the relevant tax laws (and acceptance of same by the Revenue authorities). Hence, the ability of Oil India Limited to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives Oil India Limited faces in the future, it may or may not choose to fulfill. The information provided is generic in nature and each investor is advised to consult his or her own consultant with respect to the specific tax implications arising out of their participation in the Issue.

THE INDIAN OIL AND GAS INDUSTRY

The information set forth in this section is based on publicly available information from various sources, including officially prepared material from the GoI and its various ministries, including the MoPNG, which we have not independently verified. Note that DGH and MoPNG provides its data in metric tons; for convenience we have converted such data from metric tons to barrels, using a conversion factor of 1 metric ton per 7.33 barrels.

General

The Indian oil and gas industry traces its beginnings to the initial discoveries of crude oil in October 1889 in Digboi, Assam in the far northeast of the country by the Assam Railway and Trading Company. The industry saw modest growth in exploration, development and production activity for the next century.

Following independence, the GoI made accelerated development of the oil and gas sector a major priority, given the industry's strategic significance for industrial development and defence. In the 1950s, the GoI entered the oil and gas sector by establishing the Oil and Natural Gas Directorate (the predecessor to ONGC) in 1955, creating state-owned refinery companies (Indian Refineries Limited in 1958 and Indian Oil Company Limited in 1959, which were merged in 1964 to form the Indian Oil Corporation), and forming exploration and development joint ventures with existing domestic and foreign oil and gas companies (Oil India Limited with the Burma Oil Company and the Assam Oil Company, and Indo-Stanvac Petroleum Company Limited, a joint venture between the GoI and Standard Vacuum Oil Company).

The industry increased in size in the 1960s and became increasingly dominated by state-owned entities and joint ventures between the GoI and private oil and gas companies. In the 1970s, the GoI implemented nationalization policies, taking over the operations of companies such as IBP, Esso, Caltex and Burmah-Shell. Following nationalization, only state-owned enterprises were allowed to participate in the oil and gas industry (other than Castrol, which was permitted to remain in the niche lubricant segment). Virtually all aspects of the oil and gas industry were highly regulated, including investment, exploration, production, distribution and pricing of all petroleum products sold in the market. In February 1974, ONGC discovered the large Mumbai High offshore oil field prompting large-scale expansion in the Indian oil and gas sector.

In the 1990s, as India's reliance on oil imports increased, the GoI embarked on a series of reforms aimed at reducing India's dependence on imports, deregulating the industry, improving efficiency and encouraging private and foreign investment. Measures included opening the refining segment to private investment, permitting the sale of limited amounts of LPG and kerosene by private entities outside of the state-owned distribution channels, and allowing foreign oil companies to enter the domestic lubricant market. In accordance with the liberalization process and in order to introduce new technology for increasing oil production, the GoI offered 69 small and medium-sized oil and gas fields, both onshore and offshore, to the private sector in 1992 and 1993. Since 1993, the GoI has signed PSCs for 28 exploration blocks under pre-NELP rounds. Out of these 28 blocks, 10 blocks have since been relinquished or surrendered, 17 exploration blocks are under operation and negotiations are still going on for one block *(Source: DGH)*.

In 1997, the NELP was implemented. Under the first round of NELP bidding, the GoI invited bids for 48 blocks for exploration of oil and natural gas. In the subsequent five rounds of NELP, the GoI awarded 25, 27, 24, 20 and 55 blocks, respectively. In the sixth and latest round of NELP, the GoI offered an aggregate area of 352,000 square kilometers. The GoI received 165 bids for 52 blocks by the bid closing date and a total of 68 companies (including 36 foreign companies and 32 Indian companies) have submitted bids either on their own or as consortia. (Source: *DGH and MoPNG Annual Report 2006-07*). DGH is expected to offer approximately 50 to 60 blocks in the seventh round of NELP (*source: DGH*).

Domestic Energy Demand

The significant growth of India's economy over the past decade has led to increases in domestic energy consumption. However, the increase in demand for petroleum products in India has lagged behind the growth in GDP. During the 5-year period ended March 31, 2007, the CAGR of consumption of petroleum products was approximately 3.6% (*Source: PPAC, June 2007)*, compared to a CAGR for GDP of 7.6% (*Source: Reserve Bank of India*) for the same period.

Growth in energy consumption has tended to lag behind GDP growth over the past half decade due to several factors, including increased oil prices and price volatility and, perhaps most significantly, due to the fact that the expansion in the Indian economy has been disproportionately concentrated in the services sector rather than in more energy-intensive sectors such as heavy industry and agriculture.

Similarly, over the past half decade domestic natural gas consumption has grown significantly in absolute terms, from approximately 27.2 billion cubic meters for the year ended December 31, 2001 to approximately 39.7 billion cubic meters for the year ended December 31, 2006 (*Source: BP Statistical Review of World Energy, 2007*), representing a CAGR of over 7.6%. Despite this high rate of growth, natural gas consumption as a percentage of total domestic energy consumption has remained relatively flat over this period, increasing from 7.56% for the year ended December 31, 2001 to 8.5% for the year ended December 31, 2006, and remains well below the world average of 23.7% for the year ended December 31, 2006 (*Source: BP Statistical Review of World Energy, 2007*). Domestic natural gas consumption has so far been limited by supply constraints caused by low growth in domestic production.

The following table sets forth total domestic energy consumption, and the relative contributions of major primary energy sources to total domestic consumption, for the ten years ended December 31, 2006.

Year Ended December 31	Total Domestic Energy Consumption	Energy Sources (% of Total Domestic Consumption)				
	Primary (mmtoe)	Coal	Crude Oil	Natural Gas	Hydro-electric	Nuclear
1997	285.6	56.1	30.3	7.3	5.6	0.8
1998	296.0	54.0	31.3	7.5	6.4	0.9
1999	304.0	52.3	33.0	7.7	6.1	0.9
2000	320.4	52.8	33.1	7.6	5.4	1.1
2001	324.2	53.1	33.0	7.6	5.0	1.3
2002	338.7	53.6	32.9	7.6	4.6	1.3
2003	348.2	54.1	32.5	7.7	4.5	1.2
2004	380.1	54.3	31.6	8.1	5.0	1.0
2005	401.6	55.3	29.8	8.5	5.4	1.0
2006	423.2	56.2	28.4	8.5	6.0	0.9

(Source: BP Statistical Review of World Energy, 2007)

On a per capita basis, energy consumption in India is relatively low in comparison to much of the world. In 2003, India's per capita energy consumption was 512 kilograms of oil equivalent, as compared to a world average of approximately 1,674 kilograms of oil equivalent (*Source:*

International Energy Agency, Statistics Division, 2006). However, there is currently a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production.

Crude oil demand is projected to increase to about 1,393 million barrels per year by 2012. Rising global crude oil prices have triggered increased domestic exploration and production activity. Gas demand is expected to reach 330 million standard cubic meters per day by 2012, which represents a CAGR of 10% for the period between 2005 and 2012. Increased use of gas for power generation, petrochemicals, fertilisers and city gas distribution are expected to drive demand growth in the country *(Source: investment Commission of India)*.

In addition to demand for energy, the oil and gas industry is significantly affected by demand for a variety of refined and processed products derived from crude oil and natural gas, which are used in a variety of industrial, consumer and agricultural applications. Examples of non-fuel end products include lubricants, fertilizer, plastics and other petrochemicals.

Domestic Oil and Natural Gas Production

Indigenous production of petrochemical products in India has grown at a CAGR of 4.5% over the 5-year period ended March 31, 2006, while domestic consumption of petroleum products increased at a CAGR of approximately 2.5% during the same period. (*Source: PPAC June 2007*). Domestic utilization of natural gas has been limited by supply and distribution factors and increased at a CAGR of approximately 2.4% during this period due to additional infrastructure. (*Source: MoPNG, Petroleum Statistics, October 2007*). Domestic reserves of crude oil have increased at a CAGR of 0.6% over the 5-year period ended March 31, 2006, from 5,366 million barrels to 5,541 million barrels. Domestic gas reserves however, have increased at a CAGR of 7.1% over the same period, from 763 billion cubic meters to 1,075 billion cubic meters (*Source: MoPNG, Petroleum Statistics, October 2007*)

The following table sets forth the total domestic production and consumption of crude oil for the ten-year period ended December 31, 2006.

Year Ended December 31	Domestic Consumption Mmbbls	Domestic Production mmbbls	Deficit (mmbbls)	Deficit (%)
1997	667.2	292.0	375.2	56
1998	716.5	287.3	429.2	60
1999	778.9	287.6	491.3	63
2000	822.7	284.7	538.0	65
2001	833.7	284.7	549.0	66
2002	866.5	292.4	574.1	66
2003	883.3	291.3	592.0	67
2004	939.1	297.8	641.3	68
2005	937.7	286.2	651.3	69
2006	939.9	294.5	645.4	69

(Source: BP Statistical Review of World Energy, 2007)

A gap between consumption and production of natural gas has developed up during the last three years and India is increasingly becoming a net importer of natural gas. The following table sets forth the total domestic production of natural gas during the ten year period ended December 31, 2006, all of which was consumed domestically

Year Ended December 31	Domestic Consumption (bcm)	Domestic Production (bcm)	Deficit (bcm)	Deficit (%)
1997	23.0	23.0	0.0	0
1998	24.7	24.7	0.0	0
1999	25.9	25.9	0.0	0
2000	26.9	26.9	0.0	0
2001	27.2	27.2	0.0	0
2002	28.7	28.7	0.0	0
2003	29.9	29.9	0.0	0
2004	34.2	31.6	2.6	8
005	38.1	32.1	6.0	16
2006	39.7	31.8	7.9	20

(*Source: BP Statistical Review of World Energy, 2007*)

India's production of both crude oil and natural gas is dominated by ONGC and Oil India Limited. The following table sets forth India's crude oil and natural gas production by producer for the year ended March 31, 2006.

Total Domestic Crude Oil and Natural Gas Production by Major Producers, Year Ended March 31, 2006				
Producer	**Crude Oil (million barrels)**	**(%)**	**Natural Gas (billion cubic meters)**	**(%)**
ONGC	178.9	76%	22.6	70%
Oil India Limited	23.7	10%	2.3	7%
Others	33.4	14%	7.4	23%
Total	236.0	100%	32.2	100%

(Source: DGH - Petroleum Statistics)

The remainder of the domestic crude oil production comes primarily from public sector/private sector joint ventures, mostly producing in offshore areas. Significant private-sector participants in the country's crude oil production joint ventures include Reliance Industries Limited, British Gas, Cairn Energy and Petrocon (formerly Videocon).

The remainder of the domestic natural gas production sector consists of smaller state-owned enterprises such as the GSPC and private-sector oil and gas companies such as Cairn Energy and HOEC that engage in exploration, development and production and, in some cases, direct sales of natural gas to wholesale and retail customers and end-users. The contribution of private sector and joint venture companies to total India's oil and gas production has increased from 12.40% for fiscal 2001 to 18.49% for fiscal 2006 *(Source: DGH - India-Petroleum & Exploration Activities 2005-06 and MoPNG Annual Report 2006-07)*.

Leased Domestic Production Areas

Oil India Limited and ONGC hold the largest portion of leased acreage under PMLs for oil and natural gas production, accounting collectively for approximately 72.8% of the total territory licensed by the GoI for commercial production of crude oil and natural gas as of March 31, 2007.

The following table provides a breakdown by operator of mining lease area as of April 1, 2006:

Company/Operator	**ML area of April 1, 2006**	
	Square Kilometers	**%**
ONGC	11,749.3	51.6
Oil India Limited	4,811.0	21.2
BG/Reliance Industries Limited/ONGC	2,678.0	11.8
Cairn Energy India Pty Limited	2,364.0	10.4
Reliance Industries Limited	339.7	1.5
Niko Resources Limited	247.1	1.1
Selan Exploration Technologies Limited	189.7	0.8
Hindustan Oil Exploration Company Limited	120.8	0.5
Hardy Exploration & Production (India) Inc	81.0	0.4
Joshi Technologies Incorporated	57.0	0.3
Canoro Resources	52.8	0.2
Heramec Limited	34.2	0.2
Interlink Petroleum Limited	16.7	0.1
Geoenpro Petroleum Limited	11.0	0.1
Gujarat State Petroleum Corporation Ltd	5.7	0.02
HYDRO.RES.DEV.	4.4	0.02
TOTAL	**22,762.3**	**100.00**

(Source: DGH - Petroleum Exploration and Production Activities, India 2005-06)

Domestic Exploration

General

As of April 1, 2007, India's total hydrocarbon resources, including deep-water resources, are estimated at 205.9 billion barrels of oil and oil equivalent gas, of which 67.9 billion barrels of oil and oil equivalent gas is onland or onshore and 137.9 billion barrels of oil and oil equivalent gas is offshore. *(Source: DGH - Petroleum Exploration and Production Activities, India 2005-06).* As of April 1, 2007, India is estimated to have initial in-place oil and oil equivalent gas reserves of 62.0 billion barrels and 23.8 billion barrels of oil and oil equivalent gas in its ultimate reserves (*Source: DGH - Petroleum Exploration and Production Activities, India 2005-06*).

Sedimentary Basins

The sedimentary basins of India cover an area of approximately 3,134,700 square kilometers.

The basins have been classified by the GoI into the following four categories:

Basin Category	**Nature**	**No. of Basins**	**Onland and Offshore Areas (square kilometers.)**	**Basins**
Category I	Proven commercial	7	518,500	Cambay, Assam Shelf, Mumbai offshore, Krishna-

Basin Category	Nature	No. of Basins	Onland and Offshore Areas (square kilometers.)	Basins
	production			Godavari, Cauvery, Assam-Arakan Fold Belt, Rajasthan
Category II	Identified prospectivity – Known accumulation of hydrocarbons, but no commercial production	3	164,000	Kutch, Mahanadi-NEC, Andaman-Nicobar
Category III	Geologically prospective basins – Vindhyan, Saurahstra, Kerala Konkan-Lakshadweep, Mahanadi, Bengal	6	641,000	Himalayan Foreland, Ganga, Vindhyan, Saurashtra, Kerala-Konkan-Lakshadweep, Bengal
Category IV	Potentially prospective basins	10	461,200	Karewa, Spiti-Zanskar, Satpura South Rewa-Damodar, Narmada, Deccan Syneclise, Bhima-Kaladgi, Cuddapah, Pranhita-Godavari, Bastar, Chhatisgarh
Sub-total		26	1,784,700	
Deep waters			1,350,000	
Total			**3,134,700**	

(Source: DGH - Petroleum Exploration and Production Activities, India 2005-06; Categorization based on the prospectivity of the basin as presently known).

Exploration licences

The following table sets forth domestic exploration area granted to lessees under PELs, in effect as of March 31, 2007.

Company/Operator	PEL area at April 1, 2006	
	Square Kilometers	%
ONGC	575,046	53.9
Reliance Industries Limited	329,684	30.9
Oil India Limited	38,260	3.6
Hindustan Oil Exploration Company Limited	33,923	3.2

Company/Operator	PEL area at April 1, 2006	
	Square Kilometers	%
Cairn Energy India Pty Limited	30,926	2.9
FOCUS	18,771	1.8
ENI SpA	14,445	1.4
OAO Gazprom	7,779	0.7
Gujarat State Petroleum Corporation Ltd	4,843	0.5
Geo Global Resources Inc	3,155	0.3
Enpro Finance Pvt Limited	2,360	0.2
Premier Oil North East India	1,906	0.2
Canoro Resources Limited	1,444	0.1
Tullow Oil Plc	1,277	0.1
Niko Resoruces Limited	957	0.1
Hardy Exploration & Production (India) Inc	859	0.1
Essar Oil Limited	430	0.04
Geoenpro Petroleum Limited	295	0.03
Jubilant Oil and Gas Pvt. Ltd	206	0.02
TOTAL	**1,066,568**	**100**

(Source: DGH - Petroleum Exploration and Production Activities, India 2005-06)

Exploration Activity

Domestic exploration and development activity was historically highly regulated, with work being exclusively undertaken by two national oil companies, Oil India Limited and ONGC. Given that exploration and development activities are very capital intensive and that historically only two national oil companies were engaged in the business, the sector received a low level of investment

After more than a decade of private sector participation, we and ONGC still account for approximately 10% and 76% of domestic crude oil production, and 7% and 70% of natural gas production, respectively, as of March 31, 2006 *(Source: DGH).* However, the recent increase in exploration activities has resulted in new discoveries being made, particularly for natural gas. Between fiscal 1996 and fiscal 2006, exploration was initiated in approximately 70% of previously unexplored areas. *(Source: DGH)*

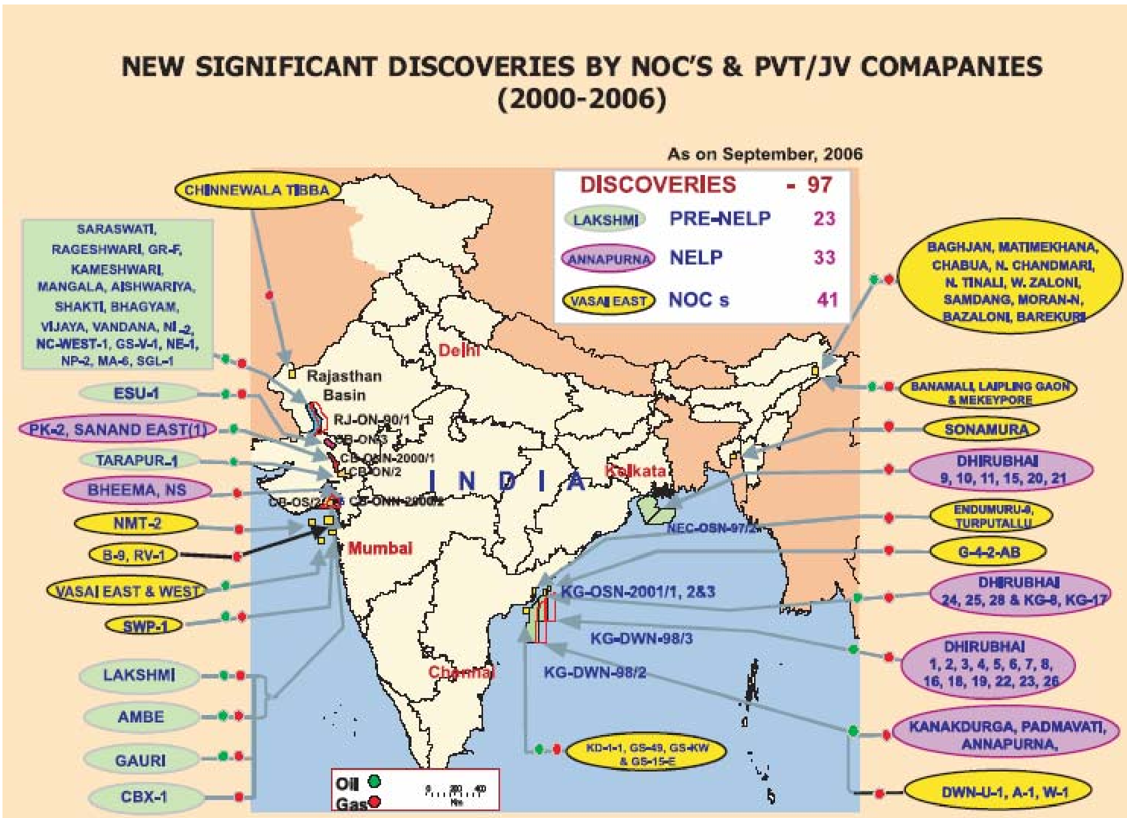
In the last 6 years, India's national oil companies have made 38 significant hydrocarbon discoveries of which 13 are in offshore and 25 onland. Out of 13 offshore discoveries, 8 were made in Kutch and Mumbai Basins, western offshore, and 5 in KG basin, eastern offshore. All these offshore discoveries were made by ONGC. Out of the 25 onland discoveries, 13 discoveries were made by Oil India Limited in Upper Assam Shelf and 12 discoveries were made by ONGC in the Rajasthan, Cambay, Cauvery, KG and in Assam-Arakan basins. *(Source: DGH)*

In the last 6 years, private and joint venture companies have made 59 significant hydrocarbon discoveries, both in the NELP and pre-NELP blocks. These discoveries were made in five major areas: Krishna-Godavari Offshore, Mahanadi-NEC Offshore, Gulf of Cambay, onland Rajasthan and Cambay Basins. *(Source: DGH)*

Although exploration activities have increased with the entry of new participants, to a significant degree a number of large basin areas remain unexplored. The following table sets forth the level of exploration in sedentary basins:

Level of exploration in sedimentary basin areas	Area (million square kilometers)			
	1995-96	1998-99	2004-05	2005-06
Unexplored	1.6	1.3	0.7	0.5
Exploration Initiated	0.6	0.8	1.2	1.4
Poorly Explored	0.5	0.5	0.7	0.7
Moderate To Well Explored	0.5	0.5	0.6	0.6

(Source: DGH - Petroleum Exploration and Production Activities, India 2005-06)



*(Source: DGH - Petroleum Exploration and Production Activities, India **2005-06)***

Crude Oil and Natural Gas Transportation

Crude oil produced onshore is primarily transported to refineries through trunk pipelines, with a small percentage transported by tanker. The total network of pipelines is 9,273 kilometers long with a capacity of 452 million barrels per annum. Oil India Limited owns and operates a 1,157 kilometer long cross country crude oil pipeline, commissioned in 1962, with a capacity to transport over 55 million barrels per annum of crude oil. (*Source: IOC, OIL company website, PPAC*).

Natural gas is transported through pipelines to end-users (through producer-owned pipeline or through transporters). India's gas pipeline network stands at around 10,500 kilometers. (*Source: The Associated Chambers of Commerce and Industry of India)*.

OUR BUSINESS

Overview

We are the second largest oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production *(Source:DGH).* We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are also present internationally through the exploration of crude oil and natural gas in Gabon, Iran, Libya and Nigeria and were recently awarded exploration blocks in Yemen as part of a consortium. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for nearly five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Bikaner-Nagaur basin in the state of Rajasthan. As of March 31, 2007, our estimated independent proved plus probable crude oil reserves were approximately 539.66 million barrels and our independent proved plus probable natural gas reserves were approximately 46.04 billion cubic meters. In addition to our independent reserves, we have a participating interest of 8.52 million barrels of proved plus probable reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. As of March 31, 2007, we also have contingent natural gas resources of 30.43 billion cubic meters based on best estimates. For fiscal 2007, our gross production amounted to approximately 21.99 million barrels of oil and approximately 2.26 billion cubic meters of natural gas, representing an average daily production of approximately 60,238 barrels of oil and 6.21 million cubic meters of natural gas. Our production amounted to approximately 10% and 7% of India's total production of crude oil and natural gas, respectively, for fiscal 2007 (*Source: DGH)*. For the six months ended September 30, 2007, our production amounted to approximately 10.69 million barrels of oil and approximately 1.04 billion cubic meters of natural gas, representing an average production of approximately 58,428 barrels of oil and 5.68 million cubic meters of natural gas per day.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 43.94 million barrels of crude oil in fiscal 2007 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We also own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar.

We also have interests in downstream activities through a 26% equity stake in NRL and a 10% equity stake in BCPL. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in Sudan that was completed in 2005. We also have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, cathodic protection, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2004, 2005 and 2006. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 40,971.50 million, Rs. 60,365.57 million and Rs. 60,077.77 million, for the fiscal years 2005, 2006 and 2007, respectively. Our profit after tax was Rs. 10,616.84 million, Rs. 16,899.31 million and Rs. 16,399.86 million, for fiscal 2005, 2006 and fiscal 2007, respectively. Our profit after tax as restated was Rs. 11,170.93 million, Rs. 18,090.45 million and Rs. 15,741.77 million for fiscal 2005, fiscal 2006 and fiscal 2007, respectively For the six months ended September 30, 2007, our revenues were Rs. 31,151.93 million, our profit after tax was Rs. 8,811.33 million and our profit after tax as restated was Rs. 8,914.75 million.

Competitive Strengths

We believe that our success can be attributed to a combination of the following competitive strengths:

Our large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin. As of March 31, 2007, we had independent proved plus probable crude oil reserves of approximately 539.66 million barrels and independent proved plus probable natural gas reserves of approximately 46.04 billion cubic meters. All of our independent oil reserves and 94.48% of our independent natural gas reserves are located in the Upper Assam basin, which has been in continuous production since 1889. All of our production of crude oil consists of sweet crude (28 degree API) which is benchmarked to Nigerian Bonny Light.

Our sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons. The PELs held by us in respect of acreages where we are the operator cover a total area of approximately 37,225 square kilometers, out of which 27,140 square kilometers were acquired through the NELP bidding process and the remaining 10,085 square kilometers of which were acquired on a nomination basis. More than 66% of our PELs where we are the operator reside in the Upper Assam and Assam-Arakan basin, the Krishna-Godavari basin and the Bikaner-Nagaur basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons. The PELs in which we have a participating interest as non-operator cover a total exploration acreage of 82,763 square kilometers, out of which an area of 70,706 square kilometers is under NELP blocks and 12,057 square kilometers is covered under our joint venture blocks. We have obtained participating interests in 19,152 square kilometers of exploration acreages overseas in Gabon, Iran, Libya and Nigeria. In addition, we were recently awarded two exploration blocks in Yemen as part of a consortium, covering an area of 2,221 square kilometers.

Our track record of making and exploiting small to medium size discoveries. From fiscal 2003 to September 30, 2007, we made 15 small to medium size discoveries, which we define as those discoveries with a proved plus probable reserves size of less than 30 million barrels of oil and oil equivalent gas, in addition to two major discoveries with a proved plus probable reserves size of over 30 million barrels of oil and oil equivalent gas over this time period. We believe these small and medium size discoveries have contributed to our reserve replacement ratio and production capacity. We view our expertise in the exploration and development of deep-seated thin reservoirs as a competitive advantage with respect to both our existing acreage and acreage we seek to acquire.

Our reservoir management skills for ageing and depleting fields. Oil and natural gas production in India is derived mainly from ageing and depleting fields. We deploy a wide array of improved oil recovery techniques and enhanced oil recovery techniques to achieve maximum recovery from our oil reserves. As part of our reservoir management strategy, we induct these techniques at an earlier stage in the life of our oil fields to try to achieve maximization of our recoveries. We believe these measures have enabled us to maintain production rates in our fields in the Upper Assam basin despite the declining nature of majority of the fields in the last three decades.

Our beneficial cost structure resulting from our status as an integrated exploration and production company with nearly five decades of operating experience. We have an installed onshore infrastructure built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and workover rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in our main oil- and gas-producing regions of India, which we believe provides us with a competitive advantage. Additionally, our nearly five decades of experience as an organization, together with the training and experience of our human resources, allows us to devise operational procedures and maintanence schedules for our equipment and facilities that strive to minimize downtime and cost. Our integrated oil and gas infrastructure, combined with our in-house expertise enables us to manage our costs and time efficiently. Consequently, our average finding costs and all-in production costs benefit from our optimized manpower costs, low interest expense, relatively high use of in-house services in place of more expensive third-party contractors, utilization of depreciated infrastructure and equipment, adoption of cost-saving technology in our exploration, development and production operations, and effective use of our large store of geological data and expertise.

Strategy

In pursuit of our strategic objectives, we intend to:

Achieve a balanced growth of our portfolio of assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally. We intend to acquire exploration acreages, discovered blocks and producing properties. Domestically, we intend to continue to pursue our selective bidding strategy in future NELP rounds to acquire more geographically balanced exploration acreage. We will continue to follow a bidding strategy pursuant to which we aggressively target those blocks that we believe offer the most opportunity based on nearly five decades of exploration experience with the geological conditions in India. In the past six rounds of NELP bidding, we selectively bid for 46 exploration blocks and were successful in acquiring 23 of these blocks, two of which we have subsequently relinquished. Internationally, we will seek to acquire both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. We intend to implement our acquisition strategy utilizing both joint ventures with other leading players in the industry, as well as under our arrangement with IOCL pursuant to which we have a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Our MoU with IOCL allows us to enter into project-specific agreements for overseas natural gas and oil exploration development and production opportunities. We have also entered into an MoU with BG Exploration and Production India Limited to evaluate joint participation in mutually identified exploration blocks to be offered under NELP VII licencing rounds. In addition, we have entered into MoUs with ITERA and Phoenix Petroleum and Energy Limited, among others, in respect of pursuing exploration and production opportunities in India and Libya, and Venezuela, respectively. For further details, see the section titled "History and Certain Corporate Matters" beginning on page 144 of this Draft Red Herring Prospectus.

Accelerate our exploration and development in existing acreages to augment our current reserves and production. We have a developed expenditure plan to accelerate our exploration and development activities in our existing acreages.

In our nomination blocks, which are at different stages of prospecting, development or production of crude oil and natural gas, we propose to conduct 1,150 GL kilometers of 2D seismic data acquisition, processing and interpretation and 850 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 400 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,050 square kilometers of 3D seismic data acquisition, processing and interpretation in our nomination blocks. We also propose to drill 26 and 24 exploratory wells in our nomination blocks in fiscal 2009 and fiscal 2010, respectively. In addition, we propose to drill 38 and 48 development wells in fiscal 2009 and fiscal 2010, respectively.

In our NELP and pre-NELP blocks where we are the operator under a PSC, we propose to conduct 775 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,759 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 100 GL kilometers of 2D seismic data acquisition, processing and interpretation and 350 square kilometers of 3D seismic data acquisition, processing and interpretation in these blocks. We also propose to drill seven and 23 exploratory wells during fiscal 2009 and fiscal 2010, respectively.

In fiscal 2009, in NELP and pre-NELP blocks where we are the non-operator under a PSC, we estimate we will make an aggregate contribution of Rs. 253.24 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 2,991.87 million towards our proportionate share of cost of exploratory drilling in fiscal 2009 and fiscal 2010. Additionally, we also propose to drill three development wells in our NELP blocks where we are the operator under a PSC. In our pre-NELP blocks, where we are the non-operator, we estimate we will make an aggregate contribution of Rs. 280 million towards our proportionate share in cost of development drilling in fiscal 2010.

In our overseas blocks, we propose to conduct 350 GL kilometers of 2D seismic data acquisition, processing and interpretation and 100 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2009. In fiscal 2010, we propose to conduct 500 square kilometers of 3D seismic data acquisition, processing and interpretation in these blocks. We also propose to drill three and two exploratory wells in our overseas blocks during fiscal 2009 and fiscal 2010, respectively. In our non-operator blocks, we estimate we will make an aggregate contribution of Rs. 160 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation, in fiscal 2009 and fiscal 2010.

We plan to spend approximately Rs. 27,119.02 million in connection with our exploratory and appraisal activities, including 2D seismic data and 3D seismic data acquisition, processing and interpretation and drilling of exploratory wells and approximately Rs. 8,730.99 million in connection with development activities to accelerate our exploration and development in existing acreages during fiscal 2009 and fiscal 2010.

Continue to improve our rate of recovery through the application of advanced recovery techniques. We intend to implement a number of improved and enhanced oil recovery techniques to redevelop our maturing fields in the Upper Assam basin and improve recovery of our crude oil reserves, with a goal of increasing our current average recovery rates. These measures include:

- capacity augmentation to increase water injection in matured fields combined with infill drilling to drain the reservoirs more effectively;
- implementation of suitable enhanced oil recovery techniques in selected reservoirs;
- a prioritized work-over program and gravel packs in sand ingress prone reservoirs;

- resiting, augmentation and upgradation of existing production facilities, work-over and coil tubing units and drilling rigs to improve operational efficiency;
- the installation of modern artificial pumping and lifting equipment; and
- implementation of water arrest techniques.

We believe that our implementation of advanced recovery techniques and development plans will enable us to maintain and increase our production levels, which could be further enhanced by our acquisition strategy.

Monetize our natural gas resources in the Upper Assam basin. As of March 31, 2007, we had independent proved plus probable natural gas reserves of approximately 45.71 billion cubic meters. Of our total proved plus probable natural gas reserves, 94.48% are located in the Upper Assam basin, which is a basin with proven commercial production. However, we have historically not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam in the past. For fiscal 2006, domestic consumption of natural gas exceeded domestic supply by 20% (*Source: BP Statistical Review of World Energy, 2007*) and we believe that the demand for natural gas within the Indian market is likely to increasingly exceed natural gas production We therefore intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment. We also intend to improve our utilization of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding of our distribution network.

Selectively diversify our domestic operations through downstream integration. We intend to continue an active strategy of vertical integration in order to diversify our sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. We have acquired a 26% equity stake in NRL and a 10% equity stake in BCPL. We have entered into an MoU with two public sector undertakings, HPCL and GAIL, and two private companies, Total France S.A. and Mittal Energy Investments Pte Limited, to establish a refinery and a petrochemical complex at Vishakhapatnam, Andhra Pradesh.

We have also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business in India and overseas in partnership with IOTL, and pursuing intelligent cathodic protection pipeline business in India and overseas in partnership with ICSA. We are also involved in the construction of a 660 kilometer domestic product pipeline connecting Numaligarh refinery to Siliguri scheduled for completion in the fourth quarter of fiscal 2007. We also hold a 10% equity stake in a 741 kilometer pipeline project in Sudan that was completed in 2005.

We intend to seek and develop additional diversification opportunities along the oil and gas value chain as they arise, particularly in the areas of expertise gained during our nearly five decades of upstream oil operation.

We are undertaking pre-project activities for distributing clean natural gas and piped natural gas in the North East region of India with AGCL. We have also initiated a research program to carry out technological and economic viability study for the production of synthetic crude oil from coal pursuant to which we have established a pilot coal liquefaction plant at our research and development center in Duliajan.

Crude Oil and Natural Gas Reserves

All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. In addition to our independent operations, we have a participating interest in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. As of March 31, 2007, our independent proved plus probable crude oil reserves were approximately 539.66 million barrels and our proved plus probable natural gas reserves from independent operations were approximately 46.04 billion cubic meters. In addition, as of March 31, 2007, our participating interest in the Kharsang fields was 8.52 million barrels of proved crude oil reserves. As of March 31, 2007, we also have contingent natural gas resources of 30.43 billion cubic meters based on best estimates.

The following table sets forth our reserves as of March 31, 2007.

	As of March 31, 2007		
	Proved (4)	**Proved and Probable Reserves (4)**	**Proved, Probable and Possible Reserves (4)**
	(mmbbls)	*(mmbbls)*	*(mmbbls)*
Crude Oil			
Independent operations			
Upper Assam basin (1)	277.94	534.47	994.55
Digboi field (2)	5.19	5.19	5.19
Total Independent Operations(2)	283.13	539.66	999.74
Production Sharing Contract			
Kharsang joint venture (3)	8.52	8.52	8.52
Total Crude Oil (2)(3)(4)	291.65	548.18	1,008.26

	As of March 31, 2007		
	Proved	**Proved and Probable Reserves**	**Proved, Probable and Possible Reserves**
	(bcm)	*(bcm)*	*(bcm)*
Natural Gas			
Independent Operations			
Upper Assam basin (1)	26.56	43.17	69.36
Digboi Field (2)	0.33	0.33	0.33
Rajasthan Basin (1)	1.75	2.54	5.22
Total Natural Gas (2)	28.64	46.04	74.91

(1) As certified by Gaffney, Cline & Associates (Consultants) Pte Ltd. Excludes Digboi field and Kharsang joint venture.
(2) Reserve estimates for Digboi field have been made internally.
(3) Reserve estimates with respect of some interest in the Kharsang joint venture was provided to us by the operator and reviewed internall by maagement. The estimates provided by our joint venture partners may be based on international standards that differ from those used by us. We do not receive estimates of probable or possible reserves with respect to our interest in the Kharsang joint venture from the operator. Excludes immaterial natural gas reserves and resources related to Kharsang joint venture for which estimates are not provided by the operator. Natural gas production from the Kharsang Fields is utilized for internal consumption for production operations
(4) Oil reserves have been converted at a factor of 1 standard cubic meter to 6.289 barrels.

Crude Oil and Natural Gas Production

The following tables set forth our annual crude oil production and natural gas production for the fiscal years 2005, 2006 and 2007 and the six months ended September 30, 2007, by independent and PSC operations.

	Year ended March 31,			Six months ended September 30, 2007
	2005	**2006**	**2007**	
Crude Oil Production (*mmbbls*)(1)				
Independent Operations	22.57	22.83	21.99	10.69
Production Sharing Contract	0.12	0.16	0.18	0.09
Total	**22.69**	**22.99**	**22.17**	10.78

(1) Oil production has been converted at a factor of 1 kiloliter to 6.289 barrels.

	Year ended March 31,			Six months ended September 30, 2007
	2005	**2006**	**2007**	
Natural Gas Production (*bcm*)(1)				
Independent Operations	2.01	2.30	2.26	1.04
Production Sharing Contract	0.003	0.003	0.004	0.002
Total	**2.013**	**2.303**	**2.264**	**1.042**

(1) Includes gas utilized for internal fuel and energy consumption, gas flare and gas used for LPG extraction and condensate.

The following table sets forth our average daily crude oil production for the fiscal years 2005, 2006 and 2007 and the six months ended September 30, 2007, by independent and PSC operations.

	Year ended March 31			Six months ended September 30, 2007
	2005	**2006**	**2007**	
Average Daily Crude Oil Production (*bbls per day*) (1)				
Independent Operations	61,829	62,546	60,238	58,428
Production Sharing Contract	320	441	486	497
Total	**62,149**	**62,987**	**60,724**	**58,925**

(1) Oil production has been converted at a factor of 1 kiloliter to 6.289 barrels.

The following table sets forth our average daily domestic natural gas production for the fiscal years 2005, 2006 and 2007 and the six months ended September 30, 2007, by independent and PSC operations.

	Year ended March 31			Six months ended September 30, 2007
	2005	**2006**	**2007**	
Average Daily Natural Gas Production (*mmcm per day*)(1)				
Independent Operations	5.51	6.31	6.21	5.68
Production Sharing Contracts	0.01	0.01	0.01	0.01
Total	**5.52**	**6.32**	**6.22**	**5.69**

(1) Includes gas utilized for internal fuel and energy consumption, gas flare and gas used for LPG extraction and condensate.

We currently produce crude oil and natural gas on an independent basis in 18 onshore fields under 19 corresponding production licenses, referred to as "Petroleum Mining Leases" (**"PMLs"**), each granted pursuant to the recommendations of the MoPNG with the approval of the GoI by the relevant state government. PMLs are generally granted on a block to block basis for an initial period of 20 years. We are also engaged in oil production in one domestic field pursuant to a PML as a non-operator in a PSC. For additional details regarding the terms and conditions of these licenses and related information, see the section titled "Government and Other Approvals" on beginning on page 309 of this Draft Red Herring Prospectus.

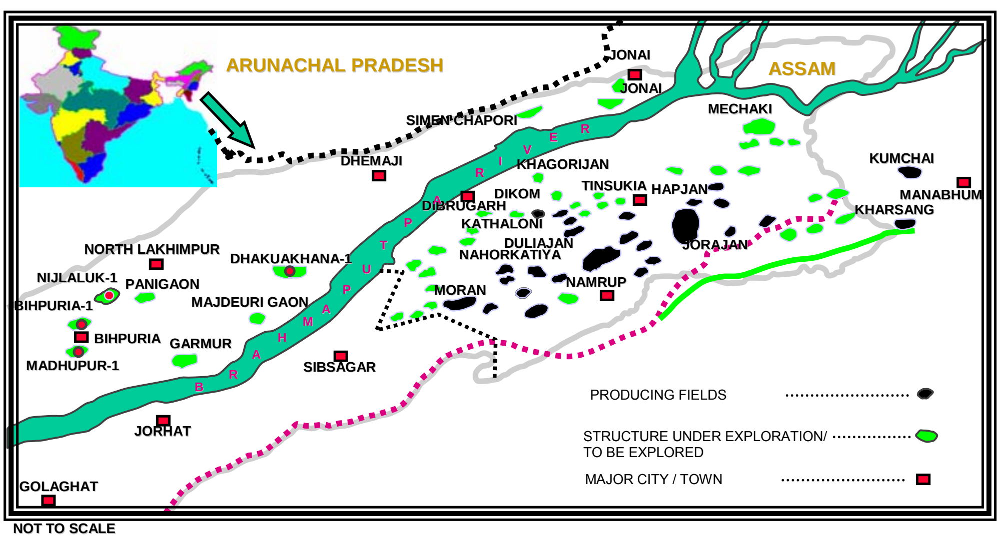
As of September 30, 2007, a total of 422 wells were in production, 388 of which related to crude oil production and 34 of which related to natural gas production. As of March 31, 2007, a total of 441 wells were in production, 410 of which related to crude oil production and 31 of which related to natural gas production.

Principal Producing Areas

All of our independent producing oil fields, as well as substantially all of our independent producing natural gas fields, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent producing natural gas fields in the Jaisalmer basin in the state of Rajasthan. We also continually conduct exploration, development and redevelopment activity within our producing areas. In addition to our independent operations, we have a participating interest in the Kharsang field in the Assam-Arakan basin in the state of Arunachal Pradesh.

Upper Assam Basin

PRODUCING FIELDS AND STRUCTURES (Assam & AP)



The Upper Assam basin is located in the states of Assam and Arunachal Pradesh and covers approximately 56,000 square kilometers. As of March 31, 2007 we have drilled 2,058 wells in 15 fields (including Digboi field) in this basin under 17 PMLs covering approximately 4,351 square kilometers in aggregate.

The Upper Assam basin was the site of the first discoveries of crude oil on the Indian subcontinent in 1889 at Digboi in the state of Assam. After the independence of India, our first major discoveries of oil within the Upper Assam basin were by our predecessor companies in 1953, who commenced commercial production in the Upper Assam basin in the same year. We increased our production following significant additional discoveries in Oligocene- Miocene structures during the period from 1956 through 1993. Our first major discovery in the Upper Assam basin in deeper formations were made in 1990 and further deeper Eocene discoveries were made during the period from 1991 to 2003. Our production of oil within the Upper Assam basin from shallower formation reservoirs plateaued during the 1970s. We made subsequent discoveries of deeper oil and have continued our efforts for such oil. We plan to implement advanced recovery methods in the ageing fields within the Upper Assam Basin.

Greater Nahorkatiya Fields. The Greater Nahorkatiya fields are located approximately 50 kilometers south-east of the town of Dibrugarh and cover an aggregate area of 85 square kilometers, comprised of eight contiguous fields: Nahorkatiya Main, Zaloni, West Zaloni, Jutlibari, Madhunting-Tipling, Rajali, East Rajali and Bordubi. The Greater Nahorkatiya fields are mature fields, some of which have been in production since the 1950s. Oil production from Nahorkatiya Main field, plateaued between 1968 and 1972 and has since experienced a steady decline. However, in recent years, the trend has been reversed. Gas production from the field has been on a steady decline since 1985. The Rajali and Bordubi fields have not been in production for the last seven years.

As of March 31, 2007, our total proved plus probable reserves from the Greater Nahorkatiya fields were 83.44 million barrels of crude oil and 7,218 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Greater Nahorkatiya fields was 4,831 barrels of oil per day and 0.95 million standard cubic meters of gas per day. For the six months ended September 30, 2007, our average production from the Greater Nahorkatiya fields were 4,373 barrels per day and 0.93 million standard cubic meters of gas per day.

As of March 31, 2007, a total of 296 wells have been drilled in the Greater Nahorkatiya fields.

Since 1966, we have implemented water injection, gas injection and polymer flooding for pressure maintenance and enhanced oil recovery in the Greater Nahorkatiya fields. As of March 31, 2007, four installations are available to meet the water injection requirement for the fields, which have a total injection capacity of 47,000 barrels per day. We have also commenced implementation of capacity augmentation projects to increase the daily rate of injection. As of September 30, 2007, water injection flooding is the enhanced recovery method being continued in the Greater **Nakorkatiya** fields.

Our redevelopment plan for the Nahorkatiya fields involves reservoir management including infill drilling, augmentation of water injection/flooding schemes, reservoir monitoring and well stimulation, workover operations and artificial-lift optimization. We also have plans to establish a pilot scale project for advanced reservoir surveillance. In addition we have identified one in-fill location for drilling in the Greater Nahorkatiya fields in fiscal 2010. Based on interpretation of recently acquired 3D seismic data, we also have plans to probe deeper plays in and around the existing producing areas.

Moran Field. The Moran field is located approximately 50 kilometers southwest of the Greater Nahorkatiya fields and cover an aggregate area of approximately 20 square kilometers. The Moran field is a mature field which has been in regular production since 1963. Production from the Moran field plateaued between 1972 and 1982 and experienced a steady decline, until 2005, when production stabilised due to development activities. Having reached its peak gas production in 1979, the gas production from the field was on steadily declined until becoming relatively stable in 1998.

As of March 31, 2007, our total proved plus probable reserves from the Moran field were 19.12 million barrels of oil and 918 million standard cubic meters of natural gas. For fiscal 2007, this fields' average production was approximately 1,911 barrels of oil per day and 0.07 million standard cubic meters of gas per day. For the six months ended September 30, 2007, our average production from this field was 1,706 barrels of oil per day and 0.09 million standard cubic meters of gas per day.

As of March 31, 2007, a total of 109 wells have been drilled in the Moran field.

Since July 1969, we have implemented water injection for pressure maintenance at the Moran field. As of March 31, 2007, one water injection installation is available to meet the water injection requirements for the field, which has a total injection capacity of 8,500 barrels per day. We have also commenced implementation of capacity augmentation projects to increase the daily rate of injection. We also utilize intermittent gas lifting for artificial lifting of the oil wells.

Our redevelopment plan for the Moran field primarily involves arresting natural decline through reservoir surveillance, pressure support well stimulation and artificial-lift optimization. Additionally, two development locations have been identified for drilling to develop recent discoveries.

Greater Jorajan Fields. The Greater Jorajan fields are located 18 kilometers east of the Nahorkatiya fields and cover an aggregate area of 51 square kilometers, comprising seven fields: Langkasi, Kathalguri, Nagajan, Jorajan, Jaipur, Santi and Tarajan. The Greater Jorajan fields are mature fields, most of which have been in production since the early 1970s. Production from these fields peaked in the late 1980s to early 1990s and has since experienced a steady decline. In recent years, oil production has been relatively stable due to development activities in these fields.

As of March 31, 2007 our total proved plus probable reserves from the Greater Jorajan fields were 63.93 million barrels of oil and 10,314 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Greater Jorajan fields was 2,107 barrels of oil per day and 1.5 million standard cubic meters of gas per day. For the six months ended September 30, 2007, our average production from the Greater Jorajan fields was 2,064 barrels of oil per day and 1.5 million standard cubic meters of gas per day.

As of March 31, 2007, a total of 253 wells have been drilled in the Greater Jorajan fields.

Since the 1980s, we have implemented water injection for pressure maintenance in the Greater Jorajan fields. As of March 31, 2007, two installations are available to facilitate the water injection requirements for the fields which have a total injection capacity of 3,540 barrels per day. We have also begun to implement capacity augmentation projects to increase the daily rate of injection. We have conducted 3D seismic surveys in the area.

IPR International Ltd., USA have recently concluded a detailed study of the Greater Jorajan Fields. As of September 30, 2007, the results of the study were under internal review. In addition, based on an in-house study, we have identified five exploratory locations for probing newly identified prospects and three in-fill locations within existing fields.

Greater Shalmari Fields. The Greater Shalmari fields are located approximately 20 kilometers west of the Naharkotia Main field and cover an aggregate area of 18 square kilometers, comprising three fields: the Shalmari, Tinali and North Tinali fields. The Shalmari field is a mature field, which has been in production since 1986. Production from the Shalmari field peaked in 1996 and has since experienced a steady decline. Tinali and North Tinali fields came into production in 2003 and 2004, respectively.

As of March 31, 2007, our total proved plus probable reserves from the Greater Shalmari fields were 17.62 million barrels of oil and 645 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Greater Shalmari fields was 2,588 barrels of oil per day and 0.08 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average production from the Greater Shalmari fields was 2,454 barrels of oil per day and 0.07 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 49 wells have been drilled in the Greater Shalmari fields. We have conducted 3D seismic surveys in the area.

We initiated water injection for pressure maintenance of the Greater Shalmari fields in the early 1990s which has begun arresting reservoir pressure decline. As of March 31, 2007, one water injection installation is available to meet water injection requirements for the fields with a total injection capacity of 8,500 barrels per day.

Our development plan for the Greater Shalmari fields primarily involves the implementation of various increased oil recovery measures and the drilling of four development wells for adequate drainage of deeper reservoirs.

Greater Dikom Field. The Greater Dikom field is located approximately 25 kilometers north west of the Nahorkatiya Main field and covers an aggregate of 18 square kilometers, comprising five fields: Dikom, Madarkhat, Kuhiarbari, Hatiali and Sealkati fields. The Greater Dikom field is a mature field, which has been producing since 1990. After recording its peak annual production level in 1998, the Greater Dikom field experienced declining production levels. Production was subsequently enhanced between 2003 and 2005, through development and in-fill drilling. However, post-2006, production is declining.

As of March 31, 2007, our total proved plus probable reserves from the Greater Dikom field were 59.59 million barrels of oil and 3,550 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Greater Dikom field was 6,110 barrels of oil per day and 0.78 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Greater Dikom field was 6,055 barrels per day and 0.88 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 48 wells have been drilled in the Greater Dikom field. We have conducted 3D seismic surveys in the area.

Our redevelopment plans in the Greater Dikom field primarily involve the drilling of additional development and in-fill wells for optimizing drainage of the reservoirs. We have identified locations for a total of 11 development wells and one exploratory well for drilling during the next three years. We also have plans to establish a pilot scale study for the augmentation of reservoir pressure support through water injection reservoir surveillance in these fields.

Kathaloni Fields. The Kathaloni fields are located approximately 12 kilometers south of Dikom Field and cover an aggregate area of 20 square kilometers, comprising two fields: the Kathaloni and Bachmatia fields. The Kathaloni fields are mature fields, which have been in regular production since 1991. Production from the Kathaloni fields peaked in 1999 and thereafter experienced a decline.

As of March 31, 2007, our total proved plus probable reserves from the Kathaloni fields were 19.50 million barrels of oil and 1,128 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Kathaloni fields was 4,536 barrels of oil per day and 0.38 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average production from the Kathaloni fields was 3,556 barrels per day and 0.23 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 42 wells have been drilled in the Kathaloni fields.

Our redevelopment plan for the Kathaloni fields involves the drilling of additional development and in-fill wells for optimizing drainage. We have identified locations for drilling of three wells, which we plan to commence immediately. Additionally, we have plans for two exploratory wells to probe newly identified structures near the existing fields.

Tengakhat Fields. The Tengakhat fields are located approximately 20 kilometers north west of the Nahorkatiya field and cover an aggregate area of seven square kilometers, comprising the Tengakhat and Rungoliting fields. The fields have been in production since 1994. Oil production from the Tengakhat fields peaked during 2001 to 2003, while the gas production peaked during 2003 to 2005 . Subsequently, we implemented additional development activities to arrest the decline of these fields, and the oil and gas production has increased.

As of March 31, 2007, our total proved plus probable reserves from the Tengakhat fields were 37.86 million barrels of oil and 2,720 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Tengakhat fields was 9,170 barrels of oil per day and 0.69 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Tengakhat fields was 8,339 barrels per day and 0.74 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 38 wells have been drilled in the Tengakhat fields.

Our redevelopment activities in the Tengakhat fields primarily involves the drilling of additional development and in-fill wells to optimize drainage of the reservoir.

Greater Hapjan Fields. The Greater Hapjan fields are located approximately 20 kilometers north east of the Greater Nahorkatiya fields and cover an aggregate area of 42 square kilometers, comprising seven fields: Hapjan, Makum, North Hapjan, North Makum, Bazaloni, Borhapjan and Samdang. The North Hapjan field and the Makum field have been in production since 1993. Oil and gas production has increased in the Hapjan, North Hapjan, Makum and Bazaloni fields due to ongoing development activites.

As of March 31, 2007, our total proved plus probable reserves from the Greater Hapjan fields were 105.60 million barrels of oil and 3,619 standard cubic meters of natural gas. For fiscal 2007, our average oil production from the Greater Hapjan fields was 15,335 barrels of oil per day and 0.5 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Greater Hapjan fields was 16,668 barrels of oil per day and 0.48 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 81 wells have been drilled in the Greater Hapjan fields. We have conducted 3D seismic surveys in the area.

Our development plan for these fields principally involve the drilling of development and in-fill wells as well as horizontal wells. A total of 12 locations for horizontal wells and five locations for developmental wells have been identified and planned for drilling.

Greater Chandmari Fields. The Greater Chandmari fields are located approximately 25 kilometers north east of the Naharkatia field and cover an aggregate area of 20 square kilometers, comprising three fields: the Baghjan, Barekuri, and South Chandmari fields. The fields have been in oil production since 2003 and are presently under initial appraisal and development. The gas reserves in the South Chandmari field and the Barekuri field came into production in 2004 and reached their peak production in February 2007.

As of March 31, 2007, our total proved plus probable reserves from the Greater Chandmari fields were 53.53 million barrels of oil and 7,409 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Greater Chandmari fields was 4,042 barrels of oil per day and 0.08 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Greater Chandmari fields was 3,505 barrels of oil per day and 0.07 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 12 wells have been drilled in the Greater Chandmari fields.

Our development plan for the Greater Chandmari fields principally involves drilling of five exploratory and 12 development wells.

Bhogpara Field. The Bhogpara field is located approximately 10 kilometers west of the Dikom field and covers an area of about 8 square kilometers. The Bhogpara field has been in production since 1997. Oil and gas production from the field plateaued in 2004 and 2005 respectively. Since then, production from the Bhogpara field has fluctuated due to development activities.

As of March 31, 2007, our total proved plus probable reserves from the Bhogpara fields were 15.77 million barrels of oil and 280 million cubic meters of natural gas. For fiscal 2007, our average oil production from the Bhogpara fields was 4,390 barrels per day and 0.04 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Bhogpara fields was 4,397 barrels per day and 0.06 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 13 wells had been drilled in the Bhogpara field.

Our redevelopment plans in the Bhogpara fields primarily involve the drilling of additional development and in-fill wells for optimizing drainage of the reservoirs. As of September 30, 2007, we have identified seven development wells for drilling over the next three years.

Central Small Fields. The Central Small fields consist of the Bhekulajan, Tamulikhat-North Tamulikhat, Deohal-East Deohal, Chabua, Jaraipather, Matimekhana-North Matimekhana, North Balijan, Khagorijan and Kamkhat fields, which are located around the Tengakhat field and cover an aggregate area of about 54 square kilometers. All of the Central Small fields except Jaraipather came into in regular production between 1995 and 2004, and production has been declining since then. Since 2006, gas production has been on the increase in Tamulikhat-North Tamulikhat and Deohal-East Deohal fields. Since 2004, the declining trend in oil production has been reversed in Bhekulajan field.

As of March 31, 2007, our total proved plus probable reserves from the Central Small fields were 34.35 million barrels of oil and 3,823 million standard cubic meters of natural gas. For fiscal 2007, our average production from the Central Small fields was 3,439 barrels of oil per day and 0.33 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Central Small fields was 3,177 barrels per day and 0.47 million standard cubic meters of natural gas per day.

As of March 31, 2007, 54 wells had been drilled in the Central Small fields.

Our redevelopment plan in the Central Small fields primarily involves drilling of more development and in-fill wells for optimizing drainage of the reservoirs. As of September 30, 2007, one exploratory and three development wells have been identified for drilling in the Kamkhat field. In addition, we may elect to conduct additional development activity in the Central Small fields based on recently acquired 3D seismic data and other available data.

Eastern Satellite Fields. The Eastern Satellite fields are located to the east of Greater Jorajan Field and cover an aggregate area of 24 square kilometers, comprising the Kherem, Kusijan, Bogapani, Duarmara and Mechaki fields. The Bogapani and Kusijan fields, began commercial oil production, since 1986 and 1969, respectively and are now in declining stage.

As of March 31, 2007, our total proved plus probable reserves from the Eastern Satellite fields were 8.33 million barrels of and 928 million cubic meters of natural gas. For fiscal 2007, our average oil production from the Eastern Satellite fields was 353 barrels per day and 0.08 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Eastern Satellite fields was 152 barrels per day and 0.03 million standard cubic meters of natural gas per day.

As of March 31, 2007, 21 wells had been drilled in the Eastern Satellite fields.

Our redevelopment plans in the Eastern Satellite fields principally involves additional exploration and developmental activities based on recently acquired 3D seismic data and other available data. As of September 30, 2007, four exploratory wells are planned for drilling.

Western Satellite Fields. The Western Satellite fields are located in the western part of the Greater Nahorkatiya Field and cover an aggregate area of 43 square kilometers, comprising the Haldhibari, Dipling, Sarojani, Diroi, Borbil, Dholiya, Rajgarh, South Rajgarh and Sapekhati fields. Most of these fields were producing in the early 1990s. Commercial production has only been established in the Borbil, Dholiya, Diroi, Dipling, Sarojani, Rajgarh and Haldibari fields.

As of March 31, 2007, our total proved plus probable reserves from the Western Satellite fields were 9.23 million barrels of oil and 616 million cubic meters of natural gas. For fiscal 2007, our average oil production from the Western Satellite fields was 124 barrels per day and 0.004 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Western Satellite fields was 110 barrels per day and 0.03 million standard cubic meters of natural gas per day.

As of March 31, 2007, 27 wells had been drilled in the Western Satellite fields.

Our redevelopment plans in the Western Satellite fields primarily involve the drilling of five exploratory wells based on recently acquired 3D seismic data and other available data.

Digboi Field. The Digboi field is located approximately 30 kilometers east of Greater Nahorkatiya Fields and covers an area of 13 square kilometers. The Digboi field has been in production since 1891 and is a mature field in permanent decline. The Digboi field reached plateau production between 1934 and 1958, and since 1960 the oil production has been declining at a steady rate.

As of March 31, 2007, our total proved plus probable reserves in the Digboi field were 5.19 million barrels of oil and 330 million cubic meters of natural gas, based on internal estimates. For fiscal 2007, our average oil production from the Digboi field was 200 barrels per day and 0.01 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Digboi field was 159 barrels per day and 0.01 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 1,001 wells have been drilled in the Digboi field.

Greater Kumchai Fields. The Greater Kumchai fields are located in the most eastern portion of Upper Assam basin approximately 45 kilometers north east of the Digboi field, and cover an area of 20 square kilometers. The Greater Kumchai fields have been in production since 1987 and production from them peaked in 1993. Subsequent to 1993 production from the Greater Kumchai fields has fluctuated due to workover activities. There are no gas reserves allocated to the Greater Kumchai field due to gas flaring and gas disposal.

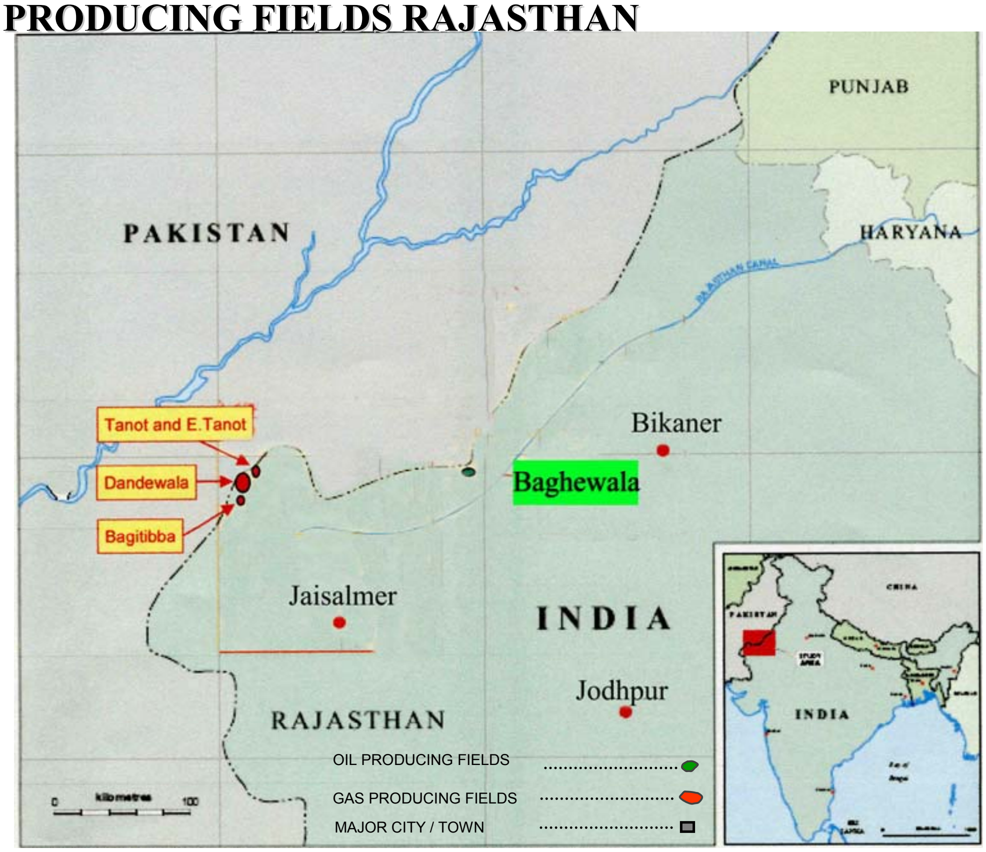
As of March 31, 2007, our total proved plus probable reserves in the Greater Kumchai fields were 6.61 million barrels of oil. For fiscal 2007, our average oil production from the Greater Kumchai fields was 910 barrels per day and 0.08 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average oil production from the Greater Kumchai fields was 855 barrels per day and 0.07 million standard cubic meters of natural gas per day.

As of March 31, 2007, a total of 14 wells have been drilled in the Greater Kumchai fields.

We are currently interpreting acquired 3D seismic data in order to formulate a redevelopment plan for the Greater Kumchai fields. Additionally, one exploratory well is planned to probe a new prospect west of the Greater Kumchai fields.

Rajasthan Basin

PRODUCING FIELDS RAJASTHAN



The Rajasthan Basin is located in the Great Thar Desert adjacent to the India-Pakistan border and covers approximately 126,000 square kilometers, comprising of the Jaisalmer basin and the Bikaner-Nagaur basin. We operate under two PMLs in the Rajasthan Basin, the Jaisalmer PML and the

Baghewala PML in the Bikaner-Nagaur basin, covering approximately 460 square kilometers in aggregate.

Jaisalmer basin. The Jaisalmer basin covers an area of 250 square kilometers. Our four gas fields within the Jaisalmer basin are: the Tanot field, East Tanot field, Dandewala field and Bagitibba field. The fields have been in production since 1996.

As of March 31, 2007, our total proved plus probable reserves in these gas fields were 2,544 million standard cubic meters of natural gas. For fiscal 2007, our average production from these gas fields was 0.60 million standard cubic meters of natural gas per day. For the six months ended September 30, 2007, our average production from these gas fields was 0.60 million standard cubic meters of natural gas per day.

As at March 31, 2007, 16 wells are active in these gas fields and our produced gas is collected and processed in a gas gathering station at Dandewala.

Our redevelopment plans for the Jaisalmer basin primarily involve the drilling of two extension wells and six in-fill wells in the Dandewala field.

Bikaner-Nagaur basin. We also operate under the Baghewala PML in the Bikaner-Nagaur basin, covering an area of 210 square kilometers. We have established the presence of heavy oil in the Baghewala field, which covers an area of 20 square kilometers. For further details regarding our operations in the Baghewala field, see "—Principal Domestic Exploration and Development Areas—Baghewala field" on page 122 of this Draft Red Herring Prospectus.

Production Facilities

Our independent crude oil production facilities include 41 installations and approximately 1,169 kilometers of internal crude oil network pipelines, including approximately 963 kilometers of flow lines and an approximately 206 kilometer network for processed crude oil. We also own and operate crude oil storage facilities in Duliajan, Tengakhat, Digboi, Moran and Jorhat with a total storage capacity of 149,535 kiloliters of oil.

Our independent natural gas production facilities include 29 installations and approximately 500 kilometers of internal gas network pipelines, including approximately 50 kilometers of flow lines and an approximately 450 kilometer network for processed natural gas.

Transportation

We also operate a crude oil pipeline in the North East region of India for transportation of crude oil produced by both us and ONGC in the Upper Assam basin to the Numaligarh, Guwahati and Bongaigaon refineries and and crude oil produced by us through a branch line to the Digboi refinery. The Barauni-Bongaigaon sector of our trunk pipeline is now utilised for reverse pumping by us to transport crude oil from the Barauni end to the Bongaigaon refinery. We are currently in the process of constructing a multi-product pipeline of 660 kilometers from Numaligarh to Siliguri. The pipeline is expected to be complete by the end of fiscal 2008. We also own ten crude oil pumping stations and 17 repeater stations, in the three eastern India states of Assam, West Bengal and Bihar. Our natural gas production from the Upper Assam basin is transported by AGCL and by dedicated lines owned by our customers. Our natural gas production from the Jaisalmer Basin is transported by GAIL. For additional details relating to our crude oil transportation business, see the section titled "History and Certain Corporate Matters—Material Agreements—Crude Oil Transportation Agreements" beginning on page 167 of this Draft Red Herring Prospectus.

Production Sharing Contracts

In addition to our independent operations, we engage in oil production in the Kharsang fields as a non-operator pursuant to a PSC under a PML covering approximately ten square kilometers. Under the PSC, we have a 40% participating interest in oil production from the fields as non-operator. The other participating interests are owned by GeoEnpro Petroleum Ltd which owns a 10% interest as operator, Jubilant Energy Kharsang Pvt. Ltd which owns a 25% interest as non-operator and Geopetrol International Inc which owns a 25% interest as non-operator.

The Kharsang field is located in the Assam-Arakan basin, which is adjacent to the Upper Assam basin and covers approximately 60,000 square kilometers. The Kharsang field is located in the state of Arunachal Pradesh and cover an area of approximately 11 square kilometers. The Kharsang field has been in production since 1976. As of March 31, 2007, our share of proved reserves in the Kharsang field were 8.52 million barrels of oil, based on information provided to us by GeoEnpro Petroleum Limited, the operator of the block, which has been reviewed internally. For fiscal 2007, our share of the average oil production from the Kharsang field was approximately 486 barrels per day. For the six months ended September 30, 2007, our share of the average oil production from the Kharsang field was 497 barrels per day.

As of March 31, 2007, a total of 41 wells have been drilled in the Kharsang fields.

Sales of Crude Oil and Natural Gas

For fiscal 2005, 2006 and 2007 our revenues from sales of crude oil were Rs. 35,345.04 million, Rs. 50,106.97 million and Rs. 48,056.53 million, respectively, and our revenues from sales of natural gas were Rs. 2,316.73 million, Rs. 3,884.80 million and Rs. 4,272.04 million, respectively. For the six months ended September 30, 2007 our revenues from sales of crude oil were Rs. 24,808.70 million and the revenue from sales of natural gas was Rs. 2,159.10 million.

The following table sets forth information with respect to our sales of crude oil for the periods indicated.

	Fiscal			**Six months ended**
	2005	**2006**	**2007**	**September 30, 2007**
Volume Sold (*mmbbl*)(1)	22.36	22.71	22.11	**10.70**
Average Net Realized Price (US$/bbl)(2)	21.47	32.56	29.55	**33.49**
Average Benchmarked Price (US$/bbl)(3)	42.30	59.54	66.30	**74.24**

(1) Our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels; volume sold has been converted at this rate.

(2) See "Management's Discussion and Analysis of Financial Conditions and Results of Operations—Key Performance Indicators".

(3) Benchmark price of Nigerian Bonny Light (35 degree API).

The following table sets forth information with respect to our domestic sales of natural gas for the periods indicated.

	Fiscal			**Six months ended**
	2005	**2006**	**2007**	**September 30, 2007**
Volume Sold (*mmcm*)(1)	1,471.94	1,743.95	1,767.50	**899.72**
Average Net Realized Price after Reimbursement (*US$/1000 scm*)(1)	**38.22**	**56.24**	**60.84**	**67.34**

(1) Calculated as revenues from sales of natural after statutory levies plus reimbursement from gas pool account or GoI budgetary allocation, applicable divided by sales volume and converted RBI average exchange rate.

Certain average realised price information set forth in the two preceding tables may be higher than and not directly comparable to actual prices due to currency translations and the appreciation of the Rupee against the U.S. Dollar. For a more detailed discussion, see "Currency of Presentation" beginning on page x of this Draft Red Herring Prospectus.

Domestic Sales of Crude Oil and Natural Gas.

The GoI allocates our domestic crude oil to four GoI-controlled refinery companies: IOCL (Guwahati), IOCL (Assam Oil Division), BRPL and NRL. Although our MoU with the GoI-controlled refining companies to which our crude oil is allocated expired on March 31, 2004, at the direction of the GoI we are still providing crude oil to our allocated customers on the same terms and conditions of the MoU as were provided in the expired MoUs. Our domestic crude oil is benchmarked against Nigerian Bonny Light crude, and pursuant to the terms established by the MoUs, our prices of crude oil are determined by the FOB price of Nigerian Bonny Light crude (35 degree API), adjusted for quality variation on respective yields. For the six months ended September 30, 2007, our revenue from sales to IOCL (Guwahati), IOCL (Assam Oil Division), BRPL and NRL were Rs. 2,008.40 million, Rs. 1,803.69 million, Rs. 3,275.75 million and Rs. 17,720.87 million, respectively. For further details, see "Regulations and Policies" on page 135 of this Draft Red Herring Prospectus.

For further details regarding additional agreements relating to the sale and purchase of natural gas entered into by our Company, see "History and Certain Corporate Matters " on page 144 of this Draft Red Herring Prospectus.

Production, Sales and Marketing of LPG

In addition to the production of crude oil and natural gas, we also produce LPG at our LPG Plant at Duliajan, Assam. We opened our LPG plant, which uses gas turbo expander technology at Duliajan in fiscal 1982, and has a production capacity of 50,000 tons per annum. For the fiscal years 2005, 2006 and 2007, our production of LPG amounted to approximately 50,086 tons, 48,627 tons and 43,806 tons, respectively. For the fiscal years 2005, 2006 and 2007 and for the six months ended September 30, 2007, our revenues from sales of LPG were Rs. 469.20 million, Rs. 705.41 million, Rs. 514.07 million and Rs. 383.07 million respectively. Our reduction in LPG production has resulted from availability of leaner quality of gas. We intend to modify our LPG plant and increase production.

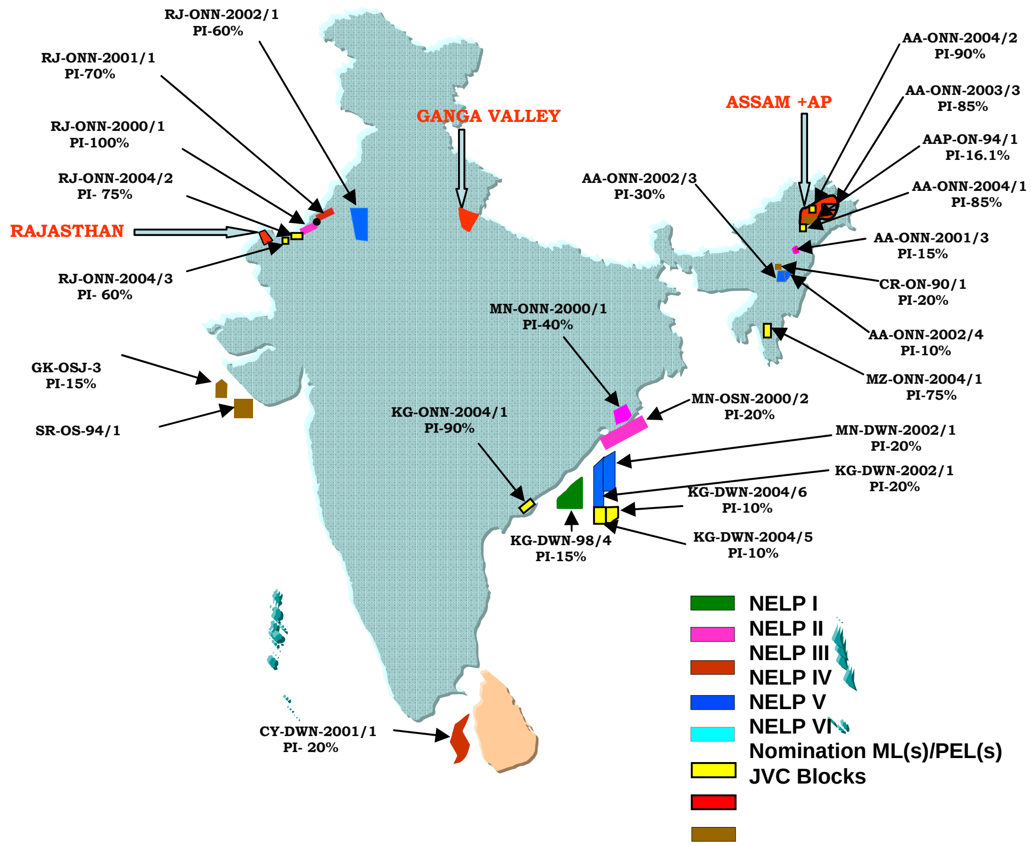
Under GoI regulations, consumer prices of LPG are subsidised and the products may only be sold to domestic public sector oil marketing companies for domestic use. The products are sold at controlled prices based on import-parity prices. The GoI guidelines presently in place may be revised by notification by the GoI. We currently supply the LPG we produce to IOCL.

Exploration and Development

Domestic Exploration and Development

The following map illustrates our primary domestic exploration and development activity areas and the locations of our major prospects in India.

ML/PEL, NELP & JV AREAS (as on 01.09.2007)



Exploration and Development Activity

We are currently conducting independent domestic exploration and development activities in 16 nomination PEL blocks located in four states: Assam, Arunachal Pradesh, Uttar Pradesh and Uttaranchal. Within our producing assets, we conduct our exploration and development activity pursuant to our 19 PMLs. For further details regarding our exploration and development activity without our producing acreage, see "—Crude Oil and Natural Gas Production—Principal Producing Areas beginning on page 106 of this Draft Red Herring Prospectus.

Additionally, we engage in the domestic exploration for crude oil and natural gas under PELs granted by the MoPNG for offshore areas, and for onshore areas by the relevant state government with the prior approval of the GoI. We are involved in exploration and development activities in 21 NELP blocks. We are the operator in respect of 12 of these blocks, which initially covered a total area of 33,145 square kilometers. As a result of our relinquishment of certain areas in these 12 NELP blocks, we are currently an operator under these NELP blocks covering an aggregate area of 27,140 square kilometers. We hold participating interests as non-operator in the remaining nine blocks, which initially covered a total area of 75,274 square kilometers. As a result of our relinquishment of certain areas in these nine NELP blocks, our participating interests under these NELP blocks currently cover an aggregate area of 70,706 square kilometers. We also hold participating interests as non-operator in four pre-NELP joint venture blocks, in which we are involved in exploration and development activities, which initially covered a total area of 18,287 square kilometers. As a result of our relinquishment of certain areas in these joint venture blocks, these joint venture blocks currently cover an aggregate area of 12,057 square kilometers. We also engage in exploration and development activities in 16 independently held blocks under PELs, which cover a total area of approximately 10,085 square kilometers.

PELs are generally granted on a block-by-block basis for an initial period of four years, extendable for a one-year period or two successive one-year periods depending on the type of license. For a further description of our PELs, see "Government and Other Approvals" on page 309 of this Draft Red Herring Prospectus.

As of June 30, 2007, we have drilled a total of 310 exploratory wells in connection with our independent domestic exploration activities. Of this total, 296 were onshore wells and 14 were offshore wells. We have acquired a total of 70,310 line kilometers of 2D seismic data and 5,358 square kilometers of 3D seismic data in our independent domestic exploration activities. The following table sets forth our domestic independent 2D and 3D seismic surveys, exploratory and development wells, including a breakdown of successful wells and dry wells, drilled for the fiscal 2005, 2006 and 2007 and the six months ended September 30, 2007.

	Fiscal			**Six months to**
	2005	**2006**	**2007**	**September 30, 2007**
Independent				
2-D Seismic Surveys Conducted (line kilometers)	877	1,143	414	**30**
3-D Seismic Surveys Conducted (square kilometers)	639	827	923	**307**
Exploratory Wells Drilled	8	11	9	**6**
Successful (1)	6	6	6	**6**
Dry (2)	2	5	3	**0**
Development Wells Drilled	37	27	18	**9**
Successful (1)	37	27	18	**9**
Dry (2)	0	0	0	**0**

(1) *A successful well is a well in which oil or gas has been discovered and the commercial flow of hydrocarbons has been established.*

(2) *A dry well is either a well devoid of hydrocarbons, or a well where hydrocarbon indications are present but which is not economically feasible to develop.*

New Exploration Licensing Policy ("NELP")

Prior to 1999, our exploration and development licenses were awarded at the GoI's discretion on a "nomination" basis to national oil and gas companies based on operating territory. Since 1999, the GoI has offered exploration licenses pursuant to competitive bidding process under its New Exploration Licensing Policy. For a further description of NELP, see "Regulations and Policies" on page 135 of this Draft Red Herring Prospectus.

A total of six rounds of competitive oil and gas bidding has been held by the GoI under NELP and we have been awarded a total of 23 exploration blocks, two of which we have subsequently relinquished. We were awarded a total of eight blocks (six as operator and two as non-operator) under the sixth round of bidding under NELP. The following table sets forth the results of NELP oil and gas rounds of competitive bidding to date:

	Total Blocks Offered (1)	Total Area Offered (square kilometers) (1)	Total Blocks Awarded (1)	Total Area Awarded (square kilometers) (1)	Total Blocks Awarded to Oil India Limited	Total Area Initially Awarded to Oil India Limited (square kilometers)
First Round						
Onshore	10	118,450	1	36,750		
Offshore Shallow water	26	228,712	16	127,982	1	5,215
Offshore Deep Water	12	115,075	7	66,875	1	9,940
Total	**48**	**46,2237**	**24**	**23,1607**	**2**	**15,155**
Second Round						
Onshore	9	80,498	7	54,498	2	10,524
Offshore Shallow water	8	74,590	8	74,590	1	8,330
Offshore Deep Water	8	139,276	8	13,9256	1	19,106
Total	**25**	**294,364**	**23**	**26,8344**	**4**	**37,960**
Third Round						
Onshore	11	61,550	8	22,840	2	3,535
Offshore Shallow water	7	55,621	6	35,343	-	-
Offshore Deep Water	9	146,405	9	146,405	1	12,425
Total	**27**	**263,576**	**22**	**204,588**	**3**	**15,960**
Fourth Round						
Onshore	11	35,005	10	31,155	3	12,420
Offshore Shallow water	1	10,370			-	-
Offshore Deep Water	12	193,485	10	161,655	2	20,580
Total		**238,860**	**20**	**192,810**	**5**	**33,000**
Fifth Round						
Onshore	12	32,868	12	32,868	1	275
Offshore Shallow water	2	8,364	2	8,364	-	-
Offshore Deep Water	6	73,948	6	73,948	-	-
Total	**20**	**115,180**	**20**	**115,180**	**1**	**275**
Sixth Round						
Onshore	25	56,866	25	55,549	6	7,650
Offshore Shallow water	6	22,034	6	22,034	-	-
Offshore Deep Water	24	273,291	20	218,848	2	22,829
Total	**55**	**352,191**	**51**	**296,431**	**8**	**30,479**
Cumulative						
Onshore	78	385,237	63	233,660	14	34,404
Offshore Shallow water	50	399,691	38	268,313	3	13,545
Offshore Deep Water	71	941,480	60	806,987	7	84,880
Total	**199**	**1,726,408**	**161**	**1,308,960**	**23**	**132,829 (2)**

(1) *(Source: DGH)*

(2) *The area covered by NELP blocks where we are the operator does not reflect subsequent relinquishments of certain areas in these NELP blocks.*

Out of the 23 blocks awarded to us, we have relinquished two: CY-OSN-97/2 in the Palk Bay area in the Cauvery basin, which was awarded under NELP-I, and MB-DWN-2000/2 in the Mumbai offshore deep water basin, which was awarded under NELP-II. We are an operator in respect of 12 of the blocks that we have been awarded under NELP. The following table sets forth the distribution by basin of NELP blocks for which we are operator:

Basin/Sector	No. of Blocks	Initial Area (square kilometers)(1)
Rajasthan (Rajasthan)	5	19,836
Krishna-Godavari basin (Andhra Pradesh)	1	549
Assam-Arakan basin	5	5,310
Mahanadi basin (Orissa)	1	7,900
Total	**12**	**33,145**

(1) The area covered by NELP blocks where we are the operator does not reflect subsequent relinquishments of certain areas in these NELP blocks.

We have a participating interest as non-operator in respect of 9 of the blocks that we have been awarded under NELP with other consortium partners. The following table sets forth the distribution by region of NELP blocks in which we have a participating interest:

Basin/Sector	No. of Blocks	Initial Area (square kilometers)(1)
Onshore		
Assam	1	110
Nagaland	1	1,060
Offshore		
Mahanadi Offshore (Orissa)	2	18,310
Deep-water		
Cauvery Offshore	1	12,425
Krishna Godavari Offshore	4	43,369
Total	**9**	**75,274**

(1) The area covered by NELP blocks where we are the operator does not reflect subsequent relinquishments of certain areas in these NELP blocks.

Production Sharing Contracts

We enter into PSCs with the GoI and our joint venture partners, if any, in connection with each block awarded under the NELP bidding process. For additional details regarding the PSCs under NELP, see "Regulations and Policies" on page 135 of this Draft Red Herring Prospectus. We have also entered into various PSCs prior to the GoI's establishment of NELP in respect of fields held by us. For additional details regarding PSCs signed prior to NELP, see "Regulations and Policies" on page 135 of this Draft Red Herring Prospectus.

Principal Domestic Exploration and Development Areas

Upper Assam and Assam-Arakan basins

We conduct significant onshore exploration and development activities in the Upper Assam and Assam-Arakan basins in the states of Assam and Arunachal Pradesh in 14 nominated blocks under 14 PELs covering approximately 3,515 square kilometers. In addition to the exploration activities in these blocks, we are also continuing our exploration efforts in our PML areas within the Upper-

Assam, see "—Principal Producing Areas" on page 106 of this Draft Red Herring Prospectus for further details.

We also hold exploration licenses in respect of five blocks and have participating interests in respect of two blocks, in the Upper Assam and Assam-Arakan basins granted under NELP on a production sharing basis, covering an aggregate area of 6,480 square kilometers. Additionally, we hold participating interests in two pre-NELP joint venture exploration blocks in the Upper Assam and Assam-Arakan basins covering an approximately an area of 3,412 square kilometers. We have subsequently relinquished an area of 218 square kilometers covered by block AAP-ON-94/1, where we hold a participating interest and our PELs in pre-NELP joint venture exploration blocks in the Upper Assam and Assam-Arakan basins currently cover an area of 3,194 squuare kilometers.

As of March 31, 2007, we have acquired approximately 24,027 standard line kilometers of 2D seismic data and 4,413 square kilometers of 3D seismic data, and have drilled 256 exploration wells and 831 development wells in this region. Under the minimum work programs, an additional 3,655 standard line kilometers of 2D seismic data and 4,350 square kilometers of 3D seismic data are planned to be acquired by the end of fiscal 2012.

Additionally, our management has agreed to relinquish Block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator. The relinquishment is pending.

The table below sets forth details of our participating interests in exploration blocks in the Upper Assam and Assam-Arakan basins.

Block Number	Initial Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
CR-ON-90/1	2,542	Pre-NELP	20%, plus 30% carried interest	IOCL (35%) POC (29%) Essar Oil (16%)	POC
AAP-ON-94/1	870	Pre-NELP	16.1%, plus a 30% carried interest	IOCL (43.55%) HOEC (40.32%)	HOEC
AA-ONN-2001/3	110	NELP	15%	ONGC 85%	ONGC
AA-ONN-2002/3 (1)	1,460	NELP	30%	ONGC (70%)	Oil India Limited
AA-ONN-2002/4	1,060	NELP	10%	ONGC (90%)	ONGC
AA-ONN-2003/3	275	NELP	85%	HPCL (15%)	Oil India Limited
AA-ONN-2004/1	144	NELP	85%	Shiv-Vani (15%)	Oil India Limited
AA-ONN-2004/2	218	NELP	90%	Suntera (10%)	Oil India Limited
MZ-ONN-2004/1	3,213	NELP	75%	Suntera (10%) Shiv-Vani (15%)	Oil India Limited

(1) To be relinquished

Rajasthan basin

We hold exploration licenses in respect of five blocks in the Bikaner-Nagaur basin in the state of Rajasthan, granted under NELP on a production sharing basis, initially covering an aggregate area of 19,386 square kilometers. We have subsequently relinquished an area of 673 square kilometers covered by block RJ-ONN—2000/1, an area of 860 square kilometers covered by block RJ-ONN—2001/1 and an area of 2,475 square kilometers covered by block RJ-ONN-2002/1*,* where we are the operator in all these blocks and our PELs in the Rajasthan basin currently cover an aggregate area of 15,378 square kilometers.

As of March 31, 2007, we have acquired approximately 1,050 standard line kilometers of 2D seismic data and 312 square kilometers of 3D seismic data, and have drilled four exploratory wells in this basin. Under the minimum work programs, a further 550 standard line kilometers of 2D seismic data and 1,439 square kilometers of 3D seismic data are to be acquired and 27 further exploratory wells are to be drilled in the basin.

The table below sets forth details of our independent and participating interests in exploration blocks in the Bikaner-Nagaur basin.

Block Number	**Initial Area (square kilometers)**	**NELP or Pre-NELP**	**Our interest**	**Other interests**	**Operator**
RJ-ONN-2000/1	2,535	NELP	100%	-	Oil India Limited
RJ-ONN-2001/1	3,425	NELP	70%	ONGC (30%)	Oil India Limited
RJ-ONN-2002/1	9,900	NELP	60%	ONGC (40%)	Oil India Limited
RJ-ONN-2004/2	2,196	NELP	75%	GGR (25%)	Oil India Limited
RJ-ONN-2004/3	1,330	NELP	60%	GGR (25%) HPCL (15%)	Oil India Limited

Baghewala field. The Baghewala field is part of the Bikaner-Nagaur basin, and is located approximately 140 kilometers west of the city of Bikaner, encompassing an area of approximately 20 square kilometers. We hold a PML in respect of one block in the Bagwhela field granted as a nomination block, covering an area of 210 square kilometers.

As of March 31, 2007, we have acquired approximately 12,973 standard line kilometers of 2D seismic data and 612 square kilometers of 3D seismic data, and have drilled 31 exploratory and 22 development wells in this basin. There is no minimum work program in this basin, although we have committed to acquire a further 189 square kilometers of 3D seismic data.

Heavy oil was discovered in the Baghewala field in 1991. This oil is not producible by conventional production methods. We have undertaken a pilot project for experimental production of this oil. If the pilot project for experimental production of heavy oil and bitumen is successful, we have plans to formulate a full development plan for drilling of pattern injection and producer wells in consultation with PDVSA, Venezuela during fiscal 2009.

Ganga Valley basin

The Ganga Valley basin is located to the east and north-east of Delhi and encompasses approximately 186,000 square kilometers. We hold two exploration licenses in respect of two blocks in the Ganga Valley basin, granted as nomination blocks covering an aggregate area of 6,570 square kilometers. Block Kasipur is spread across the two states of Uttar Pradesh and Uttaranchal, covering an area of 3,605 square kilometers in Uttar Pradesh and an area of 2,965 square kilometers of Uttaranchal. We hold separate licences in respect of each state.

As of March 31, 2007, we have acquired approximately 622 standard line kilometers of 2D seismic data and have drilled one exploratory wells in this basin. There are no minimum work programs in respect of the exploration acreage in this basin.

Krishna-Godavari basin

The Krishna-Godavari basin is located in the state of Andrha Pradesh and covers approximately 52,000 square kilometers, of which 28,000 square kilometers are onshore and the remaining 24,000 square kilometers extend beyond the Andhra Pradesh coastline into the adjoining shallow waters of the Bay of Bengal. We hold an exploration license in respect of one block and participating interests in respect of four blocks in the Krishna-Godavari basin granted under NELP on a production sharing basis, covering an aggregate area of 43,918 square kilometers. We have subsequently relinquished an area of 2,485 square kilometers covered by block KG-DWN-98/4, where we are non-operator and the participating interests held by us in the Krishna-Godavari basin currently cover an aggregate area of 41,433 square kilometers.

As of March 31, 2007, we have acquired approximately 4,272.8 standard line kilometers of 2D seismic data and 10,800.2 square kilometers of 3D seismic data, and have drilled three wells in this basin. Under the minimum work programs, a further 8,900 standard line kilometers of 2D seismic data and 2,758 square kilometers of 3D seismic data are to be acquired, 2,564 standard line kilometers of 2D seismic data is to be reprocessed and 22 further wells are to be drilled in the basin.

The table below sets forth details of our participating interests in exploration blocks in the Krishna-Godavari basin.

Block Number	Initial Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
KG-DWN-98/4	9,940	NELP	15%	ONGC (85%)	ONGC
KG-DWN-2002/1	10,600	NELP	20%	ONGC (70%) BPCL (10%)	ONGC
KG-ONN-2004/1	549	NELP	90%	GGR (10%)	Oil India Limited
KG-DWN-2004/5	11,922	NELP	10%	ONGC (50%) GAIL (10%) GSPCL (10%) HPCL (10%) BPCL (10%)	ONGC
KG-DWN-2004/6	10,907	NELP	10%	ONGC (60%) GAIL (10%) GSPCL (10%) HPCL (10%)	ONGC

Cauvery basin

The Cauvery basin extends along the coast of the south eastern state of Tamil Nadu roughly from Chennai (Madras) to the east of Cape Comorin at the southern tip of the subcontinent and covers approximately 55,000 square kilometers, 30,000 square kilometers of which are offshore. We hold a participating interest in respect of one block in the Cauvery basin granted under NELP on a production sharing basis, covering an aggregate area of 12,425 square kilometers.

As of March 31, 2007, we have acquired approximately 3,631 standard line kilometers of 2D seismic data and 2,592 square kilometers of 3D seismic data. Under the minimum work programs, five wells are to be drilled in the basin.

The table below sets forth details of our participating interest in the exploration block in the Cauvery basin.

Block Number	Initial Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
CY-DWN-2001/1	12,425	NELP	20%	ONGC (80%)	ONGC

Mahanadi basin

The Mahanadi basin is located to the east, south-east and north-east of the city of Bhubaneswar in the state of Orissa and covers approximately 69,000 square kilometers, 14,000 square kilometers of which are offshore. We hold an exploration license in respect of one block and a participating interest in respect of two blocks in the Mahanadi basin granted under NELP on a production sharing basis, covering an aggregate area of 26,210 square kilometers. We have subsequently relinquished an area of 1,997 square kilometers covered by block MN-ONN-2000/1, where we are operator and an area of 2,083 square kilometers covered by block MN-OSN-2000/2 where we are non operator and the PELs and the participating interests held by us in the Mahanadi basin currently cover an aggregate area of 22,130 square kilometers.

As of March 31, 2007, we have acquired approximately 463.7 standard line kilometers of 2D seismic data in this basin. Under the minimum work programs, two wells are to be drilled in the basin.

The table below sets forth details of our participating interests in the three exploration blocks in the Mahanadi basin.

Block Number	Initial Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
MN-ONN-2000/1	7,900	NELP	40%	ONGC (20%) IOCL (20%) GAIL (20%)	Oil India Limited
MN-OSN-2000/2	8,330	NELP	20%	ONGC (40%) IOCL (20%) GAIL (20%)	ONGC
MN-DWN-2002/1	9,980	NELP	20%	ONGC (70%) BPCL (10%)	ONGC

Saurashtra and Gujarat Offshore basin

The Saurashta offshore basin is located approximately 150 kilometers south-west of the city of Rajkot, Gujarat and covers approximately 28,000 square kilometers. The Gujarat offshore basin is located approximately 200 kilometers west of the city of Rajkot and covers approximately 13,000 square kilometers. We hold participating interests in respect of two blocks in the Saurashtra and Gujarat Offshore basin granted pre-NELP on a production sharing basis, covering an aggregate area of 14,875 square kilometers. We have subquently relinquished an area of 3,722 square kilometers covered by block GK-OSJ-3 and an area of 2,290 square kilometers covered by block SR-OS-94/1, where we are non-operator in both these joint venture blocks and the participating interests held by us in the Saurashtra and Gujarat Offshore basin currently cover an aggregate area of 8,863 square kilometers.

As of March 31, 2007, we have acquired approximately 3,941 standard line kilometers of 2D seismic data and 2,436 square kilometers of 3D seismic data, and have drilled one well in these basins. No further work is required under the minimum work programs.

The table below sets forth details of our participating interests in the two exploration blocks in the Saurashtra and Gujarat Offshore basin.

Block Number	Initial Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
GK-OSJ-3	5,725	Pre-NELP	15%	RIL (60%) ONGC (25%)	RIL
SR-OS-94/1	9,150	Pre-NELP	30% carried interest	RIL (100%)	RIL

International Exploration

Our acquisition of overseas exploration blocks and development properties are subject to the approval of various GoI ministries and departments. In December 2005, the GoI established an Empowered Committee of Secretaries comprised of representatives of the various ministries and departments from which approval for our acquisitions of overseas exploration and development properties is required. As a result, our acquisition of overseas exploration blocks and development properties are now subject to a unified and expedited approval process.

We have obtained participating interests in exploration and development acreages overseas in Iran, Gabon, Nigeria and Libya. We have also been awarded two onshore exploration blocks in Yemen, pending ratification of a PSC by the Parliament of Yemen.

Iran

Farsi Offshore Block. We were awarded this block as part of a consortium pursuant to an exploration service contract signed on December 25, 2002 for a period of four years. We hold a 20% participating interest in the block as non-operator. The other consortium members are OVL, which holds a 40% participating interest as operator, and IOCL, which holds a 40% participating interest as non-operator. The contract provides for negotiations between the parties to agree a production contract if the field is proven to be commercially viable during the exploration phase. Pursuant to a letter dated December 23, 2006, the National Iranian Oil Company has extended the exploration service contract until December 24, 2007. On October 10, 2007, OVL submitted a request to the National Iranian Oil

Company for extending the duration of the exploration service contract for a further period of six months for completion of the commercial viability study of the block.

The block is located in the eastern part of the Persian Gulf near the Saudi Arabian border and covers an area of 3,500 square kilometers. The water depth in the block is 20 to 90 meters.

Following a detailed study of old re-processed seismic data and new 2D seismic data and 3D seismic data, four locations within the block were identified for probing hydrocarbon potential. As of March 31, 2007, the four wells have been drilled and the exploration phase was concluded. Of these wells, one well failed to encounter commercial hydrocarbons and was abandoned.

The consortium has now completed the stipulated minimum work obligations under the exploration service contract. Fugro Robertson Limited has been engaged to conduct a commercial viability study of the block, as required under the terms of the award. The commercial viability study in respect of a gas discovery was completed in November 2007 and a preliminary presentation has been made to the National Iranian Oil Company, based on which a final report will be submitted. The report in respect of the commercial viability of an oil discovery is expected to be completed by April 2008.

Libya

Block 86. We were awarded Block 86 as part of a consortium pursuant to the Libyan Exploration Production Sharing Agreement Bid Round I in 2004. We hold a 50% participating interest in the block as operator. The other consortium member is IOCL, which holds a 50% participating interest as non-operator. We entered into a PSC for the block on March 20, 2005 and have commenced the first phase of exploration along with the contiguous Block 102/4. The term of the exploration period lasts five years, followed by a further 25 year production term if commercially viable discoveries are made.

Block 86 is located in south western Libya, approximately 700 kilometers south of Tripoli and covers an area of 7,087 kilometers.

The minimum work program under the PSC requires acquisition, processing and interpretation of 1,000 standard line kilometers of 2D seismic data and the drilling of two wells. In fiscal 2006, we acquired approximately 1,100 standard line kilometers of 2D seismic data and processing of this seismic data has commenced. Our plans currently include a total acquisition of 2,000 standard line kilometers of 2D seismic data.

Block 102/4. We were awarded Block 102/4 as part of a consortium pursuant to the Libyan Exploration Production Sharing Agency Bid Round II in 2005. We hold a 50% participating interest in the block as operator. The other consortium member is IOCL, which holds a 50% participating interest as non-operator. We entered into the PSC for the block on December 3, 2005 and have commenced the first phase of exploration for the block along with the contiguous Block 86. The term of the exploration period lasts five years, followed by a further 25 year production term if commercially viable discoveries are made.

Block 102/4 is located in south western Libya, approximately 700 kilometers south of Tripoli, shares its northern boundary with Block 86 and covers an area of 2,710 kilometers. The main tectonic units within the block are Udaan platform, Zella trough and Hon graben and part of the Abettor high.

The committed minimum work program for the block is 1,000 standard line kilometers of 2D seismic data and 500 square kilometers of 3D seismic data to be acquired and for one well to be drilled. As of August, 2007, a total of approximately 1,300 standard line kilometers of 2D seismic data has been acquired, as per the minimum work program. Work for processing of the acquired seismic data has been started.

Nigeria

Block OPL-205. We acquired an indirect 17.5% participating interest in Block OPL-205 through our acquisition from Summit Petroleum, Nigeria, of a 25% interest in a joint venture, Suntera Nigeria OPL 205 in 2006, which owns a 70% interest in the block. The other joint venture parties are Suntera Resources, which holds a 50% interest in the joint venture and an indirect 35% interest in the block and IOCL, which holds a 25% interest in the joint venture and an indirect 17.5% interest in the block, and Summit Petroleum, Nigeria, which retained a 30% interest in the block.

The block is located in the northern part of Nigeria approximately 20 kilometers south east of the city of Benin and covers an area of 2,094 square kilometers.

The prospective licence relating to the block was initially granted on September 3, 1990. This licence was subsequently renewed in January 2004 for a period of five years by the Government of Nigeria. The term of the consortium's interest in the block expires in January 2009.

The minimum work program under the prospective licence granted was the acquisition, processing and interpretation of 200 square kilometers of 3D seismic data and the drilling of two wells. As of September 30, 2007, the remaining work commitment was for the drilling of one well. The operator has arranged for the drilling of the well, which commenced in November 2007, and a contract for the acquisition of 2D seismic data and 3D seismic data has been awarded.

Gabon

Block Shakti. We acquired an interest in Block Shakti as part of a consortium pursuant to an agreement signed on April 17, 2006. We hold a 45% participating interest in the block as operator. The other consortium members are IOCL, which holds a 45% participating interest as non-operator, and Marvis Petroleum Holding, which holds a 10% participating interest as non-operator. The original contract of exploration was signed on November 23, 2005 and granted an initial term of three years, with a further three years which may be awarded at the discretion of the government of Gabon. The contract will terminate after the exploration period if no commercially viable reserves are located.

Block Shakti is located in the north-eastern part of Gabon and covers an area of 3,761 square kilometers.

The committed work program of the block is the reprocessing of existing 2D seismic data, the acquisition, processing and interpretation of 36,400 standard line kilometers of aeromagnetic data and 700 line kilometers of 2D seismic data and the drilling of two wells. The acquisition of aeromagnetic data and the processing and interpretation have been completed. The seismic acquisition contract has been awarded.

Yemen

Blocks 82 and 83. We were awarded Blocks 82 and 83 as part of a consortium pursuant to the Third Yemen International Bid Round in December, 2006 pursuant to which we will hold a 15% participating interest as non-operator. The other consortium members are Medco Energi, Indonesia, which will hold a 45% participating interest as operator, Kuwait Energy, which will hold a 25% participating interest as non-operator and IOCL, which will hold a 15% participating interest as non-operator. Execution of the PSC is subject to the ratification of the PSC by Parliament of Yemen.

Blocks 82 and 83 are located in the south central part of Yemen. Block 82 is the south-western of the blocks and covers an area of 1,857 square kilometers. Block 83 is the north eastern block covering an area of 364 square kilometers.

Upon execution of the PSC, minimum work commitments for the blocks are acquisition, processing and interpretation of 330 standard line kilometers of 2D seismic data, 179 square kilometers of 3D seismic data for Block 82, 155 kilometers of 3D seismic data for Block 83 and acquisition and the drilling of three wells for each block.

Downstream Investments

We hold a 26% equity stake in NRL, which is engaged in refining and marketing petroleum products. The other equity holders in NRL are BPCL and the Governor of Assam. We also hold a 10% equity stake in BCPL, which was incorporated with the objective to establish a gas cracker project complex at Lepetkata, District Dibrugarh, Assam to, primarily, process natural gas, naphtha or any petroleum product and to distribute and market petrochemical products in India and abroad.

International Pipeline

In November 2004, we entered into a participation agreement with OVL to form a joint venture for the construction of a product pipeline in Sudan under a contract from the Sudanese government. We hold a 10% interest in the joint venture and OVL holds a 90% interest. Construction of the 741 kilometer pipeline was completed in September 2005, and the pipeline is now operational, with a capacity to transport 18.62 million barrels per year. Ownership of the pipeline is retained by the joint venture until full payment is received from the Sudanese government. Upon final payment, ownership will be transferred to the Sudanse Ministry of Energy and Mines. As of September 30, 2007, we had received a total payment of Rs. 277.6 million, in respect of our 10% interest in the joint venture. The last installment of the payment is due to be received in June 2014.

Pipeline Business

We offer pipeline construction and related services to third parties, including pipeline construction, pipeline cathodic protection services and other specialized pipeline services such as hot tapping and line tracking. In July 2005, we entered into a MoU with IOTL for pursuing opportunities in the pipeline construction business. We have awarded the IOTL-OIL consortium, formed under the terms of the MoU, a contract to provide pipeline laying services and associated facilities for expansion of the Numaligarh-Siliguri pipeline by 115 kilometers. The contract was awarded on the basis of international competitive bidding process. In September 2006, we entered into a joint venture partnership agreement with ICSA (India) Limited, Hyderabad for the development and implementation of an intelligent cathodic protection system. The joint venture will also offer cathodic protection services for pipeline transportation systems and associated facilities.

In addition, we own a dedicated telecommunication infrastructure including optical fibre cable along our trunk crude oil pipeline of 1,157 kilometers and lease our spare dark fibre capacity to telecom operators. In September 2007, we entered in to a dark fibre lease agreement with BSNL to lease out our spare dark fibre capacity for use by BSNL for a period of three years.

Non-Conventional Energy

We are conducting a pre-feasibility study on coal liquefaction process in conjunction with Headwaters CTL LLC, Inc, USA. We have budgeted a total of Rs. 2,510 million for investment in this project from fiscal 2007 through fiscal 2011 and we receive a grant-in-aid of 50% of the project cost of the pre-feasability study from the OIDB. We have also completed research pilots to conduct a technological and economic viability study for the production of synthetic crude oil from coal. We have established a pilot coal liquefaction plant at our research and development centre in Duliajan, Assam where we have completed successfully the first phase of the research program. The technology is being evaluated to facilitate detailed engineering of the full scale project.

Other Services

We provide a number of services to support our exploration, development and production activities. Additionally, from time to time we offer these services to third parties where it is economically viable to do so based on our internal needs for these services. As of September 30, 2007, we generally were not providing these services to third parties.

Oil Field Services. Our in-house oil field services include geophysical data acquisition and analysis, drilling, mud engineering, cementing, wireline logging, well stimulation, workover services, well testing, a variety of general engineering services, and inspection, maintenance and repair services.

Geoscientific Services. We own a variety of advanced computing systems and employ experienced personnel for processing and interpreting variety of geoscientific data through integrated exploration applications, including remote sensing, structural and stratigraphic interpretation, seismic attribute analysis, source rock evaluation, biostratigraphy, petrophysics, sequence stratigraphy, basin analysis and techno-economic evaluation. We have deployed one 2D seismic crew and one 3D seismic crew for onshore seismic data acquisition. These field seismic crews are equipped and capable of acquiring 2-D and 3-D seismic data. We process our seismic data in-house at Duliajan, Assam. In addition, we have interpretation centers at Duliajan and at our office in Noida.

Drilling Services. We provide a range of drilling, mud engineering, well design and well cementing support. We own and operate 11 onshore drilling rigs of different capacities, including rigs capable of drilling to depths of 6,000 meters. We have experience in various areas of advanced drilling technology, such as extended reach drilling and side-track drilling and horizontal drilling. Our entire mud engineering and well cementing support requirements are met through our in-house drilling services.

Well Services. We provide in-house workover, stimulation and well testing support for our production operations. We own and operate 14 onshore workover rigs for well servicing and repairs. Most of our internal requirements for well stimulation services, which include acidisation and coil tubing nitrogen application services, are provided in-house. In addition, we also make extensive use of coil tubing units for rig-less workover operations. Similarly, substantially all of our internal requirements for the design, installation, operation and maintenance of artifices lift systems, well completion, well testing and wireline operations are met by in-house service teams. Since our crude is also high wax in content, we possess a number of heavy duty and light duty scraping winches which service the wells regularly.

Well Logging Services. We provide wireline logging services on an in-house basis to evaluate geological formations in support of our exploration and development operations. A total of three cased hole and three open hole logging units are deployed in support of our onshore operations. Our in-house team is able to support a large part of our well logging services needs, the remainder of which we obtain from third party contractors.

Engineering Services. Our in-house engineering services personnel are responsible for work relating to the design and construction of onshore production facilities, the laying and maintenance of onshore pipelines and the maintenance of equipment.

Reservoir Management. We utilize numerical reservoir simulation as a tool for management planning, production forecasting and decision making. Based on numerical simulations, water and gas injection and polymer flooding projects have been implemented in our fields. We have developed expertise in reservoir management of ageing fields, in terms of numerical reservoir simulators with dedicated workstations and a knowledge-base in cost effective reservoir evaluation, development and management particularly in demanding environments. We have designed an integrated database management system for processing and analysing various monitoring data. We also conduct operations such as transient well tests, nodal analysis, collection of crude and condensate gas samples for pressure volume temperature analysis and analysis of side-wall and conventional cores as an integral part of reservoir management.

Technical Services. Our in-house technical services personnel provide policy guidelines on equipment management, standardization, technical audits, identification, acquisition, assimilation and dissemination of new techniques and technology relating to oil field equipment and services. We operate work shops at Duliajan that provide support for major repairs and maintenance of equipment including drilling rigs, workover rigs, diesel engines, cementing units, mud pumps, blow-out preventors, motors and alternators.

Research and Development

Since 1985, we have maintained a center fully devoted to research and development activities in order to ensure the updating of our technology and expertise in our exploration, development and production activities. Our research and development department is officially recognized by the GoI's Department of Science and Technology and is the recipient of the prestigious National Petroleum Management Programme award for its work on geochemical identification of pay zones.

We maintain a research and development department for the purpose of devising techno-economically feasible solutions for the various problems we encounter in our exploration, drilling, production and transportation operations. Our research and development department has developed and implemented a number of innovative technical processes, including:

- geochemical analysis for source rock evaluation;
- geochemical identification of pay zones in drilling wells;
- water-oil-ratio control with polymer treatment for improved crude oil production and recovery;
- cost effective low dosage flow improver treatment of crude oil for pipeline transportation in place of thermal conditioning;
- arresting fluid loss in highly depleted reservoirs for quick flow back after workover; and
- flu boric acid for well stimulation and bioremediation of soil/water polluted by oil.

During the fiscal years 2005, 2006 and 2007, we spent approximately Rs. 117 million, Rs. 126 million, and Rs. 115 million, respectively, on research and development activities. We allocated approximately Rs. 68.87 million for the six months to September 30, 2007 for expenditure on research and development.

Training

We provide all of our employees with regular and periodic training and development to help them acquire new knowledge and skills necessary for them to perform better in their present and future roles with us.

The table below provides figures in respect of the number of employees who received training during the fiscal years 2005, 2006 and 2007:

	Fiscal 2005	Fiscal 2006	Fiscal 2007
In-house	2,819	2,427	2,999
In-country	497	508	717
Overseas	71	168	151

Our Management Training and Development Center in Duliajan was established in 1996, and is the training institute for executives of the Company.

Employees

The following table sets forth the number of employees of the Company as on March 31, 2005, 2006 and 2007:

	As of March 31, 2005	As of March 31, 2006	As of March 31, 2007
Executives			
Technical	1,193	1,196	1,172
Non-Technical	500	489	486
Non-Executives			
Technical	5,492	5,460	5,389
Non-Technical	2,005	1,964	1,989
Total	9,190	9,109	8,962

We also engage certain labourers on a contractual basis for our business operations from time to time.

Our employees are affiliated with 13 registered trade unions across India. At present, we recognize five of these trade unions namely, the Indian Oil Workers' Union, Assam, Mahanadi Petroleum Employees' Union, Bhubaneswar, Petroleum Workers Union, Delhi, Oil India Calcutta Employees' Union, Kolkata and Rajasthan Oil Employees' Union, Rajasthan.

We entered into a long-term settlement agreement with all our recognized unions which are binding on all categories of regular workmen employed by us. The long-term settlement agreement was effective from January 1, 1997 until December 31, 2006 and has currently expired. We are currently in process of negotiating the terms and conditions of a new settlement agreement. We believe that our relationship with our employees is generally good and there have been no significant instances of labour unrest in our Company that have had a material adverse effect on our business and operations.

We introduced a voluntary retirement scheme in fiscal 2001, which was effective from September 19, 2000 until March 31, 2001. A total of 438 employees were granted voluntary retirement under this scheme. Subsequently, we introduced another VRS scheme from May 15, 2003 to September 13, 2003. Under this scheme, 651 employees were granted voluntary retirement. We may continue to introduce voluntary retirement schemes from time to time depending on the decision of our management.

As a matter of practice, we recruit professionally qualified persons as our employees through open advertisements. Additionally, we also take officials from the GoI, State Governments and other public sector undertakings on deputation at various levels to work in our company.

Insurance

We have a standard fire and special perils policy for, *inter alia*, risks associated with physical damage to our properties including our pipeline and rigs in connection with exploration and production related facilities at Duliajan and Moran in Upper Assam, and at Rajasthan and elsewhere. The policy covers, inter alia, fire, lightning, explosion, implosion, aircraft damage, riot, strike and terrorism damage, damage caused by natural factors such as storm, typhoon and flood, impact damage, subsidence and land slide including rock slide, bursting of water tanks, missile testing operations, leakage from automatic sprinkler installations, earthquake and terrorism. Our policy does not cover liability arising from pollution or contamination. Our fixed onshore properties are not covered for war risks as per the insurance industry practice worldwide.

For fiscal 2007, we paid an aggregate of Rs. 33.5 million for premiums under the above.

Competition

Although we encounter competition from other oil and natural gas companies in all areas of our operations, we believe the primary area in which we face competition domestically is for the acquisition of licences for exploratory prospects in the NELP bidding process. The companies that have been granted exploration licences in various rounds of NELP include other public sector companies, such as ONGC, IOCL, GSPCL and GAIL, as well as private companies, including British Gas, RIL, Cairn Energy Limited and Niko Resources. For further information about NELP, see "Regulations and Policies" on page 135 of this Draft Red Herring Prospectus.

Additionally, we face similar competition to acquire exploration and production acreages. See "Risk Factors—we encounter competition from other oil and natural gas companies in all areas of our operations including the acquisition of licenses for exploratory prospects, and competitive pressure on our business is likely to continue" on page xv of this Draft Red Herring Prospectus for further details.

Corporate Social Responsibility

We view corporate social responsibility as a genuine expression of goodwill and gratitude towards society, and we consider that we have a role to play in social welfare efforts, rural developments activities, the promotion of education and sports and the development of women and welfare services.

We have a policy in place of contributing 0.75% of all profits to social welfare measures. In fiscal 2007, we made contributions towards various social development programmes and area development schemes which include construction of roads, setting up of educational institutions, primary health centres and other infrastructural support in the North East region and other operational areas of our Company. Additionally, we have also contributed funds towards charitable causes in Assam and Arunachal Pradesh, intended for providing relief to victims of natural calamities and other disasters, as well as generally to poverty stricken people of the region.

Health, Safety and Environment

We are committed to maintaining high standards of occupational health, safety and environmental protection. Due to the nature of our operations, we conduct and are subject to several internal and external safety audits to ensure our compliance with health, safety and environmental protection norms, and to maintain effective waste prevention and reduction capabilities.

For instance, the Oil Industry Safety Directorate, or OISD, an organization under the control of the MoPNG, issues safety guidelines with which we have to comply. We also have to comply with the safety regulations prescribed by the Directorate General of Mines and Safety (“DGMS”). Each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. Our health, safety and environment, or HSE, teams are also responsible for obtaining necessary licences and clearances from the State Pollution Control Boards.

We have established a Health, Safety and Environment policy, with a focus on abatement of pollution arising out of various operational activities, through regular monitoring and proper co-ordination. During fiscal 2007, we have set up effluent pits at strategic locations, recycled our drilling effluent and taken actions to obtain ISO and OHSAS quality management system standard certifications. For further details, see "History and Certain Corporate Matters—Quality Management System Standard Certifications" on page 145 of this Draft Red Herring Prospectus.

The Company also has a focus on safety training and education, along with safety awareness programs for its executives, employees and contractors' workers.

We have a crisis management team that is responsible for managing any crisis situations resulting from our operations. Regular mock drills are carried out at our facilities to prepare our employees for managing critical situations.

Trademarks and Intellectual Property

We have applied for registration of our logo under various classes of the Trademarks Act, 1958, which are currently pending registration. For details on our applications, see "Government and Other Approvals" on page 309 of this Draft Red Herring Prospectus.

Properties

Our registered office and field headquarters. Our registered office and field headquarters is located at Duliajan, District Dibrugarh, Assam and covers a total area of approximately 2,023,428 square meters. The office space covers an area of approximately 500 square meters.

Corporate office. Our corporate office is located at Plot No. 19, Sector 16-A, Noida, District Gautam Budh Nagar, Uttar Pradesh. The office space has been leased from the Okhla Industrial Development Authority for a period of 90 years from April 7, 1997.

Pipeline headquarters. Our pipeline, which is 1,157 kilometers long, passes through the states of Assam, West Bengal and Bihar. Our pipeline headquarters (covering an area of approximately 400 square meters) is located in our township situated at Udayan Vihar, Guwahati, Assam which covers a total area of approximately 561,885 square meters including the pipeline headquarters.

Project and branch offices: We have project offices in Rajasthan and Orissa and a branch office in Kolkata. These properties are leased and the following table sets forth details of these properties:

State	Address
Rajasthan	12, Old Residency Road, Jodhpur, Rajasthan
Orissa	Third Floor of IDCO Towers, Janpath, Bhubaneshwar, Orissa
West Bengal	4, India Exchange Place, Kolkata, West Bengal

Other owned properties

Oil fields, installations and drilling locations. We own approximately 22,437,779 square meters of land in the districts of Dibrugarh, Tinsukia and Sibsagar, Assam where our drilling locations, production installations and oil fields are located. Additionally, we also own approximately 157,526 square meters of land in the District of North Lakhimpur, Assam, which is utilised as drilling. We have also been allotted approximately 588,028 square meters of land by the Rajasthan State Government in Jodhpur, Bikaner and Jaisalmer, Rajasthan where natural gas wells, gas gathering stations and stores are located. Furthermore, we have also been allotted land in Cuttack District, Orissa, for drilling purposes by the Government of Orissa.

Pipeline segment. We have acquired land through processes instituted by the Governments of Assam, West Bengal and Bihar under the Land Acquisition Act, 1894 for our 1,157 kilometer pipeline which spreads across these three states. The total land area over the pipeline segment, (excluding the pipeline headquarters), is approximately 20,440,907 square meters. Certain of our pump stations and repeater stations are also located along the pipeline. Additionally, we have been granted a right of way over approximately 38,912 square meters of land in Guwahati from third parties along the land where our pipeline is situated.

Residential properties. We also own premises in New Delhi, Mumbai and Kolkata which are utilised for residential and guest house purposes. Our aggregate land holding in these properties is approximately 4,173 square meters.

Other leased properties.

We have taken certain properties on lease for various uses. The following table sets forth details of these properties:

Location	**Area (square meters)**	**Purpose**
Paradip Port Trust, District Cuttack, Orissa	10,334	Office and Storage yard
Flats in Plot No. 250-C, Sector-15 A, Noida, Uttar Pradesh	7,438	Residential
Plot No. 2A, District Centre, Pali Road, Saraswati Nagar, Jodhpur, Rajasthan	4,364	Land for construction of an office complex
Ground Floor, First Floor and Second Floor, Hotel Durjan Niwas, Old Loco Shed, Ratanada, Jodhpur	2,613	Offices

Furthermore, we have been allotted land, aggregating to approximately 12,500 square meters, on a leasehold basis by the Government of Rajasthan in various places at Jodhpur and Sri Ganganagar, Rajasthan for our drilling operations.

REGULATIONS AND POLICIES

The following description is a summary of various sector-specific laws and regulations in India prescribed by GoI and various State governments, which are applicable to our Company. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

This section provides a brief overview of the regulatory framework governing the upstream activities of exploration and production in the petroleum and natural gas industry in India.

Regulation of Exploration and Production

Under Article 297 of the Constitution of India, jurisdiction over petroleum and natural gas occurring in their natural state in India, is vested in the Union of India. The MoPNG is the principal regulator of exploration and production of oil and natural gas in India. MoPNG is responsible for regulating the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas, and is also responsible for planning, development and regulation of oil field services.

The Directorate General of Hydrocarbons ("**DGH**") was established under the aegis of MoPNG in 1993, with the objective of promoting sound management of Indian petroleum and natural gas resources, with regard to the environment, safety, technological and economic aspects. Other bodies under the control of MoPNG include the (a) Oil Industry Development Board, which provides financial and other assistance for development of the oil industry; (b) Petroleum Conservation Research Association, which promotes awareness of energy conservation and good practices in use and application of energy, (c) Centre for High Technology, which serves as a nodal data-gathering agency with respect to technological matters; and (d) Oil Industry Safety Directorate, which develops standards and codes for safety and fire-fighting and conducts periodic safety audits of petroleum handling facilities. In addition, the DGMS issues directions in respect of onshore petroleum mining installations.

Oilfields (Regulation and Development) Act, 1948 ("Oilfields Act")

Oil and natural gas exploration activities are governed by the Oilfields Act which provides for regulation of oilfields and development of mineral fuel oil resources. "**Oilfields**" are defined as areas where any operation for obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any petroleum products in liquid or solid state, is to be or is being carried on. PELs and PMLs are granted under the Oilfields Act, with respect to mineral oils including crude oil and natural gas. The Oilfields Act vests GoI with the authority to make rules for development and conservation of mineral oils, to amend the terms of the PELs and PMLs and to levy royalty, fees or charges on extraction of mineral oil from the areas under the PMLs.

On September 1, 2006, GoI designated DGH as the authority to exercise powers and functions of GoI with a view to promote sound management of hydrocarbon resources in India. Accordingly, DGH shall (a) monitor upstream petroleum operations in India; (b) review and monitor exploration programs and development plans for commercial discoveries of hydrocarbon reserves proposed by a licensee or lessee; (c) review management of petroleum reservoirs by a licensee or a lessee; (d) ask for and maintain geo-scientific data, reports and information from a licensee or a lessee; (e) review reserves discovered by a licensee or lessee in accordance with generally accepted international petroleum industry practices; (f) lay down norms for declaration or announcement of discoveries by a licensee or a lessee; and (g) monitor oil and gas production and payment of royalties, cess or other charges due to GoI.

Oil Mines Regulations, 1984 ("Oil Mine Regulations")

Under the Oil Mine Regulations, no mine shall be opened or worked without a duly appointed manager and a safety officer. Further, one or more installation managers are required to be appointed to hold charge of the different installations at every mine. The owner, agent or manager of a mine is required to provide notice of events including opening, closure and accidents, to the Chief Inspector and to the Regional Inspector designated under the Oil Mine Regulations. The owner, agent or manager is also required to submit quarterly returns to the Chief Inspector and the Regional Inspector, and annual returns to the District Magistrate and to the Chief Inspector, in the prescribed form, as well as, among other things, a key plan showing the area in which operations for mining of petroleum and ancillary operations are carried on, a surface plan showing the location of all wells including abandoned wells, railways, power transmission lines, public roads, or other permanent structures not belonging to the owner, rivers and water courses within the mining areas. A new pipeline or any significant alteration can be carried out in any existing pipeline only with the prior approval of the Regional Inspector and in accordance with such conditions as he may specify. The application for permission shall be in the prescribed form, and a copy thereof shall also be sent to the Chief Inspector and the District Magistrate, accompanied by copies of a plan of the area where the pipeline is proposed to be laid showing the extent of land and route over which Right of use ("**ROU**") has been established.

Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act empowers the GoI to frame rules regarding import, transport, storage, blending, refining and production of petroleum. It further empowers the GoI to prescribe standards for pipelines, testing apparatus and storage receptacles for petroleum, and to inspect, make entry and search and certify grades of petroleum involved in a particular establishment.

Petroleum and Natural Gas Rules, 1959 ("PNG Rules")

The PNG Rules, notified by GoI in pursuance of its authority under the Oilfields Act, provides the framework for grant of PELs and PMLs. The PNG Rules prohibit prospecting or exploitation of any oil or natural gas unless a license or lease has been granted under the PNG Rules. A PEL entitles the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. A PML entitles the lessee to an exclusive right to extract oil and natural gas from the contract area. PELs and PMLs are granted by MoPNG for offshore areas, and by the relevant state governments, with prior approval of GoI, for onshore areas.

GoI amended the PNG Rules in 2006 to provide that a licensee or lessee is required to provide to GoI or its designated agency, being the DGH, all data obtained or to be obtained as a result of petroleum operations under the license or lease, including geological, geophysical, geochemical, petrophysical, engineering, well logs, maps, magnetic tapes, cores, cuttings and production data, as well as all interpretive and derivative data, including reports, analysis, interpretations and evaluations prepared in respect of petroleum operations. Such data shall be GoI's property, provided that the licensee or lessee shall have the right to make use of such data free of cost, for the purposes of petroleum operations under the license or lease. GoI has the right to disclose to the public all non-proprietary data without consent of the licensee or lessee, and all proprietary data with the consent of the licensee or lessee. GoI is the sole authority to determine proprietary nature of the concerned data.

Highlights of India's exploration licensing regime (Pre-NELP regime)

Prior to the NELP, the Oilfields Act and the PNG Rules regulated the issue of licences and PSCs. Under the Industrial Policy prevailing at the time, exploration blocks were offered for exploration and production only to national oil companies. ONGC and our Company, both public sector undertakings, were the two major entities involved in exploration of petroleum till 1997 while IOCL was the primary entity concerned with refining and processing oil after extraction. Private companies had access to hydrocarbon resources prior to the NELP only through joint venture arrangements entered into with the GoI, instead of complete participation through a bidding process. These joint venture arrangements contemplated mandatory participation of the GoI through the national oil companies.

The GoI offered acreages for exploration in 1980, 1982 and 1986. In 1986, in addition to offering exploration blocks ("**Nomination Blocks**") to national oil companies, GoI extended the offering of oil and gas acreages to private investors, including foreign investors. GoI further liberalized the petroleum exploitation and exploration policy in 1991 inviting discovered fields for joint or independent development to national oil companies as well as to private or international investors, on a competitive bidding basis. Companies would bid for the minimum work commitment for each phase of exploration, indicating in their bids the share of profit petroleum expected by them at various levels of returns, based on either multiples of investment recovered or on post-tax rates of return. Cost recovery was ring-fenced by producing area, with development and production costs in respect of a producing area being recoverable only from revenues of that producing area. However, exploration costs incurred in a block in which producing area was located could be recovered from revenues of that producing area. There was no minimum commitment regarding expenditure. The companies winning the blocks would enter into a PSC with GoI ("**Pre-NELP Contracts**").

National oil companies had the option of taking 30% participating interest in a Pre-NELP Contract at the time of a commercial discovery, such that they would meet their proportionate share of development and production costs, as well as an additional 10% working participation in any blocks they chose, with 10% exploration costs being borne by them. Contractors were required to offer the entire share of oil accruing to them as cost oil or profit oil to the GoI during this Pre-NELP Contract phase.

The Pre-NELP Contracts were for a period of up to 25 years, in the case of crude oil and associated gas ("**ANG**"), extendable by another five years. The contract period for non-associated gas ("**NANG**") would extend for up to 35 years, taking into consideration the longer gestation period for gas projects. This included an exploration period of a maximum of 7 years. A seismic option was provided for in the first phase of exploration. The contractors would have to relinquish 25% of the contract area to GoI at the end of the first phase of exploration and a further 50% of the original contract area at the end of the second exploration phase. However, this was negotiable, particularly for blocks requiring greater exploration input. Only producing and producible areas for which a mutually agreed work programme had been drawn up could be retained by contractors at the end of the exploration period. Pre-NELP Contractors were not liable to pay signature or production bonus or any royalty or cess on production, and were fully exempted from payment of customs duties and other taxes on imports required for petroleum operations. Further, they would enjoy income tax holiday for seven years from the start of commercial production.

Separate provisions were made for development of commercially exploitable natural gas resources, with priority being given to development of natural gas for the domestic market. Where GoI or its nominee elected to purchase the gas, the price would be related to the replacement value of alternative liquid hydrocarbons.

New Exploration Licensing Policy ("NELP")

The NELP was formulated by GoI in 1997-98, to provide a level playing field where prospective contractors, including the public as well as the private sector, compete on equal terms for award of exploration and mining acreage. The NELP notification of 1999 specifies that there would be no mandatory state participation through the national oil companies and that national oil companies would have to compete for obtaining PELs on a competitive basis instead of the previous system of obtaining PELs on a nomination basis. Under the NELP, the 'carried interest' or 'inherent interest' concept whereby national oil companies carried a 30% interest that was exercisable by them upon discovery of oil or gas in exploration operations has been removed. Further, preferential treatment of national oil companies and reservation of blocks is no longer practiced.

The NELP provides that companies including the national oil companies are to be paid international prices for oil discoveries made in the blocks offered under the NELP.

The model production sharing contract ("**Model PSC**"), was notified in terms of the NELP, to be regulated under the PNG Rules, between GoI and a licensee or lessee with respect to grant of a PEL or PML. The Model PSC is an agreement between the contractor and GoI, under which the contractor bears exploration risks and development and production costs in return for a stipulated share of production resulting from this effort. Costs are recovered from commercial production. GoI's share in a PSC is also subject to competitive bidding between prospective contractors. The Model PSC defines participating interest of contracting parties and designates an operator for the contract area under the PEL or PML. Where the contractor under the PSC includes more than one company or entity, such entities inter se are required to enter into a JOA. The contract period under the PSC includes an exploratory phase, including two sub-phases, during which time the contractor operates under a PEL, and a development and production phase, during which time the contractor operates under a PML.

Among other things, the PSC requires the contractor to obtain GoI approval for (a) an appraisal programme appraising any discovery, delineating petroleum reservoirs in terms of thickness and lateral extent and determining quantity of recoverable petroleum therein; (b) a development plan with respect to development of each commercial discovery; (c) an annual work programme for the duration of the contract period; (d) a minimum work programme with respect to each exploration phase; and (e) any abandonment or site restoration plans. A contractor signing a PSC has the freedom to market oil and gas in the domestic market and the option to amortize exploration and drilling expenditures over a period of 10 years from first commercial production. Other benefits under the NELP include income tax holiday for seven years from the start of commercial production; and exemptions from, among other things, payment of signature, discovery or production bonus; customs duty on imports required for petroleum operations; minimum expenditure commitment during the exploration period; no mandatory state participation/carried interest by or for national oil companies. Under the Model PSC regime, the procedure for announcement of hydrocarbon discoveries has been defined. Further, companies are required to prepare appraisal programmes of the commercial discoveries made under nomination blocks, as well as development plan of such discoveries, in consultation with DGH within the specified time frame. The Model PSC features cost recovery to the operator and share of profit petroleum to the Government, as distinguished from existing contracts for CBM blocks, which feature production linked payment ("**PLP**") to GoI and no cost recovery to the operator. In matters of dispute resolution, the Arbitration and Conciliation Act, 1996, which is based on the The United Nations Commission on International Trade Law ("UNCITRAL") model, shall be applicable.

The first round for offer of blocks under the NELP was in 1999. To date, there have been six rounds of competitive bidding for award of PSCs under the NELP. Bidding for NELP VII is expected to start in December 2007, and it is expected that emphasis will be laid on areas least explored or poorly explored.

For further information on the PSCs entered into by our Company, see the section titled "History and Certain Corporate Matters- Material Agreements" beginning on page 155 of this Draft Red Herring Prospectus.

Petroleum and Natural Gas Rules, 2002 ("PNG Rules, 2002")

The PNG Rules, 2002 require, among other things, a company to obtain permission of the Chief Controller of Explosives for purposes of refining, cracking, storing, reforming or blending petroleum.

Pipelines

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("Pipelines Act")

The Pipelines Act provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land. ROU acquisition may be subject to such conditions as may be deemed fit by GoI in the public interest.

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for the establishment of the Petroleum and Natural Gas Regulatory Board ("**PNG Board**"), and vests it with the authority to, among other things, regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas, excluding the production of crude oil and natural gas, monitoring prices and taking corrective measures to prevent restrictive trade practices, imposing fees and other charges and regulating technical and safety standards and specifications relating to petroleum, petroleum products and natural gas. The objectives are to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets.

The majority of the provisions of the PNGRB Act have come into effect from October 1, 2007, and the constitution of the PNG Board was re-notified with effect from October 1, 2007. Pursuant to the above, all entities currently engaged in, or proposing or contemplating any downstream petroleum activities, will be governed by the PNGRB Act and would have to follow intimation and authorization procedures, as well as the downstream pricing mechanism prescribed hereunder. For entities already engaged in downstream petroleum activities in India, the intimation and authorization process will have to be completed within six months from the appointed date, i.e., by March 31, 2008.

Guidelines for Laying Petroleum Product Pipelines, 2002 ("Petroleum Guidelines")

The Petroleum Guidelines provide that ROU under the Pipelines Act will be granted to the applicant company or joint venture for its captive use on an exclusive basis, subject to sharing of portions of acquired ROU falling in reserve forests, wildlife sanctuaries or other restricted areas, and with any intersecting pipeline in respect of which any other party has ROU. As per the Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006 ("**Pipeline Policy**"), the ROU acquisition for any transmission pipeline/ city or local gas distribution project under the Pipelines Act will only be considered by GoI after authorization for the same has been granted by the PNG Board.

GoI has also recently notified a draft strategy paper on simultaneous exploration and production of CBM with oil and gas. This strategy paper envisages drafting a model joint interaction agreement between parties for siting of CBM/ crude oil and natural gas wells and for laying of pipelines and other installations in the same area.

The PNG Board is empowered to, among other things, authorise entities to lay, build, operate or expand a common carrier, a contract carrier or a city or local natural gas distribution network. Without such authorization, an entity is prohibited from engaging in laying, building, operating or expanding a pipeline. However, the PNGRB Act provides for deemed authorisation, subject to compliance with the provisions of the PNGRB Act, for any existing entity laying, building, operating or expanding any pipeline as common carrier or contract carrier, before the notification of PNGRB Act.

Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006 ("Pipeline Policy")

The objective of the Pipeline Policy is to facilitate open access for all players to the pipeline network on a non-discriminatory basis, and promote competition among entities thereby avoiding any abuse of the dominant position by any entity. The Pipeline Policy applies to "**non-dedicated**" pipelines and not to "**dedicated**" pipelines. The latter have been defined as pipelines laid to supply gas to specific consumers originating from regulated pipelines provided the same are for their own use and not for resale. No non-dedicated gas pipeline or city or local gas distribution network may be laid, built, operated or expanded without authorization by the PNG Board. If a company's pipelines come within the definition of "dedicated" pipelines, it is required to furnish certain details to the PNG Board every six months. In case any such pipeline ceases to be a dedicated pipeline in future, the same may be brought to the notice of the PNG Board, and will require authorization to be granted by the PNG Board under the provisions of the PNGRB Act. The Pipeline Policy envisages constitution of a Gas Advisory Body ("**GAB**") for giving advice to the Central Government promote and develop the gas pipeline network and the city or local gas distribution networks in the country, there shall be on the subject.

Pricing

The mechanism for pricing of oil and natural gas was based on import parity till the mid 1970s. Prior to 1998, prices of all major petroleum products were fixed pursuant to the APM, which was based on a "cost plus" pricing system under which companies engaging in exploration and production, refining and marketing were guaranteed fixed returns on net worth plus reimbursement of eligible operating costs. Under the system, selling prices of any petroleum product was uniform for each marketing company within a specific area except for variances resulting from differing tax rates from one state to another. The APM operated through a system of "**oil pool**" accounts through which cash flows relating to various charges, subsidies and other adjustments were managed, allowing for certain products including kerosene and domestic LPG, based on cross-subsidisation from certain products including petrol and indigenous crude oil. With the objective of encouraging private sector as well as foreign direct investment while removing distortions caused by subsidies and cross-subsidies, GoI, through its Resolution No. 224 dated November 21, 1997, decided "in principle" to dismantle the APM in a phased manner, commencing from April, 1998. The APM would be replaced by a phased movement to Market Determined Pricing Mechanism ("**MDPM**") and rationalization of customs tariff and excise duty rates. Further, as per GoI Resolution dated November 21, 1997, oil exploration and production companies producing at least 3 million tonnes of crude oil annually or companies owning and operating refineries with an investment of at least Rs.20,000 million, are entitled for marketing rights for transportation fuels, namely, motor spirit, high speed diesel and aviation turbine fuel.

The APM was discontinued with effect from April 1, 2002, through Notification No.P-23015/1/2001-Mkt dated March 8, 2002. As per the Model PSC, the Indian domestic market has the first call on the production of gas. Although the contractor has the freedom to sell gas within India, he has to do so on the basis of arms-length transactions between non-affiliates. In terms of the Model PSC, parties may either determine sales price of crude oil or natural gas through a competitive bidding process or may negotiate sales price of crude oil or natural gas, subject to GoI approval of the formula or basis on which such prices were determined, prior to the sale of crude oil or natural gas to the buyers. For this purpose, GoI may take into consideration any prevailing pricing policy or any linkages with traded liquid fuels. Typically, each long-term crude oil or natural gas supply contract has a price review clause every 5 years.

GoI, through a notification dated March 6, 2007, has issued directions that uniform pool prices shall be charged on supply of Re-Gasified Liquid Natural Gas ("**RLNG**") to all customers under all long term contracts, on a non-discriminatory basis.

Essential Commodities Act, 1955 ("EC Act")

The EC Act vests GoI with the authority to issue notifications for controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

Royalty

The Oilfields Act provides for payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. GoI may increase the rate of royalty payable for production of crude oil and natural gas up to the limits prescribed by the Oilfields Act by issuing a notification, without amending the Oilfields Act. It can also increase the prescribed limits by amending the Oilfield Act by an act of Parliament. Under the Oilfields Act, and consequently as per the NELP, royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from the sales price. Royalty for oil extraction is payable at the rate 20% in onshore areas, and 10% in shallow water areas. Royalty is payable at the rate 10% for natural gas extraction in both onshore and offshore areas. Royalty for discoveries in deep water areas beyond 400m iso-bath is chargeable at half the applicable rate for shallow water (offshore) areas for the first seven years of commercial production and at normal rates applicable for shallow water areas for other periods.

Oil Cess

OIDB, constituted under the Oil Industry (Development) Act, 1974, receives grants from the government out of the cess collected on crude oil and natural gas production in India, and out of the Oil Industry Development Fund renders financial and other assistance for development activities in the oil and natural gas sector in India. Such cess is currently payable to the OIDB at the rate of Rs.2,500 per MT.

Excise Duty

Every duty of excise leviable under the Central Excises and Salt, Act, 1944, shall be payable by the person by whom such item is produced, and in the case of crude oil, the duty of excise shall be collected on the quantity received in a refinery. The proceeds of the duties of excise levied under this Act shall first be credited to the Consolidated Fund of India.

Service Tax

Service tax is levied under the Finance Act, 1994, as amended, wherein tax is levied on certain identified services rendered in India by specified service providers. Currently, service tax is levied at the rate of 12% plus an education cess of 2% and a secondary and higher education cess at the rate of 1%. Therefore, the effective rate is 12.36% on the gross value of taxable services. With respect to upstream activities, the following taxable services would be of relevance: site formation and clearance, and excavation, earth moving and demolition services, survey and exploration of mineral services and mining services.

Pipeline Tariffs

The transportation tariffs of the common or contract carrier transmission pipelines or city or local natural gas distribution network as also the manner of determining such tariffs will be laid down by the PNG Board as per the provisions of the PNGRB Act.

Natural Gas Subsidy

GoI has notified the Natural Gas Subsidy Scheme, 2006, applicable to our Company in respect of subsidy relating to sale of gas by us to various customers in North East India under the APM. This subsidy, which shall be the difference between product price to our Company and consumer price applicable to various customers for quantities of gas supplied, will be computed on a monthly basis and provided to our Company from the budgetary grant of MoPNG.

Domestic Kerosene and LPG Subsidy Scheme

With effect from April 1, 2002, GoI has notified a subsidy scheme in respect of distribution of domestic kerosene and LPG under the post-APM Public Distribution Scheme ("**PDS**") ("**Domestic Kerosene and LPG Subsidy Scheme**"). Under this Scheme, subsidy is provided on sales of domestic kerosene and LPG under the PDS, by notified downstream oil companies throughout India. The quantity of domestic kerosene and LPG in each State in India, on which subsidy is allowed, is limited to allocations made by MoPNG, subject to actual quantities sold. This subsidy is met from budgetary grants by MoPNG, as per claims raised by the notified downstream oil companies, with the PPAC. Such notified downstream oil companies are required to enter into a definitive agreement with GoI in order to avail of subsidy under this Scheme.

The amount of subsidy per selling unit is equal to the difference between the cost price and the issue price per selling unit, and is computed ex-depot for domestic kerosene and ex-bottling plant for LPG. Whilst, the Scheme was initially intended to be phased out in three to five years, the GoI on October 12, 2007 announced that the Scheme shall remain in effect till March 31, 2010. As per the GoI press releases, upstream oil companies are presently expected to bear up to a third of the total under-recoveries by the notified downstream oil companies, and GoI shall issue oil bonds in respect of the remaining amount of the subsidy.

Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 ("Territorial Waters Act")

The Territorial Waters Act empowers GoI to extend the application of any Central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant of PELs and PMLs by GoI (and in respect of land vested in a State Government, by that State Government with prior approval of GoI) to explore and exploit resources of the continental shelf and exclusive economic zone.

Coastal Regulation Zone Notifications

Certain notifications have been issued by the MoPNG on February 19, 1991, August 16, 1994, July 9, 1997 and August 12, 2001 declaring coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action (in the landward side) up to 500 meters from the high tide line, and the land between the low tide line and high tide line as "**Coastal Regulation Zones**" ("**CRZs**") and imposing restrictions on setting up and expansion of industries, operations or processes in the said CRZ.

Environmental Regulations

The Environmental Protection Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 ("**Hazardous Waste Rules**") include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste. In addition, the Merchant Shipping Act, 1956 provides for liability arising out of loss or damage caused outside the ship by contamination resulting from escape or discharge of oil from such ship.

In case the project value exceeds Rs. 1,000 million for a new project (including oil and gas exploration and production activities) or Rs. 500 million for the expansion of an existing project, the project requires the approval of the MoEF. Further, the approval of the MoEF is required under Environment Protection Act the Forest (Conservation) Act, 1980 ("**Forest Conservation Act**"), for any diversion of forest land in relation to such project.

*Government Policy for Foreign Direct Investment ("**FDI**")*

Petroleum and Natural Gas sector	
All activities other than refining and including market study and formulation; investment/ financing; setting up infrastructure for marketing in Petroleum and Natural Gas sector).	FDI up to 100% is allowed under the automatic route, subject to sectoral regulations issued by MoPNG; In case of trading and marketing of petroleum products, divestment of 26% equity in favour of Indian partner/ public within five years is necessary. FDI up to 100% is allowed under the automatic route, in oil exploration for both small and medium sized fields, subject to and under the GoI policy on private participation in (a) exploration for oil; and (b) the discovered fields of national oil companies.
Refining	FDI up to 26% in case of public sector undertakings is allowed, while 100% FDI is allowed in the private sector, subject to sectoral regulations issued by MoPNG.

Automatic approval is not available in cases where the foreign investor has an existing joint venture or technology transfer/ trademark agreement in the same field. The definition of 'same' field is as per the 4 digit National Industrial Classification Code notified by GoI in 1987. The onus to provide requisite justification that the investment proposal would not jeopardise interests of the existing joint venture or technology/ trademark partner or other stakeholders would lie equally on the foreign investor/ technology supplier and the Indian partner. However, even in such cases where the foreign investor has a joint venture or technology transfer/ trademark agreement in the 'same' field, certain exceptions for requirement to obtain approval of GoI, acting through the Foreign Investment Promotion Board ("**FIPB**"), have been prescribed, including: (i) investments made by Venture Capital Funds registered with SEBI; (ii) where in the existing joint venture, investment by either of the parties is less than 3%; and (iii) where the existing venture/ collaboration is defunct or sick.

For information on the regulatory approvals obtained by and applied for by our Company, see the section titled "Government and other Approvals" beginning on page 309 of this Draft Red Herring Prospectus.

HISTORY AND CERTAIN CORPORATE MATTERS

Incorporation of our Company

Our Company was incorporated as a private limited company on February 18, 1959 under the name "Oil India Private Limited", pursuant to a promoters' agreement dated January 14, 1958, between the President of India, Burmah Oil Company Limited and Assam Oil Company Limited. At the time of our incorporation, Burmah Oil Company Limited and the President of India held two-thirds and one third of our Equity Share capital, respectively. Our Company was incorporated with the main object of exploration and production of crude oil (including natural gas). Our Company became a deemed public limited company with effect from March 28, 1961 and the word "private" was deleted from the name of our Company on May 4, 1961.

Pursuant to an agreement, dated July 27 1961, between Burmah Oil Company Limited and Assam Oil Company Limited and our Company, Burmah Oil Company Limited transferred certain of its Equity Shares to the President of India, and both became equal partners holding a 50:50 interest in the Equity Share capital of our Company. Thereafter, pursuant to the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited) Act, 1981, the Equity Shares in our Company held by Burmah Oil Company Limited were transferred to the President of India, pursuant to which our Company became a wholly owned Government company. We received a fresh certificate of incorporation on conversion to a public limited company from the RoC on August 30, 1995.

Changes in our Registered office

The table below encapsulates changes in registered office of our Company.

Date of resolution	Change in address of the Registered Office
April 11, 1962	Change in registered office from Digboi, District Dibrugarh Assam, 786 171 to Jasmine Road, P.O. Duliajan, District Dibrugarh, Assam 786 602 w.e.f April 12, 1962.

Major events

The following table illustrates the major events in the history of our Company since our incorporation in 1959.

Year	Event
1959	Oil India Private Limited incorporated with Burmah Oil Company Limited holding two-thirds of the Equity Share capital and the President of India holding one-third of the Equity Share capital
1961	Oil India Private Limited transformed into an equal partnership joint venture company between Burmah Oil Company Limited and the President of India
1961	Gas-based power plant commissioned at Duliajan, Assam
1962	Completed construction of a 401 km (16 inch diameter) pipeline from Duliajan to Guwahati
1963	Completed construction of a 756 km (14 inch diameter) pipeline from Guwahati to Barauni
1972	Discovery of commercially producible crude oil in Jorajan fields and Kharsang fields
1981	Our Company became a wholly owned enterprise of the GoI
1982	LPG plant based on turbo expander technology commissioned at Duliajan, Assam
1988	Discovery of commercially exploitable gas reserves in Tanot, Rajasthan
1989	Discovery of commercially exploitable gas reserves in Dandewala, Rajasthan
1990	Discovery of commercially producible crude oil in ecocene formation in Dikom
1991	Dicovery of commercially producible crude oil in ecocene formation in Kathaloni
1992	Entered into an agreement with Hydrocarbon Research Incorporated, for initiating coal oil co-processing studies
1995	Entered into PSCs with various companies, to revive the declining Kharsang producing field

Year	Event
2002	Entered into a consortium with OVL and IOCL to execute a service contract with the National Iranian Oil Company for the Farsi Block, Iran
2004	Upgrading of our Company to a 'schedule A' company
2004	Entered into a memorandum of understanding with IOCL for pursuing overseas exploration and production opportunities
2004	Acquired participating interest in a pipeline outside India by entering into an agreement with OVL for construction of a 741 km long pipeline in Sudan
2005	Entered into a memorandum of understanding with IOTL for jointly taking up pipeline and related projects in India and overseas
2005	Entered into a memorandum of understanding with ITERA Oil and Gas Company, Russia, to jointly pursue exploration and production opportunities in India and overseas, including in Libya
2005	Awarded Block 86 (Sirte basin) and Block 102/4 in Libya, along with IOCL
2006	Executed a farm in agreement with IOCL and Marvis Private Limited, Singapore acquiring a participating interest in Block Shakthi, Gabon to our Company and IOCL
2006	Awarded eight blocks in NELP-VI, out of which our Company is operator in six blocks
2006	Entered into a joint venture agreement with GAIL, NRL and the Government of Assam to establish a gas-based cracker project at Lepetkata, Assam
2007	Entered into a memorandum of understanding with British Gas for pursuing exploration and production opportunities
2007	Entered into a memorandum of understanding with HPCL, GAIL, Total France, SA, and Mittal Energy Investment Private Limited for promoting a refinery-cum-petrochemical complex in Vizag
2007	Entered into a memorandum of understanding with HPCL to jointly pursue oil and gas opportunities in the downstream and upstream segment in India as well as overseas

Awards and Recognitions

We have received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Certification/ Award
1997	Grant of Mini Ratna-I status
2002	Golden Peacock award for corporate social responsibility, awarded by the Federation of Indian Chambers of Commerce and Industry
2003	Award for excellent safety performance, awarded by the Oil Industry Safety Directorate
2005	Annual award for environment excellence, awarded by Greentech
2005	Corporate social responsibility award, awarded by the Tata Energy Research Institute
2005	Award for best performance in energy conservation, awarded by Petroleum Conservation Research Association
2006	Best public sector unit award in a survey of public enterprises conducted by the Department of Public Enterprises, GoI
2007	Enterprise excellence award, awarded by the Indian Institute of Industrial Engineering
2007	SAP-ACE-2007 award for customer excellence in the best oil and gas sector implementation category

Additionally, in recognition of our performance and our consistent achievement of targets negotiated under the memorandum of understanding entered into with the MoPNG on an annual basis, we have received the award for excellence in performance for the years 2003-2004, 2004-2005 and 2005-2006. We were also ranked as the best public sector undertaking by the DPE in its annual survey for fiscal 2006.

Quality Management System Standard Certifications

We have received the following certifications:

Year	Certification/ Award
2003	Our Company certified to conform to Quality Management System ("**QMS**") Standard: International Standardisation Organisation ("**ISO**") 9001:2000 from Det Norske Veritas ("**DNV**") for "production, storage and filling of LPG in cylinders and tankers for distribution to marketing agency". The certificate is valid until October 31, 2009
2004	Our pipeline department at Noomati, Guwahati certified to conform to QMS Standard: ISO 9001:2000, Operational Health and Safety Standard ("**OHSAS**") 18001:1999 and ISO 14001:1996 from DNV for "operations and maintenance of cross country pipelines". The certificates are valid until April 30, 2010
2005	Our LPG recovery and bottling plant was certified to conform to QMS Standard: OHSAS 18001:1999 and ISO 14001:2004 from DNV for "recovery, storage, bottling and despatch of LPG in bottles and road tankers". The certificates are valid until May 13, 2008
2005	Our hospital at Duliajan, Assam was certified by Bureau Veritas Certification (formerly, "**BVQI**") Standard; ISO 9001:2000. The certificate is valid until October 5, 2008
2005	Our gas turbine power station at Duliajan, Assam was certified by BVQI Standard; OHSAS 18001:1999. The certificate is valid until March 8, 2008
2005	Our chemical laboratory at Duliajan, Assam was certified by BVQI Standard: ISO 9001:2000. The certificate is valid until November 19, 2008
2005	Our Tengakhat Oil Collecting Station at Duliajan, Assam was certified to conform to QMS Standard: OHSAS 18001:1999 from DNV for "receipt, processing, storage and despatch of crude oil". The certificate is valid until May 13, 2008
2007	Our Research and Development Department is accredited by the National Accreditation Board for Testing and Calibration Laboratories, India in accordance with the standard "ISO/IEC 17025:2005" for "general requirements for the competence of testing and calibration laboratories" in the field of chemical testing. The certificate is valid until April 4, 2009
2007	Our Fire Service at Moran was certified to conform to the Quality Management System Standard: ISO 9001:2000, ISO 14001:2004 and ISO 18001:1999 from DNV for "operation and maintenance of fire service". The certificates are valid until February 6, 2010
2007	Our fire service at Duliajan was certified to conform to QMS Standard: ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 from DNV for "operation and maintenance of fire service". The certificates are valid until February 6, 2010

Our Main Objects

The objects, *inter alia,* contained in the Memorandum of Association of our Company include:

- To search for, purchase, take on lease or licence, obtain concessions over or otherwise acquire for any estate or interest in, develop the resources of work, dispose of, or otherwise turn to account, land or sea or any other place in the whole of India or in any other part of the world containing or likely to contain, petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas, chemicals or any substance used, or which is likely to be useful for any purpose for which petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas is or could be, used and to that end to organize, equip and employ expeditions, commissions, experts and other agents.

- To carry on exploration and to develop and optimise production of hydrocarbon, any by-products or products to be made thereof and other petro-chemicals whether within or outside India in order to maximise the contribution to the economy of the country, to carry out geological, geophysical or any other kind of surveys for exploration of petroleum resources, to carry out drilling, both onshore and offshore and other prospecting operations, to probe and estimate the reserves or petroleum resources, to undertake, encourage and promote such other activities as may lead to the establishment of such reserves including but not limited to geological, geophysical, geo- chemical, scientific and other investigations.

- To carry on in all their respective branches all or any of the businesses of refining, blending, processing, producing, treating (including refining of crude oil), storing, transporting, exporting and generally dealing in, or with, petroleum and petroleum products and other crude oils, asphalt, bitumen, natural gas, CBM, LPG, LNG, NGL, CNG and all other kinds of petroleum products, by-products and products to be made thereof, chemicals and any such substances as aforesaid and production of oil and other petroleum products from coal using different technologies.

- To carry on in all their respective branches the marketing and distribution of all kinds of petroleum products and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, blend, purify and pump, store, hold, transport, use, experiment with, market, distribute, exchange, supply, sell and otherwise dispose of, import, export, and trade and generally deal in any and all kinds of petroleum and petroleum products, oil, gas and other volatile substances, asphalt, bitumen, bituminous substances, carbon, carbon-black, hydro-carbon and mineral substances and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances.

- To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and all kinds of petroleum products, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all kinds of petroleum products, chemicals and any such substances as aforesaid.

- To receive, take over, acquire and undertake all or any part of the business, property, including Mining Leases and Prospecting Licences, and all other rights, benefits or advantages belonging to and duties, obligations and liabilities of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of our Company for such consideration and upon such terms and conditions as may be thought fit.

- To plan, design and construct pipelines for gas including but not limited to CNG, LNG, NGL and CBM, oil, and oil products and other related facilities and systems for collection, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale or otherwise dealing of gas, oil and oil products including but not limited to petroleum and crude oil products, by-products and products to be made thereof.

- To plan, develop, assist, aid to, erect and set up terminal(s) of all kinds including but not limited to LNG, receiving terminal(s), oil tanking terminal(s), etc. for providing terminalling services and activities for receipt (including import), storage, despatch (including export), handling and treatment of various kinds and forms of crude oil and refined petroleum products, gases, chemicals, liquids their by- products, products to be made thereof and all types of related facilities.

Changes in our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder resolution/Gazette of India Notification	Details
June 22, 1972	Amendment by insertion of a new clause (3-A) after the existing clause 3(3): (3-A) To establish, provide, maintain and perform engineering and related technical and consulting services including but without limitation technical studies, design, construction, maintenance and repair of all kinds of works and buildings, procurement, inspection, expediting, management of

Date of Shareholder resolution/Gazette of India Notification	Details
	construction and related services for petroleum reservoirs, storage and transportation of oil, gas and other minerals by pipeline.
October 14, 1981 (Notification)	Amendment in sub-clause (2) of clause 3 whereby the words "(except refining of crude oil)" were substituted by the words "(including refining of crude oil)" and the words "and all other kinds of petroleum products" were inserted after the words "liquefied petroleum gas". The amended clause 3(2) is reproduced below: "To carry on in all their respective branches all of any of the businesses of producing, treating (including refining of crude oil), storing, transporting, exporting, and generally dealing with, or with, petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all other kinds of petroleum products, chemicals and any such substances as aforesaid."
October 14, 1981 (Notification)	Amendment in sub-clause (3) of clause 3 whereby the words "any such substances as aforesaid, and other kindred businesses" were substituted by the words "all kinds of petroleum products and other kindred businesses", the words "(except refining of crude oil)" were omitted and the words "and all kinds of petroleum products" were inserted after the words "liquefied petroleum gas". Therefore, the old clause which stated: "To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, chemicals and any such substances as aforesaid, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and any such substances as aforesaid" was replaced by the amended clause. The amended clause reads as follows: " To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and all kinds of petroleum products, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all kinds of petroleum products, chemicals and any such substances as aforesaid."
October 14, 1981 (Notification)	Clause 2-A inserted after Clause 2, reproduced as under: "to carry on in all their respective branches the marketing and distribution of all kinds of petroleum products and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, blend, purify and pump, store, hold, transport, use, experiment with, market, distribute, exchange, supply, sell and otherwise dispose of, import, export, and trade and generally deal in any and all kinds of petroleum and petroleum products, oil, gas and other volatile substances, asphalt, bitumen, bituminous substances, carbon, carbon-black, hydro-carbon and mineral substances and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances.
October 14, 1981 (Notification)	Deletion of the words "and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company" in sub-clause (28) of clause 3. The old 3(28) read as follows: "To enter into any arrangement and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations

Date of Shareholder resolution/Gazette of India Notification	Details
	or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications in the constitution of the Company or furthering the interests of its members and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to obtain from any such Government authority or any company any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions. The amended clause reads as follows: "To enter into any arrangement and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications in the constitution of the Company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to obtain from any such Government authority or any company any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions."
October 14, 1981 (Notification)	Deletion of clause 32 which stated the following: " To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade".
September 23, 1994	The authorised share capital of the Company was increased from Rs. 500,000,000 comprising 500,000 Equity Shares of Rs. 1,000 each to Rs. 2,500,000,000 comprising 2,500,000 Equity Shares of Rs. 1,000 each.
August 11, 1995	Amendment in Clause 5 of the Memorandum of Association altering the authorised capital of our Company to Rs. 2,500,000,000 million divided into 250,000,000 Equity Shares of Rs. 10 each on account of the split of equity shares of Rs. 1,000 each to Rs. 10 each.
September 23, 2006	The authorised share capital of the Company was increased from Rs. 2,500,000,000 comprising 250,000,000 Equity Shares of Rs. 10 to Rs. 5,000,000,000 comprising 500,000,000 Equity Shares of Rs. 10 each.
September 23, 2006	Amendment in clause 3 (1) to insert the following words "land or sea or any other place in the whole of India or in any other part of the world" to read as follows: "To search for, purchase, take on lease or license, obtain concessions over or otherwise acquire for any estate or interest in, develop the resources of work, dispose of, or otherwise turn to account, land or sea or any other place in the whole of India or in any other place in the whole of India or in any other part of the world containing or likely to contain, petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas, chemicals or any substance used, or which is likely to be useful for any purpose for which petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas is or could be, used and to that end to organise, equip and employ expeditions, commissions, experts and other agents."

Date of Shareholder resolution/Gazette of India Notification	Details
September 23, 2006	Clause 3(1-A) inserted after clause 3(1) reproduced as under: "To carry out exploration and to develop and optimise production of hydrocarbon, any by-products or products to be made thereof and other petro-chemicals whether within or outside India in order to maximise the contribution to the economy of the country, to carry out geological, geophysical or any other kinds of surveys for exploration of petroleum resources, to carry out drilling, both onshore and offshore and other prospecting operations, to probe and estimate the reserves or petroleum resources, to undertake, encourage and promote such other activities as may lead to the establishment of such reserves including but not limited to geological, geophysical, geo-chemical, scientific and other investigations."
September 23, 2006	Existing clause 3(2) substituted with the following: "To carry on in all their respective branches all or any of the businesses of refining, blending, processing, producing, treating (including refining of crude oil), storing, transporting, exporting and generally dealing in, or with, petroleum and petroleum products and other crude oils, asphalt, bitumen, natural gas, CBM (Coal Bed Methane), LPG, LNG, NGL, CNG and all other kinds of petroleum products, by- products and products to be made thereof, chemicals and any such substances as aforesaid and production of oil and other petroleum products from coal using different technologies."
September 23, 2006	Existing clause 3(3-A) substituted with the following: "To establish, provide, maintain and perform scientific, technical, engineering, project management, consulting/contracting services including but not limiting to technical studies, design, construction, maintenance and repair of all kind of works and buildings, procurement, inspection, expediting, management of construction and related services for petroleum reservoir, refinery, storage and transportation of oil, gas and other minerals by pipeline or otherwise, seismic data acquisition, processing, interpretation, logging, drilling, cementing and other oil field related services or processes."
September 23, 2006	Existing clause 3(26) substituted with the following: "To form, assist, aid to, incorporate or promote any company or companies, joint ventures, consortium, or firm whether within or outside India having amongst its other objects the acquisition of all or any of the assets or control management or development of the company or any other objects or object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company or in which the Company is interested or the establishment of which may seem profitable to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for guaranteeing the subscriptions of or placing of any shares in the capital of the Company or any stock, shares, bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest."
September 23, 2006	Existing clause 3(27) substituted with the following: "To merge, acquire, takeover, amalgamate or consolidate with any other company or companies, carrying on or engaged in, or about to carry on or engage in, or

Date of Shareholder resolution/Gazette of India Notification	Details
	being authorised to carry on or engage in any business or transaction which the Company is authorised to carry on in accordance with these presents in such manner as may be permitted by law.”
September 23, 2006	Insertion of the following new clauses after clause 3(37): 3(38) “To plan, design and construct pipelines for gas including but not limited to CNG, LNG, NGL and CBM, oil, and oil products and other related facilities and systems for collection, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale or otherwise dealing of gas, oil and oil products including but not limited to petroleum and crude oil products, by-products and products to be made thereof.” 3(38-A): “ To plan, develop, assist, aid to, erect and set up terminal(s) of all kinds including but not limited to LNG, receiving terminal(s), oil tanking terminal(s) etc. for providing terminalling services and activities for receipt (including import), storage, despatch (including export), handling and treatment of various kinds and forms of crude oil and refined petroleum products, gases, chemicals, liquids their by- products, products to be made thereof and all types of related facilities.” Clause 3(39): “To carry out the business including research and development for generation, distribution and marketing of other sources of energy, including but not limited to solar, nuclear, wind, non-conventional and bio-technical sources, on a commercial basis and other related ancillary/associated businesses.” Clause 3(40): “To plan, establish, develop and to lay cables, provide, operate and maintain all types of telecommunication services including telephony, telex as well as wireless, data communication, telematics and other forms of communication and to maintain and to manage, to acquire from any person, from body corporate or other establishment whether in India and/or outside India, technical information, know-how, process engineering, manufacturing and operating data, plans layouts and blue prints useful for designing, erection, construction, commissioning, operation and maintenance of the plant and equipment required for any of the business of the Company and to acquire or grant license and other rights and benefits in the foregoing matters and things, to act as carriers/carrier, domestic provider, internet service provider, broadband provider, video conference facilities, to maintain and manage distance leased services, to provide technical specifications, standards and norms of services in the local and long distance communication, to provide interconnection of the local network services, long distance transmission systems and overseas communication systems.” Clause 3(40-A): “To build, construct, maintain, improve, develop, manage and control any buildings, offices, godowns, warehouses, shops, machinery and plant and telephone exchanges, telegraph office, co-axial stations, microwave stations, repeater stations, telecommunication lines, cables, towers or any other equipments, pipelines, machinery connected with design, development, construction, maintenance and operation of telecommunication services and conveniences, which may seem or calculated, directly or indirectly to advance the interests of the Company and to subsidize, contribute or to otherwise assist or take part in doing any of these things and/or to join with any other person and/or company and/or with any Governmental authority in doing any of these things.” Clause 3(41): “To enter into agreements and contracts with foreign companies, individuals, firms or other organisations with regard to technology transfer, know-how, technical process, technical assistance, financial assistance, technical or other collaboration, in connection with setting up and operation of any industrial undertaking or undertakings, manufacturing, marketing, importing and exporting

Date of Shareholder resolution/Gazette of India Notification	Details
	of equipments, plans, technical know-how, process know-how, laboratory equipment, apparatuses and other articles and things or any of them for all or any of the business of the Company.”

Entities in which our Company has substantial investment

(a) *Numaligarh Refinery Limited*

NRL was incorporated on April 22, 1993 with the main object of refining and marketing petroleum products and received its certificate of commencement of business on May 24, 1994. Its registered office is situated at 147, Udayan, R.G. Baruah Road, Guwahati 781 005, India. Our Company holds 26% of the equity share capital of NRL. NRL owns and operates a 3 MMTPA petroleum refinery located at Numaligarh, Assam.

Shareholding Pattern (as on the date of filing of this Draft Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Rs.10)	Percentage Shareholding (%)
BPCL	453,545,964	61.65
Governor of Assam	90,821,337	12.35
Oil India Limited	191,264,202	26.00
Other nominees	41	Negligible
Total	**735,631,544**	**100**

Board of Directors

The board of directors of NRL as on the date of filing of this Draft Red Herring Prospectus comprises of Mr. Ashok Sinha, Mr. B.K. Das, Mr. Dipak Chakravarty, Mr. Nilmoni Bhakta, Mr. J.P. Rajkhowa, Mr. P.C. Sharma, Mr. H.S. Das, Mr. C.B. Singh, Mr. Manu Srivastava, Mr. S.A. Narayan, Mr. S. Radhakrishnan, Mr. S. K. Joshi and Mr. R. K. Singh.

Financial Performance

The audited financial results of NRL for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Gross sales turnover	79,303.22	58,203.67	42,989.90
Profit before Depreciation, Interest and Tax	7,612.82	6,498.07	7,503.44
Interest	205.57	347.11	555.03
Depreciation	1,576.16	1,394.62	1,377.11
Profit before Tax	5,831.09	4,756.34	5,571.30
Profit after Tax	5,688.03	4,489.34	4,091.52
Equity Share Capital	7,356.32	7,356.32	7,356.32
Reserves and Surplus	13,093.36	9,556.96	6,661.35
Earnings per Share (Rs.)	7.73	6.10	5.56
Book Value per share (Rs.)	27.80	22.99	19.05

(b) Brahmaputra Cracker and Polymer Limited

Corporate Information

Our Company entered into a joint venture agreement dated October 18, 2006, with GAIL, NRL and the Government of Assam, to incorporate a company to establish a gas-based cracker project at Lepetkata, Assam with GAIL as the main promoter contributing 70% of the equity share capital of the joint venture company and our Company, NRL and the Government of Assam each contributing 10% equity share capital of the joint venture company. This joint venture agreement provides for transfer of shareholding from GAIL, in the event the Government of Assam desires to procure further equity stake in the joint venture company. Under this joint venture agreement, our Company is required to supply 6 MMSCUMD of rich gas for production of polymer under a firm contract for a minimum period of 15 years and also supply additional natural gas on mutually agreed terms. Further, our Company is required to provide land and other utilities and facilities, if available, for setting up a compressor station at Duliajan for boosting gas and pressure and transportation of gas to the joint venture company's plant at Lepetkata. Our Company is also entitled to nominate one director on the board of the joint venture company. Under this joint venture agreement, none of the parties thereto are entitled to sell, transfer or assign their shares, without prior approval of the GoI, for a period of five years from the initial date of allotment of shares in the joint venture company. The joint venture agreement can be terminated on account of, *inter alia*, bankruptcy, liquidation or winding up of any of the parties. Further, in the event of breach of material provisions of this joint venture agreement, each party has an option to terminate the agreement by prior written notice of 90 days to the other parties in the event such breach is not rectified.

Accordingly, BCPL was incorporated on January 8, 2007 with the objective of establishing a gas cracker project complex at Lepetkata, Dibrugarh, Assam, to, *inter alia*, process natural gas, naphtha or any petroleum product and to distribute and market petrochemical products in India and abroad. BCPL received its certificate of commencement of business on September 12, 2007. The registered office of BCPL is located at Hotel Brahmaputra Ashok, M.G. Road, Guwahati 781 001, Assam, India.

Shareholding Pattern (as on the date of filing of this Draft Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Rs.10/-)	Percentage Shareholding (%)
Gail (India) Limited	35,000	70
Government of Assam	5,000	10
NRL	5,000	10
Oil India Limited	5,000	10
Other nominees	80	Negligible
Total	**50,080**	**100.00**

Board of Directors

The board of directors of BCPL as on the date of filing of this Draft Red Herring Prospectus comprises of Mr. U.D. Choubey, Mr. M.R. Hingnikar, Mr. R.K. Goel, Mr. A.K. Purwaha, Mr. P.C. Sharma, Mr. R.K. Dutta. Mr. N.M. Borah, Mr. B.K. Das, Mr. B.P. Pandey and Mr. Manu Srivastava.

Financial Performance

As BCPL was incorporated on January 8, 2007, financial statements are not available for BCPL.

(c) Suntera Nigeria 205 Limited

Our Company has acquired a 25% equity stake in Suntera Nigeria 205 Limited, Nigeria ("**Suntera Nigeria**") on May 9, 2006 pursuant to a share purchase agreement dated August 31, 2006 with Suntera Resources Limited, Cyprus ("**Suntera Cyprus**") and IOCL.

Under the terms of the share purchase agreement, in the event of any further issue of shares or any further financing required by Suntera Nigeria, the contribution of the parties would continue to be in the same proportion as their current shareholding. Our Company and IOCL collectively have the right to nominate one half of the directors of Suntera Nigeria, and the prior approval of our Company and IOCL collectively, is required for certain reserved matters including any change in the nature of Suntera Nigeria's business, its entry into any joint ventures or material contracts and any declaration of dividend by Suntera Nigeria. Pursuant to the above, our Company has entered into an agreement dated August 30, 2007, with Suntera Nigeria, under which our Company will provide Suntera Nigeria with a loan of up to USD 11.23 million in relation to Nigerian Oil Prospecting Licence 205.

Suntera Nigeria 205 Limited was incorporated with the main object to engage in the petroleum business including the prospecting and exploration for and production and development of crude oil and natural gas. The registered office of Suntera Nigeria is at 2, Siji Soetan Street, Off Onikepo Akande Street, Lekki Peninsula, Lagos, Nigeria.

Shareholding Pattern (as on the date of filing of this Draft Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Naira 1/-)*	Percentage Shareholding (%)
Suntera Resources Limited	125,004	50
Oil India Limited	62,502	25
IOCL	62,502	25
Total	**250,008**	**100.00**

** As on December 10, 2007, 1 Naira = Rs. 118.05 (Source: www. rbi.gov.in)*

Board of Directors

The board of directors of Suntera Nigeria as on the date of filing of this Draft Red Herring Prospectus comprises of Mr. J.K. Talukdar, Mr. Ashim Kumar Roy and Mr. Sandeep Kamat.

Financial Performance

The financial results of Suntera Nigeria are as follows:

(In USD)

	December 31, 2006
Assets	18,180,307
Accumulated losses	(689,315)
Net loss	(689,315)
Equity Share Capital	1,900

(d) Joint Venture with ICSA

Our Company has entered into a joint venture partnership agreement dated September 26, 2006 with ICSA (India) Limited, for undertaking prospective projects in the field of engineering and procurement and contracts for pipeline intelligent cathodic protection ("**iCAP**") and allied services related to cathodic protection of pipelines in India and overseas as a joint venture or partnership, with 50:50 participating interest and shareholding, to be incorporated under the name "**OIL-ICSA Joint Venture**", with an initial share capital of Rs. 100 million. The provisional patent held by ICSA for iCAP will be converted into a joint patent after successful test run of the technology in our trunk pipeline, and shall be transferred to the above-mentioned joint venture company. The parties have agreed that all projects relating to the iCAP shall be conducted solely through this joint venture and neither party shall share the iCAP by licence or otherwise with any third party. The agreement will terminate by mutual consent of parties, or by prior notice of 45 days by either party, or upon incorporation of the above-mentioned joint venture company, or upon liquidation of either party to this agreement.

Additionally, our Company along with IOCL is examining the prospects of setting up a special purpose vehicle in Mauritius to pursue acquisition of a suitable mid-sized exploration and production company. We propose to enter into a joint venture agreement with IOCL shortly.

Material Agreements

Our Company has entered into PSCs with the GoI and certain other parties, with respect to exploration and mining operations in various blocks in India. These PSCs are awarded by GoI to the parties (including our Company) constituting the "**Contractor**", in a standard form prescribed under NELP as per the PNG Rules. The PSCs prescribes the initial participating interest of the parties. The rights and obligations of the Contractor include: (a) right to take the portion of total value of petroleum produced and saved from the PSC area, which the Contractor is entitled to take in a particular period, for recovery of contract costs ("**Cost Petroleum**"); (b) right to take its participating interest share of total value of petroleum produced and saved from the PSC area in a particular period, as reduced by Cost Petroleum ("**Profit Petroleum**"); (c) right to receive its participating interest share of any incidental income and receipts arising from petroleum operations; and (d) obligation to contribute its participating interest share of costs and expenses including contract costs.

The Contractor shall execute and provide GoI with a copy of a JOA consistent with the PSC, which shall provide for, among other things: (a) appointment, resignation, removal and responsibilities of the Operator; (b) establishment of an Operating Committee chaired by a representative of the Operator; (c) functions of Operating Committee taking into account provisions of the PSC; and (d) contribution to costs, disposal of petroleum and assignment between parties to the JOA. No change in Operatorship under PSC shall be effected without GoI's consent.

The Contractor shall commence operations not later than six months from the effective date of PSC. The details of the work programme commitment ("**Minimum Work Programme**") shall be as per the Contractor's bid, as accepted by GoI. In addition, the Contractor shall be required to undertake and complete the 2D seismic survey of the entire PSC area ("**Mandatory Work Programme**") during the first exploration phase. The operation of the block under the PSC shall be through a Management Committee, which shall be chaired by a GoI representative. At least one representative of each party to the PSC shall ordinarily constitute the quorum of Management Committee. The Management Committee shall approve the Minimum, Mandatory and Annual Work Programmes and budgets and any abandonment or site restoration plans, which are required to be submitted by the Contractor. On submission of a development plan of a commercial discovery, the Contractor shall submit an application for a PEL in respect of the proposed development area. Such PEL may be granted on terms decided by GoI; provided that such area is: (a) not subject to a PEL or PML granted to any other person; (b) not the subject of negotiations/bidding for a PEL or PML; and (c) available for licensing (i.e. is not an area over which petroleum operations are excluded).

The exploration period under the PSC shall comprise two exploration phases. Unless extended under the PSC, the total exploration period shall not exceed seven consecutive years and eight consecutive years, respectively, in case of onshore and shallow water blocks, and in case of deep-water and frontier areas. At the expiry of any phase of the exploration period, provided the Contractor has completed the Minimum Work Programme specified with respect to each exploration phase, the Contractor has the option, exercisable by due notice to GoI, either: (a) to proceed to the next exploration phase on presentation of the requisite guarantees; or (b) to relinquish the entire PSC area except for any discovery Area (defined as that part of the PSC area about which, based upon discovery and the results obtained from well(s) drilled in such part, Contractor is of the opinion that petroleum exists and is likely to be produced in commercial quantities) and any part of the PSC area which encompasses a commercial discovery and any additional area required for proper development of such commercial discovery and established as such in accordance with the provisions of the PSC and to conduct development and production operations in relation to any commercial discovery in accordance with the PSC, and Contractor has no further obligation in respect of Minimum Work Programme for subsequent phases of exploration period. If neither option provided in (a) and (b) above is exercised by the Contractor, the PSC shall terminate at the end of the then current exploration phase and the license shall be automatically cancelled. If at the end of an exploration phase the Minimum Work Programme for that phase is not completed, the time for completion of said Minimum Work Programme shall be extended for a period necessary to enable completion thereof but not exceeding six months, provided, among other things, the Contractor submits his request to GoI and the Management Committee consents to said extension.

In case the Contractor fails to fulfil the Mandatory or Minimum Work Programme(s) by the end of the relevant exploration phase or due to early termination of the PSC by GoI for any reason, each company constituting the Contractor shall pay to GoI its participating interest share for an amount, evaluated in terms of the Mandatory or Minimum Work Programme for the relevant phase, equal to the amount required to complete said Work Programme(s). If the Minimum Work Programme for the second exploration phase is completed earlier than 18 months from the end of such phase, the Contractor shall meet GoI to discuss early relinquishment, unless the Contractor undertakes further work with approval of Management Committee. In case the Contractor has carried out work in excess of Minimum Work Programme in any exploration phase, such excess shall be set off against the Minimum Work Programme for the following exploration phase.

If at expiry of exploration period, no commercial discovery has been made in the PSC area, the PEL shall be cancelled and the PSC shall terminate. If a development plan for a commercial discovery and application for PML is under consideration by the Management Committee or GoI, as the case may be, the PEL shall continue in force only with respect to that part of the PSC area to which application for PML relates. If at the end of the first exploration phase, the Contractor elects to continue exploration operations, the Contractor has the option to relinquish a part of the PSC area, which shall not be less than 25% of original PSC area. At the end of the second exploration phase, the Contractor shall retain only development and discovery area(s). As and when PSC is terminated in accordance with the provisions of the PSC, the entire PSC area remaining with the Contractor shall be deemed to have been relinquished by the Contractor as on the date of the PSC's termination. Relinquishment of all or part of the PSC area or termination of the PSC shall not be construed as absolving Contractor of any liability incurred in respect of PSC area until the date of such relinquishment or termination. However, if a discovery is made within the PSC area, the Contractor shall, among other things, inform the Management Committee and GoI of the discovery and submit a report to the Management Committee, together with a notification of whether, in the Contractor's opinion, such discovery is of potential commercial interest and merits appraisal. If the Contractor notifies the Management Committee that the discovery is of potential commercial interest, the Contractor shall prepare and submit to the Management Committee a programme appraising a discovery and delineating petroleum reservoirs in terms of thickness and lateral extent and determining quantity of recoverable petroleum therein ("**Appraisal Programme**") with a proposed work programme and budget, which shall be revised or amended by the Contractor in light of Management Committee review.

If the Contractor declares the discovery a commercial discovery after taking into account the advice of the Management Committee, Contractor shall submit to the Management Committee a comprehensive Development Plan of the commercial discovery, including a Work Programme and budget.

On submission of a Development Plan for such commercial discovery, the Contractor shall submit an application for a PML in respect of the proposed development area to the relevant State Government(s), which shall be granted on the recommendation of the GoI, acting through DGH. The PML shall be granted for an initial period of 20 years subject to cancellation in accordance with its terms or for termination of the PSC in accordance with its terms; and extension by mutual agreement between the parties for five years or such period as may be agreed after taking into account the balance recoverable reserve and balance economic life of the development area. In case of commercial production of Non Associated Natural Gas ("**NANG**"), the extension may be for 10 years or such period as may be mutually agreed between the parties after taking into account the balance recoverable reserves and balance economic life of the development area.

If a reservoir in a discovery area is situated partly within PSC area and partly in an area in India over which other parties have exploration or mining rights, and both parts of the reservoir can be more efficiently developed together on a commercial basis, GoI may by notice in writing to the Contractor, require the Contractor to collaborate with such other parties on joint development of the reservoir, as per an agreement required to be executed between the Contractor and such other parties. Such agreement shall be submitted to GoI for approval, pursuant to which the parties shall prepare a plan for joint development of said reservoir.

The Contractor shall take necessary steps to prevent and minimise environmental damage and consequential effects on property and people, and to ensure adequate compensation for injury to persons or damage to property. If GoI has good reason to believe that any installations or operations by the Contractor are endangering or may endanger any persons or property, or are harming or may harm environment to a degree which GoI deems unacceptable, GoI may require Contractor to take remedial measures or to discontinue operations in whole or in part until the Contractor has taken such remedial measures. The obligations and liability of the Contractor for the environment shall be limited to damage to the environment which occurs after the effective date of the PSC, and which results from an act or omission of the Contractor.

The Contractor shall be required to pay royalty to GoI for offshore areas at 10% of well-head value of crude oil and natural gas and to the respective State Government at 12.5% of well-head cost in case of an onshore area. Royalty on natural gas shall be 10% of well-head value. In case of an offshore area falling beyond 400 meter isobath, the rate of royalty payable by Companies to GoI shall be 5% of the well-head value of crude oil and natural gas for the first seven years from the date of commencement of Commercial Production in the Field.

Machinery, plant, equipment, materials and supplies imported by the Contractor and its Subcontractors solely and exclusively for use in petroleum operations under the PSC shall be exempt from customs and export duties or other charges. Any tax payable on sale(s) of petroleum or natural gas under the PSC shall be borne / reimbursed by the respective buyer(s). Subject to the above, the Contractor shall be liable for payment of, among others, payments for purchase, lease or rental of land or land rights in connection with petroleum operations.

The Indian domestic market has the first call on utilisation of natural gas discovered and produced from PSC area, until India attains self sufficiency in this sector, subject to the Contractor having the right to use oil and gas produced from the PSC area for captive use in connection with its petroleum operations and subject to generally applicable destination restrictions to countries with which GoI, for policy reasons, has restricted trade.

Contractor shall endeavour to sell all natural gas produced and saved from the PSC area at arms-length prices to benefit of parties to the PSC. Among other things, (a) gas which is used flared with the approval of GoI or re-injected or sold to GoI shall be ascribed a zero value; and (b) gas which is sold to GoI or any other GoI nominee shall be valued on the terms actually obtained including pricing formula and delivery; and gas which is sold or disposed of otherwise than in accordance with the above (a) or (b) shall be valued on the basis of competitive arms length sales in the region for similar sales under similar conditions. The formula or basis on which the prices shall be determined pursuant to the above shall be approved by GoI prior to the sale of natural gas to the consumers/ buyers.

GoI shall, throughout term of PSC, have the right to separately take in kind and dispose of its share of crude oil and has the obligation to lift said oil on a current basis and in such quantities so as not to cause a restriction of production or inconvenience to the Contractor. For the purpose, a lifting procedure and sales agreement based on generally acceptable international terms shall be agreed upon by Contractor with buyer(s) with GoI’s consent prior to commencement of production in a field. Such lifting procedure shall be made available to all parties to PSC.

The Contractor shall, during the term of the PSC, maintain and obtain insurance coverage for and in relation to petroleum operations for such amounts and against such risks as are customarily insured in the international petroleum industry, and shall furnish to GoI, certificates evidencing that such coverage is in effect. Such insurance policies shall include GoI as additional insured and shall waive subrogation against GoI. The said insurance shall, without prejudice to the generality of the foregoing, cover, among others: (a) loss or damage to all installations, equipment and assets used in connection with petroleum operations; (b) loss, damage or injury caused by pollution as a result of petroleum operations; (c) loss of property or damage or bodily injury suffered by any third party as a result of petroleum operations for which the Contractor may be liable; (d) any claim for which GoI may be liable relating to loss of property or damage or bodily injury suffered by any third party in the course of or as a result of petroleum operations for which the Contractor is liable to indemnify GoI or the State Government; (e) with respect to petroleum operations offshore, the cost of removing wrecks and cleaning up operations following any accident as a result of petroleum operations; and (f) the Contractor's/ Operator's liability to its employees engaged in petroleum operations. The Contractor shall require its Subcontractors to obtain and maintain insurance against the risks relating *mutatis mutandis* to such Subcontractors. The Contractor shall indemnify GoI and the State Government harmless against all claims, losses and damages of any nature whatsoever, including claims for loss or damage to property or injury or death to persons caused by or resulting from any petroleum operations conducted by or on behalf of the Contractor.

The Contractor shall submit to GoI the annual audit report and regular statements relating to petroleum operations. Appointment of auditor and scope of audit requires prior approval of Management Committee.

All data obtained as a result of petroleum operations under PSC shall be the property of GoI, provided that Contractor has the right to make use of such data, free of cost, for petroleum operations under PSC. All data obtained or prepared by, for or on behalf of, Contractor pursuant to the PSC shall be treated as confidential and parties shall not disclose the contents thereof to any third party without consent in writing of the other parties. The obligation specified above shall not prevent disclosure to, among others, contractors, employees, consultants, advisers, data processing centres or financial institutions, in connection with petroleum operations, or to the extent required by any applicable law or GoI requirement. Prompt notice of any disclosures made by Contractor shall be given to GoI. GoI has the right to disclose and freely use all data at its sole discretion except data of proprietary nature. For any relinquished areas, GoI has the right to disclose and freely use all data immediately after relinquishment.

GoI shall remain the sole owner of petroleum produced pursuant to PSC except as regards that part of crude oil, condensate or gas, title whereof has passed to Contractor or any other person in accordance with the PSC. Title to petroleum to which Contractor is entitled under PSC, and title to petroleum sold by the companies shall pass to the relevant buyer party at the delivery point. Contractor shall be responsible for all costs and risks prior to and including at the delivery point and each buyer party shall be responsible for all costs and risks associated with such buyer party's share after the delivery point. Title to all data specified herein shall vest in GoI and the Contractor has the right to use thereof as therein provided. Assets purchased by the Contractor for use in petroleum operations shall be owned by the parties comprising the Contractor in proportion to their participating interest, provided that GoI has the right to require vesting of full title and ownership in it, free of charge and encumbrances, of any or all assets acquired and owned by Contractor for use in petroleum operations inside or outside, such right to be exercisable at GoI's option upon expiry or earlier termination of the PSC.

Any party comprising Contractor may assign or transfer part or all of its participating interest, with GoI's prior consent. In case of any change in status of a company or its shareholding resulting in a change in (a) the control of the company; or (b) its relationship with the company(ies) providing the requisite guarantee; such company shall seek GoI's consent for assigning the participating interest.

A party comprising Contractor may encumber at its own risk and cost all or part of its participating interest for purposes of security relating to finance to the extent required for performing its obligation under PSC, provided: (a) such party shall remain solely liable for all obligations relating to its participating interest; (b) encumbrance shall be expressly subordinated to rights of other parties under the PSC; (c) such party has given reasonable notice of such encumbrance and furnishes to all other parties a certified copy of the executed instrument(s) evidencing the encumbrances; (d) prior consent of GoI shall be required of the list of potential lenders with whom such party can consider hypothecation; and (e) the party creating the charge shall ensure that such charge shall not affect the interest of other parties or result in interference with joint operations. In case of any claims or liabilities imposed on other parties because of the creation of such charge, the party having created charge on its participating interest shall indemnify the other parties; in case lender elects to participate directly or through a company other than the borrower under a financing arrangement under PSC, the same shall be subject to the rights of GoI and pre-emptive rights of parties as contained in the Operating Agreement. Any party wishing to exercise said pre-emptive rights will assume the obligation on the same terms as the borrower.

Each of the companies constituting Contractor shall procure and deliver to GoI (a) an irrevocable, unconditional renewable bank guarantee from a bank of good standing in India, for the amount specified in the PSC; (b) financial and performance guarantee in favour of GoI from a parent company, or, where there is no parent company, financial and performance guarantee from the company itself; and (c) a legal opinion from its legal advisors, to the effect that such guarantees are duly signed and delivered with due authority and are legally valid, enforceable and binding.

The term of the PSC shall be for the period of PEL and any PML granted thereunder, unless terminated earlier. The PSC may terminated by the Contractor upon due notice, or by GoI upon due notice with reasons if the Contractor, among other things, (a) intentionally extracted or authorised extraction of hydrocarbons not authorised to be extracted without GoI's authority except such extractions as may be unavoidable and which, when so extracted, were immediately notified to GoI; (b) assigned any interest in the PSC without GoI's prior consent; (c) failed to make any payment required by law or under the PSC by the due date or within such further period as specified by GoI; (d) failed to comply with the PSC in a material particular; (e) failed to observe any conditions of the PEL/ PML or provisions of the applicable laws in force; or (f) on notice of termination. However, where the Contractor comprises two or more parties, GoI shall not exercise its rights of termination if any other (non-defaulting) party constituting the Contractor satisfies GoI that it is willing and able to carry out the Contractor's obligations, or where the non-defaulting party with GoI's consent has acquired participating interest of defaulting party pursuant to the JOA and has procured and delivered to GoI a guarantee in respect such participating interest. If the circumstance(s) giving rise to right of termination are remedied within stipulated time, termination shall not become effective. On termination, rights and obligations of the Contractor shall cease but shall not affect rights or obligations of any party which may have accrued and not been discharged prior to termination.

For details of the regulatory framework governing the upstream oil and natural gas sector, see "Regulations and Policies" beginning on page 135 of this Draft Red Herring Prospectus.

Parties	Contract Area	Contract Date	Initial Participating Interest	Term
JVs with Indian Partners where our Company is the Operator				
GoI, our Company and Shiv Vani Oil	Approximately 144 sq kms in onshore block AA-ONN-2004/1 in Assam	March 2, 2007	85% for our Company and 15% for Shiv Vani	Period of the PEL and any PML granted thereunder
GoI, our Company and HPCL	Approximately 275 sq kms in onshore block AA-ONN-2003/3 in Arunchal Pradesh	September 23, 2005	85% for our Company and 15% for HPCL	Period of the PEL and any PML granted thereunder
GoI, our Company and	Approximately	February 6,	60% for our	Period of the PEL

Parties	Contract Area	Contract Date	Initial Participating Interest	Term
ONGC	9,900 sq kms in onshore block RJ-ONN-2002/1 in Rajasthan	2004	Company and 40% for ONGC	and any PML granted thereunder
GoI, our Company and ONGC*	Approximately 1,460 sq kms in onshore block AA-ONN-2002/3 in Assam	February 6, 2004	70% for ONGC and 30% for our Company	The period of the PEL and any PML granted thereunder
GoI, our Company and ONGC	Approximately 3,425 sq kms in onshore block RJ-ONN 2001/1 in Rajasthan	February 4, 2003	70% for our Company and 30% for ONGC	The period of the PEL and any PML granted thereunder
GoI, our Company and ONGC	Approximately 2,535 sq kms, in onshore block RJ-ONN-2000/1 in Rajasthan	July 17, 2001	100% for our Company	The period of the PEL and any PML granted thereunder
GoI, our Company, ONGC, GAIL and IOCL	Approximately 7,900 sq kms in onshore block MN-ONN 2000/1 in Orissa	July 17, 2001	40% for our Company and 20% each for ONGC, GAIL and IOCL	Period of the PEL and any PML granted thereunder
JVs with Indian partners where our Company is not the Operator				
ONGC, Gas Authority of India Limited and IOCL, with ONGC as operator	Approximately 8,300 sq kms in offshore block MN-OSN 2000/2	July 17, 2001	40% for ONGC and 20% each for GAIL, IOCL and our Company	Period of the License and any Lease granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 110 sq kms in onshore block AA-ONN-2001/3	February 4, 2003	85% for ONGC and 15% for our Company	The duration for the contract shall be divided into three exploration phases, each of which shall not exceed three contract years, for a total period not exceeding seven consecutive contract years.
GoI, our Company, ONGC, GAIL and GSPCL and HPCL, with ONGC as operator	Approximately 10,907 sq kms in deep-water block KG-DWN 2004/6	March 2, 2007	60% for ONGC and 10% each for GAIL, GSPCL, HPCL and our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company, ONGC, GAIL, GSPCL, BPCL and HPCL, with ONGC as operator	Approximately 11,922 sq kms in deep-water block KG-DWN 2004/5 in Andhra Pradesh	March 2, 2007	50% for ONGC and 10% each for GAIL, Gujarat State Petroleum Corporation Limited, HPCL, BPCL and 10% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC and BPCL,	Approximately 9,980 sq kms in	February 6, 2004	70% for ONGC, 20% for our	For the period of the PEL and any

Parties	Contract Area	Contract Date	Initial Participating Interest	Term
with ONGC as operator	offshore block MN-DWN-2002/1 in Orissa		Company and 10% for BPCL	PML granted thereunder
GoI, our Company and ONGC and BPCL, with ONGC as operator	Approximately 10,600 sq kms in offshore block KG-DWN-2002/1 in Andhra Pradesh	February 6, 2004	70% for ONGC and 20% for our Company and 10% for BPCL	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 12,425 sq kms in offshore block CY-DWN-2001/1	February 4, 2003	80% for ONGC and 20% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 1,060 sq kms in onshore block AA-ONN-2002/4 in Assam	February 6, 2004	90% for ONGC and 10% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 9940 sq kms in offshore block KG-DWN-98/4	April 12, 2000, amended on Feb 15, 2003	85% for ONGC and 15% for our Company	For the period of the PEL and any PML granted thereunder
JVs with foreign partners where our Company is the "Operator"				
GoI, our Company and Geoglobal Resources (Barbados) Incorporated ("**Geoglobal**"), with our Company as Operator	Approximately 2,196 sq km in onshore block RJ–ONN-2004/2 in Rajasthan	March 2, 2007	75% for our Company and 25% for Geoglobal	The duration of the first exploration phase shall be for four consecutive contract years and the second shall be for three years
GoI, our Company, Geoglobal, and HPCL, with our Company as Operator	Approximately 1,330 sq km in onshore block RJ–ONN-2004/3 in Rajasthan	March 2, 2007	60% for our Company, 25% for Geoglobal and 15% for HPCL	For the period of the PEL and any PML granted thereunder
GoI, our Company and Suntera Cyprus, with our Company as Operator	Approximately 218 sq km in onshore block AA-ONN-2004/2 in Assam	March 2, 2007	90% for our Company and 10% for Suntera Cyprus	The total duration of the contract shall not exceed eight years in two phases.
GoI, our Company, Suntera Resources Limited and Shiv Vani, with our Company as Operator	Approximately 3,213 sq km in frontier area onshore block MZ-ONN-2004/1 in Mizoram	March 2, 2007	75% for our Company, 10% for Suntera Resources and 15% for Shiv Vani	For the period of the PEL and any PML granted thereunder
GoI, our Company and Geoglobal, with our Company as Operator	Approximately 549 sq kms in onshore block KG-ONN-2004/1 in Andhra Pradesh	March 2, 2007	90% for our Company and 10% for Geoglobal	For the period of the PEL and any PML granted thereunder
Pre-NELP JVs				
GoI, our Company, HOEC and IOCL, with HOEC as operator	Approximately 870 sq km in onshore block AAP-ON-	June 30, 1998, amended on December 29,	40.32% for HOEC, 16.13% for our Company,	25 years, which may be extended for a further period

Parties	Contract Area	Contract Date	Initial Participating Interest	Term
	94/1 in Assam	2003 and August 24, 2006	43.548% for IOCL	of five years. In the event of commercial production of NANG, the PSC may be extended for a further period not exceeding 35 years
GoI, RIL and our Company, with RIL where RIL is operator as per JOA dated May 12, 2000	Approximately 9,150 sq kms in onshore block SR-OS-94/1JOA in Assam	April 12, 2000	100% for RIL, where our Company has the option to acquire 30% interest in the event of a commercial discovery	For the period of the PEL and any PML granted thereunder
GoI, IOCL, Premier Oil, our Company, Essar and ONGC, with Essar as operator	Approximately 2,541.5 sq kms onshore in CR-ON-90/1 in Orissa	June 30, 1998 as amended on December 12, 2005	35% for IOCL, 29% for Premier Oil, 20% for our Company, 16% for Essar Oil and 0% for ONGC with the with option for ONGC to take 30% on commercial discovery	25 years, divided into three phases, which may be extended for a further five years. In the event of commercial production of non associated natural gas the contract may be extended for a further period, not exceeding 35 years
GoI, RIL, ONGC and our Company, with RIL as operator.	Approximately 5,725 sq kms in offshore block GK-OSJ-3	September 6, 2001	60% for RIL, 25% for ONGC and 15% for our Company	25 years which may be extended for a further period of five years. In the event of commercial production of NANG, the PSC may be extended for a further period not exceeding 35 years

* *Due to failure to find a suitable party for providing services for acquisition of 2D seismic data, resulting in non-completion of work program commitments, our management has agreed to relinquish Block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator.*

Khasrsang PSC

Parties	Contract Area	Contract Date	Production Sharing	Term
GoI, Geopetrol International Incorporated ("Geopetrol") , Enpro India Limited ("Enpro", subsequently renamed Jubilant Enpro India Limited) and Geoenpro Petroleum Limited, with Genenpro as operator	Approximately 10 sq kms onshore in Kharsang producing block in Arunachal Pradesh	June 16, 1995	40% for our Company, 25% each for Geopetrol and Enpro, 10% for Geoenpro	For the period of the PEL and any PML granted thereunder

Overseas Blocks

Where our Company is the Operator

Block Shakthi, Gabon

Our Company has entered into a farm-in agreement dated April 17, 2006, with IOCL and Marvis Private Limited, Singapore, under which it has been assigned a participating interest in Block Shakthi in Gabon. Under this agreement, our Company and IOCL each hold 45% participating interest, and 10% shall be held by Marvis Private Limited, and the parties agreed to appoint our Company as the operator. Subsequently, our Company has entered into a JOA dated April 27, 2007 with IOCL and Marvis Private Limited, Singapore for Block Shakthi, Gabon. Our Company and IOCL shall each hold 45% participating interest, and 10% shall be held by Marvis Private Limited. Our Company shall be the operator for the said agreement.

Blocks 86 and 102/4, Libya

Our Company has entered into two separate exploration and production sharing agreements dated March 20, 2005 and December 3, 2005, with National Oil Corporation, Libya, and IOCL, in relation to Blocks 86 and 102/4 in Libya. Our Company and IOCL each hold 50% participating interest. Our Company is the operator for each of the said agreements. The term of each of these agreements shall be composed of the exploration period and exploitation period. Either party may terminate this agreement upon a notice of 30 days. Pursuant to the above, our Company has entered into two separate JOAs dated September 14, 2005 and May 10, 2007 with IOCL, for Blocks 86 and 102/4, Libya. Our Company and IOCL each hold 50% participating interest.

Where our Company is not the Operator

Farsi Block, Iran

Our Company, in consortium with OVL and IOCL, has entered into a service contract dated December 25, 2002, with National Iranian Oil Company for Farsi Block, Iran. The exploration period under this contract was due to expire in four years, which was extended by the National Iranian Oil Company till December 24, 2007, through letter dated December 23, 2006. The contract is terminable by a written notice by National Iranian Oil Company. Pursuant to the same, National Iranian Oil Company and the consortium between our Company, OVL and IOCL have also entered into an agreement on procedures for arbitration, dated December 25, 2002.

Subsequently, upon discovery of commercial fields in this block, our Company has entered into a JOA dated January 3, 2003, with OVL and IOCL, for Farsi Block, Iran. OVL and IOCL shall each hold 40% participating interest and 20% shall be held by our Company. OVL shall be the operator for the said agreement. The contract for this block is to be entered into prior to the development stage.

Blocks 82 and 83, Yemen

Further, in December 2006, our Company has recently been awarded blocks 82 and 83 in Sayun Masilah Basin, Yemen, as part of a consortium as per a joint bid submitted by Medco International Holding Private Limited ("**Medco**"), IOCL, Kuwait Energy Kcs and our Company, to the Government of Yemen, Ministry of Oil and Minerals, Petroleum Exploration and Production Authority. Medco shall be the operator for these blocks. The contract for this agreement is to be entered into with the Government of Yemen, prior to commencing operations in these blocks.

Block OPL-205, Nigeria

We acquired an indirect 17.5% participating interest in Block OPL-205 through our acquisition from Summit Petroleum, Nigeria, of a 25% interest in a joint venture, Suntera Nigeria OPL 205 in 2006, which owns a 70% interest in the block. The other joint venture parties are Suntera Resources, which holds a 50% interest in the joint venture and an indirect 35% interest in the block and IOCL, which holds a 25% interest in the joint venture and an indirect 17.5% interest in the block, and Summit Petroleum, Nigeria, which retained a 30% interest in the block. For details on our investment and on Suntera Nigeria, see the section titled "History and Certain Corporate Matters - Entities in which our Company has substantial investment" beginning on page 152 of this Draft Red Herring Prospectus.

Other Information

In addition to the 21 domestic blocks described above, our Company was awarded two more. However, in view of relinquishment of the two domestic blocks (CY-OSN-97/2 in Palk Bay, where our Company was operator and MB-DWN-2000/2 in offshore Gujarat, where ONGC was operator), GoI has allowed termination of the respective PSCs without any liability to our Company. Further, one overseas block in Cote d'Ivoire has been terminated by the relevant authority.

Sudan Pipeline Contracts

ONGC Videsh Limited ("**OVL**") has entered into a pipeline contract agreement dated June 30, 2004, with the Ministry of Energy & Mining, Government of Sudan, Khartoum, Sudan ("**Government of Sudan**"), for, setting up pipelines in Sudan. Pursuant to the above, our Company has entered into a participation agreement dated November 10, 2004, with OVL, for the construction of the above 741 km long pipeline in Sudan for transportation of petroleum products, under which OVL's initial participating interest shall be 90% while 10% shall be held by our Company. OVL shall be the consortium leader.

Natural Gas and Oil Sale Agreements

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Offtake	Committed Maximum Yearly Offtake	Pricing	Validity
1.	Memorandum of understanding with for sale of natural gas dated	AGCL	Moran Plantation Gas Grid Suppliers' Association	0.1 MMSCUMD	11.20 MMSCUM	Subject to GoI's decision from time to time	10 years, renewable for a further period on mutually agreed terms, or till a formal agreement is

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Offtake	Committed Maximum Yearly Offtake	Pricing	Validity
	January 27, 2003						signed between the parties. Consolidated gas supply contract to be executed by December 2002[1]
2.	Memorandum of understanding for sale of natural gas dated May 19, 1993	AGCL	Margherita Gas Grid	0.075 MMSCM	7.79 MMSCM	Subject to GoI's decision from time to time	10 years, renewable for a further period on mutually agreed terms, or till a formal agreement is signed between the parties. Consolidated gas supply contract to be executed by December 2002[1]
3.	Agreement for sale and purchase of natural gas dated February 26, 1991[1]	AGCL	Dibrugarh Gas Grid	0.186 MMSCUMD	24.39 MMSCUM	Subject to GoI's decision from time to time	15 years, renewable for a further period on mutually agreed terms
4.	Agreement for supply to natural gas dated October 19, 2001	Hindustan Fertilizer Corporation Limited	Namrup, Dibrugarh, Assam	1.10 MMSCUMD for the first phase, 1.72 MMSCUMD for the second phase	-	Continued as per APM, as per GoI's instructions	10 years, which may be renewed for a further period of five years
5.	Agreement for sale and purchase of natural gas dated October 11, 2004	GAIL	Dandewala, Rajasthan	Initially 0.50 MMSCUMD, enhanced to 0.70 MMSCUMD after two years	-	For gas supply upto 0.50 MMSCUMD, pricing continued as per Administered Pricing Mechanism, as per GoI's instructions. However, for supply of additional gas above	10 years from October 11, 2004, with a mid-term mutual review after completion of five years

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Offtake	Committed Maximum Yearly Offtake	Pricing	Validity
						0.50 MMSCUMD, price will be market determined	
6.	Agreement for supply of natural gas dated January 13, 2005	North Eastern Electric Power Corporation Limited	Power Plant in Bokuloni, Dibrugarh, Assam	1.40 MMSCUMD	-	Upto 1 MMSCUMD as per the Administered Pricing Mechanism, and beyond 1 MMSCUMD as per GoI's latest instructions (Non APM) which will escalated on yearly basis on AICPI	10 years, renewable for a further five years
7.	Agreement for supply of natural gas dated September 2, 2005	Assam Power Generation Corporation Limited	Lakwa Thermal Power Station, Assam	0.50 MMSCUMD	-	For supply upto 0.50 MMSCUMD, pricing continued as per GoI's instructions (Non APM)	10 years from the date of initial gas supply which may be renewed for a further period of five years
8.	Agreement for supply of natural gas dated August 9, 2006	Ne Thermion Private Limited	Jayanagar, Duliajan	After the full commissioning of Ne Thermion's plant, 0.02 MMSCUMD	-	Prices escalated annually based on the All India Consumer Price Index	Five years from the date of signing this agreement, renewable for a further five years on mutually agreed terms
9.	Agreement for supply of natural gas dated March 17, 2005	NRL	3.00 MMTPA refinery in Numaligarh, Assam	0.8/1.0 MMSCM	270/300 MMSCM	Pricing subject to GoI's decision from time to time (Non APM)	15 years from date of initial commencement of supply, renewable for a further five years on mutually agreed terms
10.	Agreement for supply of natural gas dated March 22, 2005	AGCL	Jorhat and Golaghat Gas Grid	0.1 MMSCUMD	-	Pricing set by GoI notification (Non APM) escalated	10 years from October 11, 2004, renewable for a further period on

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Offtake	Committed Maximum Yearly Offtake	Pricing	Validity
						annually based on All India Consumer Price Index	mutually agreed terms
11.	Crude oil sale and purchase agreement dated April 9, 2003	NRL	3.00 MMTPA refinery in Numaligarh, Assam	-	-	Subject to GoI's decision from time to time	Valid till March 31, 2004 unless replaced by a Crude Oil Sales Agreement.*
12.	Memorandum of understanding for crude oil sale and purchase dated April 7, 2003	IOCL	Refineries of IOCL and its subsidiary BRPL	-	-	Subject to GoI's decision from time to time	Valid till March 31, 2004 unless replaced by Crude Oil Sales Agreement.*
13.	Agreement for the sale of light crude oil dated September 7, 2007	Indu Organic Corporation	Chittorgarh, Rajasthan	-	-	Subject to GoI's decision from time to time	One year from the date of first delivery of light crude oil, which may be extended by a further one year.
14.	Agreement for sale of natural gas dated September 19, 2007[2]	BCPL	Assam gas cracker project at Lepetkata	6 MMSCUMD, for extraction of C2+ components by BCPL*	-	As provided in the agreement and subject to GoI's decision from time to time	15 years from commissioning date, which shall be within 18 months from date of agreement

[1] *While the indicated memoranda of understanding have expired, our Company continues to supply natural gas at prices notified by GoI from time to time.*

[2] *After removal of the C2+ hydrocarbon fractions and sulphur compounds and carbon dioxide, and meeting internal consumption and fuel requirements, BPCL shall return remaining gas to our Company.*

Our Company also continues to supply natural gas in small quantities (0.019 to 0.313 MMSCUMD) to various small consumers including tea gardens at prices set as per notifications issued by GoI from time to time.

Crude Oil Transportation Agreements

Our Company has entered into a memorandum of understanding dated April 25, 2007 with ONGC, for the transport of crude oil produced by ONGC from its oil fields in Assam to the refineries located at Numaligarh (NRL), Guwahati (IOCL) and Bongaigaon (BRPC). Under this memorandum of understanding, ONGC would make available crude oil to our Company at our Custody Transfer Tank ("**CTT**"), Moran (not to exceed 1.10 MMTA) and Jorhat (not to exceed 1.34 MMTA) for transportation to various refineries. In respect of ONGC crude oil transportation by our Company, ONGC would pay to our Company as per the price worked out for the year 2005-06 based on the price fixed by OCC for the year 2001-2002. These rates would be escalated by wholesale price index from April 1, 2006 on annual basis with March 2006 as the base. In respect of services provide by our Company, ONGC would pay to our Company at the rates as prevalent for the year 2001-2002 escalated by wholesale price index (applicable to "all commodities") with March 2002 as the base. The agreement shall remain valid from April 1, 2007 to March 21, 2012, unless replaced by a Crude Oil Transportation Agreement.

In addition, our Company has entered into a crude oil transportation agreement dated April 17, 2003 with IOCL's subsidiary, BRPL for the transportation of 1.50 MMTA crude oil through our Company's pipeline terminal from Barauani, Assam, to BRPL's refinery at Dhaligaon, Assam. While the provisional transportation tariff fixed at Rs. 300 per Metric Tonne for each tonne of wet crude effective from April 1, 2003, the tariff will escalate at 10% per annum. The agreement shall remain valid for a period of five years from April 1, 2003 unless terminated earlier by a 45 day prior written notice.

Upstream Business Opportunities

Our Company has entered into a memorandum of understanding dated March 1, 2007 with Phoenix Petroleum and Energy Limited, to jointly pursue exploration and production opportunities in Venezuela in the event of finalization of acquisition of such opportunities through a special purpose vehicle to be established by the parties. The parties will work on a project to project basis. Our Company's participating interest is 80% and 20% participating interest is held by Pheonix Petroleum and Energy Limited. In the event the parties fail to obtain any oil block or field offered by the Venezuelan authorities by March 1, 2008, the memorandum of understanding shall stand terminated, unless extended by the parties by mutual consent.

Our Company has entered into a memorandum of understanding dated August 18, 2005, with ITERA Oil and Gas Company, Russia ("**ITERA**"), to jointly pursue opportunities in oil and gas exploration, development and production in India, Libya and internationally. For exploration and production projects in India, ITERA would operate through Suntera Resources Limited, its joint venture with the SUN Group. The parties have agreed to enter into project-specific consortia, with 50% participating interest each, unless specifically decided otherwise. Our Company may invite IOCL to participate in any petroleum rights to be acquired by the parties, while ITERA may invite Zarubezhneft or the SUN Group for opportunities outside India. Further, either party may invite any third parties to participate in any petroleum rights acquired by the parties jointly, subject to the prior consent of the other party. This memorandum of understanding is valid for five years, and may be terminated by either party providing six months prior notice.

Our Company has entered into a memorandum of understanding dated December 8, 2004, with IOCL for jointly pursuing upstream overseas petroleum opportunities, for a period of 10 years. The parties have agreed to enter into project-specific consortia, with 50:50 participating interest, unless specifically decided otherwise. Wherever the acquisition of exploration and production properties overseas results in other opportunities in the hydrocarbon value chain, both parties shall mutually decide on participation in the same. The obligations of the parties shall be several and not joint. Any press release or advertisement by either party with respect to this memorandum of understanding or any business opportunity arising therefrom, will require prior consent of the other party. Certain specified projects had been excluded from the purview of this agreement, including our Company's projects in Block Cl-112 Cote d'Ivoire, Ivory Coast (which has now been relinquished), product pipeline project, Sudan, and the block to be acquired under the Indo-Iran Joint Cooperation Agreement.

Other Business Opportunities

Our Company has entered into a memorandum of understanding dated July 30, 2005, with IOTL with respect to jointly taking up pipeline and related projects and services in India and overseas for a period of five years, which period is extendable by mutual consent of the parties. The parties have agreed to enter into project-specific consortia, with 50:50 participating interest. During the subsistence of this memorandum of understanding, the parties shall not enter into any contracts or discussions with respect to the subject matter of this memorandum of understanding, with any third party. The agreement will terminate by mutual consent of parties, or by prior notice of 30 days by either party, or upon material breach by either party, or upon liquidation of either party to this agreement.

Our Company has entered into a memorandum of understanding dated October 12, 2007 with British Gas Exploration and Production India Limited to enter into a strategic relationship to evaluate joint participation in mutually identified exploration blocks proposed to be offered by the GoI in the forthcoming NELP VII licensing rounds. The parties agree to execute a joint bidding agreement before bidding for any project and also agree that our Company will be considered as the operator for onshore bid blocks and BGEPIL shall be considered the operator for offshore (shallow and deep-water) bid blocks. BGEPIL has also agreed to jointly operate with our Company in one of the bid blocks in deep-water areas in NELP VII. The parties have also agreed to examine possibilities of joint participation in acquiring upstream acreages outside India. The memorandum of understanding shall be valid for a period of two years from the date of execution of the agreement and can be extended as mutually agreed. Either party can terminate the memorandum of understanding upon a 30 day prior written notice to the other party.

Our Company has entered into a memorandum of understanding dated October 18, 2007 with HPCL, GAIL, Mittal Energy Investments Pte Limited and Total France S.A., with the objective of studying and evaluating feasibility of building an integrated refinery and petrochemical complex at Vizag. The parties have agreed that any decision to enter into a binding agreement for carrying our front end engineering design studies in the next phase shall be taken after undertaking certain feasibility studies with respect to the project. The memorandum of understanding shall be valid for a period of two years from the date of execution of the agreement and can be extended upon extension at least 30 days prior to such expiry.

Our Company has entered into a memorandum of agreement dated November 6, 2007 with HPCL for jointly pursuing oil and gas opportunities in the upstream as well as the downstream sector in India and overseas. The parties have agreed to jointly participate in bidding for a few prospective blocks under NELP VII. HPCL has also agreed to explore the possibility of inducting our Company in Bhagyanagar Gas Limited, if feasible, for distribution of compressed natural gas and city gas distribution in Andhra Pradesh. Additionally, both parties have also agreed to evaluate options to jointly participate in construction and operation of a gas pipeline in Andhra Pradesh and any other areas of mutual interest. Our Company has also agreed to offer HPCL an opportunity to jointly bid for overseas upstream projects in case IOC is unwilling to join such a project. The agreement is valid for a period of two years or until terminated by a prior notice of 60 days by either party and is renewable by mutual consent.

We have also entered into a memorandum of understanding with Transparency International India on November 29, 2007 to implement their integrity pact program within our organisation in consultation with the Central Vigilance Commission. This integrity pact program has been developed to ensure that all activities and transactions between a company or government departments and their suppliers are handled in a fair, transparent and corruption free manner. The memorandum of understanding is valid until terminated by mutual consent upon a 30 day prior written notice by either party.

Other Contracts

Our Company has entered into a dark fibre lease agreement dated September 19, 2007 with BSNL, with respect to a three year lease of our Company's optical fibre cable network from Duliajan, Assam, to Barauni, Bihar ("**OFC network**"), comprising part of our Company's telecom infrastructure in terms of the licence granted to it by the GoI, Department of Telecom/ Telecom Regulatory Authority of India. This agreement shall come into effect with effect from the date of commencement of first service under this agreement, and BSNL will issue separate purchase orders at a specified rate, and will provide separate service level guarantees, for usage rights to each phase or section of our Company's OFC network, based on BSNL's requirement and subject to availability from our Company's telecom links and all applicable law. Subject to priority to our Company's oil transportation business, our Company shall take necessary steps to meet its obligations under this agreement and shall not terminate BSNL's usage rights under this agreement without its prior consent. The responsibility to maintain the OFC network upstream of the access points shall be that of our Company, while BSNL shall be responsible for maintenance of access points and all downstream distribution facilities. Our Company shall not be responsible for any disruption in telecommunication services due to failure of any component of the OFC network downstream from its access points. BSNL shall require our Company's prior consent to sublease, assign, transfer or create any other third party rights in respect of the leased dark fibres, provided that this shall not restrict BSNL from providing or leasing bandwidth to its customers within its normal business activities. The agreement is terminable upon a 30 day prior notice by either party.

Our Company has identified IOCL, HPCL, IOTL, ICSA and Phoenix Petroleum and Energy Limited as its strategic partners.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have no less than three directors and no more than 16 directors. Our Board presently consists of seven Directors out of which five are our whole-time Directors and two are nominees of the GoI.

The following table sets forth the details of our Board of Directors:

Name, Father's Name, Designation and Occupation	Age	Address	DIN	Other Directorships
Mr. M.R. Pasrija S/o Mr. G.D. Pasrija **Designation:** Chairman and Managing Director **Occupation:** Service	59 years	E- 261, Naraina Vihar, New Delhi 110 028	DIN 00447645	Nil
Mr. N. M. Borah S/o Late Mr. D. D. Borah **Designation:** Director (Operations) **Occupation:** Service	55 years	M-125 Greater Kailash - II, New Delhi 110 048	DIN 00489006	Brahmaputra Cracker and Polymer Limited
Mr. J.K. Talukdar S/o Mr. D.R. Talukdar **Designation:** (Human Resource and Business Development) **Occupation:** Service	59 years	C-1/ 85 Sector-31, Noida 201 301	DIN 00454814	Suntera Nigeria 205 Limited
Mr. T.K. Ananth Kumar S/o Mr. T.A. Krishnan **Designation:** Director (Finance) **Occupation:** Service	54 years	S1/ 522, Asian Games Village, New Delhi 110 009	DIN 00337930	Nil
Mr. B.N. Talukdar S/o Late Mr. R. K. Talukdar **Designation:** Director (Exploration and Development) **Occupation:** Service	52 years	S1/523, Asian Games Village, New Delhi 110 009	DIN 01926119	Nil
Mr. A.K. Jain S/o Mr. H.C. Jain	45 years	N-22, Nivedita Kunj, Sector-10, R.K. Puram, New Delhi 110 021	DIN 00008726	ONGC Videsh Limited

Name, Father's Name, Designation and Occupation	Age	Address	DIN	Other Directorships
Designation: Government Nominee Director **Occupation:** Service				
Ms. Aditi. S. Ray D/o Mr. A. P. Sengupta **Designation:** Government Nominee Director **Occupation:** Service	52 years	788, Asian Games Village, New Delhi 110 049	DIN 00447385	Nil

Details of our Directors

M.R. Pasrija, aged 59 years, is our Chairman and Managing Director. He holds a bachelors degree in commerce from Punjab University and is also a fellow member of the Institute of Chartered Accountants of India. He has been associated with the oil and petroleum industry for the last 30 years. Prior to joining our Company, he was working with IOCL. Prior to his appointment as the Chairman and Managing Director of our Company, he has also served as Director (Finance), General Manager (Systems and Internal Audit) and Senior Adviser (Finance and Accounts) in our Company. As the Chairman and Managing Director, he heads our operations, provides direction and guidance to all our activities. He joined our Board as Director (Finance) on February 14, 2002 and was appointed as the Chairman and Managing Director on March 14, 2006.

N.M. Borah, aged 55 years, is our Director (Operations). He holds a bachelors degree in petroleum engineering from the Indian School of Mines, Dhanbad. He also holds a post graduate diploma in petroleum prospecting and reservoir evaluation from the Norwegian Institute of Technology, Trondheim, Norway. He has over 25 years of experience in oil and gas exploration and production industry. As Director (Operations), he is responsible for our Company's exploration, development, resource management, oil, gas and LPG production and pipeline business in North India. He is also a member of top level strategy team in our Company and is responsible for our Company's foray into international exploration activities. Prior to joining as Director (Operations), he worked as a Group General Manager (Main Producing Area) and General Manager (Geosciences). He joined our Board on May 6, 2004.

J.K. Talukdar, aged 59 years, is our Director (Human Resource and Business Development). He holds a bachelors degree in mechanical engineering from Assam Engineering College, Guwahati. He has an aggregate work experience of 37 years, including 24 years of experience in oil and petroleum industry. Prior to joining our Company, he was working with Rallis India Limited. His primary function in our Company is to oversee human resources and the acquisition of exploration, developed and producing properties in NELP rounds of bidding. He is also involved in providing exploration and production services including drilling, wireline, construction of pipeline and pipeline related activities and gas monetization. He joined our Board on June 9, 2006.

T.K. Ananth Kumar, aged 54 years, is our Director (Finance). He holds a bachelors degree in commerce from Osmania University. He is also a member of the Institute of Chartered Accountants of India. He has 26 years of experience in the oil and petroleum industry. Prior to joining our Company, he was the Director (Finance) of NRL for over three years and prior to joining NRL he worked with HPCL for 22 years. He is responsible for the entire financial management as well as the strategic management of the Company. He joined our Board on January 18, 2007.

B.N. Talukdar, aged 52 years, is our Director (Exploration and Development). He holds a bachelors degree in technology (petroleum engineering) from the Indian School of Mines, Dhanbad. He has 30 years of experience in the oil and petroleum industry. He heads all exploration, development, reservoir management and well construction management activities in the South Bank region. Prior to joining our Company on May 23, 1977, he worked as an Assistant Engineer (reservoir) with ONGC. He joined our Board on December 1, 2007.

A.K. Jain, aged 45 years, is a government nominee Director. He holds a bachelors degree in arts (economics) from Punjab University and a masters degree in business administration from Punjab University. He also holds a post graduate diploma in international trade from Indian Institute of Foreign Trade, New Delhi. He is a Joint Secretary in the MoPNG. He joined our Board on November 30, 2006.

Aditi. S. Ray, aged 52 years, is a government nominee Director. She holds a bachelors and masters degree in economics from Calcutta University. She joined the Indian Economic Service in 1979. During the past 28 years in government service, she has served in various economic ministries of the GoI, with postings and work experience both in developmental and regulatory areas. She is an Economic Advisor in the MoPNG**.** She joined our Board on June 8, 2006.

Borrowing Powers of the Board of Directors of our Company

Our Board of Directors has been authorized to borrow funds up to the aggregate of the paid-up capital of our Company and the free reserves as provided under section 293 (1)(d) of the Companies Act.

Details of Appointment of our Directors

Name of Director	MoPNG Letter Number and date	Term
Mr. M. R. Pasrija	31017/1/2005-CA dated March 14, 2006	From the date of assumption of charge of the post i.e. March 14, 2006 till the date of superannuation or until further orders, whichever event occurs earlier.
Mr. N. M. Borah	31017/3/2003-CA dated May 6, 2004	Five years, from the date of assumption of charge of the post i.e. May 6, 2004 or till the date of his superannuation, whichever event occurs earlier.
Mr. J.K Talukdar	31017/7/2004- CA dated June 8, 2006	From the date of assumption of charge of the post i.e. June 9, 2006 till the date of superannuation or until further orders, whichever event occurs earlier.
Mr. T. K. Ananth Kumar	31017/3/2006-CA dated December 21, 2006	Five years, from the date of assumption of charge of the post i.e. January 18, 2007.
Mr. B.N. Talukdar	31017/4/2005-CA dated September 21, 2007	Five years from the date of assumption of charge, i.e. December 1, 2007 or till the date of his next superannuation or until further orders whichever is earliest.
Mr. A. K. Jain	31019/1/2006-CA dated November 30, 2006	Until further orders of the MoPNG.
Ms. Aditi S. Ray	136/EA/06/CA dated June 8, 2006	Until Ms. Ray holds the post of Economic Advisor in the MoPNG or until further orders, whichever is earlier.

Except for our whole-time Directors who are entitled to statutory benefits and post retirement medical benefits upon termination of their employment with us, no other Director is entitled to any benefit upon termination of his employment with us.

Remuneration of our whole-time Directors in Fiscal 2007

The following table sets forth the details of the remuneration received by our whole-time Directors in fiscal 2007 respectively. In addition to the amounts specified below, our whole-time Directors are also entitled to an official vehicle, gratuity, club membership and reimbursements for maintenance of a residential office and reimbursements for official entertainment.

(Rs.)

S No.	Name	Basic Salary*	Dearness Allowance	Other pays and Allowances**	Perquisites and Other Benefits***	Total
1.	Mr. M.R.Pasrija	390,900	229,065	228,868	90,563	**939,396**
2.	Mr. N.M.Borah	407,460	239,550	230,542	166,198	**1,043,751**
3.	Mr.J.K. Talukdar	385,260	225,495	255,036	224,035	**1,089,826**
4.	Mr. T.K. Ananth Kumar	78,292	50,081	15,813	6,151	**150,337**

** Includes special personal pay and stagnation pay.*
*** Includes profit related pay, drilling allowance, technical allowance, north east allowance and children education allowance.*
**** Includes performance linked incentive, reserve establishments, canteen/lunch subsidy, periodicals, books, papers and journals, leave fare assistance, perks and leave encashment.*

The Directors who have been nominated by the GoI are not entitled to receive any remuneration from our Company.

Details of terms and conditions of employment of our Directors

Our whole-time Directors are appointed by the President of India through the MoPNG. The MoPNG also prescribes the terms and conditions of employment of our whole-time Directors.

(a) Mr. J.K. Talukdar has been appointed as Director (Human Resource and Business Development) of our Company from his date of assumption of charge i.e. June 9, 2006 till the date of his superannuation, pursuant to letter no. 31017/7/2004-CA dated June 8, 2006. The terms and conditions governing the appointment of Mr. J.K. Talukdar are as under:

Term	From the date of his assumption of charge of the post or till he attains the age of superannuation or until further orders of the MoPNG. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu thereof.
Basic salary	Rs.27,050 per month in the existing scale of Rs.25,750-650-30,950 from the date he assumes office i.e. June 9, 2006.
Dearness allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the Department of Public Enterprises dated June 25, 1999, presently being Rs. 22,557 per month.
Housing and furnishing	Entitled to suitable residential accommodation to be provided by our Company. In the event he is desirous of taking his own house on a self lease basis he is required to execute a lease deed in favour of our Company. Our Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by our Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by our Company.
Annual increment	Eligible to draw an annual increment of Rs. 650 subject to a maximum basic salary of Rs.30,950. Upon reaching this maximum amount, he is further entitled to an increment at the rate of the last drawn increment after the completion of every two years from the date of reaching such maximum remuneration, subject to a maximum of three such increments.
Provident fund and gratuity	Entitled to provident fund and gratuity in accordance with the rules of our Company.
City compensatory allowance	Entitled to a city compensatory allowance as per existing rates subject to a maximum cap depending upon the city.
Other benefits and incentives	Entitled to medical facilities, travelling allowance, leave travel concession, disability leave in accordance with the rules of our Company.

Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the Department of Public Enterprises dated June 25, 1999 and March 27, 2000.
Leave	Entitled to leave as per the terms of our Company.
Club membership	Entitled to become a member of two clubs at the expense of our Company subject to the condition that such memberships shall be co-terminus with his tenure as Director (Human Resource and Business Development).
Other conditions	Not entitled to accept any appointment or post, without prior approval for a period upto two years from retirement.

(b) Mr. T. K. Ananth Kumar has been appointed as Director (Finance) of our Company for a period of five years with effect from January 18, 2007, pursuant to letter no. 31017/3/2006-CA dated December 21, 2006. The terms and conditions governing the appointment of Mr. T. K. Ananth Kumar are as under:

Term	For a period of five years or till he attains the age of superannuation or unit further orders of the MoPNG. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu thereof.
Basic salary	Rs.28,350 per month in the existing scale of Rs.25,750-650-30,950 from the date he assumes office i.e. January 18, 2007.
Dearness allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the Department of Public Enterprises dated June 25, 1999, presently being Rs. 22,093 per month.
Housing and furnishing	Entitled to suitable residential accommodation to be provided by our Company. In the event he is desirous of taking his own house on a self lease basis he is required to execute a lease deed in favour of our Company. Our Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by our Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by our Company.
Annual Increment	Eligible to draw an annual increment of Rs. 650 subject to a maximum basic salary of Rs.30,950. Upon reaching this maximum amount, he is further entitled to an increment at the rate of the last drawn increment after the completion of every two years from the date of reaching such maximum remuneration, subject to a maximum of three such increments.
Provident fund and gratuity	Entitled to provident fund and gratuity in accordance with the rules of our Company.
City compensatory allowance	Entitled to a city compensatory allowance as per existing rates subject to a maximum cap depending upon the city.
Other benefits and incentives	Entitled to medical facilities, travelling allowance, leave travel concession, disability leave in accordance with the rules of our Company.
Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the Department of Public Enterprises dated June 25, 1999 and March 27, 2000.
Leave	Entitled to leave as per the terms of our Company.
Club membership	Entitled to become a member of two clubs at the expense of our Company subject to the condition that such memberships shall be co-terminus with his tenure as Director (Finance).
Other conditions	Not entitled to accept any appointment or post, without prior approval for a period upto two years from retirement.

Detailed terms and conditions of employment of our other whole-time Directors, Mr. M.R. Pasrija, Mr. N. M. Borah and Mr. B.N. Talukdar, are yet to be notified by the MoPNG. Additionally, Mr.

A.K. Jain and Ms. Aditi S. Ray, being Government nominee Directors, are not entitled to any remuneration from our Company.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges will apply to our Company upon listing of our Equity Shares on the Stock Exchanges. However, appointment of our independent Directors is presently under consideration of the MoPNG, and we undertake to comply with all requirements of Clause 49 of the listing agreement at the time of filing the Red Herring Prospectus.

Our Board has constituted the following committees:

Audit Committee

We have constituted an Audit Committee at our 323rd Board meeting held on March 13, 2001. The Audit Committee is currently comprised of the following Directors:

(i) Ms. Aditi S. Ray (Chairman);
(ii) Mr. A. K. Jain (Member); and
(iii) Mr. J.K. Talukdar (Member)

We shall reconstitute our Audit Committee once independent Directors are appointed by the MoPNG.

Meetings of Audit Committee

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is higher, till the required number of independent Directors is appointed. Upon appointment of adequate number of independent Directors, there should be a minimum of two independent Directors present at all meetings of the Audit Committee.

Our Company Secretary, Mr. S.K. Senapati, is the Secretary of the Audit Committee.

Powers of Audit Committee

The powers of the Audit Committee include the following:

1. Investigation of any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice;
4. Securing attendance of outsiders with relevant expertise, if it considers necessary;

Role of Audit Committee

The role of the audit committee includes the following:

1. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to our Board, the appointment, reappointment and if, required, the replacement or removal of the Statutory Auditor, fixation of audit fee and also approval for payment for any other services rendered by the Statutory Auditors;
3. Recommending to the Board, the appointment of the cost auditor and the fixation of the cost audit fees;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, focusing primarily on:

a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
b. any change in accounting policies and practices and reasons for the same;
c. major accounting entries involving estimates based on the exercise of judgment by management;
d. qualifications in draft audit report.
e. significant adjustments made in the financial statements arising out of audit findings;
f. compliance with listing and other legal requirements relating to financial statements;
g. disclosure of any related party transactions i.e. transactions of our Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, performance of statutory cost and internal auditors and adequacy of the internal control and cost control systems;
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussing with internal auditors about any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. Discussing with cost auditors for ascertaining any area of concern;
12. Reviewing with Company's financial and risk management policies;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
14. Defining the significant related party transactions.

Review of information by the Audit Committee

The Audit Committee is required to review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

Shareholders'/ Investors' Grievance Committee

We have constituted a Shareholders'/ Investors' Grievance Committee at our 379th Board meeting held on November 14, 2007. The committee currently is comprised of the following Directors:

i. Ms. Aditi S. Ray (Chairman);
ii. Mr. T.K. Ananth Kumar (Member); and
iii. Mr. B.N. Talukdar (Member)

Role of Investor Grievance Committee:

i. Review of total shareholders'/investors' complaint including the transfer of shares, non-receipt of Annual Report and non-receipt of dividends;
ii. Complaints addressed/complaints pending;
iii. Action taken for redressal.

Remuneration Committee

We presently do not have a Remuneration Committee. However, we shall constitute this committee upon appointment of independent Directors. Currently, as per the memorandum of understanding between the MoPNG and our Company and our Articles of Association, the remuneration paid to the Directors is fixed by the President of India.

We undertake to comply with the provisions of Clause 49 of the listing agreement prior to filing the Red Herring Prospectus.

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares. The following table details the aggregate of our Equity Shares held by our Directors in their individual capacities along with their relatives:

Name of Director	Number of Equity Shares*
Mr. M.R. Pasrija	3,950
Mr. N.M. Borah	2,000
Mr. J.K. Talukdar	1,700
Mr. B.N. Talukdar	900

** including Equity Shares held by their relatives*

Interest of our Directors

All of our Directors, except the Government nominee Directors, may be deemed to be interested to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them.

Mr. M.R. Pasrija, Mr. N.M. Borah, Mr. J.K. Talukdar and Mr. B.N. Talukdar hold Equity Shares and hence, they may be deemed to be interested to the extent of their shareholding in our Company. Further, our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by us within two years of the date of filing of this Draft Red Herring Prospectus. For details of the related party transactions, see section titled "Financial Statements — Statement of Related Party Transactions" beginning on page 226 of this Draft Red Herring Prospectus.

Changes in our Board during the last three years

The changes in our Board in the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. B.N. Talukdar	December 1, 2007	Continuing	Appointment as a Director
Mr. S.K. Patra	May 2, 2000	November 30, 2007	Superannuation
Mr.T.K. Ananth Kumar	January 18, 2007	Continuing	Appointment as a Director
Mr. A.K. Jain	November 30, 2006	Continuing	Appointment as a Director

Name	Date of Appointment	Date of Cessation	Reason
Mr. B.N. Talukdar	December 1, 2007	Continuing	Appointment as a Director
Mr. S.K. Patra	May 2, 2000	November 30, 2007	Superannuation
Mr. D.N. Narasimha Raju	October 19, 2006	November 30, 2006	Ceased to be a Director as per the directive of the MoPNG letter no. 31019/1/2006-CA dated November 30, 2006
Mr. J.K. Talukdar	June 9, 2006	Continuing	Appointment
Ms. Aditi S. Ray	June 8, 2006	Continuing	Appointment
Mr. M.R. Pasrija*	March 14, 2006	Continuing	Appointment
Mr. C.B. Singh	April 20, 2005	June 8, 2006	Ceased to be a Director as per the directive of the MoPNG letter no. 136/EA/06/CA dated June 8, 2006
Mr. N.M. Borah	May 6, 2004	Continuing	Appointment
Mr. R.K. Dutta	May 1, 2002	February 28, 2006	Superannuation
Mr. N. K. Singh	May 23, 2001	February 2, 2006	Resignation
Mr. S. Joshi	May 23, 2001	August 1, 2006	Resignation

* Mr. M. R. Pasrija also held additional charge as Director (Finance) from March 14, 2006- January 18, 2007.

MANAGEMENT ORGANISATION CHART

Chairman & Managing Director

- **Comp Secy, Legal**
- **Chief Vigilance Officer**
- **Corp. Relations**
- **Corporate Affairs**

- **New Growth Area (NGA)**
  - E&D Advisory Group
  - Rest of India
  - Rajasthan Field
  - Ganga Valley
  - BEP & Offshore
  - NELP Operations
  - Libya Operations
  - Gabon Operations
- **Main producing Area (MPA)**
  - Production Crude Oil (A&AP)
  - Production NG (A&AP)
  - LPG Production
  - Geological Services
  - Geo-Services (Seismic/Logging)
  - Reservoir Management
  - Pipeline Services
- **Corp. HR & Business Dev**
  - HR Management
  - Orgn. & People Development
  - HR Policies
  - PR & CSR
  - Global Business Development
  - Pipeline Business Development
  - E&P & Gas Based Business Dev
  - Diversification Options (Value Chain)
- **Corporate Finance**
  - Accounting Policy
  - Treasury
  - Risk Management
  - Taxation
  - Internal Audit
  - System Audit
  - JVs
- **Shared Services (SS)**
  - Research & Dev
  - Information Tech
  - Training, Admn & Employee Relation
  - Engg. Services
  - Other Services
  - Safety & Envt.
  - Medical services
- **Services Business (SB)**
  - Exploratory Drilling
  - Development Drilling
  - Workover Drilling
  - Well Planning
  - Mud Engg. & Chemical Laboratory Services

Key Managerial Employees

Mr. S. N. Borah, aged 59 years, is our Executive Director (Shared Services). He holds a bachelors degree in science from B. Barooah College, Guwahati University. He also holds a masters degree in social work from the Faculty of Social Work, Baroda. He has 35 years of experience in the oil and petroleum industry. He joined our Company on September 29, 1972. His primary function in our Company is to ensure service and support to all strategic business units and divisions. He is also responsible for minimising the cost of providing the services and for ensuring adherence to safety and environmental norms across our Company. He received a gross remuneration of Rs. 1,065,989 in fiscal 2007.

Mr. P.C. Khaund, aged 58 years, is our Executive Director (Shared Business). He holds a bachelors degree in mechanical engineering from Assam Engineering College, Guwahati University. He has 34 years of experience in the oil and petroleum industry. He joined our Company on July 9, 1973. He is responsible for the operational and financial results of drilling and related services and pipeline services in our Company. He received a gross remuneration of Rs. 1,265,332 in fiscal 2007.

Mr. N. Bhalla, aged 56 years, is our Executive Director (Corporate Affairs). He holds a bachelors degree in commerce from the Sri Ram College of Commerce, Delhi University. He has 30 years of experience in the oil and petroleum industry. Prior to joining our Company on September 21, 1977, he was a partner with Mohindra and Narendra, Chartered Accountants. He oversees strategic and corporate planning and is responsible for ensuring formulation of business strategies and business plans, supporting and monitoring implementation, reviewing results achieved, reviewing environment and organisational changes and updating strategies, budgets and plans. He received a gross remuneration of Rs. 1,061,497 in fiscal 2007.

Mr. Ashok Anand, aged 57 years, is our Group General Manager (Human Resource and Administration). He holds a bachelors degree in science from Government College, Rohtak. He also holds a masters degree in business administration from Himachal Pradesh University. He has 32 years of experience in the oil and petroleum industry. Prior to joining our Company on December 16, 1974, he was employed with Bajrang Engineering Works and Jawala Textile Mills. He is in charge of all matters relating to personnel, employees relations, security, public relations, training and development. He is a member of the Indian Council of Arbitration and the National Institute of Personnel Management. He received a gross remuneration of Rs. 1,035,391 in fiscal 2007.

Mr. T.K. Bhattacharjee, aged 57 years, is our Group General Manager (Rajasthan Project). He holds a bachelors degree in science (mechanical engineering) from the Benaras Hindu University. He has 32 years of experience in the oil and petroleum industry. He joined our Company on January 1, 1975 and is responsible for project management and engineering. He received a gross remuneration of Rs. 1,273,595 in fiscal 2007.

Mr. N. K. Agarwal, aged 55 years, is our Group General Manager (Finance and Accounts). He holds a bachelors degree in commerce from Dibrugarh University. He is a chartered accountant. He has 26 years of experience in the oil and petroleum industry. Prior to joining our Company on December 9, 1980, he worked as an internal auditor with SAIL and Pratap Steel Rolling Mills and as an assistant accounts officer with M/s Sharma Agarwal. He is responsible for finance and management of accounting in our Company. He received a gross remuneration of Rs. 1,147,799 in fiscal 2007.

Mr. U. Borah, aged, 57 years, is our Group General Manager (Production). He holds a bachelors degree in mechanical engineering from Assam Engineering College, Guwahati University. He has 34 years of experience in oil and petroleum industry. He joined our Company on May 7, 1973. He is in charge of overall management of the production and supply of quality crude, gas and LPG to customers, marketing gas, collections from sales, ensuring safety of personnel and resources, business development for oil, gas and LPG and maintenance of all production assets. He received a gross remuneration of Rs. 1,048,142 in fiscal 2007.

Mr. S. K. Senapati, aged 45 years, is our Company Secretary. He holds a bachelors degree in commerce and a bachelors degree in law from Utkal University. He is also a Fellow Member of the Institute of Company Secretaries of India. He has 13 years of experience in the oil and petroleum industry. Prior to joining our Company in August 16, 1995, he worked as a company secretary and legal officer with Orissa Textile Mills Limited. He is responsible for all secretarial matters and legal matters in our Company. He received a gross remuneration of Rs. 764,733 in fiscal 2007.

All of our key managerial employees are permanent employees of our Company and none of them are related to each other or to any Director of our Company.

In addition to the amounts specified above, each of our key managerial employees is also entitled to an official vehicle, gratuity and reimbursements for maintenance of a residential office and reimbursements for official entertainment.

Shareholding of the key managerial employees

The following table details the aggregate of the shares held by our key managerial employees in their individual capacity along with their relatives in our Company:

Name of Key managerial employee	Number of Equity Shares*
Mr. A. Anand	2,900
Mr. N. K. Agarwal	2,750
Mr. S. N Borah	900
Mr. P. C. Khaund	900
Mr. N. Bhalla	900
Mr. T. K. Bhattarcharjee	900
Mr. U. Borah	900

** including Equity Shares held by their relatives*

Bonus or profit sharing plan for our key managerial employees

All our employees including our key managerial employees are entitled to performance related payment (productivity linked incentive scheme, reserve establishment honorarium and profit related pay). The DPE, through a circular dated September 12, 2000, clarified that:

- perquisites and allowance are subject to a ceiling of 50% of basic pay, for all executives;
- payment over and above the ceiling would be entirely in the nature of performance related payment;
- performance related payment should not exceed 5% of the distributable profits of our Company;

Changes in our key managerial employees during the last three years

The changes in our key managerial employees during the last three years are as follows:

Name	Date of Appointment as a Key Managerial Personnel	Date of Cessation	Reason for change
Mr. B.N. Talukdar	January 1, 2007	November 30, 2007	Appointed as Director (Exploration and Development)

Name	Date of Appointment as a Key Managerial Personnel	Date of Cessation	Reason for change
Mr. B.N. Talukdar	January 1, 2007	November 30, 2007	Appointed as Director (Exploration and Development)
Mr. K.V. Rajan	January 1, 2005	October 31, 2007	Superannuation
Mr. S. N. Borah	January 1, 2006	Continuing	Promotion He was appointed as Group General Manager (Shared Services), and was subsequently promoted to the post of Executive Director (Shared Services) w.e.f January 1, 2007
Mr. P.C. Khaund	January 1, 2006	Continuing	Promotion. He was appointed as Group General Manager (Services Business), and was subsequently promoted to the post of Executive Director (Services Business) w.e.f January 1, 2007
Mr. A. Anand	January 1, 2007	Continuing	Promotion
Mr.T.K. Bhattacharjee	January 1, 2007	Continuing	Promotion
Mr. N.K. Agarwal	January 1, 2007	Continuing	Promotion
Mr. U. Borah	January 1, 2007	Continuing	Promotion

Payment or benefit to officers of our Company

Except certain post retirement medical benefits and statutory benefits upon termination of their employment in our Company or upon superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

PROMOTERS AND GROUP COMPANIES

Our Promoter is the President of India. Our Promoter currently holds 98.13% of the paid-up share capital.

Subsidiaries

We currently do not have any subsidiary.

Group Companies

We do not have any group companies.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see the section titled "Financial Statements-Statement of Related Party Transactions" beginning on page 226 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Pursuant to the guideline on expenditure management, fiscal prudence and austerity from the GoI, all profit-making PSUs in the oil, petroleum, chemicals and other infrastructure sectors have to declare a minimum dividend of 30% on post-tax profits. The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividend and dividend tax paid by our Company during the last five fiscal years is presented below.

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
Number of Equity Shares of Rs.10 each	214,004,400	214,004,400	214,004,400	214,004,400	214,004,400
Rate of Dividend (%)					
Interim	110	110	60	60	40
Second Interim	75*	75	-		
Final	75	80	100	80	90
Amount of Dividend on Equity Shares (Rs. in million)	5,564.11	5,671.12	3,424.07	2,996.05	2,782.06
Interim	2,354.05	2,354.05	1,284.03	1,284.03	856.02
Second Interim	1,605.03	1,605.03	-		-
Final	1,605.03	1,712.04	2,140.04	1,712.02	1,926.04
Total Dividend Tax paid (Rs. in million)	828.04	795.37	472.33	383.87	246.77

* *Special interim dividend*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Pursuant to the terms of certain of our loan agreements, we cannot declare or pay any dividend to our shareholders during any financial year unless we have paid all the dues to the respective lenders or paid or have made satisfactory provisions therefore or if we are in default of the terms and conditions of such loan agreements. For further details, see the section titled "Financial Indebtedness" beginning on page 276 of this Draft Red Herring Prospectus.

FINANCIAL STATEMENTS

AUDITORS' REPORT

To
The Board of Directors
Oil India Limited
Duliajan, Assam

1) We have examined the attached financial information of Oil India Limited ("Company") as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part - II of Schedule II of the Companies Act,1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 10.10.2007 in connection with the proposed issue of Equity Shares of the Company.

2) These information have been extracted by the Management from the financial statements for half year ended 30.09.2007, financial years ended 31.03.2007, 31.03.2006, 31.03.2005, 31.03.2004 and 31.03.2003. Audit for the financial years ended 31.03.2007, 31.03.2006 and 31.03.2005 were conducted jointly by the existing auditors M/s A.K.Sabat & Co. and previous auditors M/s P.K. Mitra & Co. Audit for the financial year ended 31.03.2004 was jointly conducted by previous auditors M/s Ray & Ray and M/s P. K. Mitra & Co. Audit for the financial year ended 31.03.2003 was jointly conducted by previous auditors M/s Ray & Ray and M/s B. M. Chatrath & Co. The financial information included for these financial years i.e. 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various restated financial information and annexures thereof expressly stated in the following paragraphs.

3) We have also examined the financial information of the Company for the half year ended 30.09.2007 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of proposed issue of equity shares of the Company.

   The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

   Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the financial information appropriately.

4) Further to our report under paragraphs (1) to (3) above, in accordance with the requirements of paragraph B, Part-II of Schedule-II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we report that:

   a) The Restated Summary Statement of Assets and Liabilities of the Company as at 30.09.2007, 31.03.2007, 31.03.2006, 31.03.2005, 31.03.2004 and 31.03.2003 as set out in Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Annexures referred under para 5.

b) The Restated Summary Statement of Profit and Loss of the Company for the half year ended 30.09.2007 and years ended 31.03.2007, 31.03.2006, 31.03.2005, 31.03.2004 and 31.03.2003 as set out in Annexure II to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Annexures referred under para 5.

c) The Restated Cash Flow Statements of the Company for the half year ended 30.09.2007 and years ended 31.03.2007, 31.03.2006, 31.03.2005, 31.03.2004 and 31.03.2003 as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate.

5) We have described, as referred above, under various Annexures 'Notes on Adjustments made' (Annexure IVA), 'Notes on Adjustments not made' (Annexure IVB), 'Auditors' qualifications and treatment in Restated Financial Information' (Annexure IVC), 'Significant Accounting Policies' (Annexure VA) and 'Notes on 'Restated Financial statements' (Annexure V B) .

6) Based on the above, we are of the opinion that the restated financial information have been made in accordance with the provisions of paragraph 6.10.2.3 of the SEBI Guidelines, and after incorporating;

(i) Adjustments suggested in paragraph 6.10.2.7 of the SEBI Guidelines,

(ii) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods; and

(iii) Adjustments for the material amounts in the respective financial years to which they relate.

7) (i) There are no qualifications in the auditors' reports which remain to be adjusted in the Restated Summary Statements, except as mentioned in Annexures IV B and IV C, read with Significant Accounting Policies(Annexure VA) and Notes on 'Restated Financial statements' (Annexure VB).

(ii) There are no extraordinary items that need to be disclosed separately in the accounts.

8) We have also examined the following other financial information setout in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the half year ended 30.09.2007 and years ended 31.03.2007, 31.03.2006, 31.03.2005, 31.03.2004 and 31.03.2003 :

(i) Statement of Dividends paid/proposed – Annexure VI
(ii) Statement of Accounting Ratios included – Annexure VII
(iii) Statement of Capitalization as at 30.09.2007 – Annexure VIII
(iv) Statement of Secured and Unsecured loans-Annexure IX.
(v) Statement of Tax Shelter-Annexure X.
(vi) Statement of Loans and Advances-Annexure XI
(vii) Statement of Sundry Debtors-Annexure XII
(viii) Statement of Investments-Annexure XIII.
(ix) Statement of Other Income-Annexure XIV
(x) Statement of Related Party Transactions-Annexure XV.
(xi) Statement of Segment Reporting-Annexure XVI.
(xii) Statement of Contingent Liabilities-Annexure XVII.

In our opinion the financial information contained in Annexure VI to XVII of this report read along with statement of Notes on Adjustments made (Annexure IV A), Notes on Restated Financial statements (Annexure IV B), Auditors' Qualifications and treatment in restated financial information (Annexure IV C), Significant Accounting Policies (Annexure V A) and Notes on Restated Financial Statements (Annexure V B) have been prepared after making adjustments and regrouping as considered appropriate in accordance with Paragraph B, Part II of Schedule II of the Act and SEBI Guidelines.

9) This report is intended solely for the use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and should not be used, referred to or circulated for any other purpose without our prior written consent.

For Chatterjee & Co Chartered Accountants	For A.K. Sabat & Co. Chartered Accountants
S. K. Charterjee Partner Membership No. 3124	A. K. Sabat Partner Membership No.30310

Place : New Delhi
Date : November 27, 2007

Annexure I

Summary Statement of Assets and Liabilities, as restated

(Rs. in Million)

-	As at 30.09.2007	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004	As at 31.03.2003
FIXED ASSETS						
Gross Block	22,360.55	21,889.06	20,951.83	18,846.29	18,075.01	17,180.98
Less: Accumulated Depreciation	15,575.51	15,521.36	14,892.21	12,844.28	12,065.66	11,229.47
Net Block	6,785.04	6,367.70	6,059.62	6,002.01	6,009.35	5,951.52
Capital Work in progress	6,087.18	5,301.18	3,118.45	2,368.65	975.71	861.29
	12,872.22	**11,668.89**	**9,178.07**	**8,370.66**	**6,985.06**	**6,812.81**
PRODUCING PROPERTIES						
Gross Cost	41,114.82	38,440.81	35,563.95	32,270.90	28,305.90	25,078.27
Less: Depletion	19,167.05	18,183.08	16,406.56	14,578.49	12,824.13	11,434.55
Net Cost	**21,947.78**	**20,257.72**	**19,157.39**	**17,692.41**	**15,481.77**	**13,643.72**
PRE-PRODUCING PROPERTIES	**3,590.23**	**3,885.96**	**2,260.16**	**1,298.20**	**1,370.39**	**1,713.35**
INVESTMENTS	**4,836.56**	**4,075.45**	**4,301.53**	**1,819.31**	**2,245.86**	**1,617.26**
CURRENT ASSETS,LOANS AND ADVANCES						
Inventories	4,116.61	4,080.24	3,989.46	2,607.82	2,214.91	2,214.96
Sundry debtors	4,952.32	4,086.78	5,356.08	5,507.02	5,898.04	9,706.29
Cash and Bank Balances	42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12
Interest /Dividend accrued Term Deposits / Investments	2,223.10	1,571.96	1,094.13	596.32	16.28	24.81
Loans and Advances	6,175.15	12,607.91	4,449.28	9,315.41	9,371.19	9,269.07
Total Assets	**103,220.51**	**94,991.87**	**80,801.11**	**65,847.54**	**55,341.98**	**52,450.38**
LIABILITIES AND PROVISIONS						
Secured Loans	3,305.19	7,090.08	1,550.24	950.00	360.29	770.89
Unsecured Loans	893.75	1,050.00	1,400.00	1,861.61	2,235.73	2,739.51
Current Liabilities	10,656.10	8,002.55	9,053.77	5,701.63	3,814.37	3,343.42
Provisions	2,606.69	2,501.78	2,485.80	2,890.56	2,057.76	3,711.63
DEFERRED TAX LIABILITY (NET)	8,695.73	8,033.32	7,013.14	7,158.95	7,084.35	6,440.58
WELL ABANDONMENT SINKING FUND	11.03	10.72	10.00	-	-	-
Total Liabilities	**26,168.48**	**26,688.45**	**21,512.94**	**18,562.75**	**15,552.50**	**17,006.02**
NET WORTH	**77,052.04**	**68,303.42**	**59,288.18**	**47,284.79**	**39,789.48**	**35,444.36**
REPRESENTED BY						
Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Reserves and Surplus	74,911.99	66,163.38	57,148.13	45,144.74	37,649.44	33,304.31
	77,052.04	**68,303.42**	**59,288.18**	**47,284.79**	**39,789.48**	**35,444.36**

Note 1 : The above statement should be read with the Notes on Adjustments made (Annexure IVA), Notes on Adjustments not made (Annexure IVB), Auditors' qualifications and treatment in Restated Financial Informations (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B)

Note 2 : Reserve & Surplus comprises entirely General Reserve.

Annexure II

Summary Statement of Profit and Loss, as Restated

(Rs. in Million)

	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
INCOME						
Sales	27,355.65	52,850.89	54,705.79	38,137.44	30,430.75	28,252.72
Income from Transportation	451.16	1,041.16	796.07	742.99	1,019.45	715.56
Other Income	3,393.42	5,334.94	3,639.29	1,904.26	1,590.54	1,825.02
Other adjustments	2.45	872.90	1,110.72	117.71	1,723.80	365.65
	31,202.68	60,099.89	60,251.87	40,902.41	34,764.54	31,158.95
Increase/(Decrease) In Stock	(50.75)	(22.12)	113.70	69.09	1.25	95.41
Total Income	31,151.93	60,077.77	60,365.57	40,971.50	34,765.79	31,254.36
EXPENDITURE						
Production, Transportation & Other Expenditure	15,457.16	30,439.30	27,048.70	20,823.39	16,673.48	15,281.08
Provision against debts, advances and other provisions/write-offs	765.21	1,927.05	1,121.73	676.04	933.45	591.35
Depletion	983.96	1,776.52	1,881.23	1,733.86	1,346.98	1,217.86
Depreciation	406.73	818.34	1,432.38	561.61	548.79	571.68
Interest & Debt Charges	247.59	139.55	161.87	166.51	323.16	201.52
Exchange Loss/(Gain)	42.37	11.24	(9.72)	(0.62)	23.29	(1.91)
VRS Compensation written off	-	-	299.62	99.87	99.87	-
Other Adjustments	184.42	84.94	1,701.95	607.15		(12.92)
Total Expenditure	18,087.44	35,196.94	33,637.75	24,667.82	19,949.02	17,848.66
Profit for the period / year	13,064.49	24,880.83	26,727.82	16,303.67	14,816.77	13,405.70
Prior Period items	(11.32)	(54.56)	16.16	(72.23)	-	-
Profit Before Tax	13,053.17	24,826.27	26,743.98	16,231.44	14,816.77	13,405.70
Provision for Taxation	-	-	-	-	-	-
- Current Tax (Including Wealth Tax)	3,567.43	7,380.30	9,249.59	5,454.79	4,740.00	4,275.02
- Tax for earlier years	-	0.93	66.24	85.21	-	(555.02)
- Deferred Tax (Refer Note No.8 of Annx. X)	662.41	1,020.18	497.85	74.60	579.73	518.42
- Fringe Benefit Tax	12.00	25.00	31.00	-	-	-
	4,241.84	8,426.41	9,844.67	5,614.60	5,319.73	4,238.42
Profit After Tax as per audited statement of accounts	8,811.33	16,399.86	16,899.31	10,616.84	9,497.04	9,167.28
Adjustments on account of :						
a) Changes in Accounting Policies	-	-	2,060.73	51.26	(485.27)	(147.48)
b) Other Adjustments and Prior Period Items	187.29	(992.47)	(1,133.82)	723.61	(1,785.65)	75.17
c) Current Tax Impact on Adjustments	(62.77)	337.82	424.07	(102.82)	398.05	(580.07)
d) Defered Tax Impact on Adjustments	(21.10)	(3.44)	(159.84)	(117.96)	204.95	64.04
Total of Adjustments after tax impact	103.42	(658.09)	1,191.14	554.09	(1,667.92)	(588.34)
Profit after Tax as Restated	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94
APPROPRIATIONS						
Interim Dividends	-	3,959.08	3,959.08	1,284.03	1,284.03	856.02
Tax on Interim Dividends	-	555.26	555.26	172.19	164.52	-
Final Dividend (Proposed)	-	1,605.03	1,712.04	2,140.04	1,712.02	1,926.04
Tax on Proposed Dividend	-	272.78	240.11	300.14	219.35	246.77
Transfer to General Reserve	-	9,349.62	11,623.96	7,274.52	4,449.20	5,550.11
Balance of Profit and Loss Account	8,914.75	-	-	-	-	-
TOTAL	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94

Notes:

1. The above statement should be read with the Notes on Adjustments made (Annexure IVA), Notes on Adjustments not made (Annexure IVB), Auditors' qualifications and treatment in Restated Financial information (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).
2. The reconciliation between the Audited and Restated accumulated Profit and Loss balance is given in Note No.1 of Annexure IV A.
3. The Company adopted 'Accounting for Taxes on Income' Accounting Standard 22 (AS 22) issued by Institute of Chartered Accountant of India (ICAI) for the first time in preparing the financial statement for the year ended 31.03.2003. The above amount of Rs. 518.42 million for year ended 31.03.2003 under Deferred Tax exclusive of Rs.5,986.21 million related to Deferred Tax liability of earlier years which has been adjusted to Reserves and Surplus as on 31.03.2002.
4. For the year 2002-03 amount includes Production and Transportation Expenditure Rs 13,947.67 million, Geological & Geophysical Expenditure Rs 1,164.99 million, Carrying Cost Rs 77.42 million, and R & D Expenditure Rs. 91.00 million.
5. Negative figures have been shown in brackets.

Annexure III

RESTATED CASHFLOW STATEMENT

(Rs. in Million)

		Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
A	**Cash flow from operating activities :**						
	Profit before tax	13,053.17	24,826.27	26,743.98	16,231.44	14,816.78	13,405.70
	Adjustments(See Annexure IVA)	187.29	(992.47)	926.91	774.87	(2,270.92)	(72.31)
	Restated Profit Before Tax	13,240.46	23,833.80	27,670.89	17,006.31	12,545.86	13,333.39
	Adjustment for :						
	- Depreciation	406.73	818.34	(144.60)	588.98	637.69	673.08
	- Depletion	983.96	1,776.52	1,750.25	1,749.35	1,362.80	1,230.94
	- Provision for leave encashment	61.02	71.65	45.45	18.55	-	5.40
	- Foreign Exchange Gain/(Loss)	42.37	11.24	(9.72)	(0.62)	23.29	(1.91)
	- Provision for Post retirement medical benefits	34.31	9.62	59.23	320.01	-	-
	- Interest	247.59	139.55	161.87	166.51	323.16	201.52
	- Interest Income	(2,038.22)	(3,196.20)	(2,013.67)	1,407.37	(1,180.68)	(934.00)
	- Dividend Income	(478.16)	(172.56)	(154.40)	79.92	(65.39)	-
	-Grants	-	-	-	-	-	(2.99)
	-Other provision, adjustment and write offs	669.88	1,857.21	1,065.29	(2,413.79)	330.71	(56.39)
	Total	(84.14)	1,314.18	759.70	1,916.29	1,431.57	1,115.66
	Operating profit before working capital changes	13,156.32	25,147.98	28,430.58	18,922.59	13,977.43	14,449.05
	Adjustment for Changes in WC						
	- Debtors	(865.55)	1,269.30	150.94	391.02	3,808.25	(3,992.13)
	- Loans & Advances	6,421.60	(8,158.63)	4,866.13	55.78	(102.12)	407.49
	- Inventories	(36.37)	(90.78)	(1,381.63)	(392.91)	0.05	(122.37)
	- Sundry Creditors & other current liabilities	2,653.55	(1,051.22)	3,352.14	1,887.26	470.95	507.07
	Net Changes in Working Capital	8,173.23	(8,031.33)	6,987.57	1,941.15	4,177.13	(3,199.94)
	Direct Taxes paid (Net of Refund)	(3,400.00)	(7,406.23)	(9,222.79)	(5,940.47)	(6,014.45)	(3,324.36)
	Cash flow before prior period items	17,929.55	9,710.43	26,195.37	14,923.28	12,140.12	7,924.75
	Prior Period Items	11.32	(103.80)	86.88	(160.63)	72.23	-
	Net cash flow from operating activities'A'	17,940.87	9,606.42	26,282.25	14,762.65	12,212.35	7,924.75
B	**Cash flow from investing activities :**	-	-	-	-	-	-
	Purchase of Fixed Assets(Net)	(5,120.39)	(9,340.38)	(6,117.88)	(6,283.27)	(3,535.14)	(4,820.58)
	Investment Made	(3,928.32)	(0.02)	(2,482.17)	-	(910.34)	-
	Interest received	1,865.30	2,718.37	1,515.87	1,234.57	1,055.31	521.94
	Dividend received	13.62	172.56	154.40	79.92	65.39	-
	Investment Realised	3,167.22	-	-	426.54	281.70	1,203.36
	Net cash flow from investing activities 'B'	(4,002.57)	(6,448.27)	(6,929.79)	(4,542.23)	(3,043.08)	(3,095.28)
C	**Cash flow from financing activities :**						
	Repayment of borrowings	(3,941.13)	(350.00)	(461.61)	(374.11)	(914.38)	-
	Proceeds from borrowings	-	5,539.83	600.24	589.71	-	600.31
	Interest paid	(247.59)	(139.55)	(161.87)	(166.51)	(323.16)	(85.59)
	Dividend paid	-	(5,671.12)	(6,099.18)	(2,996.06)	(3,210.07)	(2,458.89)
	Tax on dividend	-	(795.37)	(855.40)	(391.55)	(411.29)	-
	Grant availed	-	-	-	-	-	83.16
	Net cash flow from financing activities 'C'	(4,188.72)	(1,416.21)	(6,977.83)	(3,338.52)	(4,858.90)	(1,861.02)
	Net Increase in cash and cash equivalents (A+B+C)	9,749.58	1,741.94	12,374.63	6,881.90	4,310.37	2,968.46
	Cash and Cash equivalent at the beginning of the period	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12	4,479.66
	Cash and Cash equivalent at the end of the period	42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12
	Components of Cash and Cash equivalents:						
	Cash & Cheques in Hand	12.48	10.01	13.04	7.21	4.24	3.60
	Balance with scheduled banks						
	Current Account	420.48	883.94	1,130.88	404.68	503.25	269.52
	Term Deposits	42,073.58	31,863.01	29,871.10	18,228.50	11,251.00	7,175.00
		42,506.54	32,756.96	31,015.02	18,640.39	11,758.49	7,448.12

Note:

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets.

Annexure IV A

Notes on Adjustments made for restated Financial Statements

1. Adjustments on changes in Accounting Policies and Prior period items:

(Rs. in million)

	Half Year ending 30.9.07	Year ending 31.3.07	Year ending 31.3.06	Year ending 31.3.05	Year ending 31.3.04	Year ending 31.3.03
Profit after tax as per Audited Statement of Accounts: **(A)**	**8811.33**	**16399.86**	**16899.31**	**10616.84**	**9497.05**	**9167.28**
Adjustments on account of: i) Changes in Accounting Policies: **(B)**						
(a) Method of providing depreciation [Note No. 2.1]	0	0	1576.97	(27.36)	(88.90)	(101.41)
Provision of depletion on change in method of providing depreciation	0	0	130.98	(15.49)	(15.82)	(13.07)
Write off / provisions in respect of dry/ abandoned wells on change in method of depreciation	0	0	53.16	(5.75)	(9.71)	(4.36)
Method of accounting payment towards VRS [Note No.2.2]	0	0	299.62	99.87	(399.49)	0
(e) Adjustment in Opening Stock	0	0	0	0	28.65	(28.65)
Sub total (B)	**0**	**0**	**2060.73**	**51.27**	**(485.27)**	**(147.49)**
ii). Other Adjustments and Prior Period Items: **(C)**						
Arrears of revenue under to sales revenue, pipeline revenue and other income [Note 2.8]	0	(15.31)	(1110.72)	186.82	(1719.53)	(70.94)
(b) Statutory levies on Arrears [Note No.2.8]	0.39	5.68	(6.08)	125.18	39.61	(34.75)
(c) Prior Period Items [Note 2.4]	5.32	49.24	(70.72)	88.39	(72.23)	0
(d) Expenses / provisions [Note No.2.5]	181.58	(1032.08)	53.70	323.21	(33.50)	180.87
Sub – total (C)	**187.29**	**(992.47)**	**(1133.82)**	**723.60**	**(1785.65)**	**75.18**
iii) Tax Adjustments : **(D)**						
(a) Normal Tax impact of adjustments [Note 2.6]	(62.77)	337.82	424.07	(102.82)	398.05	(580.07)
(b) Deferred Tax impact of the adjustments [Note No.2.7]	(21.10)	(3.44)	(159.84)	(117.96)	204.95	64.04
Sub – total (D)	**(83.87)**	**334.38**	**264.23**	**(220.78)**	**603.00**	**(516.03)**
Total adjustments (B+C+D) (E)	**103.42**	**(658.09)**	**1191.14**	**554.09**	**(1667.92)**	**(588.34)**
Net Adjusted Profits after Tax (A) + (E)	**8914.75**	**15741.77**	**18090.45**	**11170.93**	**7829.13**	**8578.94**

Note: Negative figures have been shown in brackets.

2. Other changes and Adjustments

2.1 The Company has been providing depreciation on fixed assets under Straight Line Method at rates prescribed in Schedule XIV of the Companies Act, 1956. However, in the financial year 2005-06, the Company changed the method of depreciation from Straight Line Method to Written Down Value Method at rates prescribed under Schedule XIV of the Companies Act, 1956. Accordingly, adjustment has been carried out for the previous financial years i.e. 2004-05, 2003-04, and 2002-03 and for earlier years to the appropriate heads of accounts.

2.2 The Company has been treating the compensation under Voluntary Retirement Scheme (VRS) as a deferred revenue expenditure charging the same to Profit and Loss Account in five annual equal installments during the financial years 2003-04 and 2004-05. During the financial year 2005-06, the policy has been changed so as to charge the VRS in full in the year of incidence itself. The impact on such change has been taken to respective years.

2.3 Adjustments pertaining to earlier years but crystallized during the current year are disclosed separately under "Other Adjustments" read with Accounting Policy No.17 (b) of Annexure-VA. For preparation of Restated summarized Profit and Loss and Balance Sheet other adjustments related to earlier years have been taken to the respective years.

2.4 The prior period items in the Profit and Loss Account have been re-allocated to the respective years.

2.5 Certain arrears of expenses shown in the year of incurrence earlier have now been taken to respective years.

2.6 Provision for tax for earlier years have been bifurcated and considered under respective years.

2.7 The Company has accounted for the deferred tax assets & liabilities for earlier years in terms of 'Accounting for Taxes on Income' (AS 22) issued by the Institute of Chartered Accountants of India (ICAI). Current tax and Deferred tax impact of adjustments made have been computed on the profit arrived after making the adjustment and on the basis of rates applicable to respective years.

2.8 The sales revenue has been accounted for at the price fixed by the GoI from time to time and are inclusive of statutory levies. The Company has received arrears on account of retrospective revision of product prices, pipeline revenue and other income towards reimbursement costs. The same has been presently taken to respective years.

2.9 The accounts for the years have been restated considering the Guidance Note "Reports in Company Prospectuses" issued by Institute of Chartered Accountants of India and other changes/adjustments referred to above. Effect of these changes has been shown as separate line items under para 1 referred above. Effect of changes for financial years prior to 2002-03 have been adjusted in General Reserve as on 31.03.2002 net of taxes including deferred tax relatable to financial years prior to 2002-03.

Annexure IV B

Notes on Adjustments not made for Restated Financial Statements

1. The Company has changed the Accounting Policy regarding the charging of administrative overhead including Corporate overheads to Profit and Loss Account in the financial year 2005-06 from the earlier method of allocating the same between capital and revenue activity. The adjustment on this account has not been carried out in the earlier years as information to that effect is not available. However, the impact of the same to Profit and Loss Account is not material.

2. a) The Company since 31.03.2004 has valued stocks of crude oil and Liquefied Petroleum Gas at cost (after bifurcation of joint cost on thermal equivalence basis in case of crude oil) or net realizable value, whichever is lower, including applicable excise duty.

   b) The impact of these changes in the value of the opening stock as on 01.04.2003 amounting to Rs 28.65 million has been considered in the financial year 2003-04 under other adjustments. Such impact has not been considered for re-valuation of inventories of earlier years (except adjustment made in financial year 2002-03 Closing Stock Valuation by similar amount) as the same would not be material in view of effect through Opening/Closing Stocks Valuation.

3. During the year 2005-06, the Company has reviewed the valuation of Insurance spares including the item related to deferred project/drilling wells & accessories of Plant & equipment. Accordingly, insurance spares have been capitalized and depreciated in line with 'Valuation of Inventories" (AS 2) read with 'Accounting for Fixed Assets' (AS 10) issued by ICAI. The other spares have been considered as part of other stores & spares for valuation as per the Significant Accounting Policy No.10 (C) of the Company. Due to the above change, a sum of Rs 21.54 million has been charged to depreciation and Rs 194.91 million has been charged to Profit & Loss Account during the year 2004-05. The said amounts have not been recast to the earlier years as the same is not measurable and would not be material.

4. During financial year 2005-06, the Company changed the accounting policy creating a provision of 95% of the value of such items of stores and spares which have not moved for four years as on the date of Balance Sheet, instead of charging the same as consumption. Since the change of accounting policy has no impact on the profit of the Company or the value of stores and spares, no restatement in the accounts considered.

   However, the Stores and spares figure as well as Provision figures disclosed earlier at net of 95% provision prior to 2005-06 required grossing up which has been carried as of 30.09.2007.

5. The Company has for the first time provided liability towards post retirement medical benefit given to employees based on actuarial valuation carried out at the end of the financial year 2004-05 and accordingly a sum of Rs 320.01 million has been provided towards such liability which has the effect of reduction of profit for the financial year 2004-05 by the like amount. The same has not been recast in the previous years as the same is not evaluated in the earlier years and would not be considered material.

6. The Company has considered cut off amount for each transaction related to prior period adjustment at 0.25% of the total expenditure of the Company upto financial year 2002-03; Rs 10.00 million for financial year 2003-04; and Rs 0.50 million from the financial year 2004-05 onwards as per Accounting Policy in the respective years. The relevant figures for the respective years have not been recast as the same are not ascertainable.

7. During financial year 2005-06, reserves of Oil and Gas have been estimated as per International Practice with overall reduction of Reserves by 20.92% as compared to the reserves calculated as per earlier practice. Depletion rates have been revised and recomputed based on such revised estimates prospectively. The accounts for earlier financial years ie. 2002-03 to 2004-05 have not been recast in line with International Practice as the same is not measurable and requires prospective adjustment only.

8. The field areas grouping (i.e. producing properties consisting of distinct structures) have been realigned during financial year 2005-06 in Assam & Arunachal Pradesh related to Oil and Gas. Written down value (WDV) of realigned fields have been recomputed based on field-wise reserves and production since inception and necessary adjustments to WDV of realigned fields have been made on 31.03.2005 for computation of depletion prospectively. No recasting of accounts of earlier financial years i.e. 2002-03 to 2004-05 have been made based on such realigned fields since the relevant data is not available and normal practice requires prospective adjustment only.

9. During the financial years 2005-06 and 2006-07, the Company implemented Enterprise Resource Planning (ERP) System Arising out of shifting from earlier system to ERP, certain old debits and credits including inventory items carried forward in accounts were written off/ back. Net write off in financial year 2005-06 is Rs 68.28 million and net write back in financial year 2006-07 is Rs 65.06 million. Such amounts have not been recast under respective years since relevant data are not available.

10. The Company has entered into Production Sharing Contract in respect of certain properties with the GoI and some bodies corporate. Upon receipt of Audited Statement of Accounts of the Joint Ventures, differential amounts (compared to the amounts appearing in unaudited statement of accounts which have been considered for audited accounts) are incorporated in the books of accounts in the year of receipt. No restatement has been done in respect of such differential amount since the amounts are found not to be material.

11. (a) Provision in respect of pension, leave encashment, medical expenses for existing employees and post-retirement medical benefits amounting to Rs.50.87 million have been made based on the actuarial valuation carried out as of 30.09.2007.

(b) Provision for Leave Fare Assistance has been made for the first time [complying with the requirements of 'Accounting for Retirement Benefits in the Financial Statement of Employers' (AS 15) (Revised) issued by ICAI] based on actuarial valuation carried out as on 30.09.2007.

Amount of provision upto 31.03.2007 amounting to Rs 250.00 million has been taken to General Reserve in line with requirement of AS-15 and not taken to relevant previous years for which valuations were not available and would not be material.

Annexure IV C

AUDITOR'S QUALIFICATIONS AND TREATMENT IN RESTATED FINANCIAL INFORMATION

Sl No.	Financial Year ended	Auditors Qualification	How dealt with in the restated financial information
1	Half year ended 30.09.2007 31.03.2007 31.03.2006 31.03.2005 31.03.2004 31.03.2003	The assets, liabilities, income and expenditure of the joint venture have been incorporated in the books of accounts on the basis of un-audited Statement of Accounts received from the respective operator.	Such audited statements of accounts are received within the end of next accounting year and the difference is incorporated in the books of accounts which are found to be not material.
2	2006-07	Profit & Loss (in compliance with AS-7 issued by ICAI) if any arising out of execution of pipeline contract under the Consortium Agreement with IOTL and consequential impact thereon the account not ascertained.	On the receipt of accounts of the Consortium upon completion of the project which is expected during 2007-08, necessary accounting of profit/loss of this project of the consortium will be carried out based on relevant accounting standards.
3	Half year ended 30.09.2007 31.03.2007 31.03.2006 31.03.2005 31.03.2004 31.03.2003	Confirmation of balances from sundry debtors, creditors and loans and advances are not available	The Company is in the process of reconciling the accounts. Adjustments required are carried out in the year of reconcilition
4	2006-07	Upon shifting from existing accounting system to ERP system, certain old debit balances have been written off and credit balances have been written back, arising out of which net debit of Rs.65.06 million has been taken to account.	No restatement of such balances has been made since the data regarding dates of origin of such balances which are large in number not readily available.
5	2005-06	Upon shifting to ERP system, following SAP from during the year the year arising out of which net credit of Rs.68.28 million taken to account through write off of certain old debits and write back of old credits and routing through inventory stores and spares under ERP for certain items charged to consumption under earlier system.	No restatement of such balances has been made since the information about dates of origin of such balances which are large in number was not available.
6	2004-05 2003-04 2002-03	Pending reconciliation of physical inventory of fixed assets with Fixed Assets Register, resultant adjustments, if any, which are required to be made in these accounts are not ascertainable at this stage.	This has been fully ascertained and necessary accounting has been done during financial year 2006-07
7	2003-04	We are unable to express our opinion about the recoverability of deposit of Rs.150.00 million with a public sector undertaking.	Provision was created treating the same as doubtful in the year 2004-05 and on being finally agreed (during 2006-07) to pay/settle the dues, the provision has been written back (Refer Para 9 of Annexure V(B).

Annexure V A

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

(a) The financial statements are prepared under the historical cost conventions in accordance with generally accepted accounting principles (GAAP). Generally, revenues are recognized on accrual basis with provision made for known losses and expenses.

(b) All the Accounting Standards (AS) prescribed by the Institute of Chartered Accountants of India (ICAI) as mandatory and as applicable to the Company are complied with while preparing the Accounts, unless otherwise stated.

2. EXPLORATION COSTS, DEVELOPMENT EXPENDITURE AND ABANDONMENT COSTS

The Company generally follows the internationally accepted "Successful Efforts Method" (SEM) of Accounting in respect of its Oil and Gas exploration and production activities read with the guidance note on "Accounting for oil & gas producing activities" issued by the Institute of Chartered Accountants of India, (ICAI) except for abandonment costs, as explained below :-

2.1 EXPLORATION COSTS AND DEVELOPMENT EXPENDITURE

(a) Geological and Geophysical expenditure, other than cost of tangible assets, equipment and facilities deployed in relation thereto on which usual depreciation allowance as admissible, are expensed in the year of incidence.

(b) Lease carrying costs including license fees are expensed in the year of incidence.

(c) All Acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type strategraphic test wells are initially capitalized as pre-producing property till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry or of no further use, as the case may be.

(d) Cost of successful exploratory wells, and completed development wells, including allocated depreciation on support equipment and facilities are capitalized as producing property. Wells are treated as completed only after completion of production testing of the same.

(e) Cost of unsuccessful / dry Exploratory wells or part(s) thereof including allocated depreciation on support equipment and facilities, which do not lead to discovery of / accretion to hydrocarbon reserves, are expensed.

(f) Charges towards unfurnished minimum work programme and for extension of exploration period under PSC/JVC are treated as Geological and Geophysical or Drilling expenses etc. as the case may be.

(g) Cost of incomplete wells / wells under production testing / completed exploratory wells pending determination of commercial viability including allocated depreciation on support equipment and facilities, are classified as Pre-producing Properties.

(h) Cost of Exploratory wells in progress are not carried over for more than 2 years from the date of completion of the drilling of the well, unless it could be reasonably demonstrated that the well has proved reserves and development of the field in which the well is located has been planned.

2.2 ABANDONMENT COSTS

Abandonment costs relating to dismantling and restoration of well sites (net of salvage value), if any, are accounted for in the year in which the same are incurred instead of creating provision in line with Guidance Note issued by ICAI as the Salvage Value is expected to take care of the Abandonment Costs except in case of Joint Ventures, the policy in respect of which is specified in Policy No.7 below.

3. FIXED ASSETS :

(a) Fixed assets including support equipment & facilities are stated at historical cost. All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

(b) Computer software acquired and developed to Suit Company's internal use being intangible asset is capitalized along with hardware cost.

(c) Leasehold lands including the Right of Use (ROU) which are perpetual in nature are not amortized.

(d) Any asset, when of no further use, is deleted from the Block. The Written Down Value, if any, in excess of Rs.1000/- or 5% of the original cost, whichever is less is charged to Profit & Loss Account. The deleted assets are carried as Current Assets at adjusted value awaiting disposal through normal tendering procedure. The sale proceeds in excess of adjusted value against individual asset are accounted for as miscellaneous income, when realized.

(e) Physical verification of the fixed assets is carried out by the Company in a phased manner to cover all the items over a period of five years. The discrepancies, if any, noticed are accounted for after reconciliation of the same.

4. DEPRECIATION / DEPLETION

4.1 DEPRECIATION

(b) Depreciation on Fixed Assets is provided for under the "Written Down Value Method"(WDV), at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 and the fixed assets are stated at cost less depreciation.

(c) Depreciation as computed above on Fixed Assets deployed in exploration and development drilling activities is charged to the cost of each well.

(d) Computer software acquired and developed to suit Company's internal use, being intangible asset, is depreciated at the rate applicable to Computers (Hardware).

(e) Assets costing up to Rs. 5,000 each are depreciated fully in the year of capitalization.

4.2 DEPLETION

(a) The producing properties including acquisition costs are depleted using the "Unit of Production Method", based on the related Proved Developed Reserves.

(b) Proved and Developed Reserves of oil and gas are technically assessed regularly and are finally reviewed and estimated at the end of each year in-house by following International practices.

(c) The rate of depletion is computed on a consistent basis with reference to an area designated as Oil / Gas field or a group of Oil/Gas fields, which are aggregated either based on a common geological feature or for operational purpose.

5. FOREIGN CURRENCY TRANSACTIONS

5.1 **FOREIGN CURRENCY LOANS**

The outstanding balances against foreign currency loans / credits are converted at the rates of exchange prevailing on the date of the Balance Sheet and in case of non-availability of such rates, the rates on the date nearest to the Balance Sheet date are considered. Loss / gain due to exchange rate fluctuations, in respect of foreign currency loans is dealt with in the following manner :-

(a) Exchange rate fluctuations in respect of foreign currency loans which were raised for specific projects, are charged / credited to the respective project accounts and amortized / depreciated in the manner the related project expenditure is being treated as per accounting policy.

(b) Exchange rate fluctuations in respect of other general purpose foreign currency loans not raised for any specific project or for acquisition of any specific asset, are adjusted / booked in the Profit & Loss Account.

5.2 **OTHER TRANSACTIONS**

(a) Foreign currency transactions in relation to purchase of goods and services, and other current assets are recorded and treated in the following manner :-

(i) In respect of transactions involving purchase of equipment and facilities and procurement of services in relation thereto, in the nature of fixed assets, and for purchase of stores for eventual use in jobs, which are capitalized as per the accounting policies, are recorded on the basis of the exchange rate on the settlement date or the year end date, whichever is earlier.

(ii) In respect of transactions involving purchase of stores, spares for consumption in revenue accounts and payment for related services, the transactions are recorded on the basis of the exchange rate on the transaction date, and the exchange rate difference between the transaction and the settlement date or the year end date, as the case may be, is recognized as income or as expense in the period in which they arise.

(iii) In respect of transactions involving loans, advances and other current assets, the transactions are recorded based on exchange rate on transaction date and the exchange rate difference between the transaction and the settlement date or the year end date, as the case may be, is recognized as income or as expense in the period in which they arise.

(b) Foreign currency transactions in relation to Joint Venture Operations (Overseas) are treated in the following manner:-

(i) Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transactions. For practical reasons, the average exchange rate of relevant month is taken for the transactions of the month in respect of such Joint Venture Operations, where actual date of transaction is not available or as agreed otherwise.

(ii) At the Balance Sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the Balance Sheet date.

6. IMPAIRMENT OF ASSETS

Producing Properties and Fixed Assets of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. The recoverable amount is its 'value in use' . In assessing value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Subsequent to Impairment, depletion/ depreciation is provided on the revised carrying value of the assets over the remaining useful life as per relevant policy.

7. JOINT VENTURES

In respect of Production Sharing Contracts (PSCs) executed by the Company with other companies and the GoI to undertake exploration, development and production of Oil and / or Gas activities under a joint venture in various concessions:-

(a) The financial statements reflect the share of the Company's assets, liabilities and also the income and expenditure of the Joint Venture Operations in proportion to the participating interest of the Company as per the terms of the PSCs, on a line by line basis. Provisions for depreciation, depletion and impairment and value of Stock of Crude Oil are accounted for as per the relevant accounting policies of the Company whereas provision for abandonment is created as per terms of PSC.

(b) Proved and Developed Reserve of Oil & Gas in such concessions are also considered in proportion to participating interest of the Company.

(c) The unamortized balance in the producing property accounts and / or the written down values of the fixed assets installed therein in respect of such concessions, are netted off by the consideration due/ received from other participating companies.

8. INCOME TAX

(a) Current Tax
Income tax is computed as per provisions of the Income tax Act, 1961, read with the terms of the Agreement entered into by the Company with the GoI under Section 42 of the Income Tax Act, 1961 and accordingly in addition to other items of allowances, the following are considered :-

   (i) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration Licence areas, excluding expenditure on assets for which usual depreciation allowance is admissible, whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.

   (ii) All intangible expenditure on exploration / prospecting /drilling in Mining Lease areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and

   (iii) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under the Written Down Value (WDV) method.

(b) Fringe Benefit Tax is computed and accounted in line with the provisions of Income Tax Act, 1961.

(c) Deferred Tax

Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted up to the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to assess realization.

9. INVESTMENTS

(a) Long term investments are valued at cost unless there is a permanent diminution in value.

(b) Current investments are valued at lower of cost or fair value.

10. INVENTORY

(a) Stocks of Crude Oil and Liquefied Petroleum Gas are valued at cost (after bifurcation of joint cost on thermal equivalence basis in case of crude oil) or net realizable value, whichever is lower, including applicable excise duty.

(b) Natural Gas in pipeline and crude oil in flow line are not valued.

(c) The stock of stores and spare parts are valued at weighted average cost. Obsolete / unserviceable items, as and when identified, are written off. Any item of stores and spares not moved for last 4 years as on date of Balance Sheet are identified as slow moving items. Against these slow moving items a provision of 95% of value is made in the accounts towards likely diminution in value. The stores and spare parts include goods-in-transit which represents items pending arrival and / or acceptance at stipulated destinations.

(d) Physical verification of the inventory of stores and spares are carried out by the Company in a phased manner to cover all the items. The discrepancy, if any, noticed are accounted for after reconciliation of the same.

11. RETIREMENT AND OTHER BENEFITS

(a) Contributions to approved Gratuity and Pension Funds and provision in respect of Leave Encashment, Leave Fare Assistance, Pre Retirement Medical and Post Retirement Medical Benefit liability (as per AS-15) are based on Actuarial valuation carried out at the end of each year. The contribution to Provident Fund, Gratuity Fund, and Pension Funds are paid to the respective Funds administered through Trusts.

(b) Compensation paid / payable to the employees under the Voluntary Retirement Scheme (VRS) is charged to Profit & Loss Account.

12. REVENUE RECOGNITION

(a) Revenue from sale of products and transportation income are recognized on transfer of custody to customers.

(b) Sale of crude oil and gas produced from exploratory wells in progress in exploratory areas is deducted from expenditure on such wells.

(c) Sales are inclusive of statutory levies but net of discounts. Any retrospective revision in prices is accounted for in the year of such revision.

(d) Claims on Government / Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance in principle thereof.

(e) Dividend Income is recognized when the right to receive the dividend is established.

(f) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:

(i) Short lifted quantity of crude oil, if any.
(ii) Interest on delayed realization from customers.

(g) Insurance claim other than for Transit loss of stores items are accounted for on final acceptance by the Insurance Company.

(h) Liquidated Damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction. In case the same is refunded due to reconsideration/justification of the waiver request, the same is account for as expense in the year of acceptance.

13. GRANTS & SUBSIDIES

Grants and Subsidies are accounted in revenue or capital account according to their nature, when there is reasonable assurance that the same would be realized. Grants related to specific assets are deducted from the gross value of the concerned assets while arriving at their book value.

14. BORROWING COSTS

Borrowing costs during the construction period, net of Income if any, that are attributable to qualifying assets are capitalized.

15. SEGMENT ACCOUNTING

(a) In accordance with the existing management reporting system, the Company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline transportation) as the primary reporting segments and the geographical segments viz. Assam & Arunachal Pradesh, Rajasthan etc. as the secondary reporting segments.

(b) Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis usually followed for allocation of cost adopted for preparing and presenting the financial statements of the Company.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) The Company generally provides for present obligations resulting from past event, the amount of which can be estimated with reasonable accuracy.

(b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration exceeding Rupees Five Lakh in each case are recognized as contingent liability, if contested

(c) Contingent assets are not recognized.

17. GENERAL

a) Prior Period Items exceeding Rupees 0.5 Million in each case are separately disclosed in the Profit & Loss Account.

b) Adjustments pertaining to earlier years but crystallized during the year, exceeding Rupees 0.5 Million in each case are separately disclosed under "Other Adjustments".

c) All expenditure, other than assets, on which usual depreciation allowance is admissible, incurred for Research & Development Projects / Schemes, net of grants-in-aid, if any, are charged to the Profit & Loss Account.

d) Joint cost of production relating to crude oil and natural gas is apportioned on thermal equivalence basis.

e) Refunds / Duty drawbacks and Demands from / in relation to Revenue Authorities are accounted for on the basis of acceptance considering information available up to the date of finalization of Accounts.

f) Assets given under finance leases are recognized as receivable at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment in line with AS 19 issued by ICAI.

g) General administrative expenses including corporate overhead are charged to Profit & Loss Account.

h) Accounting of Contract works under various Projects for the Company carried out by the Company in consortium with other entities is accounted for in line with AS 7 issued by ICAI after neutralizing the profit earned by the Company in it from the project cost.

i) Costs of Intangible Assets are accounted for in line with AS 26 issued by ICAI .

Annexure V B

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1. The Company generally follows the Successful Efforts Method of Accounting for its Oil and Gas exploration and production activities. It has adopted the Guidance Note on Accounting for Oil & Gas Producing Activities issued by Institute of Chartered Accountants of India for accounting its transactions with effect from 01.04.2003 as referred in Accounting Policy No. 1(b) of Annexure V A

   The major difference between the Accounting recommend as per the Guidance Note and the Accounting followed in the Company being that the abandonment costs relating to dismantling and restoration of well sites (net of salvage value), if any, except in case of Joint Venture Accounting are accounted for in the year in which the same is incurred instead of creating provision in line with the Guidance Note issued by ICAI as the salvage value is expected to take care of abandonment costs.

2. With effect from 01.04.2002, the prices of Crude oil and LPG are market determined in terms of the policy of the GoI. Accordingly, the crude price is determined based on the terms and conditions of the memorandum of understanding signed with various buyers of crude oil for the period 01.04.2003 to 31.03.2004. Though the MoU for the period effective from 01.04.2004 has not yet been finalized, the Company is continuing to bill and buyers are continuing to pay on the terms and conditions of the MoU for the period 01.04.2003 to 31.03.2004.

   In terms of MoU, the Company receives the monthly average price of Crude oil benchmarking Nigerian Bonny Light Crude oil (ascertained from platts Oilgram) after adjustment for Gross Product Worth (quality differential) and discount on account of Base Sediment and Water (BS&W). As regards the LPG price, the same continues to be notified by Indian Oil Corporation Ltd. (IOCL) every month.

3. In terms of the decision of GoI, Ministry of Petroleum & Natural Gas vide letter No. P-20012/28/97-PP dated 23.07.2004 and further communications in this regard, the Company has allowed a discount of Rs 6,481.57 million on the sale of crude oil and Rs 564.28 million on the sale of LPG for the financial year 2004-05, Rs 9,276.00 million on the sale of crude oil and Rs 498.94 million on the sale of LPG for the financial year 2005-06, Rs 19,284.82 million on the sale of crude oil and Rs 652.66 million on the sale of LPG during the financial year 2006-07 and Rs 7,562.12 million on the sale of crude oil and Rs 235.44 million on the sale of LPG for the Half year ending 30.09.2007. Accordingly, the sales revenue in respect of crude oil and LPG are net of the aforesaid discounts which have the effect of reduction of profit for the respective periods by such amounts.

4. The Ministry of Petroleum & Natural Gas, GoI, vide its letter dated 17.05.07 allowed the Company to realize the sales tax and full transportation tariff for the financial year 2006-07 in respect of crude oil supplies to refineries which were earlier borne by the Company. The same amounting to Rs 1,545.80 million and Rs 191.74 million respectively has been accounted for as income of the financial year 2006-07. However, pending any confirmation from Govt. of India, no such revenue has been recognized during this half year ending on 30.09.2007.

5. M/s Luit India Inc., (formerly known as Sakhalin India Inc.) incorporated in United States of America became fully owned subsidiary of Oil India Limited with effect from 10.05.2003. The subsidiary company was subsequently wound up on 31.12.2004. As the subsidiary company does not exist as of 30.09.2007, no consolidated Statement of Assets and Liabilities and Profit and Loss Account has been prepared. The Balance Sheet of M/s. Luit India Inc. as at 31.03.2003 and 31.03.2004 are annexed (As Annexure A).

6. The salaries of unionized employees and non-unionized employees below board level are due for revision with effect from 01.01.2007. Pending finalization of agreement, amount of Rs 100.99 million has been provided for executives based on the interim relief paid to them.

In respect of unionized employees, an adhoc provision of Rs 455.35 million has been made based on percentage of increase in basic pay in earlier wage revision made with effect from 1997.

The amount relating to the period 01.01.2007 to 31.03.2007 under Other Adjustments in half year ended 30.09.2007 has been recast in financial year 2006-07.

7. Balance confirmation in respect of Sundry Debtors, Creditors and Loans and Advances have not been obtained.

8. Land in possession of the Company include some areas for which title/conveyance deeds are yet to be executed and/or for mutation in settlement records are pending. Documentation formalities are in progress.

9. Arising out of one time settlement with M/s Indian Drugs and Pharmaceuticals Limited (IDPL), provision for doubtful advance/claim amounting to Rs 150.00 million created in earlier years has been written back during financial year 2006-07 and interest income of Rs 118.29 million being the interest from 26.06.1991 to 31.03.2007 has been accounted during financial year 2006-07. During half year ended 30.09.2007, interest at agreed rate has been accounted. Write back of provision created in earlier years and interest income of earlier years have been recast and considered under respective years.

10. The settlement of outstanding dues from Assam State Electricity Board (ASEB) for sale of Natural Gas amounting to Rs 1619.69 million was under the process of securitization as per the scheme of "Securitization of dues of State Electricity Boards" of GoI. However, at present the Government of Assam, is planning to settle the amount due to the Company from ASEB by way of one time payment instead of securitization of the same. Hence, entire amount due from ASEB has been classified as "Unsecured, Considered Good" under Sundry Debtors. Interest receivable, if any, on the dues will be accounted in the year of final settlement.

11. The Company has entered into a joint venture partnership agreement dated 26.09.2006 with M/s ICSA (India) Ltd., (ICSA) towards development of the iCap technology (used in pipeline surveillance) by ICSA and transfer the patent in the joint name of the Company and ICSA on a 50:50 costs sharing basis including the initial cost of research and development incurred by both the parties. Since the statement of Accounts with supporting documents, relating to Rs 54.08 million claimed to have been spent by ICSA are yet to be verified, 50% of such amount towards research and development of the technology has been provisionally accounted for in the Books of the Company as Business Development Expenses during financial years along with 50% of Rs 9.05 million spent by the Company towards the same.

12. In terms of the Memorandum of Understanding dated 27.12.2005 with M/s. Indian Oil Tanking Limited (IOTL), the Company has entered into a consortium agreement dated 13.10.2006 with IOTL for jointly bidding and securing a contract for laying a part of the Numaligarh – Siliguri product pipeline for the Company on 50 : 50 sharing basis and the consortium has been awarded with a contract for laying 115 km of pipeline at a total contract value of Rs 500.12 million by the Company. Pending receipt of detailed Statement of Accounts relating to the contract (complying with the requirement of Accounting Standard 7 issued by ICAI for recognition of Profit/Loss on execution of contract) from IOTL (Project Leader), the amount paid / payable by the Company to the consortium amounting to Rs 338.56 million towards laying of the pipeline has been booked under capital work in progress in addition to the amount of Rs 11.14 million spent by the Company, pending completion of the project. The initial contribution of Rs 25.00 million paid by the Company to the consortium towards its share of working capital requirement as per the Consortium

Agreement has been shown under Loans and Advances. On receipt of Accounts of the consortium upon completion of the project, which is expected by the end of the financial year 2007-08, necessary accounting of profit/loss of this project of the consortium will be carried out based on relevant accounting standards.

13. In terms of the Significant Accounting Policy regarding impairment of Assets [Ref. para 6 of Annexure V(A)], the Company assessed the Cash Generating Assets for the Impairment as required under AS-28 issued by ICAI and found that no cash generating asset needs impairment as on 30.09.2007.

14. The Company has signed a "Participating Agreement" (PA) for the product pipeline with ONGC Videsh Limited (OVL) for a 10% participating interest (balance 90% being with OVL) in the pipeline project awarded by Ministry of Energy and Mining (MEM), Govt. of Sudan (GoS) through a separate agreement entered into by OVL in this regard. The construction of the pipeline project was completed on 01.09.2005 and handed over to MEM under build, own, lease and transfer (BOLT) basis.

    The "PA" entered into between OVL and the Company is neither intended nor shall be construed as creating a partnership or joint venture among the parties. Hence, accounting has not been done following "Joint Venture Accounting Policy" but the agreement for providing finance for the project in rupees to OVL and to share lease rentals receivable from MEM has been treated as "Finance Lease activity" as envisaged under Accounting for Lease (AS-19) issued by the ICAI and accordingly accounted for.

    The Company has been informed by OVL that the contractor for constructing the pipeline has raised further invoices for an amount of approximately Rs.112.41 million (US$ 25.53 Million) and OVL has in turn raised a claim on MEM of GoS as per the agreement between GoS and OVL. OIL's share related to both the claims i.e. by the pipeline contractor on OVL (through accepted by OVL) and OVL's claim on GoS shall be accounted for upon acceptance by Gos and on suitable amendment of repayment schedule by MEM. Pending this, the Company's share of the amount claimed by the pipeline contractor has not been accounted for but disclosed under "Contingent Liabilities".

    In terms of such Participating Agreement, the Company has received its share of third and fourth instalments of the lease rentals (receivable) due on 31.12.2006 and 30.06.2007 on 22.05.2007 and 10.08.2007 respectively. Moreover the company has also received, in terms of the agreement, the interest on the delayed rental payments by the MEM and the same is shown under miscellaneous income. The regular instalments are accounted for as Income from Finance Lease.

15. The Company has acquired 25% equity in Suntera Nigeria 205 Ltd., a company incorporated under the laws of Nigeria, from Suntera Resources Ltd., Cyprus, through a Share Purchase Agreement (SPA) signed with them on 31.08.2006 (effective 27.09.2006), for Rs.0.02 million (Nigerian Naira 62502, US$ 488.87 approximately) at par and also signed a Shareholders Agreement (SHA) with Suntera Resources Ltd. and IOCL, the other shareholders of the Company. Suntera Nigeria 205 Ltd. had entered into an Acquisition Agreement (AA) and Economic Interest Assignment Agreement (EIAA) with Summit Oil International Limited (original 100% Participating Interest holder in OPL-205 and the operators of the Block) on 10.05.2006 for acquiring 40% Participating Interest and 30% Economic Interest in onland Block OPL-205 in Nigeria. Suntera Nigeria 205 Ltd. also entered into a Joint Operating Agreement (JOA) and Technical Service Agreement (TSA) with Summit Oil International Limited on 10.05.2006 for providing the technical support for the operations in OPL-205. Accordingly, the Company indirectly, through 25% equity holding in Sunetra Nigeria 205 Ltd., owns a combined Participating and Economic interest of 17.5% in OPL-205. The Company is required to contribute its 25% share of all the expenses in the Block by way of loan to Suntera Nigeria 205 Ltd. as agreed by all the shareholders in the SHA and accordingly has disbursed loan of Rs.155.70 million (US$ 3.70 million). In terms of the loan agreement signed on 30.08.2007 interest @ 8.75% p.a. has been charged to Suntera Nigeria 205 Ltd.

upto 30.09.2007. Exchange fluctuations both on loan balance and interest have been accounted for as per Accounting Policy of the Company (Refer para 5 of the Annexure V(A)).

16. In terms of the Joint Operating Agreement and the Memorandum and Articles of Association of Brahmaputra Cracker and Polymer Limited (BCPL), the company has paid an amount of Rs 50,100 to M/s Brahmaputra Cracker and Polymer Limited (BCPL) towards acquisition of 5,010 shares of Rs 10 each. Pending allotment of shares by BCPL to the company, the amount paid has been booked under Loans & Advances.

17. **Joint Venture Information**

a) The Company executed various JVCs/PSCs in the Indian Sub-Continent as detailed below:

Srl. No.	Block No.	Date of execution	Company's Participating interest	Other Partners' participating Interest		Operator
1.	Kharsang PSC	16.06.1995	40%	JEPL	25%	**Geoenpro**
				Geo-Petro	25%	
				Geoenpro	10%	
2.	AAP-ON-94/1	30.06.1998	16.129% in Expl Phase	IOCL	43.548%	**HOEC**
			Addl 30% carried interest	HOEC	40.323%	
3.	SR-OS-94/1	12.04.2000	30% Carried Interest	RIL	100%	**RIL**
4.	RJ-ONN-2000/1	17.07.2001	100%	Nil		**OIL**
5.	GK-OSJ-3	06.09.2001	15%	ONGCL	25%	**RIL**
				RIL	60%	
6.	MB-DWN-2000/2*	17.07.2001	10%	ONGCL	50%	**ONGCL**
				IOCL	15%	
				GAIL	15%	
				GSPCL	10%	
7.	KG-DWN-98/4	12.04.2000	15%	ONGCL	85%	**ONGCL**
8.	MN-OSN-2000/2	17.07.2001	20%	ONGCL	40%	**ONGCL**
				GAIL	20%	
				IOCL	20%	
9.	MN-ONN-2000/1	17.07.2001	40%	ONGCL	20%	**OIL**
				GAIL	20%	
				IOCL	20%	
10.	RJ-ONN-2001/1	04.02.2003	70%	ONGCL	30%	**OIL**
11.	AA-ONN-2001/3	04.02.2003	15%	ONGCL	85%	**ONGCL**
12.	CY-DWN-2001/1	04.02.2003	20%	ONGCL	80%	**ONGCL**
13.	AA-ONN-2002/3	06.02.2004	30%	ONGCL	70%	**OIL**
14.	AA-ONN-2002/4	06.02.2004	10%	ONGCL	90%	**ONGCL**
15.	RJ-ONN-2002/1	06.02.2004	60%	ONGCL	40%	**OIL**

Srl. No.	Block No.	Date of execution	Company's Participating interest	Other Partners' participating Interest		Operator
16.	KG-DWN-2002/1	06.02.2004	20%	ONGCL	70%	**ONGCL**
				BPCL	10%	
17.	MN-DWN-2002/1	06.02.2004	20%	ONGCL	70%	**ONGCL**
				BPCL	10%	
18.	CR-ON-90/1 **	06.04.2005	20%	POC	29%	**POC**
				IOCL	35%	
				EOL	16%	
19.	AA-ONN-2003/3	23.9.2005	85%	HPCL	15%	**OIL**
20.	MZ-ONN-2004/1	02.03.2007	75%	Suntera	10%	**OIL**
				Shivani	15%	
21.	AA-ONN-2004/1	02.03.2007	85%	Shivani	15%	**OIL**
22.	AA-ONN-2004/2	02.03.2007	90%	Suntera	10%	**OIL**
23.	RJ-ONN-2004/3	2.03.2007	75%	GGR	25%	**OIL**
24.	RJ-ONN-2004/3	2.03.2007	60%	GGR	25%	**OIL**
				HPCL-	15%	
25.	KG-DWN-2004/5	02.03.2007	10%	ONGCL	50%	**ONGCL**
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
				BPCL	10%	
26.	KG-DWN-2004/6	02.03.2007	10%	ONGCL	60%	**ONGCL**
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
27.	KG-ONN-2004/1	02.03.2007	90%	GGR	10%	**OIL**

* Since relinquished on 15.08.2006

** Since relinquished

ABBREVIATION :

ONGCL	:	Oil & Natural Gas Corporation Limited
IOCL	:	India Oil Corporation Limited
GAIL	:	GAIL(India) Limited
BPCL	:	Bharat Petroleum Corporation Ltd.
HPCL	:	Hindustan Petroleum Corporation Ltd.
GSPCL	:	Gujarat State Petroleum Corporation Ltd.
HOEC	:	Hidustan Oil Exploration Ltd
GGR	:	Geo Global Resources (Barbados) Inc.
SUNTERA	:	Suntera Resources Ltd.
SHIVVANI	:	Shivani Oil & Gas Exploration Services Ltd.

OIL	:	Oil India Limited
Geoenpro	:	Geo Enpro Petroleum Limited
POC	:	Premier Oil Cachar BV
JEPL	:	Jubilant Enpro Pvt Ltd.
Geo-Petro	:	Geo-Perol International Inc.
EOL	:	Essar Oil Limited
RIL	:	Reliance Industries Ltd.
Marvis	:	Marvis Pte Ltd.
OVL	:	ONGC Videsh Ltd.
Summit	:	Summit Oil International Ltd.

b) The Company also executed various contracts for oil and gas exploration in overseas as detailed below.

Sl No	Block/Area No	Date of Execution	Company's Participating interest
1	Farsi (offshore) Block in the Persian Gulf in Islamic Republic	25.12.2002	20%
2	Block no. 86 Libya	20.03.2005	50%
3	Block in 102/4 Libya	03.12.2005	50%
4	Shakthi- Gabon	17.04.2006	45%

c) The proportionate value relating to Company's participating interest in the assets, liabilities, income and expenditure of the joint and other ventures as referred above have been incorporated on the basis of unaudited statement of accounts received from respective operators. No material changes are expected by the Company in the audited statement of accounts of the joint / other ventures.

The Company has farmed-out participating interests (PI) in four NELP blocks through a farm-out agreement signed in August, 2006 to Suntera Resources Ltd. (Suntera) a company incorporated in Cyprus, shareholders of which are Su Group and Itera of Russia with 50:50 shareholding. The details of the participating interests farmed out are as under:

Sl. No.	Name of the block	Farmed-out (%)
1.	RJ-ONN-2000/1	40
2.	RJ-ONN-2001/1	30
3.	AA-ONN-2002/3	10
4.	MN-ONN-2000/1	15

In terms of the farm-out agreement, the approval of the GoI as required under the Production Share Contracts (PSCs) has been received by the Company on 29.06.2007. In terms of the clause 3.1(a) and (b) of the Deed of Assignment, Assignee (Suntera) has to pay towards consideration of the assignment of the interest to Assignor (Oil India) and accordingly Suntera is required to pay Oil India Limited the past cost incurred by Oil India Limited from the effective dates of respective PSCs till the date of assignment to the extent farmed out PI. Since the assignment agreements were not executed as of 30.09.2007, the amount invoiced to Suntera amounting to Rs 329.10 million upto covering the period since the year 2001-02 to 2006-07 and Rs 32.88 million for the period ending 30.09.2007 has not been considered in the Accounts for the half year ended 30.09.2007 along with restatement of accounts. However, the Company has received part of the amount invoiced amounting to Rs 164.55 million on 04.10.2007 pending audit and execution of deed of assignment.

18. Sales includes sales tax as given below:

(Rs in million)

	Half Year ending 30.09.2007	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**	**Year ended 31.03.2004**	**Year ended 31.03.2003**
Crude Oil	934.28	1,827.58	1,884.89	1,342.45	1,051.61	988.85
Natural Gas	305.54	600.96	512.10	273.84	247.37	184.80
Liquified Petroleum Gas	0.09	1.32	1.70	3.84	6.03	64.42
Condensate	0.18	0.32	0.33	0.26	0.14	0.20
Total	1,240.09	2,430.18	2,399.02	1,620.39	1,305.15	1,238.27

19. The Company provides 95% of the value of slow/non moving stores and spares beyond four years at the year end Accounts. [Ref. para 10(c) Annexure V A]. No such assessment has been done as of 30.09.2007 and accordingly no provision has been made in the Accounts for the half year ended 30.09.2007 and the amounts whereof would not be material.

20. Previous year's figures along with the Restated Financial Statement of the earlier years, as may be required has been reclassified/regrouped wherever necessary to conform to period and classification.

ANNEXURE-A

LUIT INDIA INC.
(Formerly Sakhalin India Inc.)

(A company incorporated under the laws of Texas, United States of America)
Registered office: 6565 West Loop S STE 850, Bellaire, Texas 77401-3500

BALANCE SHEET

	As at 31st March 2004				As at 31st March 2003			
	US $		Rs.		US $		Rs.	
SOURCES OF FUNDS								
SHAREHOLDER'S FUND								
Share Capital		1,000.00		44,220.00		1,000.00		47,730.00
Reserves & Surplus		-		-		-		-
LOAN FUNDS								
Unsecured Loans		541,827.83		23,959,626.64		7,687,891.68		366,943,069.89
TOTAL SOURCES		**542,827.83**		**24,003,846.64**		**7,688,891.68**		**366,990,799.89**
APPLICATION OF FUNDS								
FIXED ASSETS		-		-		-		-
PRODUCING PROPERTIES		-		-		-		-
PREPRODUCING PROPERTIES		-		-		7,060,022.50		336,974,873.93
INVESTMENTS		-		-		-		-
WORKING CAPITAL								
Current Assets								
Bank balance	542,827.83		24,003,846.64		628869.18		30,015,925.96	
Less: Current Liabilities	-	542,827.83	-	24,003,846.64	-	628,869.18	-	30,015,925.96
TOTAL APPLICATIONS		**542,827.83**		**24,003,846.64**		**7,688,891.68**		**366,990,799.89**

Place: New Delhi
Date: 11th June 2004

(M R Pasrija)
Director / Secretary

(S K Patra)
Chairman / President / Treasurer

LUIT INDIA INC.
(Formerly Sakhalin India Inc.)
(A company incorporated under the laws of Texas, United States of America)
Registered office: 6565 West Loop S STE 850, Bellaire, Texas 77401-3500

PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2004		For the year ended 31st March, 2003	
	US $	Rs.	US $	Rs.
INCOMES				
DIRECT INCOMES				
INCOME FROM SECONDMENT	12,160.00	537,715.20	125659.84	5997744.16
INDIRECT INCOMES				
WRITE OFF OF LOAN FROM OIL Unsecured Loans	7,134,857.84	315,503,413.68	-	-
TOTAL INCOMES	**7,147,017.84**	**316,041,128.88**	**125659.84**	**5997744.16**
EXPENDITURES				
DIRECT EXPENDITURES				
Bank Charges	-	-	43.00	2,052.39
Expenses on Secondees by LSI	8,569.00	378,921.18	51,355.79	2,451,211.86
Taxes on Secondees	2,691.00	118,996.02	33,254.05	1,587,215.81
Consultant Fees - M Pillai	900.00	39,798.00	1,200.00	57,276.00
Payment to Secondees	-	-	39,807.00	1,899,988.11
INDIRECT EXPENDITURES				
Write Off of Exploration Expenses	7,134,857.84	315,503,413.68	-	-
TOTAL EXPENDITURES	**7,147,017.84**	**316,041,128.88**	**125,659.84**	**5,997,744.16**
PROFIT BEFORE TAX	0.00	0.00	0.00	0.00
PROVISION FOR TAX	0.00	0.00	0.00	0.00
PROFIT AFTER TAX	0.00	0.00	0.00	0.00

Place: New Delhi
Date: 11th June 2004

(M R Pasrija)
Director / Secretary

(S K Patra)
Chairman / President / Treasurer

ANNEXURE-A

Notes on Accounts:

1. The authorised Capital of the Company is US$ 1,000,000/- divided into 1,000,000 equity shares of US$ 1 each.The issued, subscribed and paid-up capital of the Company is US$ 1000/- divided into 1000 equity shares of US$ 1 each (fully paid up). The entire paid up capital as on 31st March 2004 is being held by OIL INDIA LIMITED, a company incorporated under the laws of India,.
2. The name of the Company was changed during the year to LUIT INDIA INC. through Certificate of Amendment dated 15th October 2003 issued by the Office of the Secretary of State of Texas.

3. The composition of the Board of Directors was amended during the year by inducting Mr. Mulkh Raj Pasrija as Director/Secretary due to the retirement of Mr. Prosenjit Barua, Chairman/President on 31st August 2003. Consequently, Mr. Samaresh Kumar Patra was redesignated as Chairman/President/Treasurer of the Company. This amendment to the Articles of Incorporation was adopted by the Board of Directors and the shareholders on 18th September 2003 and registered with the Office of the Secretary of State of Texas vide Certificate of Amendment dated 15th October 2003.

4. During the year, all the State Licenses numbering 16141, 16142, 17289, 17441 to 17444 were surrendered due to unsuccessful exploration. Consequently, the Working and Net Revenue Interest held by the Company in the licenses were also surrendered. Accordingly, the exploration expenses amounting to US$ 7,134,857.84 incurred till 31st March 2004, lying under the head "Pre-Producing Properties were also written-off during the year from the books by charging to Profit and Loss account.

5. The Company has also written-off "Unsecured Loans" given by the parent company i.e. OIL INDIA LIMITED, to the extent of US$ 7,134,857.84 since the same was repayable only in the event of start commercial production in terms of the loan agreement dated 10th March 2003 and that no commercial production from the North Hellhole Bayou Prospect is envisaged due to unsuccessful exploration and consequent surrender of the State Licenses. The Company has also not planned to take up any further Participating/Working Interest in any new exploration area or producing property.

6. The Current Assets represents the balance in the Company's bank account No. 429-205782-9 with Washington Mutual Bank, Bellaire Financial Center, 5104 Bellaire Boulevard, Bellaire, Texas 77401.

7. This Statement of Accounts in United States Dollar has been converted at the exchange rate as on 31st March 2004

8. The figures have been recasted / rearranged, wherever required, including the previous year.

9. Though the Financial Year for the Company in terms of US Laws is ending on 31st December 2003, the Balance Sheet has been prepared till 31st March 2004, after considering the transactions between 1st January 2004 to 31st March 2004, to fall in line with the Financial Year of the Holding Company.

10. There is no requirement of audit for closely held companies in United States of America. Hence the financial statements as declared by the management of the Company is treated as final and no audit report is annexed.

11. The Board of Directors of the Company have decided to wind up the Company after completing all the required for formalities under the laws of United States of America and seeking due approvals from the requisite authorities.

12. The above statements is also treated as the Report of the Board of Directors of the Company.

Place: New Delhi	(M R Pasrija)	(S K Patra)
Date: 11th June 2004	Director / Secretary	Chairman / President / Treasurer

Annexure VI

STATEMENT OF DIVIDENDS PAID/PROPOSED

(Rs in Million)

Particulars		**Year ending 31.03.2007**	**Year ending 31.03.2006**	**Year ending 31.03.2005**	**Year ending 31.03.2004**	**Year ending 31.03.2003**
Equity Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Face Value (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
No. of Shares	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00
Rate of Dividend(%)	**…….**	**260.00%**	**265.00%**	**160.00%**	**140.00%**	**130.00%**
Interim First	…….	110.00%	110.00%	60.00%	60.00%	40.00%
Interim Second	…….	75.00%	75.00%	0.00%	0.00%	0.00%
Final	…….	75.00%	80.00%	100.00%	80.00%	90.00%
Amount of Dividends						
Interim	…….	3,959.08	3,959.08	1,284.03	1,284.03	856.02
Final	…….	1,605.03	1,712.04	2,140.04	1,712.04	1,926.02
Total Dividend	**…….**	**5,564.11**	**5,671.12**	**3,424.07**	**2,996.06**	**2,782.04**
Corporate Dividend Tax						
Interim	…….	555.26	555.26	172.19	164.52	-
Final	…….	272.78	240.11	300.14	219.35	246.77
Total	**…….**	**828.04**	**795.37**	**472.33**	**383.87**	**246.77**

Annexure VII

STATEMENT OF ACCOUNTING RATIOS INCLUDED AS RESTATED

(Rs. in million)

Sl. No.	Particulars	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
1	Restated Profit after Tax	8,914.75	15,741.77	18,090.45	11,170.93	7,829.13	8,578.94
2	Net Worth (Rs. in million)	77,052.04	68,303.42	59,288.18	47,284.79	39,789.48	35,444.36
3	No of equity shares outstanding at the end of the year	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00	214,004,400.00
4	Earnings Per Share (Rs)	41.66	73.56	84.53	52.20	36.58	40.09
5	Return on Net Worth (%)	11.57%	23.05%	30.51%	23.62%	19.68%	24.20%
6	Net Asset Value/Share (Rs)	360.05	319.17	277.04	220.95	185.93	165.62

Formula:

Earnings per Share (Rs.) = $\frac{\text{Restated Profit after tax}}{\text{No. of equity shares}}$

Return on Net Worth (%) = $\frac{\text{Restated Profit after tax}}{\text{Net Worth}}$

Net Asset Value Per Shares (Rs.) = $\frac{\text{Net Worth}}{\text{No. of equity shares}}$

Note :

1. The Earnings per share is calculated is accordance with "Earnings Per Share" (AS20) issued by ICAI
2. Net worth means Equity share Capital + Free Reserves and Surplus
3. Ratios have been have been computed adjusted on the basis of adjusted Profit/Loss for the respective years
4. No dilution of equity in any of the Period / years referred above.

Annexure VIII

Statement of Capitalization as on 30.09.2007

(Rs. in Million)

	Pre-issue as at 30.09.2007	**Post Issue (2)**
Debt:		
Short Term debt	3,305.19	
Long-Term Debt	893.75	
Total Debt	4,198.94	
Shareholders' Funds:		
Share Capital	2,140.04	
Reserves and Surplus	74,911.99	
Total Shareholders' Funds	77,052.04	
Debt/equity Ratio	0.054:1	
Long Term Debt/Equity	0.012:1	

Notes :

1. Long Term debt includes Loans / Bonds repayable within one year Rs. 3.50 million.
2. The figures can be ascertained only on the conclusion of book building process.
3. The above ratio have been computed on basis of the restated financial statements of the Company.

Annexure IX

STATEMENT OF SECURED AND UNSECURED LOANS, AS RESTATED

(Rs. in million)

DETAILS	As at 30.09.2007	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004	As at 31.03.2003
A. Secured Loans						
Cash Credit/Working Capital Loan with State Bank of India, CAG Branch,	86.02	5.23	600.00	950.00	298.12	663.15
Loan from banks	3,219.17	7,084.84	950.24	-	62.17	107.74
Total (A)	**3,305.19**	**7,090.08**	**1,550.24**	**950.00**	**360.29**	**770.89**
B. Unsecured Loans						
From Oil Industries Development Board (OIDB)	893.75	1,050.00	1,400.00	1,861.61	2,235.73	2,739.51
Loan from ONGC Videsh Limited	-	-	390.77	371.04	354.44	337.56
Less: Adjustments	-	-	(390.77)	(371.04)	(354.44)	(337.56)
Total (B)	**893.75**	**1,050.00**	**1,400.00**	**1,861.61**	**2,235.73**	**2,739.51**
Total Secured and Unsecured Loans (A) +(B)	**4,198.94**	**8,140.08**	**2,950.24**	**2,811.61**	**2,596.02**	**3,510.40**

Cash Credit :-
(Secured by hypothecation of all current assets including goods-in-transit wherever situated,excluding assets under Joint Venture, ranking pari passu with hypothecation created in favour of SBI, Kolkata for Cash Credit, Working Capital Demand Loan and LC/Bank Guarantee with limit of Rs. 2700 million)

Rate of Interest
Loan from OIDB - 5%
Loan from OGCG Videsh Limited - 5%

Annexure X

STATEMENT OF TAX SHELTERS

(Rs in million)

PARTICULARS	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003
Profit before Tax as per Audited accounts	13,053.17	24,826.27	26,743.98	16,231.44	14,816.78	13,405.70
Adjustments (See Annexure IVA)	187.29	(992.47)	926.91	774.87	(2,270.92)	(72.31)
Restated Profit Before Tax (A)	13,240.46	23,833.80	27,670.89	17,006.31	12,545.86	13,333.39
Applicable Tax rate	0.03	0.03	0.03	0.04	0.04	0.04
Tax on Restated Profit	4,500.43	8,022.46	9,314.02	6,223.03	4,500.83	4,900.02
Adjustments						
Permanent Differences (B)						
Interest payment / received to /from Income Tax Authorities (Net)	-	(86.09)	(6.01)	37.50	169.71	63.30
Dividend exempt u/s 10(33)	(478.16)	(172.56)	(154.40)	(79.92)	(65.39)	-
Deduction u/s 80IC	-	(13,059.25)	(11,748.72)	-	-	-
Write back of Capital Expenditure on Scientific Reasearch	-	-	-	-	-	47.76
Deletion of Assets	14.37	39.91	8.55	9.23	18.13	6.29
Excess contribution to Superannuation fund on a/c of Pension, Gratuity	-	73.01	1,042.95	357.53	102.10	-
Income from Sale of assets	-	-	(0.06)	(0.06)	(0.23)	-
Prior period Items	-	54.56	-	-	-	-
Provision for medical benefits	34.31	9.62	52.46	320.01	-	-
Total Permanent Differences (B)	(443.10)	(13,142.00)	(10,805.23)	644.29	224.32	117.36
Timing Differences (C)						
Difference between tax depreciation And book depreciation	(456.27)	(784.94)	(88.27)	(753.93)	(615.41)	(623.53)
Deduction u/s 35 Capital Expenditure on Scientific Reasearch	(3.02)	(2.45)	(3.61)	(8.29)	(26.53)	(2.84)
Difference of amortisation of survey, Exploratory & Development Expenses as claimed in Income Tax & Accounts	(1,403.13)	(2,188.06)	(2,177.42)	(1,507.41)	(912.48)	(870.32)
Difference of leave encashment paid over provision made in books	61.02	71.65	33.84	18.55	14.51	5.40
Defferred instalments of voluntrary Retirement Scheme u/s 35DDA	(49.94)	(99.87)	(99.87)	(99.87)	399.49	-
Provisions for doubtdul debts, claims, advances & items (net of write back)	(247.25)	(4.32)	(191.88)	208.04	(4.34)	(284.73)
Provision for Non-Moving inventory / Stores	(16.48)	60.21	36.55	-	0.94	-
Other adjustments	187.29	1,228.14	1,133.82	(723.61)	1,757.00	(46.53)
Total Timing Differences (C)	(1,927.78)	(1,719.64)	(1,356.84)	(2,866.52)	613.18	(1,822.54)
Net Adjustments: **D (B+C)**	(2,370.88)	(14,861.63)	(12,162.07)	(2,222.23)	837.50	(1,705.19)
Tax (Saving) / Outgo thereon **(E) (D* Tax Rate)**	(805.86)	(5,002.42)	(4,093.75)	(813.17)	300.45	(626.66)
Taxable Income from Business: **F (A + D)**	10,869.58	8,972.17	15,508.82	14,784.08	13,383.36	11,628.21
Total Taxable Income as per Return of Income	-	8,972.17	15,508.81	14,784.39	13,383.36	11,628.20
Tax on business Income	3,694.57	3,020.03	5,220.27	5,409.86	4,801.28	4,273.37
Total Tax as per Return of Income	-	3,020.03	5,220.27	5,409.98	4,801.28	4,273.36

Annexure XI

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Rs in million)

Praticulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A. Loans & Advances						
- Employees	1,389.99	1,206.49	1,200.04	1,261.51	1,283.38	1,293.42
- Directors	2.84	0.73	0.95	1.06	1.39	1.86
- Recoverable in cash or in kind for value to be received	2,951.67	2,456.57	2,834.74	5,329.41	4,867.68	4,939.72
- Luit India Limited	-	-	-	-	23.96	366.94
- For investment in NRL Equity Shares:-						
a) Oil Industries Development Board	-	3,551.19	-	-	-	-
b) Bharat Petroleum Corporation Ltd	-	377.13	-	-	-	-
TOTAL (A)	**4,344.50**	**7,592.10**	**4,035.73**	**6,591.98**	**6,176.41**	**6,601.94**
B. Deposits						
- I.Tax, Customs, Excise	219.43	239.43	133.79	20.65	2.61	1.49
- Companies(ICD) including Public	800.00	3,800.00	150.00	2,680.00	3,170.00	2,640.00
Sector Companies						
- Others	26.12	51.80	64.12	22.78	22.17	25.63
TOTAL (B)	**1,045.55**	**4,091.23**	**347.90**	**2,723.43**	**3,194.78**	**2,667.13**
C. Others						
- Contribution to IOTL-OIL Consortium	25.00	25.00	-	-	-	-
for working capital						
- Direct Tax Payments(Net of provisions)	760.11	899.58	65.65	-	-	-
TOTAL (C)	**785.11**	**924.58**	**65.65**	**-**	**-**	**-**
TOTAL (A+B+C)	**6,175.15**	**12,607.91**	**4,449.28**	**9,315.41**	**9,371.19**	**9,269.07**
Particulars of Loans & Advances						
Secured	1,392.83	1,207.22	1,200.99	1,262.57	1,284.77	1,295.28
Unsecured-Considered good	4,744.87	11,363.24	3,060.85	7,877.68	8,085.00	7,971.79
Unsecured-Considered doubtful & provided for	37.45	37.45	187.45	175.16	1.42	2.00
Total	**6,175.15**	**12,607.91**	**4,449.28**	**9,315.41**	**9,371.19**	**9,269.07**

Annexure XII

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs in Million)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A. Debts outstanding for a period exceeding six months:						
Unsecured:						
Considered good	1,916.96	1,766.95	1,782.63	2,074.57	2,311.25	2,669.38
Considered doubtful	22.26	22.26	48.17	38.01	1.54	-
Secured:	-	-	-	-	-	-
TOTAL (A)	**1,939.22**	**1,789.21**	**1,830.80**	**2,112.58**	**2,312.78**	**2,669.38**
B. Other Debts						
Unsecured:						
Considered good	2,611.15	1,779.97	3,029.17	3,432.45	3,586.80	7,036.91
Considered doubtful	-	-	-	-	-	-
Secured:	-	-	-	-	-	-
TOTAL (B)	**2,611.15**	**1,779.97**	**3,029.17**	**3,432.45**	**3,586.80**	**7,036.91**
Total (A)+(B)	**4,550.36**	**3,569.18**	**4,859.97**	**5,545.03**	**5,899.58**	**9,706.29**
Less: Provision for Bad & Doubtful Debts (C)	22.26	22.26	48.17	38.01	1.54	-
Total (A)+(B)-(C)	**4,528.10**	**3,546.92**	**4,811.81**	**5,507.02**	**5,898.04**	**9,706.29**
Future Instalments receivable against Lease rent (Net of Unearned Income)	424.22	539.85	544.27	-	-	-
Total Debtors including Lease rent receivable	**4,952.32**	**4,086.78**	**5,356.08**	**5,507.02**	**5,898.04**	**9,706.29**

Annexure XIII

STATEMENT OF INVESTMENTS, AS RESTATED

(Rs in Million)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
INVESTMENT - LONG TERM						
Unquoted and fully paid-up						
(A) Investment in Shares of Numaligarh Refinery Limited	4,836.54	908.21	908.21	908.21	908.21	908.21
90821244 equity shares of Rs.10/- each fully paid up						
(Previous year 90821344 of Rs.10/- each fully paid-up)						
(B) Sunetra Nigeria 205 Ltd.	0.02	0.02	-	-	-	-
62502 Equity Shares of Naira 1						
(C) Investment in share of Sakhalin India Inc. Huston USA	-	-	-	-	-	0.05
1000 Equity Share of US$ 1 each (Previous year - Nil)						
(D) Investment in shares of Luit India Inc. Taxas USA - 1000 Equity	-	-	-	-	0.05	-
Shares of US$ 1 each (Previous year- 1000 Equity Shares of						
US$ 1 each)						
(E) Investment in 6.96% Oil Companies GoI	-	-	-	0.80	427.30	709.00
Special Bond - 2009						
(F) Investment in 5.00% Oil Companies GoI	-	910.30	910.30	910.30	910.30	-
Special Bond - 2009.						
(G) Investment in 7% Oil Companies GoI	-	2,483.02	2,483.02	-	-	-
Special Bond-2012						
(H) Other Investments						
The East India Clinic Limited 6 Nos. of 5% Non-redeemable	-	-	-	-	-	-
Debenture Stock 1957 of Rs.1000.00 each.						

Annexure XIV

STATEMENT OF OTHER INCOME

(Rs in million)

Particulars	Half Year ending 30.09.2007	Year ending 31.03.2007	Year ending 31.03.2006	Year ending 31.03.2005	Year ending 31.03.2004	Year ending 31.03.2003	Nature of Income
Gas Subsidy Claim	773.70	1,497.85	1,211.05	338.20	317.09	587.51	Recurring
Dividend from Trade investment-NRL	478.16	172.56	154.40	79.92	65.39	46.32	Recurring
Dividend from UTI MF	13.62	1.20	-	-	-	-	Non-Recurring
Interst from							
-Term Deposit with Banks	1,931.52	2,526.87	1,785.82	976.77	713.82	467.60	Recurring
-Investments in GoI Special Bonds	43.92	219.33	132.40	57.84	48.41	61.46	Recurring
-Income Tax Authorities	-	86.09	31.01	1.00	9.37	43.11	Recurring
-Deposit with Companies (ICD)	10.71	62.34	42.22	193.28	178.55	199.54	Recurring
-Others	52.06	301.58	22.22	178.48	230.52	356.82	Recurring
Other items							
-Electricity Recovery	0.61	0.98	1.01	0.61	0.57	0.55	Recurring
-Sale of Scrap	5.02	10.43	12.39	12.13	7.12	4.87	Recurring
-Profit on sale of Assets	-	40.39	0.15	0.06	0.23	0.25	Non-Recurring
-Liquidated damages etc.	17.69	163.07	40.57	24.46	18.40	19.46	Recurring
-Income from Services	5.47	131.74	123.50	22.49	-	-	Non-Recurring
-Contractual short lifted Natural Gas	-	-	-	-	-	29.58	Non-Recurring
Income from Financial Lease	27.76	62.79	51.31	-	-	-	Recurring
Miscellaneous Income	33.17	57.75	31.24	19.03	1.07	6.16	Recurring
Total	**3,393.42**	**5,334.94**	**3,639.29**	**1,904.26**	**1,590.54**	**1,825.02**	

Annexure XV

STATEMENT OF RELATED PARTY TRANSACTIONS

Information on Related Party Disclosures as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

A. Related Party relationships

i) Name of related parties and description of relationship (excluding state-controlled entities):

(a) Joint Ventures

SRL	For the half-year ending on 30/09/2007	2006-07	2005-06	2004-05	2003-04	2002-03
1	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.
2	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1
3	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2
4	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	EOL POGC in RJ-ON-90/5	EOL POGC in RJ-ON-90/5	EOL POGC in RJ-ON-90/5
5	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3
6	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1				
7	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1
8	Shiv Vani in AA-ONN-2004/1	Shiv Vani in AA-ONN-2004/1				
9	Suntera in AA-ONN-2004/2	Suntera in AA-ONN-2004/2				
10	GGR in RJ-ONN-2004/2	GGR in RJ-ONN-2004/2				
11	GGR in RJ-ONN 2004/3	GGR in RJ-ONN 2004/3				
12	GSPL in KG-DWN-2004/5	GSPL in KG-DWN 2004/5				
13	GSPL in KG-DWN-2004/6	GSPL in KG-DWN-2004/6				
14	Suntera Shiv Vani in MZ-ONN-2004/1	Suntera Shiv Vani in MZ-ONN-2004/1				

Abbreviations:

JEPL	-	Jubilant Enpro Pvt. Ltd.
Geopetrol	-	Geopetrol International Inc.
Geoenpro	-	Geoenpro Petroleum Limited
GSPCL	-	Gujarat State Petroleum Corporation Ltd.
HOEC	-	Hindustan Oil Exploration Ltd.
GGR	-	Geo Global Resources (Barbados) Inc.
Suntera	-	Suntera Resources Ltd.
Shiv Vani	-	Shiv Vani Oil & Gas Exploration Services Ltd.
POC	-	Premium Oil Cachar BV
EOL	-	Essar Oil Ltd.
RIL	-	Reliance Industries Ltd.
POGC	-	Polish Oil & Gas Co. Ltd.

(b) Associates

SRL	For the half-year ending on 30/09/2007	2006-07	2005-06	2004-05	2003-04	2002-03
1	IOTL-OIL Consortium	IOTL-OIL Consortium	-	-	-	-
2	ICSA (India) Ltd	ICSA (India) Ltd	-	-	-	-
3	Brahmaputra Cracker & Polymer Ltd.(BCPL)	-	-	-	-	-

(c) Key Management Personnel

I. Directors:

SRL	For the half-year ending on 30/09/2007	2006-07	2005-06	2004-05	2003-04	2002-03
1	Mr. M.R. Pasrija, C&MD	Mr. M.R. Pasrija, C&MD	Mr. R.K. Dutta, C &MD(Upto 14/03/2006)	Mr. R.K. Dutta, C &MD	Mr. R.K. Dutta, C &MD	Mr. R.K. Dutta, C &MD
2	Mr. S.K. Patra	Mr. S.K. Patra	Mr. M.R. Pasrija, C & MD	Mr. S.K. Patra	Mr. S.K. Patra	Mr. S.K. Patra
3	Mr. N.M. Borah	Mr. N.M. Borah	Mr. S.K. Patra,	Mr. M.R. Pasrija	Mr. M.R. Pasrija	Mr. M.R. Pasrija
4	Mr. J.K. Talukdar	Mr. J.K. Talukdar	Mr. N.M. Borah	Mr. V.K. Sibal	Mr. V.K. Sibal	Mr. V.K. Sibal
5	Mr. T.K. A. Kumar	Mr. T.K. A. Kumar	Mr. J.K. Talukdar	Mr. P.K. Deb	Mr.N.M. Borah	Mr. P.K. Das
6	Mr. A.K. Jain	Mr. A.K. Jain	Mr. A.K. Jain	Mr. Sunjay Joshi	Mr. Sunjay Joshi	Mr. J.M. Mauskar
7	Ms. Aditi S. Ray	Ms. Aditi S. Ray	Mrs. Aditi S. Ray	Mr. N.K. Singh	Mr. N.K. Singh	Mr. P.K. Deb
8			Mr. Sunjoy Joshi	Mr.N.M. Borah	Mr. J.M. Mauskar	Mr. Sunjay Joshi
9			Mr. N.K. Singh	Mr. Sunjoy Joshi		Mr. N.K. Singh
10			Mr. C.B. Singh			

II. Company Secretary:

SRL	For the half-year ending on 30/09/2007	2006-07	2005-06	2004-05	2003-04	2002-03
1	Mr. S.K. Senapati	Mr. S.K. Senapati	Mr. S.K. Senapati	Mr. S.K. Senapati	Mr. S.K. Senapati	Mr. N.K. Agarwal

B. Details of Transactions during the year(excluding state-controlled entities)

(Rs. in million)

Period	Particulars	Nature of transaction		
		Cash Call & Reimbursement	Remuneration to Directors	Amount outstanding
For the half year ending on 30/09/2007	Joint Venture/Associates	32.88	0	180.75
	Key Management Personnel	0	3.77	2.84
	Amount outstanding	0	0	
2006-07	Joint Venture/Associates	483.60	0	25.00
	Key Management Personnel	0.00	4.98	0.73
	Amount outstanding	0.00	0	0
2005-06	Joint Venture/Associates	127.76	0	0
	Key Management Personnel	0	4.97	0.02
	Amount outstanding	5.93	0	0
2004-05	Joint Venture/Associates	0.62	0	0
	Key Management Personnel	0	4.86	0.32
	Amount outstanding	0	0	0
2003-04	Joint Venture/Associates	1.92	0	0
	Key Management Personnel	0	5.41	0.57
	Amount outstanding	0	0	0
2002-03	Joint Venture/Associates	4.38	0	0
	Key Management Personnel	0	3.97	0.97
	Amount outstanding	0.81	0	0

Annexure XVI

RESTATED SEGMENT WISE REVENUE , RESULTS ,
ASSETS AND LIABILITIES FOR THE HALF YEAR ENDED 30.09.2007

(Rs in Million)

Description	Total		Crude oil		Natural Gas				LPG		Transportation		Unallocated		Elimination	
			Assam& AP		Assam		Rajasthan		(Assam)		- crude oil (Assam)					
	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07	SEP, 2007	2006-07
REVENUE																
External Sales	31,151.93	60,077.77	24,756.90	48,034.50	1,960.22	5,371.40	205.92	411.00	384.12	514.00	448.80	1,036.90	3,395.97	4,710.00		
Inter Segment Sales			59.20	10.20	632.90	552.50									(692.10)	(562.70)
Total Revenue	31,151.93	60,077.77	24,816.10	48,044.70	2,593.12	5,923.90	205.92	411.00	384.12	514.00	448.80	1,036.90	3,395.97	4,710.00	(692.10)	(562.70)
RESULTS																
Profit Before Tax	13,053.17	24,826.27	10,704.20	22,099.20	1,217.30	2,129.00	(67.40)	163.60	243.00	197.90	(118.80)	(3.20)	1,074.90	239.80		
Unallocated Corporate expenses	625.40												625.40		(983.00)	-
Interest expenses	247.60												247.60	166.50	(161.90)	(166.50)
Interest/ Dividend income	3,349.40												3,349.40	1,487.30	2,168.10	1,487.30
Provision for Tax	(4,241.84)	(8,426.41)											(4,241.84)	(8,426.40)		
Net Profit	8,811.33	16,399.86	10,704.20	22,099.20	1,217.30	2,129.00	(67.40)	163.60	243.00	197.90	(118.80)	(3.20)	(3,166.94)	(8,186.60)		
Adjustments for Restatement	103.30	(658.09)		(98.79)		-		-		-		-	103.30	(559.30)		
Restated Segment Results	8,914.70	15,741.77	10,704.20	22,000.41	1,217.30	2,129.00	(67.40)	163.60	243.00	197.90	(118.80)	(3.20)	(3,063.60)	(8,658.73)		
SEGMENT ASSETS	103,220.51	94,991.87	31,773.68	29,011.40	15,236.27	15,976.00	1,370.74	2,645.00	305.50	119.50	3,865.43	3,528.10	50,668.89	43,711.87		
SEGMENT LIABILITIES	103,220.51	94,991.87	6,275.69	4,598.40	2,374.24	1,735.60	628.85	459.70	305.87	223.60	934.72	683.30	92,701.14	87,291.27		

YEAR ENDED 31.03.2007

(Rs in Million)

Description	Total		Crude oil		Natural Gas				LPG		Transportation		Unallocated		Elimination	
			Assam& AP		Assam		Rajasthan		(Assam)		- crude oil (Assam)					
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
REVENUE																
External Sales	60,077.77	60,365.57	48,034.50	50,074.70	5,371.40	4,639.60	411.00	1,628.60	514.00	705.40	1,036.90	775.20	4,710.00	2,542.07		
Inter Segment Sales			10.20	34.20	552.50	556.00										
Total Revenue	60,077.77	60,365.57	48,044.70	50,108.90	5,923.90	5,195.60	411.00	1,628.60	514.00	705.40	1,036.90	775.20	4,710.00	2,542.07	(562.70)	(555.60)
RESULTS																
Profit Before Tax	24,826.27	26,743.98	22,099.20	26,526.40	2,129.00	967.00	163.60	182.20	197.90	403.40	(3.20)	-	239.80	(948.30)	(562.70)	(555.60)
Unallocated Corporate expenses																
Interest expenses													166.50		(166.50)	
Interest/ Dividend income													1,487.30		1,487.30	
Provision for Tax	(8,426.41)	(9,844.67)											(8,426.40)	(9,844.70)		
Net Profit	16,399.86	16,899.31	22,099.20	26,526.40	2,129.00	967.00	163.60	182.20	197.90	403.40	(3.20)	(386.70)	(8,186.60)	(10,793.00)		
Adjustments for Restatement	(658.09)	1,191.14	(98.79)	15.28	-	(22.30)	-	-	-	-	-	1.40	(559.30)	1,196.70		
Restated Segment Results	15,741.77	18,090.45	22,000.41	26,541.68	2,129.00	296.38	163.60	182.20	197.90	403.40	(3.20)	(385.30)	(8,658.73)	(8,947.97)		
SEGMENT ASSETS	94,991.87	80,801.11	29,011.40	22,491.00	15,976.00	15,109.00	2,645.00	1,367.70	119.50	257.20	3,528.10	2,454.70	43,711.87	39,121.51		
SEGMENT LIABILITIES	94,991.87	80,801.11	4,598.40	5,397.80	1,735.60	2,038.30	459.70	539.90	223.60	262.60	683.30	802.50	87,291.27	71,760.01		

YEAR ENDED 31.03.2006

(Rs in Million)

Description	Total		Crude oil Assam& AP		Natural Gas Assam		Natural Gas Rajasthan		LPG (Assam)		Transportation - crude oil (Assam)		Unallocated		Elimination	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
REVENUE																
External Sales	60,365.57	40,971.50	50,074.70	35,414.10	4,639.60	2,403.70	1,628.60	256.90	705.40	475.70	775.20	737.30	2,542.07	1,683.80		
Inter Segment Sales		-	34.20	40.20	556.00	515.40										
		-														
Total Revenue	60,365.57	40,971.50	50,108.90	35,454.40	5,195.60	2,919.10	1,628.60	256.90	705.40	475.70	775.20	737.30	2,542.07	1,683.80	(590.20)	(555.60)
		-														
RESULTS		-														
Profit Before Tax	26,743.98	16,231.44	26,526.40	16,828.10	967.00	(408.30)	182.20	80.00	403.40	207.00	-	(239.80)	(948.30)	(235.50)	(590.20)	(555.60)
Unallocated Corporate expenses		-														
Interest expenses		-														
Interest/ Dividend income		-														
Provision for Tax	(9,844.67)	(5,614.60)											(9,844.70)	(5,614.60)		
		-														
Net Profit	16,899.31	10,616.84	26,526.40	16,828.10	967.00	(408.30)	182.20	80.00	403.40	207.00	(386.70)	(239.80)	(10,793.00)	(5,850.10)		
		-														
Adjustments for Restatement	1,191.14	554.09	15.28	13.00	(22.30)	26.00	-		-	(7.00)	1.40	52.00	1,196.70	469.00		
Restated Segment Results	18,090.45	11,170.93	26,541.68	16,841.10	296.38	(3,817.56)	182.20	80.00	403.40	200.00	(385.30)	(188.00)	(8,947.97)	(5,381.00)		
		-														
SEGMENT ASSETS	80,801.11	65,847.54	22,491.00	22,293.20	15,109.00	15,954.90	1,367.70	1,551.20	257.20	354.10	2,454.70	1,328.90	39,121.51	24,365.24		
		-														
SEGMENT LIABILITIES	80,801.11	65,847.54	5,397.80	2,921.50	2,038.30	1,020.50	539.90	45.10	262.60	106.40	802.50	361.60	71,760.01	61,392.44		

YEAR ENDED 31.03.2005

(Rs in Million)

Description	Total		Crude oil		Natural Gas				LPG		Transportation		Unallocated		Elimination	
			Assam& AP		Assam		Rajasthan		(Assam)		- crude oil (Assam)					
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
REVENUE																
External Sales	40,971.50	34,765.79	35,414.10	27,529.20	2,403.70	2,235.00	256.90	128.70	475.70	858.20	737.30	997.00	1,683.80	3,017.60		
Inter Segment Sales	-		40.20	33.70	515.40	491.10										
	-															
Total Revenue	40,971.50	34,765.79	35,454.40	27,563.00	2,919.10	2,726.20	256.90	128.70	475.70	858.20	737.30	997.00	1,683.80	3,017.60	(555.60)	(524.90)
	-															
RESULTS	-															
Profit Before Tax	16,231.44	14,816.77	16,828.10	12,343.10	(408.30)	(76.30)	80.00	(57.50)	207.00	625.60	(239.80)	123.20	(235.50)	1,858.70	(555.60)	(524.90)
Unallocated Corporate expenses	-															
Interest expenses	-															
Interest/ Dividend income	-															
Provision for Tax	(5,614.60)	(5,319.73)											(5,614.60)	(5,319.70)		
	-															
Net Profit	10,616.84	9,497.04	16,828.10	12,343.10	(408.30)	(76.30)	80.00	(57.50)	207.00	625.60	(239.80)	123.20	(5,850.10)	(3,461.10)		
	-															
Adjustments for Restatement	554.09	(1,667.92)	13.00	(52.84)	26.00	97.97		-	(7.00)	(61.71)	52.00	(919.13)	469.00	(341.13)		
Restated Segment Results	11,170.93	7,829.12	16,841.10	12,290.26	(3,817.56)	21.67	80.00	(57.50)	200.00	563.89	(188.00)	(795.93)	(5,381.00)	(4,193.30)		
	-															
SEGMENT ASSETS	65,847.54	55,341.98	22,293.20	18,135.60	15,954.90	14,597.10	1,551.20	1,414.60	354.10	502.50	1,328.90	1,647.40	24,985.50	19,044.70		
	-															
SEGMENT LIABILITIES	65,847.54	55,341.98	2,921.50	1,852.90	1,020.50	614.20	45.10	10.40	106.40	72.80	361.60	107.20	62,012.60	52,684.50		

YEAR ENDED 31.03.2004

(Rs in Million)

Description	Total		Crude oil		Natural Gas				LPG		Transportation		Unallocated		Elimination	
			Assam& AP		Assam		Rajasthan		(Assam)		- crude oil (Assam)					
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
REVENUE																
External Sales	34,765.79	31,254.36	27,529.20	25,713.20	2,235.00	2,017.60	128.70	114.80	858.20	828.50	997.00	712.70	3,017.60	1,867.50		
Inter Segment Sales			33.70	40.90	491.10	553.60										
Total Revenue	34,765.79	31,254.36	27,563.00	25,754.10	2,726.20	2,571.20	128.70	114.80	858.20	828.50	997.00	712.70	3,017.60	1,867.50	(524.90)	(594.50)
RESULTS																
Profit Before Tax	14,816.77	13,405.70	12,343.10	11,351.60	(76.30)	408.20	(57.50)	(145.70)	625.60	610.10	123.20	(77.90)	1,858.70	1,259.30	(524.90)	(594.50)
Unallocated Corporate expenses																
Interest expenses																
Interest/ Dividend income																
Provision for Tax	(5,319.73)	(4,238.42)											(5,319.70)	(4,238.40)		
														-		
Net Profit	9,497.04	9,167.28	12,343.10	11,351.60	(76.30)	408.20	(57.50)	(145.70)	625.60	610.10	123.20	(77.90)	(3,461.10)	(2,979.10)		
Adjustments for Restatement	(1,667.92)	(588.34)	(52.84)	2,224.23	97.97	(1,963.70)	-	-	(61.71)	(601.00)	(919.13)	1,856.00	(341.13)	(1,019.22)		
Restated Segment Results	7,829.12	8,578.97	12,290.26	13,575.83	21.67	(1,555.50)	(57.50)	(145.70)	563.89	9.10	(795.93)	1,778.10	(4,193.30)	(5,082.90)		
SEGMENT ASSETS	55,341.98	52,450.38	18,135.60	19,439.30	14,597.10	15,208.80	1,414.60	1,536.90	502.50	499.20	1,647.40	1,185.20	19,044.70	14,580.98		
SEGMENT LIABILITIES	55,341.98	52,450.38	1,852.90	1,561.60	614.20	499.20	10.40	26.50	72.80	78.30	107.20	84.20	52,684.50	50,200.58		

YEAR ENDED 31.03.2003

(Rs in Million)

Description	Total		Crude oil		Natural Gas				LPG		Transportation		Unallocated		Elimination	
			Assam& AP		Assam		Rajasthan		(Assam)		- crude oil (Assam)					
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
REVENUE																
External Sales	31,254.36	21,929.60	25,713.20	17,672.70	2,017.60	2,276.60	114.80	126.80	828.50	643.30	712.70	382.40	1,867.50	827.80		
Inter Segment Sales			40.90	28.20	553.60	485.30										
Total Revenue	31,254.36	21,929.60	25,754.10	17,700.90	2,571.20	2,761.90	114.80	126.80	828.50	643.30	712.70	382.40	1,867.50	827.80	(594.50)	(513.50)
RESULTS																
Profit Before Tax	13,405.70	8,032.20	11,351.60	9,212.60	408.20	(1,008.20)	(145.70)	(266.20)	610.10	533.30	(77.90)	(723.70)	1,259.30	284.40	(594.50)	(513.50)
Unallocated Corporate expenses																
Interest expenses																
Interest/ Dividend income																
Provision for Tax	(4,238.42)	(2,780.00)											(4,238.40)	(2,780.00)		
													-	-		
Net Profit	9,167.28	5,252.20	11,351.60	9,212.60	408.20	(1,008.20)	(145.70)	(266.20)	610.10	533.30	(77.90)	(723.70)	(2,979.10)	284.40		
Adjustments for Restatement	(588.34)	358.39	2,224.23	99.59	(1,963.70)	190.48	-	-	(601.00)	17.31	1,856.00	431.72	(1,019.22)	(380.71)		
Restated Segment Results	8,578.97	5,610.59	13,575.83	9,312.19	(1,555.50)	(817.72)	(145.70)	(266.20)	9.10	550.61	1,778.10	(291.98)	(5,082.90)	(96.31)		
SEGMENT ASSETS	52,450.38	42,676.40	19,439.30	14,273.20	15,208.80	14,277.20	1,536.90	1,602.70	499.20	596.20	1,185.20	1,538.60	14,580.98	10,388.50		
SEGMENT LIABILITIES	52,450.38	42,676.40	1,561.60	1,521.80	499.20	815.10	26.50	43.20	78.30	65.10	84.20	162.80	50,200.58	40,068.40		

Annexure XVII

Contingent Liabilities:

A. Claims against the Company not acknowledged as debts as on 30.09.2007 amounting to Rs.4,582.40 million (Previous year ended 31.03.2007 - Rs. 3,504.65 million) include:-

1. In respect of claims under Income Tax , Sales Tax , Service Tax and other Acts Rs 3110.25 million (previous Year ended 31.03.2007 – Rs. 2,130.69 million)

2. Other claims in respect of (other than Income tax , Excise, Service tax and other acts) Rs. 1,463.45 million (Previous year ended 31.03.2007 - Rs. 1,365.26 million)

3. In respect of Custom Act Rs. 1.18 million (Previous year ended 31.03.2007 - Rs. 1.18 million)

4. Company share of claims on JVC Rs. 7.52 million (Previous year ended 31.03.2007 - Rs 7.52 million)

B. Letters of Credit and Bank Guarantee:

1. Letters of Credit outstanding as on 30.09.2007 amounting to Rs. 620.92 million (Previous year ended 31.03.2007 - Rs. 568.58 million) for which there is a floating charge on Current Assets of the Company.

2. Guarantees executed by the company Rs. 972.72 million (Previous year ended 31.03.2007 - Rs. 667.17 million)

C. Capital Commitment:

Capital commitment on account of contract remaining to be executed on capital account and not provided for in the accounts Rs. 2,277.13 million (Previous year ended 31.03.2007 - Rs. 717.77 million)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated audited financial statements for the six months ended September 30, 2007 and each of the fiscal years 2003, 2004, 2005, 2006 and 2007, including the notes thereto and the reports thereon, which appear elsewhere in this Draft Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the report of our auditors dated November 27, 2007, which is included in this Draft Red Herring Prospectus under "Financial Statements". The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

Increases and decreases in the line items in the six months ended September 30, 2007 have been analyzed against 50% of the value of the line items in fiscal 2007. We think that this analysis reflects the upward or downward trends in our business, as we do not believe our business is seasonal in nature except where otherwise noted.

Our fiscal year ends on March 31 of each year; all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. As used in this discussion, the term "revenues" refers to the term "income" in our restated financial statements.

Overview

We are the second largest oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production *(Source:DGH).* We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are also present internationally through the exploration of crude oil and natural gas in Gabon, Iran, Libya and Nigeria and were recently awarded exploration blocks in Yemen as part of a consortium. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for nearly five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

All of our independent proved plus probable oil reserves, as well as 94.48% of our independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Bikaner-Nagaur basin in the state of Rajasthan. As of March 31, 2007, our estimated independent proved plus probable crude oil reserves were approximately 539.66 million barrels and our independent proved plus probable natural gas reserves were approximately 46.04 billion cubic meters. In addition to our independent reserves, we have a participating interest of 8.52 million barrels of proved plus probable reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. As of March 31, 2007, we also have contingent natural gas resources of 30.43 billion cubic meters based on best estimates. For fiscal 2007, our gross production amounted to approximately 21.99 million barrels of oil and approximately 2.26 billion cubic meters of natural gas, representing an average daily production of approximately 60,238 barrels of oil and 6.21 million cubic meters of natural gas. Our production amounted to approximately 10% and 7% of India's total production of crude oil and natural gas, respectively, for fiscal 2007 (*Source: DGH)*. For the six months ended September 30, 2007, our production amounted to approximately 10.69 million barrels of oil and approximately 1.04 billion cubic meters of natural gas, representing an average production of approximately 58,428 barrels of oil and 5.68 million cubic meters of natural gas per day.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 43.94 million barrels of crude oil in fiscal 2007 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We also own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar.

We also have interests in downstream activities through a 26% equity stake in NRL and a 10% equity stake in BCPL. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in Sudan that was completed in 2005. We also have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, cathodic protection, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2004, 2005 and 2006. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 40,971.50 million, Rs. 60,365.57 million and Rs. 60,077.77 million, for the fiscal years 2005, 2006 and 2007, respectively. Our profit after tax was Rs. 10,616.84 million, Rs. 16,899.31 million and Rs. 16,399.86 million, for fiscal 2005, 2006 and fiscal 2007, respectively. Our profit after tax as restated was Rs. 11,170.93 million, Rs. 18,090.45 million and Rs. 15,741.77 million for fiscal 2005, fiscal 2006 and fiscal 2007, respectively. For the six months ended September 30, 2007, our revenues were Rs. 31,151.93 million, our profit after tax was Rs. 8,811.33 million and our profit after tax as restated was Rs. 8,914.75 million.

Critical Accounting Policies

Our financial statements are prepared under the historical cost conventions in accordance with Indian GAAP and the relevant provisions of the Companies Act. We have been using the "successful efforts method" of accounting for our oil and gas exploration and production activities since fiscal 1995. We have also adopted the Guidance Note issued on March 12, 2003 by the ICAI on "Accounting for Oil and Gas Producing Activities" (the **"Guidance Note"**) in accounting for transactions except for abandonment costs. We have restated our financial statements for each of the fiscal years 2003, 2004, 2005, 2006 and 2007 and the six months ended September 30, 2007 included elsewhere in this Draft Red Herring Prospectus in accordance with the SEBI Guidelines.

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect guidance as per SEBI Guidelines, require our management to make judgements, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgements, assumptions and estimates are reflected in our accounting policies, which are more fully described in the auditors' report in the section titled "Financial Statements—

Significant Accounting Policies” beginning on page 199 of this Draft Red Herring Prospectus.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies". Our management uses its historical experience and analyzes the terms of existing contracts, historical cost conventions, global industry practices and information provided by outside sources, as appropriate when forming its assumptions and estimates. However, this task is inexact because our management is making assumptions and providing estimates on matters that are inherently uncertain.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

Revenue Recognition

Revenue from sale of products and transportation income is recognized on transfer of custody to customers. Sale of crude oil and gas produced from exploratory wells in progress in exploratory areas is deducted from expenditure on such wells. Any retrospective revision in prices is accounted for in the year of such revision. Claims on the GoI or PPAC are booked on acceptance in principle thereof. Dividend income is recognized when the right to receive the dividend is established. Revenues in respect of the short lifted quantity of crude oil, if any, and interest on delayed realization from customers are recognized when there is reasonable certainty regarding ultimate realization. Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the insurance company. Liquidated damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction. In case the same is refunded due to reconsideration/justification of the waiver request, the same is accounted for as expense in the year of acceptance.

Exploration Costs and Development Expenditure

Geological and geophysical expenditure, other than cost of tangible assets, equipment and facilities deployed in relation thereto on which usual depreciation allowance as admissible, are expensed in the year of incidence. Lease carrying costs including license fees are expensed in the year of incidence.

All acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory-type stratigraphic test wells are initially capitalized as pre-producing property until the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry or of no further use, as the case may be.

Cost of successful exploratory wells and completed development wells including allocated depreciation on support equipment and facilities are capitalized as producing property. Wells are treated as completed only after completion of production testing of the same. Cost of unsuccessful or dry exploratory wells or part(s) thereof, including allocated depreciation on support equipment and facilities, which do not lead to discovery of or accretion to hydrocarbon reserves are expensed.

Cost of incomplete wells or wells under production testing or completed exploratory wells pending determination of commercial viability, including allocated depreciation on support equipment and facilities, are classified as pre-producing properties. Cost of exploratory wells in progress are not carried over for more than two years from the date of completion of the drilling of the well, unless it could be reasonably demonstrated that the well has proved reserves and development of the field in which the well is located has been planned.

Abandonment Costs

Abandonment costs relating to dismantling and restoration of well sites (net of salvage value), if any, are accounted for in the year in which the same are incurred instead of creating provision in line with Guidance Note issued by the ICAI as the salvage value is expected to take care of the abandonment costs except in case of joint ventures where the provision for abandonment is created as per the terms of the PSC.

Fixed assets

Fixed assets including support equipment and facilities are stated at historical cost. All costs relating to acquisition of fixed assets until the time of commissioning of such assets are capitalized. Computer software acquired and developed to suit our internal use, being intangible asset, is capitalized along with hardware cost. Leasehold lands including the right of use which are perpetual in nature are not amortised. Any asset, when of no further use, is deleted from the block. The written down value, if any, in excess of Rs. 1,000 or 5% of the original cost, whichever is less, is charged to the profit and loss account. The deleted assets are carried as current assets at adjusted value awaiting disposal through normal tendering procedure. The sale proceeds in excess of adjusted value against individual asset are accounted for as miscellaneous income, when realized. Physical verification of the fixed assets is carried out by our Company in a phased manner to cover all the items over a period of five years. Any discrepancies noticed are accounted for after reconciliation of the same.

Depreciation

Depreciation on fixed assets is provided under the written-down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except on some fixed assets costing up to Rs. 5,000 each, which are fully depreciated in the year of capitalization. The fixed assets are stated at cost less depreciation.

Depreciation on fixed assets used for exploration and development drilling activities is charged to the cost of each well.

Computer software acquired and developed to suit our Company's internal use, being intangible asset, is depreciated at the rate applicable to computers (hardware).

Depletion

Producing properties, including acquisition costs, are depleted using the "Unit of Production Method", based on the related proved developed reserves. Proved and developed reserves of oil and gas are technically assessed regularly and are finally reviewed and estimated at the end of each year in-house by following international practices. The rate of depletion is computed on a consistent basis with reference to an area designated as oil or gas field or a group of oil or gas fields, which are aggregated based on a common geological feature or for operational purpose.

Impairment of Assets

Producing properties and fixed assets of a "Cash Generating Unit" are reviewed for impairment at each balance sheet date. If events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. The recoverable amount is its 'value in use'. In assessing value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Subsequent to impairment, depletion/depreciation is provided on the revised carrying value of the assets over the remaining useful life as per relevant policy.

Foreign Currency Transactions

In respect of foreign currency loans, the outstanding balances are converted at the rates of exchange prevailing on the date of the balance sheet and in case of non-availability of such rates, the rates on the date nearest to the balance sheet date are considered. Loss or gain due to exchange rate fluctuations, in respect of foreign currency loans raised for specific projects, are charged or credited to the respective project accounts and amortised or depreciated in the manner the related project expenditure is being treated as per accounting policy. Exchange rate fluctuations in respect of other general purpose foreign currency loans not raised for any specific project or for acquisition of any specific asset, are adjusted or booked in the profit and loss account.

In respect of foreign currency transactions related to purchase of goods and services, transactions in respect of purchase of equipment and facilities and procurement of services in relation thereto in the nature of fixed assets and for purchase of stores for eventual use in jobs, which are capitalized as per the accounting policies, are recorded on the basis of the exchange rate on the settlement date or the year end date, whichever is earlier. In respect of transactions involving purchase of stores, spares for consumption in revenue accounts and payment for related services, the transactions are recorded on the basis of the exchange rate on the transaction date and the exchange rate difference between the transaction and the settlement date or the year end date, as the case may be, is recognized as income or as expense in the period in which they arise.

In respect of foreign currency transactions in relation to overseas joint venture operations, transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transactions. For practical reasons, the average exchange rate of relevant month is taken for the transactions of the month in respect of such joint venture operations, where actual date of transaction is not available or as agreed otherwise. At the balance sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the balance sheet date.

Joint Ventures

In respect of PSCs executed by our Company with other companies and the GoI to undertake exploration, development and production of oil and gas activities under a joint venture in various concessions, our financial statements reflect the share of our assets, liabilities and also the income and expenditure of the joint venture operations in proportion to our participating interest as per the terms of the PSCs on a line by line basis. Provisions for depreciation, depletion and impairment and valuation of stock of crude oil are accounted for as per our relevant accounting policies whereas provisions for abandonment are created as per the terms of the PSC. Proved and Developed Reserves of oil and gas in such concessions are also considered in proportion to our participating interest. The unamortized balance in the producing property accounts and/or the written down values of the fixed assets installed therein in respect of such concessions, are netted off by the consideration due or received from other participating companies.

Income Tax

Income tax is computed as per provisions of the Income Tax Act, 1961 read with the terms of the agreement entered into by our Company with the GoI under Section 42 of the Income Tax Act, 1961 and, accordingly, in addition to other items of allowances, the following are considered:

- All intangible expenditure on exploration or prospecting or drilling in PEL areas, excluding expenditure on assets for which usual depreciation allowance is admissible, whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.

- All intangible expenditure on exploration or prospecting or drilling in ML areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and

- Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under the written down value method.

Fringe benefit tax is computed and accounted in line with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted up to the balance sheet date. Deferred tax assets are reviewed at each balance sheet date to assess realisation.

Value of Investments

Long-term investments are valued at cost unless there is a permanent diminution in value. Current investments are valued at lower of cost or fair value.

Retirement and other Benefits

Contributions to approved gratuity and pension funds and provision in respect of leave encashment and leave fare assistance liability and post-retirement medical benefit liability are based on actuarial valuation carried out at the end of each year as required under Accounting Standard 15 (Employee Benefits) issued by ICAI. The contribution to provident fund, gratuity fund and pension funds are paid to the respective funds administered through trusts. Compensation paid or payable to the employees under the voluntary retirement scheme is charged to profit and loss account.

Grants and Subsidies

Grants and subsidies are accounted in revenue or capital account according to their nature, when there is reasonable assurance that the same would be realised. Grants related to specific assets are deducted from the gross value of the concerned assets while arriving at their book value.

Segment Accounting

In accordance with the existing management reporting system, we have adopted our products and services (crude oil, natural gas, LPG and pipeline transportation) as the primary reporting segments and the geographical segments (Assam and Arunachal Pradesh and Rajasthan) as the secondary reporting segments. Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis usually followed for allocation of cost adopted for preparing and presenting our financial statements.

Contingent Assets and Liabilities

We generally provide for present obligations resulting from past event, where the amount can be estimated with reasonable accuracy. Liabilities contingent upon happening of future events are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration exceeding Rs. 500,000 are recognized as contingent liability, if contested. Contingent assets are not recognized.

Note on Presentation

Our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels. For purpose of "—Factors affecting our Results of Operation", "Key Performance Indicators" and "Our Results of Operation" volume of crude oil has been converted at this rate.

Factors Affecting Our Results of Operations

Various factors have affected our results of operations in the past and may continue to do so in the future, including:

International Prices of Crude Oil

Our profitability is primarily determined by the difference between prices received for crude oil, natural gas and LPG produced by us and the costs of finding, developing and producing and transporting these hydrocarbons. The sales prices of our crude oil and LPG are primarily determined by the prevailing international prices of crude oil and LPG. International prices of crude oil and LPG therefore significantly affect our revenues and profitability. However, due to the operation of the subsidy system for public sector oil marketing companies, we generally do not receive the full benefit of increases in the international prices of crude oil. Since 2004, international prices of crude oil have increased significantly. All of our production of crude oil is benchmarked to Nigerian Bonny Light (35 degree API), adjusted for gross product value and bottom sediment and water. The average price per barrel of Nigerian Bonny Light (35 degree API) was US$ 28.91, US$ 42.30, US$ 59.54 and US$ 66.30 for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. The average price per barrel of Nigerian Bonny Light (35 degree API) was US$ 74.24 for the six months ended September 30, 2007.

Declines in crude oil prices may adversely affect our revenues and profits, and substantial or extended declines will have a material adverse effect on our financial condition, including our liquidity and our ability to finance planned capital expenditure, and our results of operation. Historically, international prices for oil have been volatile and have fluctuated widely in response to changes in many factors. These fluctuations are expected to result in fluctuations in our results of operations. Lower prices of oil may also reduce the economic viability of projects planned or in development. In addition, lower oil prices may result in the impairment of higher cost reserves and other assets which may result in decreased earnings or losses. Conversely, higher prices of oil could increase our shares in the under-recovery of oil marketing companies as a result of the GoI subsidy system for MS, diesel, LPG (for domestic use) and SKO (PDS), which could reduce or eliminate any benefit received by us with respect to such increases. For further details, see the section titled "—Subsidy System for Public Sector Oil Marketing Companies" beginning on page 243 of this Draft Red Herring Prospectus. Although crude oil prices have risen substantially in the recent past, there can be no assurance that they will continue to rise, sustain their present levels or not decrease. We expect that variations in the international prices of crude oil will be a primary determinant of changes in our results of operations from period to period.

Subsidy System for Public Sector Oil Marketing Companies

Although the prices of our sales of crude oil are generally market determined, the prices of retail sales of MS, diesel, LPG (for domestic use) and SKO (PDS) by India's public sector oil marketing companies (BPCL, HPCL and IOC) are capped by the GoI at a price below the international selling price. The price caps are also changed by the GoI from time to time. The GoI operates a subsidy system pursuant to which the under-recoveries of these oil marketing companies are currently shared among the GoI, the public sector oil marketing companies and the public sector upstream companies (which include us and ONGC with respect to MS and diesel, and us, GAIL and ONGC with respect to LPG (for domestic use) and SKO (PDS)). This subsidy sharing system was introduced by the GoI in fiscal 2004, and we were first required to participate in the system in fiscal 2005. The upstream oil companies' share of the under-recovery is generally allocated based on the upstream oil companies' relative prior-year profits, except in the case of LPG, which is allocated based on production. However, there remains unpredictability as to the share of the under-recovery that is allocated to the upstream oil companies both individually and as a group. The upstream companies' share of the under-recovery is implemented through a discount on crude oil and LPG sale prices to the downstream companies.

For fiscal 2005, we contributed Rs. 7,045.85 million to the sharing of these under-recoveries, by providing a discount of US$ 6.44 per barrel of crude oil and Rs. 11,286.27 per ton of LPG. For fiscal 2006, we contributed Rs. 9,774.94 million to the sharing of these under-recoveries, by providing a discount of US$ 9.22 per barrel of crude oil and Rs. 10,260.53 per ton of LPG. For fiscal 2007, we contributed Rs. 19,937.48 million to the sharing of these under-recoveries, by providing a discount of US$ 19.26 per barrel of crude oil and Rs. 14,898.94 per ton of LPG. For the six months ended September 30, 2007, we contributed Rs. 7,797.56 million to the sharing of these under-recoveries, by providing a discount of US$ 17.20 per barrel of crude oil and Rs. 10,400.59 per ton of LPG.

This sharing of the downstream companies' under-recovery has materially and adversely affected our results of operations since fiscal 2005. The GoI has not announced the subsidy sharing formula for fiscal 2008 and so this cannot yet be quantified; consequently it is possible our subsidy burden may increase, particularly if oil prices are higher in fiscal 2008. Also, it is not clear whether this sharing of the under-recovery will continue for fiscal 2009 at current levels and the amount of our required contribution to the sharing of the under-recovery is uncertain. If the GoI reduces its contribution to the LPG and crude oil products subsidy and the same is not matched by an increase in consumer prices for these products, our required contributions to the sharing of these under-recoveries may increase. If we are required to contribute to a greater extent to the sharing of any under-recovery for fiscal 2008 or beyond, it will have a material negative impact on our results of operation and financial conditions.

Production Volumes

Our oil and gas production volumes, which depend on the yield from our producing fields and our ability to recover oil and gas from such fields at economically practicable levels, particularly given the pricing environment for these products in India, have a significant impact on our results of operations. Our actual crude oil production volumes were 20.87 million barrels, 22.36 million barrels, 22.71 million barrels and 22.10 million barrels in fiscal 2004, 2005, 2006 and 2007, respectively. Our crude oil production was 10.70 million barrels in the six months ended September 30, 2007, or 48.42% of the crude oil production in fiscal 2007. Our gross natural gas production volumes were 1.89 billion cubic meters, 2.01 billion cubic meters, 2.30 billion cubic meters, 2.26 billion cubic meters in fiscal 2004, 2005, 2006 and 2007 respectively. Our gross natural gas production volumes were 1.04 billion cubic meters in the six months ended September 30, 2007, or 46.02% of the natural gas production volumes in fiscal 2007. Our natural gas production volumes have generally increased since 2004 because we have generally been able to obtain both new customers and additional purchase commitments from our existing customers, as contemplated by our gas monetization strategy. For further details, see "Our Business—Strategy—Monetize our natural gas resources in the Upper Assam basin" on page 103 of this Draft Red Herring Prospectus**.** The volume of production from oil and natural gas properties generally declines as reserves are depleted. Our future production will be highly dependent upon our success in acquiring or finding and developing additional reserves and redeveloping our existing resources in a timely and cost-effective manner.

Foreign Exchange Rate Fluctuations

The internationally traded prices of crude oil, sales of which accounted for 89.91% of our sales revenues in fiscal 2007, are denominated in US Dollars. The substantial majority of our expenditure, as well as our accounts as a whole are denominated in Indian Rupees. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of US Dollars for Indian Rupees, may materially affect our revenues and results of operations. We do not currently hedge our foreign currency exchange rate exposure. The average exchange rate for the Indian Rupee to the US Dollar was 45.92, 44.95, 44.28, and 45.29 for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. (*Source: RBI*) The average exchange rate for the Indian Rupee to the US Dollar was 40.86 for the six months ended September 30, 2007. (*Source: RBI*) In general, a decrease in the value of the US Dollar as compared to the Indian Rupee can be expected to decrease our reported earnings and vice versa.

Gas Pricing

The prices for most of our natural gas sales are subject to certain GoI price limits. The first form of price limitation is a GoI price cap that is determined based on the region of production. In addition to the price caps, we required to sell natural gas at a price below the price fixed by the GoI to certain customers, primarily power sector companies, fertilizer producers and small consumers, to the extent of certain pre-existing commitments. With respect to our sales that occur below the price caps, we were, until July 2005, entitled to claim reimbursement of the difference from a gas pool account. Since July 2005, we are reimbursed for the shortfall from the capped price through a GoI budgetary allocation. Only a small portion at of our gas sales are at market determined prices.

The GoI price caps for natural gas sales for North East region natural gas production were Rs. 1,920 per thousand cubic meter, Rs. 1,920 per thousand cubic meters, Rs. 3,200 per thousand cubic meters and Rs. 3,200 per thousand cubic meters for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. The GoI price caps for natural gas sales for North East region natural gas production was Rs. 3,200 per thousand cubic meter for the six months ended September 30, 2007. These price caps are subject to adjustment for calorific content and, for certain customers, inflation.

Our volume of natural gas sold from natural gas produced in the North East region constituted 89.78%, 87.10%, 87.23% and 87.55% of our total volume of natural gas sold for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our volume of natural gas sold from natural gas produced in the North East region constituted 87.78% of our total volume of natural gas sales for the six months ended September 30, 2007.

Our net realized price, after giving effect to the price cap and reimbursement from the gas pool account or GoI budgetary allocation, as applicable, for natural gas sales for North East region natural gas production was Rs. 1,696.24 per thousand cubic meters, Rs. 1,750.79 per thousand cubic meters, Rs. 2,620.45 per thousand cubic meters and Rs. 2,919.97 per thousand cubic meters for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our realized price after giving effect to the price cap or GoI budgetary allocation, as applicable, for natural gas sales for North East region natural gas production was Rs. 2,911.85 per thousand cubic meters for the six months ended September 30, 2007. Net realized prices do not allocate costs.

For fiscal 2004, there were not price caps for natural gas sales for Rajasthan region natural gas production. The GoI price caps for natural gas sales for Rajasthan region natural gas production were Rs. 1,600 per cubic thousand cubic meters, Rs. 4,000 per thousand cubic meters and Rs. 4,000 per thousand cubic meters for fiscal 2005, fiscal 2006 and fiscal 2007, respectively. The GoI price cap for natural gas sales for Rajasthan region natural gas production was Rs. 4,000 per thousand cubic meters for the six months ended September 30, 2007. These price caps are subject to adjustment for calorific content and, for certain customers, inflation.

Our volume of natural gas sold from natural gas produced in the Rajasthan region constituted 10.22%, 12.90%, 12.77% and 12.45% of our total volume of natural gas sold fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our volume of natural gas sold from natural gas produced in the Rajasthan region constituted 12.22% of our total volume of natural gas sold for the six months ended September 30 2007.

Our net realized price for the Rajasthan region after giving effect to the price cap and reimbursement from the gas pool account or GoI budgetary allocation, as applicable, was Rs. 832.19 per thousand cubic meters, Rs. 1,497.91 per thousand cubic meters, Rs. 1,600.00 per thousand cubic meters and Rs. 1,600.00 per thousand cubic meters for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our realized price for natural gas sales for Rajasthan region natural gas production was Rs. 1,600.00 per thousand cubic meter for the six months ended September 30, 2007. Net realized prices do not allocate costs.

Recovery of Transportation Tariff and Sales Tax

The MoPNG determines annually whether to permit us to recover our transportation costs and sales tax from the public sector refineries to which we transport our crude oil production. The determination is made retroactively for the prior fiscal year. For fiscal 2004 through fiscal 2006, the MoPNG allowed us to recover 50% of our transportation tariffs for crude oil that we produced and transported to IOCL and did not allow us recovery from NRL. For fiscal 2004 through fiscal 2006, the MoPNG did not allow us to recover sales tax amounts. For fiscal 2007, the MoPNG allowed us full recovery, on a net basis, of our transportation tariffs and sales tax for crude oil that we produced and transported to all public sector refineries. The aggregate transportation tariff recovery amounts were Rs. 102.80 million, Rs. 135.15 million, Rs. 126.46 million and Rs. 226.70 million for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. We have accounted for an aggregate transportation tariff recovery amount of Rs. 42.02 million for the six months ended September 30, 2007. The sales tax recovery amount was Rs. 1,545.83 million for fiscal 2007. There can be no assurances as to whether we will be permitted recovery of our transportation tariffs and sales tax from the public sector refineries to which we transport our crude oil production for fiscal 2008 or future periods.

Fiscal Regulation

Indirect taxes or statutory levies such as royalty, cess, and sales tax are levied on our products and are an important component of our total expenditure. Changes in royalty, cess, and sales tax and other fiscal levies affect the cost of producing hydrocarbons and therefore affect our operating results.

Royalty. Royalty is payable in respect of crude oil and natural gas under the Oilfield Act. For crude oil, royalty is charged at 20% of well head value, after deducting sales tax and transportation costs. For fiscal 2004 through fiscal 2007, well-head value was determined by deducting 7.5% of the sales price as production cost. Well head value has been revised with effect from April 1, 2007 by allowing a fixed deduction from sales price of Rs. 1,251 per ton. For natural gas, well head value is determined by deducting actual post-well head costs from sales price.

Cess. The OID cess is payable under the Oil Industry (Development) Act, 1974 with respect to our crude oil sales. With effect from March 1, 2002, OID cess was Rs. 1,800 per metric ton sold. With effect from March 1, 2006, OID cess was increased to Rs. 2,500 per metric ton sold.

We also pay a national calamity contingency fund cess on each metric ton of crude oil we produce. For fiscal 2004 through September 30, 2007, national calamity contingency fund cess was Rs. 50 per metric ton produced.

Additionally, we pay an education cess surcharge on each metric ton of crude oil we produce or sell. For fiscal 2004 through March 1, 2007, the education cess was equal to 2% of national calamity contingency fund cess for each metric ton produced and 2% of the OID cess for each metric ton sold. From March 1, 2007 through September 30, 2007, the surcharge rate has been 3% of national calamity contingency fund cess for each metric ton produced and 3% of the OID cess for each metric ton sold.

Sales Tax. For fiscal 2004 through six months ended September 30, 2007, sales tax is payable at a rate of 4% on crude oil sold.

Our aggregate statutory levies were Rs. 10,604.15 million, Rs. 13,439.86 million, Rs. 17,437.04 million and Rs. 20,660.72 million for fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. Our statutory levies in the six months ended September 30, 2007 were Rs. 10,088.90 million, or 48.83% of the statutory levies in fiscal 2007.

Under most of the pre-NELP PSCs awarded by the GoI in respect of exploratory areas for which we hold PELs, we had the option to take an initial participating interest (and contributed investment) of up to 10% during the exploration phase. Following any commercial discovery, we have the option, without incurring the cost of past exploration activities, to increase our participating interest (and contributed investment) by up to an additional 30%, which would allow us to obtain an aggregate stake of as much as 40% However, under such contracts, and regardless of whether we take such an initial or subsequent participating interest in the contract, we are required to make royalty and cess payments in respect of the entire production from the area. This means we must make royalty and cess payments in respect of not only our own share of production but the participating interest of other participants as well. Large amounts of such statutory levies payable by us in connection with these contracts may have an adverse affect on our results of operations.

We utilise various tax deductions as well as fiscal benefits, including certain tax holidays. For further information, see "Statement of Tax Shelters", which appears in Annexure X to "Financial Statements" on page 221 of this Draft Red Herring Prospectus.

The level of import tariffs on petroleum products is also an important factor affecting our revenues. We currently benefit from a competitive advantage in relation to exporters of petroleum products to India, since import tariffs are not payable by our customers for the purchase of our products. Regulatory changes that may be introduced in order to comply with India's obligations as member of the World Trade Organization or for any other reason that would reduce import tariffs on petroleum products would increase competition from oil exporters to India and tend to reduce the selling price of our crude oil and value-added products.

Key Performance Indicators

Our operating results are highly sensitive to changes in the international prices of crude oil and our revenues are dependent on the realized price we achieve for the crude oil produced by us. All of our production of crude oil is benchmarked to Nigerian Bonny Light (35 degree API), adjusted for gross product value and bottom sediment and water. Our net realized price per barrel is a key performance measure. The following table sets out the Nigerian Bonny Light (35 degree API) prices and our realized crude oil prices for fiscal 2005, fiscal 2006, fiscal 2007 and the six months ended September 30, 2007.

(All figures in Rs/barrel, unless otherwise stated)

	6 months ended September 30, 2007	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Nigerian Bonny Light (35 degree API)(US$/barrel)	74.24	66.30	59.54	42.30	28.91
Average Rs to US$ exchange rate (1)	40.86	45.29	44.28	44.95	45.92
Nigerian Bonny Light (35 degree API) (Rs/barrel)	3,033.45	3,002.73	2,636.43	1,901.38	1,313.14
Gross Realized Price	**2,982.36**	**3,022.23**	**2,594.28**	**1,856.56**	**1,313.14**
Subsidy/Discount	702.70	872.48	408.05	289.18	-
Realized Price after Subsidy/Discount (2)	**2,279.66**	**2,149.75**	**2,186.23**	**1,567.38**	**1,313.14**
Royalty	439.79	446.33	379.41	271.40	191.62
Sales Tax (3)	86.82	-	82.93	59.88	50.19
Cess	368.39	364.96	271.50	260.46	256.54
Total Statutory Levies	895.00	811.29	733.84	591.74	498.35
Transportation Tariff Under-recovery (4)	9.97	-	10.10	10.43	10.13
Net Realized Price	1,374.69	1338.46	1,441.85	965.43	804.66
Net Realized Price (US$/barrel)	**33.64**	**29.55**	**32.56**	**21.48**	**17.52**

(1) Source: RBI
(2) Realized price after subsidy represents our invoiced price to refineries.
(3) Calculated as sales tax paid less any recovery of sales tax. For further information, see "—Factors affecting our Results of Operations—Recovery of Transportation Tariff and Sales Tax" on page 245 of this Draft Red Herring Prospectus.
(4) Calculated as our under-recovery of transportation costs. For further information, see "—Factors Affecting our Results of Operations —Recovery of Transportation Tariff and Sales Tax" on page 245 of this Draft Red Herring Prospectus.

Our Results of Operations

Revenues

Our revenues primarily consist of the following:

- Revenue from sales of crude oil, natural gas, LPG and condensate. Sales are presented before deduction of statutory levies which are shown as an item of expenditure.

- Revenues from transportation, which consist of revenues from crude oil pipelines and from natural gas pipelines.
- Other revenues, which primarily include gas pool account reimbursement or GoI budgetary allocation, as applicable, and interest and dividend income and miscellaneous incomes.

Expenditure

Our expenditure primarily consists of the following:

- Production, transportation and other expenditure, which primarily includes:
  - Operating expenses, which primarily consists of raising cost of crude oil and natural gas, extraction costs for LPG and pipeline operation and maintenance expenditure;
  - Statutory levies such as cess, royalty and sales tax. For more information, see "—Factors affecting our Results of Operations—Fiscal Regulation" beginning on page 245 of this Draft Red Herring Prospectus;
  - Geological and geophysical expenditures; and
  - Other expenditures, which primarily include administrative expenditure and carrying costs of PEL areas, business development expenditure and research and development expenditure;
- Provision against debts, advances and other provisions and write-offs, which include write-off of unsuccessful exploratory dry wells, provisions for abandonment, doubtful claims and advances, non-moving stores and spares and impairment (net of write-backs).
- Depletion, which includes depreciation associated with capital expenditures with respect to producing properties.
- Depreciation.
- Interest expense and debt charges.
- Exchange gain or loss.
- VRS compensation written off, if applicable.
- Other adjustments such as revenues and expenses not related to the current period and prior period adjustments and extraordinary items, if any.

The table below sets forth certain information with respect to our revenues, expenditure and profits for the six months ended September 30, 2007 and fiscal 2007, 2006, 2005 and 2004 (as restated).

Summary Statement of Profit and Loss, as Restated

(Rs. in millions)

	Six months ended March 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
INCOME					
Sales	27,355.65	52,850.89	54,705.79	38,137.44	30,430.75
Income from Transportation	451.16	1,041.16	796.07	742.99	1,019.45
Other Income	3,393.42	5,334.94	3,639.29	1,904.26	1,590.54
Other adjustments	2.45	872.90	1,110.72	117.71	1723.80
	31,202.68	60,099.89	60,251.87	40,902.41	34764.54
Increase/(Decrease) In Stock	(50.75)	(22.12)	113.70	69.09	1.25
Total Income	31,151.93	60,077.77	60,365.57	40,971.50	34765.79
EXPENDITURE					
Production, Transportation & Other Expenditure	15,457.16	30,439.30	27,048.70	20,823.39	16,673.48
Provision against debts, advances and other provisions/write-offs	765.21	1,927.05	1,121.73	676.04	933.45
Depletion	983.96	1,776.52	1,881.23	1,733.86	1,346.98
Depreciation	406.73	818.34	1,432.38	561.61	548.79
Interest & Debt Charges	247.59	139.55	161.87	166.51	323.16
Exchange Loss/(Gain)	42.37	11.24	(9.72)	(0.62)	23.29
VRS Compensation written off	-	-	299.62	99.87	99.87
Other Adjustments	184.42	84.94	1,701.95	607.15	
Total Expenditure	18,087.44	35,196.94	33,637.75	24,667.82	19949.02
Profit for the period / year	13,064.49	24,880.83	26,727.82	16,303.67	14,816.77
Prior Period items	(11.32)	(54.56)	16.16	(72.23)	-
Profit Before Tax	13,053.17	24,826.27	26,743.98	16,231.44	14,816.77
Provision for Taxation	-	-	-	-	-
- Current Tax (Including Wealth Tax)	3,567.43	7,380.30	9,249.59	5,454.79	4,740.00
- Tax for earlier years	-	0.93	66.24	85.21	-
- Deferred Tax	662.41	1,020.18	497.85	74.60	579.73
- Fringe Benefit Tax	12.00	25.00	31.00	-	-
	4,241.84	8,426.41	9,844.67	5,614.60	5,319.73
Profit After Tax as per audited statement of accounts	8,811.33	16,399.86	16,899.31	10,616.84	9,497.04
Adjustments on account of :					
a) Changes in Accounting Policies	-	-	2,060.73	51.26	(485.27)
b) Other Adjustments and Prior Period Items	187.29	(992.47)	(1,133.82)	723.61	(1,785.65)
c) Current Tax Impact on Adjustments	(62.77)	337.82	424.07	(102.82)	398.05
d) Defered Tax Impact on Adjustments	(21.10)	(3.44)	(159.84)	(117.96)	204.95
Total of Adjustments after tax impact	103.42	(658.09)	1,191.14	554.09	(1,667.92)
Profit after Tax as Restated	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12
APPROPRIATIONS					
Interim Dividends	-	3,959.08	3,959.08	1,284.03	1,284.03
Tax on Interim Dividends	-	555.26	555.26	172.19	164.52
Final Dividend (Proposed)	-	1,605.03	1,712.04	2,140.04	1,712.02
Tax on Proposed Dividend	-	272.78	240.11	300.14	219.35
Transfer to General Reserve	-	9,349.62	11,623.96	7,274.52	4,449.20
Balance of Profit and Loss Account	8,914.75	-	-	-	-
TOTAL	8,914.75	15,741.77	18,090.45	11,170.93	7,829.12

Notes:

1. Negative figures have been shown in brackets.

Six months ended September 30, 2007 compared to Fiscal 2007

Revenues

For the six months ended September 30, 2007 our total revenues were Rs. 31,151.93 million, or 51.85% of total revenues for fiscal 2007. This increase was primarily due to an increase in the international selling price of crude oil.

Sales Revenues

For the six months ended September 30, 2007 our sales revenues were Rs. 27,355.65 million, or 51.76% of the sales revenues for fiscal 2007. The increase was primarily due to an increase in crude oil sales revenue to Rs. 24,808.70 million, or 51.62% of our crude oil sales revenue in fiscal 2007, primarily resulting from:

- An increase in our realized price after subsidy per barrel of crude oil to Rs. 2,279.66 for the six months ended September 30, 2007 from Rs. 2,149.75 for fiscal 2007. The increase in our realized price after subsidy per barrel of crude oil primarily resulted from an increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 74.24 for the six months ended September 30, 2007, as compared to US$ 66.30 for fiscal 2007 and a decrease in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 702.70 per barrel for the six months ended September 30, 2007, as compared to Rs. 872.48 per barred for fiscal 2007. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales for the six months ended September 30, 2007 was Rs. 7,562.12 million, or 39.21% of our contribution for fiscal 2007.

This increase was partially offset by:

- A decrease in the sales volume of crude oil to 10.79 million barrels, or 48.65% of our sales volume of crude oil for fiscal 2007 primarily due to local issues which hindered our development activity in certain of our developing areas.

- An appreciation of 9.78% in the average exchange rate of the Indian Rupee, in which our sales revenues are denominated, against the U.S. Dollar, in which international crude oil prices are denominated, for the six months ended September 30, 2007, as compared to fiscal 2007.

- The absence of any recovery of sales tax in respect of our crude oil production for the six months ended September 30, 2007. For fiscal 2007, the MoPNG permitted us to recover fully, on a net basis, the sales tax for crude oil that we produced and transported to public sector refineries, which amounted to Rs 1,545.83 million for the full year. The determination of sales tax recovery has not been made for fiscal 2008.

Our natural gas sales revenue increased to Rs. 2,159.10 million, or 50.54% of our natural gas sales revenue for fiscal 2007, due to increased volume of natural gas sales. Our sales volume of natural gas increased to 899.72 million cubic meters, or 50.90% of our sales volume of natural gas for fiscal 2007.

Our LPG sales revenue increased to Rs. 383.16 million, or 74.52% of our LPG sales revenue for fiscal 2007, due to increased volume of sales and increased realized prices after subsidy. Our sales volume of LPG increased to 22,637 tons, or 51.68% of our sales volume of LPG for fiscal 2007. Our realized price after subsidy per ton of LPG increased to Rs. 16,926.42 for the six months ended September 30, 2007 from Rs. 11,735.08 for fiscal 2007.

Revenues from Transportation

Our revenues from transportation for the six months ended September 30, 2007 were Rs. 451.16 million, or 43.33% of the revenues from transportation in fiscal 2007. The decrease in revenue from transportation resulted primarily from the lower under-recovery for transportation tariffs in respect of crude oil that we produced and transported. For fiscal 2007, the MoPNG permitted us to recover fully on a net basis, the transportation tariffs, which amounted to Rs. 226.70 million for the full year. The determination of transportation tariff recovery has not been made for fiscal 2008 but we are recovering 50% of transportation tariffs from IOCL. This was partially offset by a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

For the six months ended September 30, 2007, our other revenues were Rs. 3,393.42 million, or 63.61% of our other revenues for fiscal 2007. This increase was primarily due to:

- An increase in our budgetary allocation from the GoI for gas sales to Rs. 773.70 million, or 51.65% of the budgetary allocation received for fiscal 2007, due to increased revenues in respect of which we receive a budgetary allocation.

- An increase in dividends received from our downstream investments to Rs. 478.16 million, or 277.09% of our dividends received for fiscal 2007, due to increased dividends from our existing investments and dividends from new investments.

- An increase in interest income to Rs. 2,038.22 million or 63.77% of our interest income for fiscal 2007, primarily due to higher bank balances and substitution to higher yielding investments such as bonds and term deposits.

This increase was partially offset by:

- A decrease in income from services to Rs. 5.47 million for the six months ended September 30, 2007, or 4.15% of income from services in fiscal 2007, primarily due to our strategy to utilize services in-house rather than offer them to third parties due to increases in the cost of procuring outsourced services.

Expenditure

For the six months ended September 30, 2007 our total expenditures were Rs. 18,087.44 million, or 51.40% of total expenditures for fiscal 2007. This increase was primarily due to higher levels of implementation of improved recovery techniques and exploration activity.

Production, Transportation and other Expenditure. For the six months ended September 30, 2007, our production, transportation and other expenditure was Rs. 15,457.16 million, or 50.78% of the production, transportation and other expenditure in fiscal 2007. In the six months ended September 30, 2007, our production, transportation and other expenditure was 49.62% of total revenues, as compared to 50.67% in fiscal 2007.

Operating costs. In the six months ended September 30, 2007, our operating costs were Rs. 3,516.31 million, or 61.94% of operating costs for fiscal 2007. Our operating costs increased primarily due to:

- An increase in expenditure on operation and maintenance of production installations to Rs. 2,094.00 million, or 56.98% of expenditure on operation and maintenance of production installations in fiscal 2007 primarily due to an intermediate tank farm commissioned towards the end of fiscal 2006, operating and maintenance expenditure in respect of which commenced in fiscal 2007.

- An increase in well work-over expenditure to Rs. 435.32 million, or 101.33% of the work-over expenditure for fiscal 2007. This was primarily due to the continued implementation of improved recovery programs in our producing properties.

- An increase in expenditure on water injection to Rs. 200.69 million, or 67.28% of the expenditure on water injection for fiscal 2007, primarily due to the costs associated with implementing additional water injection capacity and an increase in the volume of water injection.

For the six months ended September 30, 2007, operating expenses were 11.29% of total revenues, as compared to 9.45% in fiscal 2007.

Geological and Geophysical Expenditure. For the six months ended September 30, 2007, our geological and geophysical expenditure was Rs. 1,064.31 million, or 44.07% of geological and geophysical expenditure for fiscal 2007. Our geological and geophysical expenditure decreased as a relative percentage of the total expenditure for fiscal 2007 primarily due to seasonal natural of seismic data acquisition, which is concentrated in the drier months and is generally ceased during the monsoon period. However, we have generally increased our exploration activity in both our independent and joint venture acreage, primarily with respect to 3D seismic data acquisition.

Statutory Levies. For the six months ended September 30, 2007, statutory levies were Rs. 10,088.90 million, or 48.83% of statutory levies for fiscal 2007. Our statutory levies decreased primarily due to:

- A decrease in royalty to Rs. 4,884.52 million in the six months ended September 30, 2007, or 48.06% of royalty expenditure during fiscal 2007. The decrease in royalty is primarily attributable to the change in methodology for calculating royalty which was partially offset by the increase in sale revenues on which royalty is payable.

- A decrease in cess expenditure to Rs. 3,964.48 million in the six months ended September 30, 2007, or 49.15% of cess expenditure during fiscal 2007. The decrease in cess is attributable to the reduction in the volume of crude oil sales, which was partially offset by the increase in an education cess surcharge.

This decrease was partially offset by:

- An increase in sales tax to Rs. 1,239.82 million for the six months ended September 30, 2007, or 51.02% of the sales tax paid in fiscal 2007, primarily due to the increase in the crude oil sales revenues.

For the six months ended September 30, 2007, statutory levies were 32.39% of total revenues, as compared to 34.39% of total revenues in fiscal 2007.

Other Expenses. For the six months ended September 30, 2007, our other expenses were Rs. 787.64 million, or 46.71% of our other expenses in fiscal 2007. This decrease was primarily due to cost management and a reduction in business development expenditure which resulted from our cessation of offering services to third parties. In the six months ended September 30, 2007, our other expenses were 2.53% of total revenues, as compared to 2.81% in fiscal 2007.

Provisions against debts, advances and other provisions and write-offs

For the six months ended September 30, 2007, our provisions made against debts, advances and other provisions and write-offs were Rs. 765.21 million, or 39.70% of our provisions made against debts, advances and other provisions and write-offs in fiscal 2007.

Our provisions made against debts, advances and other provisions and write-offs decreased primarily due to:

- A decrease in write-off of dry wells to Rs. 764.42 million, or 48.6% of the write-off of dry wells for fiscal 2007.

- The absence of a write-off for diminution in value of investments for the six months ended September 30, 2007, as compared to a write-off of Rs. 226.10 million for fiscal 2007.

For the six months ended September 30, 2007, our provisions made against debts, advances and other provisions and write-offs were 2.46% of total revenues, as compared to 3.21% in fiscal 2007.

Depletion

For the six months ended September 30, 2007, our depletion charges were Rs. 983.96 million, or 55.39% of depletion charges in fiscal 2007, due to a relative increase in our production that derived from investments in producing properties, which bear a higher amortization rate, which was partially offset by a relative decrease in our production from maturing fields. In the six months ended September 30, 2007, depletion charges were 3.16% of total revenues, as compared to 2.96% in fiscal 2007.

Depreciation

For the six months ended September 30, 2007, our depreciation charges were Rs. 406.73 million, or 49.70% of depreciation charges in fiscal 2007. In the six months ended September 30, 2007, depreciation costs were 1.31% of total revenues, as compared to 1.36% in fiscal 2007.

Interest and Debt Charges

For the six months ended September 30, 2007, our interest and debt charges were Rs. 247.59 million, or 177.42% of interest and debt charges in fiscal 2007, primarily due to our use of short-term debt used to meet immediate funding requirements. For the six months ended September 30, 2007, interest and debt charges were 0.79% of total revenues, as compared to 0.23% in fiscal 2007.

Exchange Loss

For the six months ended September 30, 2007, our exchange loss due foreign currency translation amounted to Rs. 42.37 million, or 376.95% of exchange loss due foreign currency translation in fiscal 2007, primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For the six months ended September 30, 2007, exchange losses were 0.14% of total revenues, as compared to 0.02% in fiscal 2007.

Other Adjustments

For the six months ended September 30, 2007, other adjustments amounted to Rs. 184.42 million, against Rs. 84.94 million of other adjustments in fiscal 2007, primarily due to provision for an increase in employee compensation relating to prior periods made in the six months ended September 30, 2007. In the six months ended September 30, 2007, other adjustments were 0.59% of total revenues, as compared to 0.14% in fiscal 2007.

Profit before Tax

For the six months ended September 30, 2007, our profit before tax was Rs. 13,053.17 million, or 52.58% of in fiscal 2007, primarily as a result of increases in our realized prices after subsidy on our sales of crude oil, partially offset by higher expenditure associated with higher levels of implementation of enhanced recovery techniques and development and exploration activity. Profit before tax as a percentage of total revenues was 41.90% for the six months ended September 30, 2007, as compared to 41.32% in fiscal 2007.

Provision for Taxation

For the six months ended September 30, 2007, our provision for taxation was Rs. 4,241.84 million, or 50.34% of our provision for taxation in fiscal 2007 due to the increase in profit before tax in the six months ended September 30, 2007 and an increase in our effective tax rate. Our effective tax rates for the six months ended September 30, 2007 and fiscal 2007 were 33.99% and 33.66%, respectively.

Net Profit After Tax

For the six months ended September 30, 2007, our net profit after tax as per audited statement of accounts was Rs. 8,811.33 million, or 53.73% of profit after tax in fiscal 2007. For the six months ended September 30, 2007, our profit after tax as per audited statement of accounts was 28.29% of total revenues, as compared to 27.30% in fiscal 2007.

Adjusted Net Profit After Tax

Our profit after tax as restated for the six months ended September 30, 2007 was Rs. 8,914.75 million, which was higher by Rs. 103.42 million than our profit after tax as restated as per our audited statement of accounts. The adjustment to profit after tax was primarily as a result of the allocation of expenses to the year of incurrence and the related tax impact.

Fiscal 2007 Compared to Fiscal 2006

Revenues

Our total revenues decreased by 0.48% to Rs. 60,077.77 million in fiscal 2007 from Rs. 60,365.57 million in fiscal 2006. The decrease was primarily due to a decrease in crude oil sales revenue, partially offset by increased revenues from transportation and other revenues.

Sales Revenues

Our sales revenues decreased by 3.39% to Rs. 52,850.89 million in fiscal 2007 from Rs. 54,705.79 million in fiscal 2006. The decrease was primarily due to a decrease of 4.09% in crude oil sales revenue to Rs. 48,056.53 million in fiscal 2007 from Rs. 50,106.97 million in fiscal 2006, primarily resulting from:

- A 1.67% decrease in our realized price after subsidy per barrel of crude oil to Rs. 2,149.75 for fiscal 2007 from Rs. 2,186.23 for fiscal 2006. The decrease in our realized price after subsidy per barrel of crude oil primarily resulted from an increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 872.48 per barrel for fiscal 2007, as compared to Rs. 408.05 per barrel for fiscal 2006, which was partially offset by a 11.35% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 66.30 for fiscal 2007, as compared to US$ 59.54 for fiscal 2006. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 107.90% to Rs. 19,284.82 million in fiscal 2007 from Rs. 9276.00 million in fiscal 2006.

- A 2.66% decrease in the sales volume of crude oil to 22.28 million barrels in fiscal 2007 from 22.89 million barrels in fiscal 2006.

These decreases were partially offset by:

- A depreciation of 2.28% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2007, as compared to fiscal 2006.

- An increase in our recovery of sales tax in respect of crude oil to Rs. 1,545.83 million in fiscal 2007. We did not have any recovery of sales tax in respect of crude oil in fiscal 2006.

Our natural gas sales revenue increased by 9.97% to Rs. 4,272.04 million in fiscal 2007 from Rs. 3,884.80 million in fiscal 2006. This increase was primarily due to a 6.27% increase in the price before reimbursement of natural gas to Rs. 1,908.23 per thousand cubic meters in fiscal 2007 from Rs. 1,795.67 per thousand cubic meters in fiscal 2006 and a 1.35% increase in the sales volume of natural gas to 1,767.51 million cubic meters for fiscal 2007 from 1,743.96 million cubic meters for fiscal 2006.

Our LPG sales revenue decreased by 27.12% to Rs. 514.07 million in fiscal 2007 from Rs. 705.41 million in fiscal 2006. This decrease was primarily due to a decrease in the realized price after subsidy for LPG to Rs. 11,735.08 per ton for fiscal 2007 from Rs. 14,506.57 per ton for fiscal 2006 and a 9.91% decrease in the sales volume of LPG to 43,806 tons for fiscal 2007 from 48,627 tons for fiscal 2006.

Revenues from Transportation

Our revenues from transportation increased by 30.79% to Rs. 1,041.16 million in fiscal 2007 from Rs. 796.07 million in fiscal 2006, primarily resulting from our full recovery, on a net basis, of transportation tariffs in respect of crude oil that we produced and transported, amounting Rs. 226.70 million in fiscal 2007, as compared to an under-recovery of Rs. 239.49 million in fiscal 2006 and a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

Our other revenues increased by 46.6% to Rs. 5,334.94 million in fiscal 2007, as compared to Rs. 3,639.29 million in fiscal 2006. This increase was primarily due to:

- A 58.73% increase in interest income to Rs. 3196.20 million for fiscal 2007 from Rs. 2,013.67 million for fiscal 2006 primarily due to higher bank balances and substitution to higher yielding investments such as bonds and term deposits.

- A 23.68% increase in our budgetary allocation from the GoI for gas sales to Rs. 1,497.85 million for fiscal 2007 from Rs. 1,211.05 million in fiscal 2006 due to increased revenues in respect of gas sales for which we receive a budgetary allocation.

- A 11.76% increase in dividends received from our downstream investments to Rs. 172.56 million in fiscal 2007 from Rs. 154.40 million in fiscal 2006 due to increased dividends from our existing investments.

- A 6.67% increase in income from services to Rs. 131.74 million for fiscal 2007 from Rs. 123.50 million in fiscal 2006, primarily due to increases in pipeline services and laboratory testing and analysis services.

Expenditure

Our total expenditures increased 4.63% to Rs. 35,196.94 million for fiscal 2007 from Rs. 33,637.75 million. This increase was primarily due to an increase in statutory levies.

Production, Transportation and Other Expenditure. Our production, transportation and other expenditure increased by 12.54% to Rs. 30,439.30 million in fiscal 2007 from Rs. 27,048.70 million in fiscal 2006. In fiscal 2007, our production, transportation and other expenditure was 50.67% of total revenues, as compared to 44.81% in fiscal 2006.

Operating costs. Our operating costs decreased by 8.02% to Rs. 5,676.82 million in fiscal 2007 from Rs. 6,171.86 million in fiscal 2006. Our operating costs increased primarily due to:

- A 62.11% decrease in well work-over expenditure to Rs. 429.60 million for fiscal 2007 from to Rs. 1,133.88 million for fiscal 2006. This was primarily due to our use of lower cost technology.

- A decrease of 72.91% in expenditure on water injection to Rs. 135.02 million in fiscal 2006 primarily due to increased centralization of water injection activities that led to economies of scale, which was partially offset by a reduction in the total volume of water injection.

These decreases were partially offset by:

- An increase of 8.44% in expenditure on operation and maintenance of production installations to Rs. 3,674.95 million in fiscal 2007 from Rs. 3,388.92 million in fiscal 2006 due to full year operations of new production installations commissioned in 2006.

For fiscal 2007, operating expenses were 9.45% of total revenues, as compared to 10.22% in fiscal 2006.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 11.21% to Rs. 2,415.21 million for fiscal 2007 from Rs. 2,171.70 million in fiscal 2006. The geological and geophysical expenditure was 4.02% of total revenues, as compared to 3.60% in fiscal 2006.

Statutory Levies. Statutory levies increased by 18.49% to Rs. 20,660.72 million in fiscal 2007 from Rs. 17,437.04 million in fiscal 2006. Our statutory levies increased primarily due to:

- A 14.63% increase in royalty to Rs. 10,163.69 million in fiscal 2007 from Rs. 8,866.18 million in fiscal 2006, primarily due to an increase in revenue on which royalty is payable.

- A 30.70% increase in cess expenditure to Rs. 8,066.85 million in fiscal 2007 from Rs. 6,171.84 million in fiscal 2006. The increase in cess was primarily attributable to an increase in the rate at which cess was levied on crude oil to Rs. 2,500.00 per metric ton in fiscal 2007 from Rs. 1,800.00 per metric ton in fiscal 2006, which was partially offset by the reduction in the volume of crude oil sales in fiscal 2007.

- A 1.30% increase in sales tax to Rs. 2,430.18 million for fiscal 2007 from Rs. 2,399.02 million in fiscal 2006, primarily due to increases in the sales revenues on which sales tax is payable.

In fiscal 2007, statutory levies were 34.39% of total revenues, as compared to 28.89% of total revenues in fiscal 2006.

Other Expenses. Our other expenses increased by 32.99% to Rs. 1,686.54 million for fiscal 2007 from Rs. 1,268.10 million for fiscal 2006, primarily as a result of increased general and administrative expenditure. In fiscal 2007, other expenses were 2.81% of total revenues, as compared to 2.10% of total revenues in fiscal 2006.

Provisions against debts, advances and other provisions and write-offs

Provisions made against debts, advances and other provisions and write-offs increased by 71.79% to Rs. 1,927.05 million for fiscal 2007 from Rs. 1,121.73 million for fiscal 2006, primarily as a result of:

- A 58.88% increase in abandonment and write-off of dry and exploratory wells to Rs. 1,572.39 million for fiscal 2007 from Rs. 989.65 million for fiscal 2006.

- Provisions made of Rs. 226.10 million in fiscal 2007 in respect of the diminution in value of investment in GoI bonds.

For fiscal 2007, provisions made against debts, advances and other provisions and write-offs was 3.21% of total revenues, as compared to 1.86% in fiscal 2006.

Depletion

Our total depletion charges decreased by 5.57% to Rs. 1,776.52 million in fiscal 2007 from Rs. 1,881.23 million in fiscal 2006 due to a relative increase in our production that was derived from investments in producing properties, which bear a higher amortization rate, which was partially offset by a relative decrease in our production from maturing fields. In fiscal 2007, depletion charges were 2.96% of total revenues, as compared to 3.12% in fiscal 2006.

Depreciation

Our depreciation charges decreased by 43.00% to Rs. 818.34 million in fiscal 2007 from Rs. 1,432.38 million in fiscal 2006, primarily due to a higher concentration of newer assets which depreciate at a higher rate. In fiscal 2007, depreciation charges were 1.36% of total revenues, as compared to 2.37% in fiscal 2006.

Interest and Debt Charges

Our interest and debt charges decreased by 13.79% to Rs. 139.55 million in fiscal 2007 from Rs. 161.87 million in fiscal 2006, primarily due to the effect of a waiver of the outstanding balance of unsecured loan from OVL, the absence of an interest payment to tax authorities made in fiscal 2006 and our repayment of an OIDB loan. For fiscal 2007, interest and debt charges were 0.23% of total revenues, as compared to 0.27% in fiscal 2006.

Exchange Loss

Our exchange loss due to foreign currency translation increased to Rs. 11.24 million for fiscal 2007 from a gain of Rs. 9.72 million for fiscal 2006 primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments.

VRS Compensation written off

We did not make write-offs of VRS Compensation for fiscal 2007, as compared to Rs. 299.62 million of write-offs in fiscal 2006, which resulted from a change of accounting policy.

Other Adjustments

Our other adjustments decreased by 95.01% to Rs. 84.94 million in fiscal 2007 from Rs. 1,701.95 million in fiscal 2006, primarily resulting from arrear depreciation provided in fiscal 2006 due to our adoption of the written down value method from the straight line method.

Profit Before Tax

Our profit before tax decreased by 7.17% to Rs. 24,826.27 million in fiscal 2007 from Rs. 26,743.98 million in fiscal 2006, primarily as a result of our increased contribution towards sharing in the under-recoveries of the public sector oil marketing companies and increased statutory levies. Profit before tax as a percentage of total revenues was 41.32% for fiscal 2007, as compared to 44.30% in fiscal 2006.

Provision for Taxation

Our provision for taxation decreased by 14.41% to Rs. 8,426.41 million in fiscal 2007 from Rs. 9,844.67 million in fiscal 2006, due to the decrease in profit. Our effective tax rate for both fiscal 2006 and fiscal 2007 was 33.66%.

Net Profit After Tax

Our net profit after tax decreased by 2.96% to Rs. 16,399.86 million for fiscal 2007 from Rs. 16,899.31 million for fiscal 2006. Our net profit after tax was 27.30% of total revenues in fiscal 2007, as compared to 27.99% in fiscal 2006.

Adjusted Net Profit After Tax

Our adjusted profit after tax for fiscal 2007 was Rs. 15,741.77 million, which was lower by Rs. 658.09 million than our net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of the allocation of expenses to the year of incurrence and the related tax impact.

Fiscal 2006 Compared to Fiscal 2005

Revenues

Our total revenues increased by 47.34% to Rs. 60,365.57 million in fiscal 2006 from Rs. 40,971.50 million in fiscal 2005. The increase was primarily due to an increase in crude oil sales revenue.

Sales Revenues

Our sales revenues increased by 43.44% to Rs. 54,705.79 million in fiscal 2006 from Rs. 38,137.44 million in fiscal 2005. The increase was primarily due to an increase of 41.77% in crude oil sales revenue to Rs. 50,106.97 million in fiscal 2006 from Rs. 35,345.04 million in fiscal 2005, primarily resulting from:

- A 39.48% increase in our realized price after subsidy per barrel of crude oil to Rs. 2,186.23 for fiscal 2006 from Rs. 1,567.38 for fiscal 2005. The increase in our realized price after subsidy per barrel of crude oil primarily resulted from a 40.76% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 59.54 for fiscal 2006, as compared to US$ 42.30 for fiscal 2005, which was partially offset by a 41.11% increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 408.05 per barrel for fiscal 2006, as compared to Rs. 289.18 per barrel for fiscal 2005. Our total contribution towards sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 43.11% to Rs. 9,276 million in fiscal 2006 to from Rs. 6,481.57 million in fiscal 2005.

- A 1.59% increase in the sales volume of crude oil to 22.88 million barrels in fiscal 2006 from 22.27 million barrels in fiscal 2005.

This increase was partially offset by:

- An appreciation of 1.49% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2006, as compared to fiscal 2005.

Our natural gas sales revenue increased by 67.68% to Rs. 3,884.80 million in fiscal 2006 from Rs. 2,316.73 million in fiscal 2005. This increase was primarily due to a 23.51% increase in the average price before reimbursement of natural gas to Rs. 1,795.67 per thousand cubic meters in fiscal 2006 from Rs. 1,453.85 per thousand cubic meters in fiscal 2005 and a 18.48% increase in the sales volume of natural gas to 1,743.95 million cubic meters for fiscal 2006 from 1,471.95 million cubic meters for fiscal 2005.

Our LPG sales revenue increased by 50.34% to Rs. 705.41 million in fiscal 2006 from Rs. 469.20 million in fiscal 2005. This increase was primarily due to a 53.60% increase in the realized price after subsidy of LPG to Rs. 14,506.57 per ton in fiscal 2006 from Rs. 9,444.54 per ton in fiscal 2005, partially offset by an 2.92% decrease in the sales volume of LPG to 48,627 tons for fiscal 2006 from 50,086 tons for fiscal 2005.

Revenues from Transportation

Our revenues from transportation increased by 7.14% to Rs. 796.07 million in fiscal 2006 from Rs. 742.99 million in fiscal 2005, primarily resulting from a higher volume of throughput and a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

Our other revenues increased by 91.11% to Rs. 3,639.29 million in fiscal 2006, as compared to Rs. 1,904.26 million in fiscal 2005. This increase was primarily due to:

- A 258.09% increase in our receipt of reimbursement from the gas pool account to Rs. 1,211.05 million for fiscal 2006 from Rs. 338.20 in fiscal 2005 due to an increase in the GoI sales price against which our reimbursement is based.

- A 43.08% increase in interest income to Rs. 2,013.67 million for fiscal 2006 from Rs. 1,407.37 million for fiscal 2005 primarily due to increased interest earned on term deposits.

- A 449.13% increase in income from services to Rs. 123.50 million for fiscal 2006 from Rs. 22.49 million in fiscal 2005, primarily due to contracts for drilling and other services secured during the year.

- A 93.18% increase in dividends received from our downstream investments to Rs. 154.40 million in fiscal 2006 from Rs. 79.92 million in fiscal 2005 due to increased dividends from our existing investments.

Expenditure

Our total expenditure increased 36.36% to Rs. 33,637.75 million for fiscal 2006 from Rs. 24,667.82 million for fiscal 2005. This increase was primarily due to an increase in operating costs and statutory levies.

Production, Transportation and Other Expenditure. Our production, transportation and other expenditure increased by 29.90% to Rs. 27,048.70 million in fiscal 2006 from Rs. 20,823.39 million in fiscal 2005. In fiscal 2006, our production, transportation and other expenditure was 44.81% of total revenues, as compared to 50.82% in fiscal 2005.

Operating costs. Our operating costs increased 15.55% to Rs. 6,171.86 million in fiscal 2006 from Rs. 5,341.30 million in fiscal 2005. Our operating costs increased primarily due to:

- A 14.70% increase in well work-over expenditure to Rs. 1,133.88 million for fiscal 2006 from Rs. 988.52 million for fiscal 2005.

- A 80.61% increase in expenditure on water injection to Rs. 275.23 million for fiscal 2006 from Rs. 152.77 million for fiscal 2005 due to the costs associated with implementing increased water injection capacity.

- A 14.47% increase in expenditure on operation and maintenance of production installations to Rs. 3,674.95 million for fiscal 2006 from Rs. 2,960.31 million in fiscal 2005 due to commissioning of production installations.

- A 52.82% increase in expenditure on operational set-up of free gas wells to Rs 506.12 million for fiscal 2006 from Rs. 331.19 million in fiscal 2005. During fiscal 2006 seven additional gas wells were brought to production.

For fiscal 2006, operating expenses were 10.22% of total revenues, as compared to 13.04% in fiscal 2005.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 18.62% to Rs. 2,171.70 million for fiscal 2006 from Rs. 1,830.77 million in fiscal 2005.

Statutory Levies. Statutory levies increased by 29.74% to Rs. 17,437.04 million in fiscal 2006 from Rs. 13,439.86 million in fiscal 2005. Our statutory levies increased primarily due to:

- A 41.64% increase in royalty to Rs. 8,866.18 million in fiscal 2006 from Rs. 6,259.73 million in fiscal 2005 due to the increase in the sale revenues on which royalty is payable.

- A 5.72% increase in cess expenditure to Rs. 6,171.84 million in fiscal 2006 from Rs. 5,837.94 million in fiscal 2005, due to the increase in volume of sales.

- A 78.74% increase in sales tax to Rs. 2,399.02 million for fiscal 2006 from Rs. 1,342.20 million in fiscal 2005, primarily due to the increase in the sales revenues on which sales tax is payable.

In fiscal 2006, statutory levies were 28.89% of total revenues, as compared to 32.80% of total revenues in fiscal 2005.

Other Expenses. Our other expenses increased by 599.69% to Rs. 1,268.10 million for fiscal 2006 from Rs. 211.46 million for fiscal 2005, primarily as a result of a change in accounting convention in fiscal 2006 pursuant to which certain expenditure is allocated centrally, rather than to specific activities. In fiscal 2006, other expenses were 2.10% of total revenues, as compared to 0.52% of total revenues in fiscal 2005.

Provisions against debts, advances and other provisions and write-offs

Our provisions made against debts, advances and other provisions and write-offs increased by 65.93% to Rs. 1,121.73 million for fiscal 2006 from Rs. 676.04 million for fiscal 2005, primarily as a result of a 116.74% increase in abandonment and write-off of dry and exploratory wells to Rs. 989.65 million for fiscal 2006 from Rs. 456.60 million for fiscal 2005. For fiscal 2006, our provisions made against debts, advances and other provisions and write-offs was 1.86% of total revenues, as compared to 1.65% in fiscal 2005.

Depletion

Our total depletion charges increased by 8.5% to Rs. 1,881.23 million in fiscal 2006 from Rs. 1,733.86 million in fiscal 2005 due to a relative increase in our production that derived from investments in producing properties, which bear a higher amortization rate, which was partially offset by a relative decrease in our production from maturing fields. In fiscal 2006, depletion charges were 3.12% of total revenues, as compared to 4.23% in fiscal 2005.

Depreciation

Our depreciation charges increased by 155.05% to Rs. 1,432.38 million in fiscal 2006 from Rs. 561.61 million in fiscal 2005, primarily due to commissioning of newer assets, which depreciate at a faster rate. In fiscal 2006, depreciation charges were 2.37% of total revenues, as compared to 1.37% in fiscal 2005.

Interest and Debt Charges

Our interest and debt charges decreased by 2.79% to Rs. 161.87 million in fiscal 2006 from Rs. 166.51 million in fiscal 2005. For fiscal 2006, interest and debt charges were 0.27% of total revenues, as compared to 0.41% in fiscal 2005.

Exchange Loss

Our exchange gain due foreign currency translation was Rs. 9.72 million for fiscal 2006 from a gain of Rs. 0.62 million for fiscal 2005 primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For fiscal 2006, exchange losses were 0.02% of total revenues, as compared to 0.07% in fiscal 2005.

VRS Compensation written off

Our write-offs of VRS Compensation increased by 200% to Rs. 299.62 million for fiscal 2006 from Rs. 99.87 million for fiscal 2005, primarily due to a change in policy requiring full amortisation of all such expenditure.

Other Adjustments

Our other adjustments increased by 180.32% to Rs. 1,701.95 million in fiscal 2006 from Rs. 607.15 million in fiscal 2005, primarily resulting from additional depreciation provided in fiscal 2006 due to our adoption of the written down value method from the straight line method.

Profit Before Tax

Our profit before tax increased by 64.77% to Rs. 26,743.98 million in fiscal 2006 from Rs. 16,231.44 million in fiscal 2005 primarily as a result of increased crude oil sales revenue, partially offset by increased statutory levies. Profit before tax as a percentage of total revenues was 44.30% for fiscal 2006, as compared to 39.61% in fiscal 2005.

Provision for Taxation

Our provision for taxation increased by 75.34% to Rs. 9,844.67 million in fiscal 2006 from Rs. 5,614.60 million in fiscal 2005, primarily due to the increase in profit, partially offset by a decrease in effective tax rates. Our effective tax rate for fiscal 2006 was 33.66%, as compared to an effective tax rate of 36.59% for fiscal 2005.

Net Profit After Tax

Our net profit after tax increased by 59.17% to Rs. 16,899.31 million for fiscal 2006 from Rs. 10,616.84 million for fiscal 2005. Our net profit after tax was 27.99% of total revenues in fiscal 2006, as compared to 25.91% in fiscal 2005.

Adjusted Net Profit After Tax

Our adjusted profit after tax for fiscal 2006 was Rs. 18,090.45 million, which was higher by Rs. 1,191.14 million, as compared to the net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of adjustments due to our adoption of the written down value method of depreciation from the straight line method, which was partially offset by an adjustment to allocate expenses to the year of incurrence and the related tax impact.

Fiscal 2005 Compared to Fiscal 2004

Revenues

Our total revenues increased by 17.85% to Rs. 40,971.50 million in fiscal 2005 from Rs. 34,765.79 million in fiscal 2004. The increase was primarily due to an increase in crude oil sales revenue.

Sales Revenues

Our sales revenues increased by 25.33% to Rs. 38,137.44 million in fiscal 2005 from Rs. 30,430.75 million in fiscal 2004. The increase was primarily due to an increase of 28.47% in crude oil sales revenue to Rs. 35,345.04 million in fiscal 2005 from Rs. 27,512.36 million in fiscal 2004, primarily resulting from:

- A 19.36% increase in our realized price after subsidy per barrel of crude oil to Rs. 1,567.38 for fiscal 2005 from Rs. 1,313.14 for fiscal 2004. The increase in our realized price after subsidy per barrel of crude oil primarily resulted from a 46.32% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 42.30 for fiscal 2005, as compared to US$ 28.91 for fiscal 2004, which was partially offset by our first-time contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales of Rs. 289.18 per barrel. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales was Rs. 6,481.57 million.

- A 6.87% increase in the sales volume of crude oil to 22.27 million barrels in fiscal 2005 from 21.08 million barrels in fiscal 2004.

This increase was partially offset by:

- An appreciation of 2.11% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2005, as compared to fiscal 2004.

Our natural gas sales revenue increased by 12.45% to Rs. 2,316.73 million in fiscal 2005 from Rs. 2,060.23 million in fiscal 2004. This increase was primarily due to an increase in the sales volume of natural gas to 1,471.95 million cubic meters for fiscal 2005 from 1,377.17 million cubic meters for fiscal 2004 and a 5.52% increase in the price before reimbursement for natural gas to Rs. 1,453.85 per thousand cubic meters in fiscal 2005 from Rs. 1,377.75 per thousand cubic meters in fiscal 2004.

Our LPG sales revenue decreased by 45.09% to Rs. 469.20 million in fiscal 2005 from Rs. 854.56 million in fiscal 2004. This decrease was primarily due to a 2.45% decrease in the sales volume of LPG to 50,086 tons in fiscal 2005 from 51,115 tons in fiscal 2004 and a 43.96% decrease in the realized price after subsidy of LPG to Rs. 9,367.79 per metric ton in fiscal 2005 from Rs. 16,718.42 in fiscal 2004.

Revenues from Transportation

Our revenues from transportation decreased by 27.12 % to Rs. 742.99 million in fiscal 2005 from Rs. 1,019.45 million in fiscal 2004, primarily resulting from our inclusion of under-recoveries of transportation tariffs in transportation revenues for fiscal 2004.

Other Revenues

Our other revenues increased by 19.72% to Rs. 1,904.26 million in fiscal 2005, as compared to Rs. 1,590.54 million in fiscal 2004. This increase was primarily due to:

- A 19.20% increase in interest income to Rs. 1,407.37 million for fiscal 2005 from Rs. 1,180.68 million for fiscal 2004 primarily due to increased interest earned on term deposits.

- A 6.66% increase in our receipt of reimbursement from the gas pool account to Rs. 338.20 million for fiscal 2005 from Rs. 317.09 million in fiscal 2004 due to increased revenues in respect of gas sales for which we receive reimbursement.

- A 22.22% increase in dividends received from our downstream investments to Rs. 79.92 million in fiscal 2005 from Rs. 65.39 million in fiscal 2004 due to increased dividends from our existing investments.

- Income from services of Rs. 22.49 million for fiscal 2005 resulting from services being offered by us for the first time in fiscal 2005.

Expenditure

Our total expenditure increased by 23.65% to Rs. 24,667.82 million for fiscal 2005 from Rs. 19,949.02 million for fiscal 2004. This increase was primarily due to an increase in operating costs and statutory levies.

Production, Transportation and Other Expenditure. Our production, transportation and other expenditure increased by 24.89% to Rs. 20,823.39 million in fiscal 2005 from Rs. 16,673.48 million in fiscal 2004. In fiscal 2005, our production, transportation and other expenditure was 50.82% of total revenues, as compared to 47.96% in fiscal 2004.

Operating costs. Our operating costs increased 16.82% to Rs. 5,341.30 million in fiscal 2005 from Rs. 4,572.21 million in fiscal 2004. Our operating costs increased primarily due to:

- A 11.73% increase in well work-over expenditure to Rs. 988.52 million for fiscal 2005 from Rs. 884.71 million for fiscal 2004.
- A 22.52% increase in expenditure on water injection to Rs. 187.18 million, for fiscal 2005 from Rs. 152.77 million for fiscal 2004 due to cost associated with implementing additional water injection capacity.
- A 14.47% increase in expenditure on operation and maintenance of production installations to Rs 2,960.31 million for fiscal 2005 from Rs. 2,586.10 million for fiscal 2004 due to a new production facility commissioned in fiscal 2005.

For fiscal 2005, operating expenses were 13.04% of total revenues, as compared to 13.15% in fiscal 2004.

Geological and Geophysical Expenditure: Our geological and geophysical expenditure increased by 38.39% to Rs. 1,830.77 million for fiscal 2005 from Rs. 1,322.89 million in fiscal 2004.

Statutory Levies. Statutory levies increased by 26.74% to Rs. 13,439.86 million in fiscal 2005 from Rs. 10,604.15 million in fiscal 2004. Our statutory levies increased primarily due to:

- A 49.84% increase in royalty to Rs. 6,259.73 million in fiscal 2005 from Rs. 4,177.60 million in fiscal 2004 due to a change in methodology for the calculation of royalty implemented in connection with the introduction of sharing of the under-recoveries of the public sector oil marketing companies.
- A 8.61% increase in cess expenditure to Rs. 5,837.94 million in fiscal 2005 from Rs. 5,374.95 million in fiscal 2004, primarily due to the increase in sales volume and the introduction of national calamity contingency fund cess with effect from March 1, 2005.
- A 27.63% increase in sales tax to Rs. 1,342.20 million for fiscal 2005 from Rs. 1,051.61 million in fiscal 2004, primarily due to increases in the sales revenues on which sales tax is payable.

In fiscal 2005, statutory levies were 32.80% of total revenues, as compared to 30.50% of total revenues in fiscal 2004.

Other Expenses. Our other expenses increased by 21.37% to Rs. 211.46 million for fiscal 2007 from Rs. 174.23 million for fiscal 2004, primarily as a result of our establishment of a business development group in connection with our initiation of offering services to third parties. In fiscal 2005, other expenses were 0.51% of total revenues, as compared to 0.50% of total revenues in fiscal 2004.

Provisions against debts, advances and other provisions and write-offs

Our provisions made against debts, advances and other provisions and write-offs decreased by 27.57% to Rs. 676.04 million for fiscal 2005 from Rs. 933.45 million for fiscal 2004, primarily as a result of:

- A 24.25% decrease in abandonment and write-off of dry and exploratory wells to Rs. 456.60 million for fiscal 2005 from Rs. 602.79 million for fiscal 2004.

- The absence in fiscal 2005 of a Rs. 315.50 million write-off of loans and advances of an acquired company in fiscal 2004.

For fiscal 2005, our provisions made against debts, advances and other provisions and write-offs were 1.65% of total revenues, as compared to 2.68% in fiscal 2004.

Depletion

Our total depletion charges increased by 28.72% to Rs. 1,733.86 million in fiscal 2005 from Rs. 1,346.98 million in fiscal 2004 due to a relative increase in production derived from recent investments in producing properties. In fiscal 2005, depletion charges were 4.23% of total revenues, as compared to 3.87% in fiscal 2004.

Depreciation

Our depreciation charges increased by 2.34% to Rs. 561.61 million in fiscal 2005 from Rs. 548.79 million in fiscal 2004. In fiscal 2005, depreciation charges were 1.37% of total revenues, as compared to 1.59% in fiscal 2004.

Interest and Debt Charges

Our interest and debt charges decreased by 48.47% to Rs. 166.51 million in fiscal 2005 from Rs. 323.16 million in fiscal 2004, primarily as a result of a decrease in interest payments to tax authorities. For fiscal 2005, interest and debt charges were 0.41% of total revenues, as compared to 0.93% in fiscal 2004.

Exchange Loss

We recorded an exchange gain due foreign currency translation of Rs. 0.62 million for fiscal 2005, as compared to a loss of Rs. 23.29 million for fiscal 2004.

VRS Compensation written off

Our write-offs of VRS Compensation remained constant at Rs. 99.87 million for fiscal 2004 and fiscal 2005.

Other Adjustments

Our other adjustments were Rs. 607.15 million in fiscal 2005, primarily due to an increase in provision for arrear wages and a provision for royalty for prior years resulting from crude oil bottom sediment and water adjustments.

Profit Before Tax

Our profit before tax increased by 9.55% to Rs. 16,231.44 million in fiscal 2005 from Rs. 14,816.78 million in fiscal 2004, primarily due to an increase in crude oil sales, partially offset by an overall increase in expenditures. Profit before tax as a percentage of total revenues was 39.61% for fiscal 2005, as compared to 42.62% in fiscal 2004.

Provision for Taxation

Our provision for taxation increased by 5.54% to Rs. 5,614.60 million in fiscal 2005 from Rs. 5,319.73 million in fiscal 2004, primarily due to the increase in profits an increase in our effective tax rate. Our effective tax rate for fiscal 2005 was 36.59%, as compared to an effective tax rate of 35.88% for fiscal 2004.

Net Profit After Tax

Our net profit after tax increased by 11.79% to Rs. 10,616.84 million for fiscal 2005 from Rs. 9,497.04 million for fiscal 2004. Our net profit after tax was 25.91% of total revenues in fiscal 2005, as compared to 27.32 % in fiscal 2004.

Adjusted Net Profit After Tax

Our adjusted profit after tax for fiscal 2005 was Rs. 11,170.93 million, which was higher by Rs. 554.09 million, as compared to the net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of adjustments with respect to arrears in revenue, statutory levies and expenses.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs and our capital expenditure. To fund these costs, we have relied on cash flows from operations and short-term and long-term borrowings.

Dividends

Our dividend payout and tax on dividend payout for fiscal 2007, 2006, 2005 and 2004 was as follows:

	For fiscal			
	2007	**2006**	**2005**	**2004**
Dividend per Equity Share (Rs.)	26.00	26.50	16.00	14.00
Dividend Payout (Rs. in millions)	5,564.11	5,671.12	3,424.07	2,996.06
Dividend Tax (Rs. in millions)	828.04	795.37	472.33	383.87

Dividends are declared at the annual general meeting of the shareholders based on the recommendation by the board. The board may recommend dividends, at its discretion, to be paid to our shareholders. The board may also declare interim dividends. The board considers a number of factors in making a recommendation to pay dividend, including but not limited to, our profits, capital requirements and overall financial condition. Pursuant to the guideline on expenditure management, fiscal prudence and austerity dated October 18, 2004 from the GoI, all profit-making PSUs, are required to declare the higher of a minimum dividend of 20% on equity or a minimum dividend of 20% of post-tax profits. According to the October 18, 2004 guideline, the minimum pay-out in respect of enterprises in the oil, petroleum, chemicals and other infrastructure sectors (such as OIL) is 30% of post-tax profits. The dividend pay-out ratios in fiscal 2007, 2006 and 2005 were 33.93%, 33.56% and 32.25%, respectively. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy in the future. For more information on our dividend policy, see "Dividend Policy" on page 186 of this Draft Red Herring Prospectus.

Cash Flows

The table below summarises our cash flows for the six months ended September 30, 2007 and fiscal 2007, fiscal 2006, fiscal 2005 and fiscal 2004. Figures in brackets represent cash outflow.

(Rs. in millions)

	Six months ended September 30,	**Year ended March 31,**			
	2007	**2007**	**2006**	**2005**	**2004**
Net Cash from Operating Activities	17,940.87	9,606.42	26,282.25	14,762.65	12,212.35
Net Cash Used in Investing Activities	(4,002.57)	(6,448.27)	(6,929.79)	(4,542.23)	(3,043.08)
Net Cash Used in Financing Activities	(4,188.72)	(1,416.21)	(6,977.83)	(3,338.52)	(4,858.90)
Net Increase/(Decrease) in Cash and Cash Equivalents	9,749.58	1,741.94	12,374.63	6,881.90	4,310.37

Net Cash from Operating Activities

Our main source of cash flows is funds from operations. Changes in our funds from operations are primarily determined by changes in the prices we receive for our products and our production volumes. For the six months ended September 30, 2007, our net cash flows from operating activities were Rs. 17,940.87 million, or 186.76% of the cash flows from operating activities in fiscal 2007. This increase was primarily due to cash received upon maturity of deposits with public sector companies. Net cash flows from operating activities decreased to Rs. 9,606.42 million in fiscal 2007 from Rs. 26,282.25 million in fiscal 2006. This is primarily due to a Rs. 7,578.32 million increase in deposits with PSUs, a Rs. 939.57 million increase in statutory deposits in advance and a Rs. 1,363.77 million decrease in current liabilities. Our net cash from operating activities increased to Rs. 26,282.95 million in fiscal 2006, from Rs. 14,762.65 million in fiscal 2005. This increase was primarily due to an increase in profits resulting from an increase in crude oil sales. Our net cash from operating activities increased to Rs. 14,762.65 million in fiscal 2005 from Rs. 12,212.35 million in fiscal 2004. This increase was primarily due to higher profits, debt realisation and maturity of deposits with PSUs.

Net Cash used in Investing Activities

For the six months ended September 30, 2007, we utilised net cash of Rs. 4,002.57 million in investing activities, or 62.01% of the net cash utilised for investing activities in fiscal 2007. This increase is primarily due to:

- An increase in our expenditure for purchase of fixed assets and for exploratory and development drilling, aggregating to an investment of Rs. 5,120.39 million for the six months ended September 30, 2007, or 54.82% of our investment in purchase of fixed assets and for exploratory and development drilling in fiscal 2007.

An increase in investment in the amount of Rs. 3,928.32 million to increase our shareholding in NRL.

This was partially offset by:

- An increase in our cash from receipt of interest and dividend and maturity of investments, aggregating to an amount of Rs. 5,046.14 million for the six months ended September 30, 2007, or 174.48% of our cash from received from interest and dividend and maturity of investments in fiscal 2007.

Our net cash flow used investing activities decreased to Rs. 6,448.27 million in fiscal 2007, from Rs. 6,929.79 million in fiscal 2006. This decrease was primarily due to:

- A decrease in the investments made by the Company, to Rs. 0.02 million in fiscal 2007 from Rs. 2,482.17 million in fiscal 2006.

- An increase in our cash flow from receipt of interest and dividend and maturity of investments, aggregating to an amount of Rs. 2,892.13 million for fiscal 2007, as compared to an aggregate amount of Rs. 1,670.27 million for fiscal 2006.

Our net cash flow used in investing activities increased to Rs. 6,929.79 million in fiscal 2006, from Rs. 4,542.23 million in fiscal 2005. This increase is primarily due to:

- An investment of Rs. 2,482.17 million made by us in GoI bonds in fiscal 2006 against settlement of certain claims in kind against the gas pool account.

Our net cash flow from investing activities increased by to Rs. 4,542.23 million in fiscal 2005, from Rs. 3,043.08 million in fiscal 2004. This increase is primarily due to:

- An increase in our expenditure for purchase of fixed assets and for exploratory and development drilling was in fiscal 2005 aggregating to an investment of Rs. 6,283.27 million from Rs. 3,512.32 million in fiscal 2004.

Net Cash Used in Financing Activities

For the six months ended September 30, 2007, we utilised net cash of Rs. 4,188.72 million in financing activities, or 295.77% of the net cash utilised for financing activities in fiscal 2007. This increase was primarily due to:

- An increase in the repayment of short-term borrowings to Rs. 3,941.13 million for the six months ended September 30, 2007, or 1,126.03% of the repayment in fiscal 2007.

- The absence of any proceeds from short-term borrowings, as compared to Rs. 5,539.83 million in fiscal 2007.

- The absence of final dividends paid for the prior year, which have historically been paid during the third quarter of each fiscal year.

Our net cash used in financing activities decreased to Rs. 1,416.21 million in fiscal 2007 from Rs. 6,977.83 million in fiscal 2006. This decrease was primarily due to higher proceeds from short-term borrowings, in the amount of Rs. 5,539.83 million in fiscal 2007, as compared to Rs. 600.24 million in fiscal 2006. In addition, the aggregate amount paid towards dividends, interest and dividend tax decreased to Rs. 6,606.04 million in fiscal 2007 from Rs. 7,116.45 million in fiscal 2006.

Our net cash used in financing activities increased to Rs. 6,977.83 million in fiscal 2006 from Rs. 3,338.52 million in fiscal 2005. This increase was primarily due to an increase in the aggregate amount of Rs. 7,116.45 million paid towards dividend, interest and dividend tax in fiscal 2006, as compared to Rs. 3,554.12 million in fiscal 2005.

Our net cash used in financing activities decreased to Rs. 3,338.52 million in fiscal 2005, from Rs. 4,858.90 million in fiscal 2004. This decrease was primarily due to a decrease in payment of dividend, interest and dividend tax to Rs. 3,554.12 million in fiscal 2005, as compared to Rs. 3,944.52 million in fiscal 2004 and an increase in our net proceeds from long-term borrowings in the amount of Rs. 589.71 million in fiscal 2005, in comparison with no proceeds in fiscal 2004.

Indebtedness

Key terms of our outstanding indebtedness as of September 30, 2007 are as follows:

Indian Rupee Loans

We had an aggregate principal amount of Rs. 4,198.94 million in Indian Rupee borrowings outstanding as of September 30, 2007. This includes an aggregate principal amount of Rs. 3,305.19 million outstanding under secured loan facilities and an aggregate principal amount of Rs. 893.75 million outstanding under ten separate unsecured long-term loan facilities from OIDB. The interest rate applicable to each of these unsecured long-term loan facility is 5% per annum, payable in quarterly instalments.

The table below sets out our loan facilities from OIDB as of September 30, 2007.

Amount of facility	Aggregate principal amount outstanding	Repayment Particulars
Rs. 700 million	Rs. 525.00 million	Equal quarterly instalments until March 21, 2013.
Rs. 35.4 million	Rs. 4.43 million	Equal quarterly instalments until December 30, 2007.
Rs. 200 million	Rs. 75.00 million	Equal quarterly instalments until June 27, 2010.
Rs. 40 million	Rs. 15.00 million	Equal quarterly instalments until July 4, 2010.
Rs. 14.6 million	Rs. 1.83 million	Equal quarterly instalments until February 1, 2008.
Rs. 300 million	Rs. 187.50 million	Equal quarterly instalments until October 1, 2011.
Rs. 60 million	Rs. 22.50 million	Equal quarterly instalments until July 12, 2010.
Rs. 93.8 million	Rs. 11.73 million	Equal quarterly instalments until October 12, 2007.
Rs. 37 million	Rs. 4.63 million	Equal quarterly instalments until October 4, 2007.
Rs. 369.2 million	Rs. 46.15 million	Equal quarterly instalments until October 4, 2007.

As of September 30, 2007 we also have an aggregate principal amount of Rs. 86.02 million outstanding under a working capital facility of Rs. 2,700 million from the State Bank of India, CAG Branch. The loan is secured by hypothecation of all current assets, including goods in transit wherever situated but excluding joint venture assets. The interest rate applicable to the loan is 1% above the prime-lending rate, which is presently 11.75%, payable in quarterly instalments. Further, we have outstanding an aggregate principal amount of Rs. 3,219.17 against loans from banks, secured by a pledge against term deposits.

For further details regarding our indebtedness, see "Financial Indebtedness" on page 276 of this Draft Red Herring Prospectus.

In addition, as of September 30, 2007, we have issued several guarantees in an aggregate principal amount of Rs. 972.72 million. For further information, see "Statement of Contingent Liabilities", which appears in Annexure XVII to "Financial Statements" on page 235 of this Draft Red Herring Prospectus and "Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards" on page xxx of this Draft Red Herring Prospectus.

Foreign Currency Loans

We do not have any foreign currency loans outstanding as of September 30, 2007.

Historical and Planned Capital Expenditure and Other Investments

Capital expenditures represent the increase in the value of our fixed assets plus changes in capital work in progress (i.e., expenses incurred in relation to work in progress but not capitalised), advance payments on account of capital expenditures and surveys (which are expensed to the profit and loss account as per our accounting convention), exploratory drilling and development drilling.

For the six months ended September 30, 2007, our total capital expenditure was Rs. 5,120.39 million, 83.23% of which was primarily utilised for the purposes of development and exploration activities in the Assam Basin, 3.15% was utilized in development activities in the Rajasthan basin, 11.78% was utilized in exploration activities in the areas under domestic PSCs and 1.83% was utilized in overseas exploration ventures.

In fiscal 2007, our total capital expenditure was Rs. 9,340.38 million, of which 64.47% was utilized for the purposes of development and exploration activities in the Assam Basin, 14.66% was invested in construction of a product pipeline in Assam connecting Numaligarh to Siliguri, 1.38% was invested in development in the Rajasthan basin, 10.10% was utilized in exploration activities in the areas under domestic PSCs and 9.39% was utilized in overseas exploration ventures.

In fiscal 2006, our total capital expenditure was Rs. 6,117.88 million, of which 71.41% was utilized for the purposes of development and exploration activities in the Assam Basin, 8.09% was invested in construction of a product pipeline in Assam connecting Numailgarh to Siliguri, 5.83% was invested in development in the Rajasthan basin, 11.87% was utilized in exploration activities in the areas under domestic PSCs and 2.80% was utilized in overseas exploration ventures.

In fiscal 2005, our total capital expenditure was Rs. 6,283.27 million, of which 83.72% was utilized for the purposes of development and exploration activities in the Assam Basin, 6.78% was invested in construction of a product pipeline in Assam connecting Numailgarh to Siliguri, 0.36% was invested in development in the Rajasthan basin, 1.36% was utilized in exploration activities in the areas under domestic PSCs and 7.78% was utilized in overseas exploration ventures. In fiscal 2004, our total capital expenditure was Rs. 3,535.14 million, of which 99.96% was utilized for the purposes of development and exploration activities in the Assam Basin and 0.04% was invested in development in the Rajasthan basin. In the Assam Basin, amongst others, the development of Makum-Hapjan fields and redevelopment in Nahorkatia, Shalmari and Dikom fields was undertaken and exploration in Bagjan, Chandmari and Sapekati was undertaken.

For fiscal 2007, 2006, 2005 and 2004, our total capital expenditure was 161.45%, 96.07% 81.56% and 58.31% of our budgeted expenditure for each of those years, respectively. We have received the necessary authorizations for budgeted expenditure of an aggregate amount of Rs. 17,056.8 million in fiscal 2008 for exploration and development activities in our concessions, and up to Rs. 93,035.40 million in total by fiscal 2012.

As of September 30, 2007, we have a total investment of Rs. 4,836.56 million in investments, which comprised an investment in the amount of Rs. 4,836.54 million in the equity shares in NRL and Rs. 0.02 million in the equity shares in Suntera Nigeria. A majority of our existing commitments are for exploration and production activities and expansion into downstream projects. We are currently pursuing several other exploration and production opportunities and investments in downstream petrochemicals and coal oil liquefaction, may involve significant commitments.

The cost of drilling, completing and operating wells is often uncertain. As a result, we have in the past incurred, and may continue to incur, cost overruns, or may be required to curtail, delay or terminate drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or variations in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements, and shortages or delays in the availability of drilling rigs and the delivery of equipment. We have encountered delays in domestic exploration projects due to failure of third party contractors hired for the project to complete their scope of work in a timely manner, as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations and unanticipated conditions prevailing in the areas of exploration. For further details, see "Risk Factors—Our plan to accelerate our exploration and development has significant expenditure requirements and, if we are unable to obtain the necessary funds for such expenditure in a timely manner, our business may be adversely affected" on page xxix of this Draft Red Herring Prospectus.

Research and Development

For the six months ended September 30, 2007 and fiscal 2007, fiscal 2006, fiscal 2005 and fiscal 2004, we spent Rs. 72.08 million, Rs. 115.01 million, Rs. 125.81 million, Rs. 116.82 million and Rs. 111.18 million, respectively, on research and development activities.

(Rs. in millions)

	Six months ended September 30,	**For fiscal**			
	2007	**2007**	**2006**	**2005**	**2004**
Capital	3.21	2.45	3.61	8.29	23.85
Recurring	68.87	112.56	122.20	108.53	87.33
Total	72.08	115.01	125.81	116.82	111.18
Total research and development expenditure as a percentage of total revenues	0.21	0.20	0.23	0.30	0.32

For more information, see "Business—Research and Development" on page 130 of this Draft Red Herring Prospectus.

Principal Sources of Liquidity

At September 30, 2007, our cash and cash equivalents amounted to Rs. 42,506.54 million. We believe that our anticipated cash flow from operations, together with our existing cash, will be sufficient to meet our operating and capital expenditure requirements for fiscal 2008. Our anticipated cash flows depend on several factors beyond our control, such as international prices of crude oil and LPG, GoI regulation of prices, and the rates of subsidies and other levies by the GoI. We may therefore be required to incur additional indebtedness or issue equity in the future. For further information, see "Risk Factors" on page xiii of this Draft Red Herring Prospectus.

Off-Balance Sheet Arrangements and Financial Instruments

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities for the six months ended September 30, 2007 and for fiscal 2007, fiscal 2006 and fiscal 2005.

(Rs. in millions)

Particulars	**For the six months ended September 30,**	**For fiscal**		
	2007	**2007**	**2006**	**2005**
Statutory claims against the Company not acknowledged as debts (1)	3,110.25	2,130.69	2,404.82	305.72
Contractual claims against the Company not acknowledged as debts (2)	1,472.15	1,373.96	1,540.16	1377.43
Letters of Credit outstanding for which there is a floating charge on the Company's current assets	620.92	568.58	336.57	725.70
Guarantees executed by the Company in favour of the GoI	972.72	667.17	103.04	173.20
Capital Commitments in respect of contracts remaining to be executed on capital account and not provided for in the accounts	2,277.13	717.77	1,430.62	974.94
Total	8,453.17	5,458.17	5,815.21	3,557.02

(1) These include claims under income tax, sales tax, service tax and other acts.

(2) These include claims other than those covered in (1) and include claims under Customs Act, and Company's share of claims under PSCs.

Contingent liabilities increased to Rs. 8,453.17 million for the six months ended September 30, 2007 from Rs. 5,458.17 million for fiscal 2007, primarily due to an increase of 45.97% in statutory claims against us and a 217.25% increase in capital commitments made by us as a result of expansion of business activities requiring higher capital expenditures, higher imports and increased commitments in NELP blocks. Contingent liabilities decreased to Rs. 5,458.17 million for fiscal 2007 from Rs. 5,815.21 million for fiscal 2006 as a result of a 49.82% decrease in capital commitments. Contingent liabilities increased by Rs. 2,258.19 million from contingent liabilities of Rs. 3,557.02 million for fiscal 2005. The reason for the increase in contingent liabilities for fiscal 2006 was primarily as a result of a 686.60% increase in statutory claims raised by the Central Excise Authority. For further information, see "Statement of Contingent Liabilities", which appears in Annexure XVII to "Financial Statements" on page 235 of this Draft Red Herring Prospectus and "Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards" on page xxx of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist principally of the following, as on September 30, 2007, classified by maturity:

(Rs. in millions)

Particulars	**Payment due by period**				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long term debt obligations	893.75	68.75	112.5	187.5	525
Capital lease obligations	-	-	-	-	-
Operating lease obligations	-	-	-	-	-
Other long term liabilities(1)	-	-	-	-	-
Total	893.75	68.75	112.5	187.5	525

(1) Excludes capital commitments. See "—Off-Balance Sheet Arrangements and Financial Instruments—Contingent Liabilities" on page 272 of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

The prices of our products, in particular, crude oil and LPG, are linked to the international prices of such products. Our revenues are exposed to the risk of fluctuation in prices in the international markets. We do not currently have in place any hedging mechanisms. For more information on international crude oil prices, see "Factors affecting our Results Of Operations—International Prices of Crude Oil" on page 242 of this Draft Red Herring Prospectus and “Risk Factors— A substantial or extended decline in international prices for crude oil would have a material adverse effect on our business” on page xiii of this Draft Red Herring Prospectus.

Operating Risk

We are exposed to operating risks, including reservoir risk, risk of loss of oil and gas, risk of terrorist attacks and natural calamities risk in respect of all our installations and facilities. We have, however, insured our installations and facilities under a standard fire and special perils policy, under which most replacement costs will be borne by the insurance company. We are however, not covered for lost profits. The premium for insurance coverage at replacement cost for fiscal 2007 was Rs. 24.91 million, exclusive of service tax. See "Business—Insurance" on page 131 of this Draft Red Herring Prospectus.

Exchange Rate Risk

We make substantial purchases of services and equipment in foreign currencies and the prices of crude oil and LPG are linked to the international prices of such products, which are traditionally denominated in U.S. Dollars. We are exposed to risks relating to exchange rate fluctuations. We have no hedging or derivative program to cover these risks. However, the risk involved in our required payments in foreign currencies is offset to some degree by our revenues from sales of crude oil and LPG, which are linked to the U.S. Dollar currency exchange rates and increase if the U.S. Dollar strengthens against the Indian Rupee.

Interest Rate Risk

We are exposed to interest rate risk on our earnings. We make short-term investments with banks and other financial institutions and a decrease in the interest rates in the domestic market will result in lower interest earnings on short-term deposits.

Effect of Inflation

During fiscal 2007, 2006, 2005 and 2004, the All India Consumer Price Index increased by 4.3%, 6.1%, 4.2%, and 3.8%, respectively, and during fiscal 2007 the All India Consumer Price Index is forecast to increase by 6.2%. *(Source: World Economic Outlook 2007, International Monetary Fund.)* We set the price for our products sold in India based on various factors, including inflation. Inflation has not had a significant impact on the results of our operations.

Related Party Transactions

As of September 30, 2007, we had provided an aggregate principal amount of Rs. 180.75 million as loans and advances to our joint venture partners and associates. We have provided an advance of Rs. 155.70 million to Suntera Nigeria, in which we hold a 25% interest, which is outstanding as of September 30, 2007.

As of September 30, 2007, we had an aggregate principal amount of Rs. 2.84 million outstanding in loans to directors, who are entitled to loans in accordance with normal policy applicable to employees and an aggregate principal amount of Rs. 1,389.99 million outstanding in loans to other employees of the Company. We have also made an advance of Rs. 0.05 million to Brahmaputra Cracker and Polymer Limited towards acquisition of its shares. Pending allotment of shares, this amount is reflected as a recoverable advance. We have also made an advance of Rs. 25 million to the OIL-IOTL consortium, towards our share of the working capital as per the terms of the Consortium Agreement.

In addition, we have provided several significant guarantees to the GoI in respect of performance obligations in the PSCs. For further information, see "Statement of Contingent Liabilities", which appears in Annexure XVII to "Financial Statements" on page 235 of this Draft Red Herring Prospectusand "Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards" on page xxx of this Draft Red Herring Prospectus. For more information, see "Financial Statements—Related Party Transactions" on page 226 of this Draft Red Herring Prospectus.

Unusual and Infrequent Events or Transactions

Since September 30, 2007, certain significant events have occurred, which may be called "unusual" or "infrequent". We anticipate that each of these significant events may have an adverse impact on our financial condition and results of operations in the future financial periods. These significant developments are as under.

- The Additional Commissioner of Income Tax, Dibrugarh through its assessment orders and demand notices dated November 29, 2007 has imposed a demand of approximately Rs. 8,402.30 million on our Company on account of the discounts granted to oil marketing companies on crude oil and LPG sales that were disallowed by the assessing authorities.

- Our management has agreed to relinquish Block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator. Formal relinquishment has not occurred on the date of the DRHP.

- Subsequent to September 30, 2007, we have repaid an aggregate amount of Rs. 100.00 million outstanding under three separate long-term loan facilities from OIDB.

FINANCIAL INDEBTEDNESS

A. Secured Working Capital Loans

We have been granted a working capital facility of Rs. 2,700 million by the State Bank of India. However, as of December 10, 2007, we had not made any disbursement from the State Bank of India and our total outstanding amount was Nil. Brief terms and conditions of this facility are set forth below.

(Rs. in million)

S. No.	Lender	Facility	Amount Outstanding as at December 10, 2007	Interest Rate	Security
1.	State Bank of India	Rs. 2,700 million through memorandum of understanding dated November 25, 1999 (1) (2) (3) (4)	Nil	Presently 7.25%	First charge by way of hypothecation of our Company's entire goods, book debts, movables and other assets present and future including documents of title to the goods and other assets.

(1) Our Company shall not withdraw except with the bank's prior permission in writing or divert or misuse the funds and assets invested in or brought into the business by our Company as capital, deposits or otherwise.

(2) Our Company is required to keep the State Bank of India informed of any adverse circumstances affecting its financial position.

(3) Our Company shall notify the bank immediately in case of:
- any change or alteration in the capital structure;
- any scheme of amalgamation or reconstitution;
- a new scheme of expansion being implemented or an allied line of business or manufacturing being taken up;
- entering into borrowing arrangement with other banks; and
- declaration of dividends for the year except out of profits relating to that year.

(4) In case of default, the State Bank of India may disclose and furnish such information to the Credit Information Bureau (India) Limited, and any other agency authorized in this behalf by Reserve bank of India.

B. Domestic Unsecured Borrowings (Long Term)

The total outstanding amount with respect to our domestic unsecured long term facilities is Rs. 793.75 million as of December 10, 2007. The details of these facilities are set forth below.

(Rs. in million)

S. No.	Lender	Facility	Amount Outstanding (as at December 10, 2007)	Interest Rate	Repayment Terms
1.	Oil Industrial Development Board	Loan of Rs. 1,500 million through memorandum of undertaking dated March 23, 1998 (1) (2)	6.25	5.00%	Repayable in eight equal quarterly instalments by January 4, 2008
2.	Oil Industrial Development Board	Loan of Rs. 300 million through	112.50	5.00%	Repayable in eight equal quarterly instalments by

S. No.	Lender	Facility	Amount Outstanding (as at December 10, 2007)	Interest Rate	Repayment Terms
		memorandum of undertaking dated June 26, 2001[1][2]			July 12, 2010.
3.	Oil Industrial Development Board	Loan of Rs. 300 million through memorandum of undertaking dated October 1, 2001 [1][2]	150.00	5.00%	Repayable in eight equal quarterly instalments by October 1, 2011
4.	Oil Industrial Development Board	Loan of Rs. 700 million through memorandum of undertaking dated March 21, 2003[1][2]	525.00	5.00%	Repayable in eight equal quarterly instalments by March 21, 2013

(1) Loan is only to undertake exploration programme in high risk areas and is not to be utilized for any other purpose.

(2) Our Company shall not, except with the written consent of the lender, so long as the debt is due, transfer, dispose of, alienate, encumber, charge or pledge or part possession with any of its assets.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against us and our Directors, that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against us and our Directors as of the date of this Draft Red Herring Prospectus.

Our Company and our Directors are not on the list of wilful defaulters of the RBI.

I. Litigation against our Company:

A. Contingent liabilities not provided for as of September 30, 2007:

As of September 30, 2007, the contingent liabilities appearing in our restated unconsolidated financial statements are as follows:

(Rs. in million)

Contingent Liabilities:	Amount
A. Claims against the Company not acknowledged as debts including:	**4,582.40**
Claims under Income Tax , Sales Tax , Service Tax and other Acts	3,110.25
Other claims in respect of (other than Income tax , Excise, Service tax and other acts)	1,463.45
Claims under the Customs Act	1.18
Company share of claims on JVC	7.52
C. Letters of Credit and Bank Guarantee:	**1,593.64**
Letters of Credit outstanding for which there is a floating charge on Current Assets of the Company	620.92
Guarantees executed by the Company	972.72
C. Capital Commitment:	**2,277.13**
Capital commitment on account of contract remaining to be executed on capital account and not provided for in the accounts	2,277.13
Total	**8,453.17**

B. Pending litigation against our Company:

Mines Accident/ Safety Cases

There are seven mines accident related criminal cases filed against our Company and certain officials, pending before the Guwahati High Court and the Rajasthan High Court in India. The details of these cases are as follows:

(a) The Deputy Director of Mines Safety has filed four separate cases (CC Numbers 38/1999, 39/1999, 211/1998, 212/1998) against certain officers of our Company, namely Mr. N.N. Gogoi, Mr. B.P. Bhattacharjee and others, before the Judicial Magistrate (First Division) Jaisalmer, alleging violation of provisions of the Indian Electricity Rules, 1956 and the Mines Act, on allegations that officials failed to provide flame-proof circuit breakers on equipment used in a drilling well. The Judicial Magistrate (First Division) Jaisalmer, through order dated January 15, 2002, dismissed the applications filed by the petitioner. Aggrieved by the decision of the Judicial Magistrate (First Division) Jaisalmer, the petitioner has filed a revision petition (S.B. Criminal Revision Petition Numbers 45/2003, 46/2003, 49/2003 and 50/2003) before the Rajasthan High Court. The matter is currently pending before the Rajasthan High Court for final judgment.

(b) The Deputy Director of Mines and Safety has filed a case (Number 83C/1999) against our Company and certain of our employees namely Mr. D.K. Banik, Mr. P.K. Dutta and others in the Court of the Additional Chief Judicial Magistrate, Dibrugarh, on charges of negligence in respect of an accident that took place at a work over rig at the Naharkatia Oil Mines causing death of an employee. The Court of the Additional Chief Judicial Magistrate, Dibrugarh, through its order dated December 4, 2003 has sentenced the officials to three months imprisonment along with a fine of Rs. 5,000. Our Company and the concerned officials filed an appeal before the Additional Sessions Judge, Dibrugarh (Criminal Appeal Number 2(1)/2004). The Court of the Additional Sessions Judge, Dibrugarh, through its order dated October 21, 2006, set aside the order dated December 4, 2003 and remanded the case to the Court of the Additional Chief Judicial Magistrate for a re-trial. The Additional Chief Judicial Magistrate, through order dated October 31, 2007 had notified November 14, 2007 for the pronouncement of judgment. Our Company has prayed for the adjournment of date for pronouncement of the judgment till January 2008. The matter is pending before the Court for final judgment.

(c) The Director of Mines and Safety has filed a criminal complaint (Case No. 38(C)/2002) against Mr. N. R. Deka and certain other employees before the Chief Judicial Magistrate, Tinsukhia on allegations of negligence and violation of the provisions of the Oil Mines Regulations, 1984 on account of an accident caused at a rig pump which resulted in the death of one personnel and serious bodily injuries to two other personnel. The Court through its order dated July 26, 2005 convicted Mr. Deka and others with six months rigorous imprisonment along with a fine of Rs. 5,000 each. Aggrieved by the order of the court, the accused filed an appeal (Criminal Appeal No. 41(3)/2005) before the Court of District and Sessions Judge, Tinsukia. The court through its order dated April 20, 2006 partly allowed the appeal by setting aside the conviction of Mr. Arup Arandhara and modified the sentence of Mr. Deka to only payment of a fine of Rs. 5,000. Aggrieved by the order of the court, Mr. Deka has filed a criminal revision petition (No. 285/2006) before the Guwahati High Court to set aside the order. The matter is currently pending before the Guwahati High Court for final judgment.

(d) The Deputy Director of Mines Safety and Inspector of Mines has filed a criminal complaint (C.C. Number 160C/2006) against, *inter alia*, Mr. Nava Jyoti Bhuyan, a Manager at one of our mines, before the Chief Judicial Magistrate at Tinsukia on allegations of violations of the provisions of the Mines Act, 1952 that lead to an accident at one of our oil wells. Mr. Bhuyan filed an application for referral of the complaint to a committee in lieu of prosecution and has also prayed for grant of a stay on the criminal proceedings. The Court through its order dated November 16, 2006 rejected the application. Aggrieved by the order of the court, Mr. Bhuyan filed a civil writ petition (Number 251/2006) before the Guwahati High Court for quashing the complaint. The Guwahati High Court, through its order dated December 11, 2006, has granted a stay on the criminal proceedings before the Chief Judicial Magistrate. The matter is currently pending before the Guwahati High Court for final judgment.

Motor Accident Claims

There are three motor vehicle accident related compensation cases filed against our Company and certain officials, pending before various authorities in India. The aggregate claims against our Company in three cases are Rs. 5.06 million approximately. The details of these cases are as follows:

(a) Mr. Neil Rose has filed a compensation claim (809/1995) against our Company, Mr. Pradip Deka and others before the Motors Accident Claims Tribunal ("**MACT**"), Kamrup, Guwahati, claiming Rs. 2 million along with interest as damages for the death of his wife due to rash and negligent driving of the bus driver of our Company. The MACT, through its order dated October 15, 2004, awarded Mr. Rose Rs. 0.2 million along with interest. Aggrieved by the order of the MACT, our Company has filed an appeal (MAC Appeal Number 38/2005) before the Guwahati High Court to set aside the order dated October 15, 2004. The Guwahati High Court has issued an ad interim stay on proceedings at the MACT. The matter is currently pending.

(b) Ms. Molika Gogoi and others have filed a compensation claim (MACT Number 855/2007) against our Company, Mr. Sarat Duwarah and others before the MACT, Kamrup, Guwahati, claiming Rs. 5 million along with interest as damages for the death of Ms. Gogoi's husband, Mr. Mulen Gogoi, in an accident involving a driver of our Company. The matter is currently pending.

(c) Mr. Dilip Saikia has filed a compensation claim (MACT Number 75/2007) against our Company, Mr. Prokash Rai and others, before the MACT, Dibrugarh, and has claimed Rs. 0.4 million along with interest as damages for injuries suffered in an accident involving a driver of our Company. The matter is currently pending.

Public Interest Litigations and Environmental Cases

There are five litigations in relation to allegations of environmental damages caused by our operations that have been filed against our Company and certain officials and are pending before various courts in India. These include four public interest litigations have been filed in relation to proposed seismic studies in the Brahmaputra river bed and one suit for permanent injunction against our Company to carry on certain drilling activities. The details of these cases are as follows:

(a) The Bhubaneshwar Bar Association has filed a public interest litigation (O.J.C. No 80 of 1997), against our Company, the Union of India and others, before the Orissa High Court and have prayed that the court issue directions to respondents to explore the oil potentiality of the Mahanadi basin with the latest technology. The petitioners have also prayed that the court issue directions to prevent our Company from transferring staff and dismantling installations which would lead to the closing down of explorations and drilling activities in the Mahanadi basin. The Court through its order dated February 22, 1999 has directed that any attempt to close down the Mahanadi basin project by our Company should not be given effect without seeking the prior leave of the Court. The petition is currently pending.

(b) Mr. Apurba Ballav Goswami and others have filed a public interest litigation (PIL Number 87 of 2006) against our Company and others before the Guwahati High Court, alleging that the seismic survey on the Brahmaputra river bed by our Company was being conducted without appropriate scientific assessment of the concerns raised by the EIA report on the proposed survey. Mr. Goswami and others have prayed that the court issue directions, *inter alia*, to the concerned authorities to inform the public on the nature and impact of the survey. The petition is currently pending.

(c) Dr. Janardan Bezbarua and another have filed a public interest litigation (PIL No. 77 of 2006) against our Company and others before the Guwahati High Court, challenging the proposal of our Company to carry out underground seismic surveys in the Brahmaputra river bed on grounds that the survey would result in vast devastation and degradation of the environment and wildlife in the surrounding areas. The petitioners have approached the court to issue directions to the GoI to prohibit our Company from carrying out underground seismic surveys in the Brahmaputra river bed. The petition is currently pending.

(d) Mr. Kriti Rajkhowa has filed a suit (Title Suit Number 52/2006) against our Company before the Court of the Munsif No. 2, Dibrugarh and have prayed, *inter alia*, for grant of a perpetual injunction restraining our Company from conducting drilling operations in the well NDJ 146 and discharge of industrial wastes in the petitioner's paddy field and a mandatory injunction directing our Company to demolish the construction made for the purpose of the drilling operations. The next date has been fixed for November 19, 2007 for cross examination of our Company's witnesses. However, Mr. Rajkhowa had filed an application for grant of temporary injunction against our Company, which was rejected by the Court of the Munsif No. 2, Dibrugarh. Aggrieved by the order of the court, Mr. Rajkhowa preferred an appeal (Misc. (A) Number 31/2006) before the Assistant District Judge at Dibrugarh. The next date of hearing for the case is January 2, 2008.

(e) Mr. Pankaj Pratim Dutta and another have filed a public interest litigation (PIL No. 6327 of 2006), against our Company before the Guwahati High Court, in relation to the seismic survey proposed to be undertaken by our Company on the Brahmaputra river bed and surrounding areas. The petitioners have contended that seismic survey may endanger the environment and other natural surroundings near the Brahmaputra river bed and may also affect the wildlife sanctuary in the surrounding area. The petitioners have prayed that the court issue directions to the concerned authorities to carry out an Environment Impact Assessment and public hearing before according clearance to the seismic survey. The petition is currently pending.

Taxation Matters

Sales Tax Proceedings

There is one sales tax case involving us which is pending before the Commissioner of Sales Tax, Orissa, India. This case pertains to appeals filed by our Company in relation to certain demands raised on us for various assessment years. The aggregate amount demanded in this case has been quantified by our Company as 148.96 million and the details of this are as follows:

(a) The Sales Tax Officer-cum-Tax Recovery Officer, Bhubaneshwar II Circle through its recovery order dated October 27, 1992 imposed a demand of Rs. 24.58 million on our Company for the assessment years 1984-85, 1985-86, 1986-87 and 1987-88 as sales tax under the Orissa Sales Tax Act, 1947 on behalf of an un-registered foreign contractor engaged by our Company for offshore drilling. Aggrieved by the order dated October 27, 1992 our Company filed a revision petition (PU-1186/92-93) before the Commissioner of Sales Tax, Cuttack which was dismissed by the Commissioner of Sales Tax, through order dated January 29, 1993. Aggrieved by the recovery order dated October 27, 1992 and the order dated January 29, 1993, our Company has filed a writ petition (O.J.C No. 1125 of 1993) against the Commissioner of Sales Tax, Orissa and others, before the Orissa High Court challenging the order dated October 27, 1992. The High Court by its order dated February 18, 1993 directed our Company to deposit Rs. 7 million as an interim arrangement and granted a stay on the balance demand of Rs. 17.58 million until final disposal of the writ petition. The High Court through order dated March 8, 2007 has stated that the demands raised pursuant to the impugned orders of assessment passed for the years 1984-85, 1985-86, 1986-87 and 1987-88 shall not be enforced against us till the determination is made by the Revisional Authority for the first year, i.e. 1984-85. The result of such re-determination shall apply to the other assessment years and right to claim refund or obligation to pay shall flow therefrom. We have quantified the aggregate demand to Rs. 148.96 million at present.

Service Tax Proceedings

There is one service tax case involving us which is pending before the Customs, Excise and Service Tax Appellate Tribunal, Eastern Regional Bench, Kolkata. The total amount of demanded by the tax authorities aggregates to Rs. 182.46 million. The details of this case are as follows:

(a) The Deputy Director, Director General of Central Excise and Intelligence, Kolkata issued a show cause notice (No. DGCEI F.No.142/KZU/KOL/Gr.D/SRU/04/3188 on July 20, 2005 to our Company demanding Rs. 95 million along with interest as service tax payable as a clearing and forwarding agent and for providing business auxiliary services under the provisions of the Finance Act, 1994. The Commissioner Central Excise, Dibrugarh, through order-in-original (No. 13/COMMR/ST/C&F/ADJ/DIB/05) dated December 30, 2005 confirmed the demand and imposed a sum of Rs. 182.46 million on our Company including certain penalties. Aggrieved by the order dated December 30, 2005, our Company has filed an appeal (STA Number 10/2006) before the Customs, Excise and Service Tax Appellate Tribunal, Eastern Regional Bench, Kolkata ("**CESTAT**") challenging the aforesaid order. The CESTAT, through order (No. S-333/KOL/07) dated March 30, 2007 has granted a stay on payment of the demand until final disposal of the appeal. The matter is currently pending before the CESTAT.

Income Tax Matters

There are eight income tax cases involving us which are pending before the income tax authorities. Two of these cases are in relation to demands raised by the income tax authorities and the aggregate amount demanded in these cases is Rs. 8,402.30 million approximately. Additionally, there are six cases pertains to appeals that we have filed in relation to certain deductions claimed by us for various assessment years. The total amount of deductions claimed by our Company aggregates to Rs. 2,762.98 million. The details of the income tax cases are as follows:

(a) The Additional Commissioner of Income Tax, Dibrugarh through its assessment order and notice of demand (F.No.O-1/Addl.CIT/R-2/518) dated November 29, 2007 imposed a demand of Rs. 3,303.79 million approximately on our Company for the assessment year 2005-2006 on account of the discounts granted to oil marketing companies on crude oil and LPG sales that were disallowed by the assessing authorities. Our Company is in the process of filing an appeal before the Commissioner of Income Tax against the aforesaid demand.

(b) The Additional Commissioner of Income Tax, Dibrugarh through its assessment order and notice of demand (F.No.O-1/Addl.CIT/R-2/513) dated November 29, 2007 imposed a demand of Rs. 8,167.36 million approximately on our Company for the assessment year 2006-2007 on account of the discounts granted to oil marketing companies on crude oil and LPG sales that were disallowed by the assessing authorities. Further, pursuant to a rectification order by the Additional Commissioner of Income Tax, Dibrugarh on the same date, the demand was reduced to Rs. 5,098.51 million approximately. Our Company is in the process of filing an appeal before the Commissioner of Income Tax against the aforesaid demand.

(c) Our Company, through letter (No. A/Cs/67/Interest/203/2006-2007) dated January 29, 2007 applied to the Assistant Commissioner of Income Tax, Circle 2, Dibrugarh for the assessment year 2002-2003 and have claimed interest on refunds made out of the excess self assessment tax paid by our Company amounting to Rs. 5.15 million. The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh has rejected our claim, through letter (F. No. 0-1/ACIT-2/DBR/2006-07/706) dated March 22, 2007. Aggrieved by the decision of the Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, we have filed an appeal on April 26, 2007 before the Commissioner of Income Tax (Appeals), Dibrugarh and have claimed that the decision to reject our interest claim of Rs. 5.15 million is set aside. The case is currently pending.

(d) Our Company, through letter dated December 13, 2006 applied to the Assistant Commissioner of Income Tax, Circle 2, Dibrugarh for the assessment year 2003-2004 and have claimed interest on refunds made out of the excess self assessment tax paid by our Company and interest on certain waivers granted by the Chief Commissioner of Income Tax, Shillong aggregating to Rs. 23 million. The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh has rejected our claims, through letter (F. No. O-1/ACIT-2/DBR/2006-07/706) dated March 22, 2007. Aggrieved by the decision of the Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, we have filed an appeal on April 26, 2007 before the Commissioner of Income Tax (Appeals), Dibrugarh and have claimed that the decision to reject our interest claim of Rs. 23 million is set aside. The case is currently pending.

(e) The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, through assessment order dated November 30, 2005 for the assessment year 2003-2004 and disallowed our claims for deduction of Rs. 22.16 million in relation to certain amortization expenditure in PEL areas. Aggrieved by the order for the disallowance, our Company has filed a rectification petition before the Assistant Commissioner Income Tax, Circle 2, Dibrugarh. The Assistant Commissioner rejected our rectification petition, through order (F. No. 0-1/ACIT/2/DBR/06-07/237) dated August 2, 2006. Aggrieved by the order of the Assistant Commissioner, we have filed an appeal (No. 22-DIB/2006-07) on September 7, 2006 before the Commissioner of Income Tax (Appeals), Dibrugarh and have claimed that the decision to reject our claim of Rs. 22.16 million is set aside. The case is currently pending.

(f) The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, through assessment order dated November 30, 2005 for the assessment year 2003-2004 and disallowed our claim for deduction of Rs. 620.73 million under section 80IB of the Income Tax Act in relation to profits against certain new wells. Aggrieved by the order for disallowance, our Company has filed an appeal (No. 24-DIB/2005-06) before the Commissioner of Income Tax (Appeals), Dibrugarh on January 7, 2006. The case is currently pending.

(g) The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, through assessment order dated November 30, 2005 for the assessment year 2004-2005 and disallowed our claims for deduction of Rs. 58.46 million in relation to certain amortization expenditure in PEL areas. Aggrieved by the order for the disallowance, our Company has filed a rectification petition before the Assistant Commissioner Income Tax, Circle 2, Dibrugarh. The Assistant Commissioner rejected our rectification petition, through order (F. No. 0-1/ACIT/2/DBR/06-07/281) dated August 30, 2006. Aggrieved by the order of the Assistant Commissioner, we have filed an appeal (22-DIB/2006-2007) dated September 21, 2006 before the Commissioner of Income Tax (Appeals), Dibrugarh and have claimed that the decision to reject our claim of Rs. 58.46 million is set aside. The case is currently pending.

(h) The Assistant Commissioner of Income Tax, Circle 2, Dibrugarh, through assessment order dated November 30, 2005 for the assessment year 2004-2005 and disallowed our claims for deduction of Rs. 1,717.98 million under section 80IB of the Income Tax Act in relation to profits against certain new wells and Rs. 315.50 million in relation to loans written off by our Company. Aggrieved by the order for such disallowances, our Company has filed an appeal (No. 24-DIB/2006-07) dated January 7, 2006 before the Commissioner of Income Tax (Appeals), Dibrugarh. The case is currently pending.

Civil Cases

There are 23 civil cases filed against our Company pending before various courts in India. The aggregate claims against our Company in these cases, where such claims have been quantified, are Rs. 2,668.26 million approximately. This includes Rs. 2,648.20 million that has been quantified by our Company on account of the tax imposed by the Assam Taxation (Specified Lands) (Amendment) Act, 2004. The details of these cases are as follows:

(a) Sunita Transport Agency has filed a civil suit (M.S. No. 4/1989) against our Company and others before the Court of Assistant District Judge, Dibrugarh, claiming Rs. 2.68 million in respect of outstanding bills, loss of goodwill, along with interest and costs, for recovery of dues on account of services provided in relation to a contract for collection and transportation of kerosene, and light diesel oil. The matter is currently pending at the arguments stage and the next date of hearing is December 14, 2007.

(b) C.K. Namsoom, a contractor of our Company for seismic survey contract work, has filed a money suit (M.S. Number 19/1995) against our Company, in the Court of the Assistant District Judge, Dibrugarh, claiming damages of Rs. 0.58 million along with interest for the period of execution of the contract, for non payment of dues on account of work performed in excess of the parameters for which the rate was quoted in the original tender. The matter is currently pending and the next date of hearing is December 20, 2007.

(c) Lloyd Steel Industries ("**Lloyd**") had filed two writ petitions against our Company before the Bombay High Court (WP Number 1624/1991) and the Rajasthan High Court (WP No. 19 of 1996), respectively, challenging the encashment of bank guarantee of Rs. 9.83 million by our Company on account of non-performance of their contractual obligations in relation to the placement of certain rigs for drilling operations. The petitions have been rejected by the Bombay High Court through its order dated June 8, 1991, and by the Rajasthan High Court through its order dated September 19, 2002. Aggrieved by the judgments of the Bombay and Rajasthan High Courts, Lloyd has filed a special leave petition (SLP Number 2124/2003) before the Supreme Court of India against our Company and others. The amount in dispute is Rs. 9.83 million. The matter is currently pending before the Supreme Court.

(d) Schlumberger Asia Services Limited and others have filed a writ petition (Number 4394/1998) before the Guwahati High Court against our Company and others challenging our Company's actions in deduction of tax at source under the Assam General Sales Tax Act, 1993 on the ground that the tax deduction was in violation of their fundamental rights and have prayed that the court issue a writ of certiorari directing our Company to not deduct tax from the source on bills raised by the petitioners. The matter has not yet been listed for next hearing.

(e) Purbanchal Banijya Vikash has filed a writ petition (WP Number 549/1999) against our Company and others, before the Guwahati High Court challenging an order dated April 4, 1998 issued by the Joint Commissioner of Taxes directing our Company to deduct tax at source on account of rental charges of the machineries used. The Guwahati High through an interim order dated February 12, 1999, has directed our Company not to deduct tax at source on rental charges of machineries used until final disposal of the petition. The matter has not yet been listed for next hearing.

(f) Commercial Traders had filed a money suit (M.S. No. 47/88) against our Company and others before the Assistant District Judge, Dibrugarh, claiming Rs. 8 million, along with interest, as compensation for illegal termination of its contract with our Company for carrying and transporting crude oil. The Assistant District Judge, Dibrugarh, through his order dated September 17, 1999 passed an order in favour of the plaintiffs, entitling them to receive an amount of Rs. 1.17 million. Commercial Traders has filed an appeal (RFA No. 91/99) before the Guwahati High Court on November 22, 1999. The Guwahati High Court, through its order dated December 7, 1999, while admitting the appeal, has directed our Company to deposit the amount of Rs. 1.17 million, which has been duly submitted by our Company in December 1999. The matter will be listed for hearing once the paper book has been prepared by the High Court.

(g) Mr. Rajesh Kumar Boro has filed a writ petition (WP Number 4330/1999) against the Union of India, our Company and others, before the Guwahati High Court. Mr. Boro has claimed compassionate appointment to the post held by his father in our Company prior to his demise. The next date of hearing has not been fixed.

(h) B. Fam Automobile has filed a civil writ petition (CWP Number 7995/2002) against the State of Assam, our Company and others, before the Guwahati High Court claiming refund of Rs. 0.10 million, which has been deducted as sales tax at source, on the ground that they are not liable to pay any sales tax in pursuance to the transactions arising out of the contract relating to providing services in relation to the exploring and drilling activities of our Company. The matter is currently pending.

(i) Cozy Tours and Travels and another have filed a writ petition (No. 1902/2003) against our Company and others before the Guwahati High Court challenging our Company's actions in deduction of tax at source under the Assam General Sales Tax Act, 1993 on the ground that the tax deduction was in violation of their fundamental rights and have prayed that the court issue a writ of certiorari directing our Company to not deduct tax from the source on bills raised by the petitioners. The matter has not yet been listed for next hearing.

(j) Ms. Makon Gogoi and another have filed a civil writ petition (CWP Number 7414/2004) against our Company, Mr. Ananda Prasad and others, before the Guwahati High Court and has claimed Rs. 0.63 million from our Company on account of certain oustandings due to them. The High Court, through order dated September 30, 2004 disposed of the writ petition with a direction to the respondents to examine the claim of the petitioners. The petitioners have filed a contempt petition (Number 374 of 2005) before the Guwahati High Court for wilful disobedience of the orders of the court and have prayed for that the court issue directions to our Company to pay the petitioners Rs. 0.63 million. The matter is currently pending.

(k) Ms. Mrinalini Deka has filed a civil suit (T.S. No. 6/2005) against our Company and others, in the Court of the Civil Judge, (Senior Division), Sivasagar, claiming compensation of Rs. 60,000 and has prayed for grant of a permanent injunction restraining our Company from taking possession of the plaintiff's house. The case has been transferred to the court of Munsiff, Sharaideo, Sonari and has been re-numbered as T.S. 39/ 2006. The case is currently pending.

(l) Balaji Network Private Limited has filed a money suit (Number 23/2005) against our Company before the Court of Civil Judge (Senior Division), Dibrugarh in relation to non-payment for the supply of a paraffin control device to our Company and has claimed an aggregate of Rs. 2.46 million, including interest and damages. The matter is still pending and the next date of hearing has been fixed on January 9, 2008 for a hearing.

(m) The Commissioner of Taxes, Assam vide its letter dated August 17, 2007 has imposed a demand of Rs. 204.73 million on our Company under the Assam Taxation (Specified Lands) Act, 1990. Aggreived by the demand, our Company has filed a civil writ petition (CWP Number 736/2005) against the State of Assam and others, in the Guwahati High Court, challenging the imposition of the impugned tax on mineral oil under the Assam Taxation (Specified Lands) (Amendment) Act, 2004 (the "**Assam Taxation Act**") on grounds that the Assam Taxation Act was ultra vires since it was beyond the competence of the State Legislature to enact. Our Company has prayed for declaration of the Assam Taxation Act as void and unconstitutional and therefore, has prayed for a stay on the realization of the impugned tax till the disposal of this writ petition. The Guwahati High Court, through its order dated September 26, 2005, dismissed the writ petition and has held that the impugned Act falls within the State List and therefore, State Legislature was competent to enact the impugned Act. Aggrieved by the said order, our Company filed an appeal (Writ Appeal Number 599/2005) before the Division Bench of the Guwahati High Court praying that the impugned order dated September 26, 2005 be set aside. The next date of hearing has not been fixed. As on September 30, 2007, our Company has quantified the amount demanded by the Assam State Government as Rs. 2,648.20 million.

(n) Ms. Debatta Mohalnobish has filed a writ petition (WP Number 2063/2006) against the Union of India, our Company and others before the Guwahati High Court, in relation to a tender issued by our Company dated August 8, 2005 for hiring a bus. Ms. Mohalnobish has challenged the decision of our Company in not having considered the lowest rates offered by him in respect of the tender and has prayed that the award of tender issued by our Company, be set aside. The matter is currently pending for hearing.

(o) SKN Associates Private Limited and another have filed a writ petition (WP Number 14682-83/2006) against the Union of India, our Company and others, before the Delhi High Court, for, *inter alia*, a declaration that certain clauses of the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 (the "**LPG Order**"), in relation to pressure regulators are violative of Articles 14 and 19(1)(g) of the Constitution of India. The matter has not yet been listed for next hearing.

(p) Mr. Ravindra Kumar Bhati has filed a case (Succession Case Number 77A/2006) before the District Judge, Rajasthan, against Mr. Manish Bhati, our Company and others, praying, among other things, for a declaration that he is the legal heir of his father, Mr. B.L. Bhati and grant of an equal share in the service benefits of the deceased, amounting to approximately Rs. 3.5 million. The case is currently pending.

(q) G.R. Engineering Works Limited has filed a writ appeal (W.A. 164/2007) before a division bench of the Guwahati High Court, challenging the order dated March 19, 2007 passed by a single judge of the Guwahati High Court in writ petition (CWP 4672/2006), previously filed by G.R. Engineering Works Limited against our Company and others challenging the award of a contract for implementation of design and engineering of LPG storage bullets to Fabtech Projects and Engineers Private Limited in April 2006. The appellants have prayed, *inter alia*, for the contract award to be set aside. The matter is currently pending.

(r) Mr. Nain Singh Solanki, a supplier to our Company, has filed three cases (C.O. 1, 2 and 3 of 2007) against the State of Rajasthan, our Company and others before the Civil Judge, Jaisalmer, challenging collection of royalty on supply of mining materials used at the drilling site and has prayed for an injunction restraining Company from deducting the royalty from payments due to the petitioner, on the ground that the required royalty had been paid by the petitioner. The matter is yet to be listed for hearing.

(s) K.C. Chhawchhariya has filed a writ petition (WP Number 490/2002) against the State of Assam and our Company, under Article 226 of the Constitution of India, in the Guwahati High Court, challenging deduction of sales tax at source by our Company on expenses in relation to certain specialised crane services hired to our Company. The matter is currently pending.

(t) Goswami and Associates (Private) Limited has filed a money suit (Number 12/1990) against our Company and others, before the Civil Judge, Senior Division at Dibrugarh. Our Company entered into a contract with Goswami and Associates (Private) Limited for design, supply, fabrication, testing and commission of, *inter alia*, 7 kms of single circuit transmission line and transmission towers at our Company's oilfield in Nahorkatia. Goswami and Associates (Private) Limited has claimed Rs. 1.69 million including interest for alleged breach of the aforesaid contract in relation to the procurement of steel and possession of land. The suit, through an order dated November 29, 2006, was decreed in favour of Goswami and Associates (Private) Limited, who was entitled to recover Rs. 0.22 million along with interest. Goswami and Associates (Private) Limited is also entitled to interim interest from the date of filing the suit until the date of the judgment. Our Company has been granted three months time to make the aforesaid payment. The Company has filed an appeal against the judgment and decree in M.S. 12/1990 (Appeal Number 8/2007). Goswami and Associates (Private) Limited has filed an execution petition before the Civil Judge, Senior Division at Dibrugarh

(M.Ex. 6/2007). The Company has filed an application before the High Court for a stay of the execution petition, which has been granted by the High Court through its order dated July 23, 2007. The matter is currently pending.

(u) Mr. Manish Bhati has filed a writ petition (SB WP(C) Number 2752/2007) against our Company before the Rajasthan High Court, praying for his appointment as an employee of our Company on compassionate grounds on the death of his father Mr. B.L. Bhati, who was an employee of our Company. Further, the High Court has also issued a show cause notice to our Company on August 29, 2007 to appear before the court for the next hearing. The matter is currently pending.

Employee cases

There are 25 compensation cases filed against our Company that are pending before various courts in India. These cases involve various issues related to promotion, arrears, non-payment of salary and pension, recruitment and unlawful termination of services. The aggregate claims against our Company, where such claims have been quantified are Rs. 0.66 million approximately. The details of these cases are as follows:

(a) Mr. Hemadhar Gogoi has filed a writ petition (WP Number 3036/1999) against the State of Assam, our Company and others in the Guwahati High Court, praying for compensation of Rs. 0.66 million for the services performed by him. The Guwahati High Court through an order dated May 16, 2002, has directed the respondents to pay the aforesaid amount in favour of Mr. Gogoi. The case is still pending as the respondents have not yet paid the compensation amount and the next date of hearing has not been fixed.

(b) Mr. Naresh Ranjan Deb has also filed a petition against our Company (WP Number 8595/2001) against our Company, our Director (Personnel) and others, in the Guwahati High Court, challenging, *inter alia*, an order issued by our Company requesting the petitioner to produce certain documents on the expenditure incurred to fund the education of his children and certain property return assessment papers in connection with his promotion. Mr. Deb has prayed for a writ of mandamus against our Company, setting aside the impugned letter dated November 21, 2001 issued to him by the Chief Manager (Vigilance) I.O.C., Duliajan, and for a direction from the High Court that non-submission of the requisite papers, during the pendency of the writ petition, would not bar the promotion of the petitioner. The petition is yet to be listed for hearing in the High Court.

(c) Mr. S.K. Phukan has filed two separate writ petitions against our Company before the Guwahati High Court (WP Numbers 1150/1998 and 4078/2001), challenging, *inter alia*, the decision of our Company by denying the petitioner his arrears, salary and promotion. A single judge of the Guwahati High Court has issued a common order dated November 6, 1998 for both cases and has referred both cases to our Company for further processing as per applicable law. Both matters are currently pending.

(d) Mr. Ramprit Harijan has filed a writ petition (WP(C) 980 of 2001) against our Company before the Guwahati High Court challenging an order issued by our Company to terminate the petitioner's services on medical grounds. The petitioner has prayed for a writ of certiorari to quash the order and a writ of mandamus for reinstatement of his services with our Company. The next date of hearing has not been fixed.

(e) Mr. Babul Lahon and Mr. Ranjit Hazarika have filed a writ petition (WP(C) 3858/2002) against our Company before the Guwahati High Court challenging the cancellation of a provisional selection order of the petitioners to the post of unskilled workmen. The plaintiffs have prayed for the issue of a writ of mandamus for their appointment as unskilled workman in our Company. The matter has not yet been listed for next hearing.

(f) Mr. Atul Sharma, former employee of our Company on secondment, filed a writ petition (WP(C) 7064/2002) against our Company before the Guwahati High Court, alleging non payment of pension and violation of rules in relation to payment of pension by our Company. The case is yet to be listed.

(g) Mr. Deepak Kumar Khinvasara, a former employee of our Company who was dismissed for disciplinary reasons, has filed a writ petition (CWP Number 3310/1990) against our Company and others in the Rajasthan High Court, challenging his dismissal. The Rajasthan High Court, through its order dated November 27, 1996, directed his reinstatement with back wages and consequential benefits. However, the Supreme Court of India, while hearing the special leave petition (SLP Number 12275/1997) filed by our Company directed that disciplinary proceedings against Mr. Khinvasara required reconsideration. The disciplinary advice given after the reconsideration was again challenged by Mr. Khinvasara by way of a writ petition (WP Number 2808/1998) before the Rajasthan High Court. The petition was summarily dismissed. The Supreme Court of India affirmed the dismissal order of the Rajasthan High Court. Our Company has paid Rs. 60,000 in full and final settlement towards wages of the time period when Mr. Khinvasara was dismissed and he was granted time bound promotion in group VIII with effect from November 27, 2000. Subsequently, Mr. Khinvasara has filed writ petition (WP (C) Number 2705/2002) against our Company and others, in the Rajasthan High Court praying for grant of his promotion in order to maintain his seniority vis-à-vis other junior officials. The next date of hearing has not been fixed.

(h) Mr. P.K. Dutta filed a writ petition (Writ Petition Number 6575/2002) against our Company before the Guwahati High Court, alleging that our Company had illegally denied him a promotion to the next grade. He also filed a supplemental suit (Misc Case Number 479/2003), praying for appropriate orders by the High Court restraining our Company from giving effect to any further promotion to Mr. V.K. Sibal as Director and Mr. Bharali as Group General Manager, respectively. The matter has not yet been listed for hearing.

(i) Mr. G.S. Mishra, a former temporary appointee of our Company, has filed a writ petition (WP(C) Number 6118/2003) before the Guwahati High Court against our Company and others challenging orders of our Company to cancel his temporary appointment w.e.f. July 31, 2003. Mr. Mishra has prayed, *inter alia*, that the court issue a direction to our Company to set aside cancellation of his appointment and also issue a direction to the Company to not appoint any other person in place of the petitioner. The next date of hearing has not been fixed.

(j) Mr. A.K. Sahoo has filed a writ petition (O.J.C. No. 9537 of 2003) against our Company and others, before the Orissa High Court in relation to certain arrears pursuant to his retirement under the VRS. Mr. Sahoo has prayed for his service from June 9, 1980 to January 2, 1982 to be considered as regular service and that he is also granted the benefits arising out of the VRS for the said period. During the pendency of the said writ petition, Mr. Sahoo has also filed two applications (No. 3101 and 14508 of 2006) against our Company before the Orissa High Court, praying for the payment of provisional pension till the disposal of the writ petition. The writ petition is currently pending.

(k) Mr. Lolit Rajkonwar has filed a writ petition (WP(C) 6047/2004) against our Company before the Guwahati High Court challenging his dismissal by an order dated May 8, 2003 as a violation of the petitioner's fundamental rights. The case is pending for hearing. Separately, Mr. Lolit Rajkonwar has filed another writ petition against our Company before the Guwahati High Court (WP(C) 6047/2004), claiming release of differential amounts between actual pay and subsistence allowance. The matter is currently pending.

(l) Mr. Shiba Prasad Sahu has filed a writ petition (WP Number 15(W)/2004) against our Company before the Calcutta High Court, challenging, *inter alia*, the decision of our

Company in promoting him from January 1, 1996 instead of July 1, 1994 and has claimed for an upgradation of his promotion w.e.f. July 1, 1994 along with arrears in salary and benefits. The matter is currently pending.

(m) Mr. N.R. Mallick has filed a writ petition (No. 6413 of 2004) against our Company and others, before the Orissa High Court, challenging the decision of our Company terminating his services from our Company. The petitioner has also applied for a stay on the operation of the dismissal order issued by our Company, until final disposal of the petition. The Court by its order dated August 2, 2004 has granted a stay on the dismissal order until final disposal of the petition. The case is currently pending.

(n) Ms. Fatima Khatun has filed a writ petition (WP(C) 614 of 2004) against our Company and others before the Guwahati High Court, in relation to payment of family pension subsequent to the death of her husband and has prayed for the grant of the family pension. The next date of hearing has not been fixed.

(o) Mr. Baikuntha Bordoloi has filed a writ petition (WP Number 1783/2005) against our Company before the Guwahati High Court alleging discriminatory treatment while granting certain officials promotions to the post of Assistant Electrical Engineer over the petitioner. The petitioner has prayed for direction from the High Court to consider him for promotion. The matter is yet to be listed for final hearing.

(p) Mr. C.R. Dash has filed a writ petition (WP Number 7251/2005) against our Company before the Guwahati High Court in relation to allegations on violation of certain provisions of the Oil Executives Recruitment and Promotion Policy and Rules, as Mr. Dash's professional qualifications had not been considered in order to promote him to the next grade. The petitioner has prayed for direction from the High Court to consider him for promotion. The matter is currently pending.

(q) Ms. Katori Devi Harijan has filed a complaint (131/2003) against our Company and another, in the Court of Women's Cell, Dibrugarh on the ground that her husband, Mr. Ram Bhajan Harijan, an employee of our Company was not providing her with any money for her maintenance and has prayed for 50% of his monthly salary. The Women's Cell, through an order dated March 10, 2004, directed our Company to hand over to Ms. Harijan, half of her husband's salary. Our Company has implemented the order. Mr. Harijan filed a criminal revision petition (No. 5(1) of 2004) before the Additional Sessions Judge challenging the order of the Women's Cell, which was upheld by the judge, through order dated April 12, 2005. Aggrieved by the order of the Additional Sessions Judge, Mr. Harijan has filed a writ petition (Civil Revision Petition No. 460/ 2006) before the Guwahati High Court challenging the orders dated March 10, 2004 and April 12, 2005. The matter is currently pending and the next date of hearing has not yet been fixed.

(r) Mr. Sarbananda Deka has filed a writ petition (WP(C) 2500/2006) against our Company and others before the Guwahati High Court challenging the decision of our Company in the selection of personnel for the position of Technician-I (Welding). The plaintiff has prayed that the court direct our Company to set aside the list of selected candidates. The next date of hearing has not been fixed.

(s) Mr. N.R. Deb, a former employee of our Company, has filed a writ petition against our Company (C.R. 1148/1991) before the Guwahati High Court, challenging our Company's decision of not promoting the petitioner. The Guwahati High Court directed our Company to review our decision. However, upon further review, our Company decided not to grant the petitioner with a promotion. Aggrieved by our decision, Mr. Deb filed another case before the Guwahati High Court (WP (C) Number 4077/ 2001). The Guwahati High Court, through order dated May 15, 2007, directed our Company to re-consider the petitioner's case.

However, upon review of his case in accordance with the said order, Mr. Deb was not granted a promotion. Aggrieved by the decision of our Company, Mr. Deb has filed a review application before the Guwahati High Court (Review Application Number 83 of 2007) praying that the order of the Guwahati High Court be reviewed to the extent that he may be allowed to appear afresh before our Company for the promotion interview. The case is currently pending.

(t) Mr. Babulal Hazarika has filed a writ petition (WP(C) Number 2303/2007) against our Company and others before the Guhawati High Court, challenging the decision of our Company to select 14 candidates for the post of Junior Engineer-I (Production) and Assistant Operator- I (Production). The court, though interim order dated June 22, 2007 has directed our Company to keep the 17 posts of Junior Engineer I (Products) and 5 posts of Assistant Operator I vacant until final disposal of the petition. The matter is currently pending and the next date of hearing has not been fixed.

(u) Mr. Babul Phukan has filed a writ petition (WP(C) Number 2613/2007) against our Company and others before the Guhawati High Court, challenging the decision of our Company to select six candidates for the post of Junior Engineer-I (Production) and Assistant Operator- I (Production). The matter is currently pending and the next date of hearing has not been fixed.

(v) Mr. Ramesh Mahanta has filed a writ petition (WP(C) Number 3408/2007) against our Company and others before the Guhawati High Court, challenging the decision of our Company to select seven candidates for the post of Junior Engineer-I (Production) and Assistant Operator- I (Production). The matter is currently pending and the next date of hearing has not been fixed.

(w) Mr. Uttan Datta has filed a writ petition (WP(C) Number 3915/2007) against our Company and others before the Guhawati High Court, challenging the decision of our Company to select 14 candidates for the post of Junior Engineer-I (Production) and Assistant Operator- I (Production). The matter is currently pending and the next date of hearing has not been fixed.

Industrial Disputes/ Conciliation proceedings

There are twenty labour related cases filed against our Company that pending before various courts and Tribunals in India, out of which seven cases have been referred for conciliation by the concerned Assistant Labour Commissioner. These cases involve various issues related to unlawful termination of services, recruitment and demands for service benefits by non-permanent employees and casual labourers. The claims in these cases have not been quantified. The details of these cases are as follows:

(a) Mahanadi Petroleum Exploration Employees Union has filed a writ petition (O.J.C. No. 16257 of 2001) against our Company and others, before the Orissa High Court challenging the award of the Central Industrial Tribunal cum Labour Court, Bhubneshwar issued on June 14, 2001 arising out of the industrial dispute (No. 135 of 2001) that rejected the promotion of an employee, Mr. B.K. Dash. The case is currently pending.

(b) Oil India Pipeline Mazdoor Union, a trade union formed by the casual workers of the pipeline division of our Company, has filed a writ petition (WP (C) Number 3393/2002) before the Guwahati High Court, challenging the award of the Industrial Tribunal, Guwahati dated June 18, 2002, in reference number 15(C)/ 2000, which upheld the dismissal of a former contract worker of our Company, Mr. S. Saha. Oil India Pipeline Mazdoor Union has prayed that the court direct our Company to regularise the appointment of Mr. Saha and along with payment of all consequential back wages. The next date of hearing has not been fixed.

(c) Mr. Binan Pator has filed a writ petition (WP(C) Number 730/2003) against our Company before the Guwahati High Court challenging the decision of our Company by not appointing him as an unskilled worker. The petitioner has prayed for direction from the High Court to consider him for the post. The matter is currently pending and the next date of hearing has not been fixed.

(d) Mr. Luhit Bhuyan, Rama Choudhury and others have filed a writ petition (WP(C) 8946/2003) against our Company before the Guwahati High Court on allegations of discriminatory treatment by our Company in fixation of daily wages for workers made to them under a memorandum of settlement dated October 4, 2002 and have claimed that they were not treated at par with similarly placed workers. The plaintiffs have prayed for payment of Rs. 108 as daily wages against their existing wages. The Court directed that the Memorandum of Settlement dated October 4, 2002 be set aside. The next date of hearing has not been fixed.

(e) Mr. Kushal Singh has filed a writ petition (4332/2004) before the Rajasthan High Court, against our Company and others, challenging an order of the government dated January 27, 2004 whereby his grievance on his services being terminated on wrongful grounds by our Company was dismissed and not referred to the Industrial Tribunal for adjudication. Mr. Singh has prayed that the impugned order of the government dated January 27, 2004 is set aside and that the dispute is referred to the appropriate Labour Court or Industrial Tribunal. The matter has not yet been listed for next hearing.

(f) Oil India Workers Association has raised an industrial dispute (No. 2(18)/2004-D/A) before the Assistant Labour Commissioner (Central) on behalf of 33 workmen of the Civil Engineering Department on allegations that our Company was not following its recruitment and promotion policy by treating certain employees as Technicians instead of treating them as Junior Engineers as stated in our recruitment and promotion policy. The Oil India Workers Association have threatened to call a strike in the event of their demands are not fulfilled. The Assistant Labour Commissioner (Central) has referred the dispute for conciliation. The dispute is currently pending and the next date for discussions has not yet been fixed.

(g) Mr. P.K Sharma has filed a reference petition (5/2005) against our Company before the Central Government Industrial Tribunal-cum-Labour Court, Assam in relation to the termination of his service on account of certain adverse findings during a departmental enquiry by our Company. Mr. Sharma has prayed for an award to reinstate him in service along with full back wages. The matter is currently pending and the next date of hearing has been fixed on December 18, 2007.

(h) Mr. Makhan Borthakur has filed a reference petition (06/2005) against our Company before the Central Government Industrial Tribunal-cum-Labour Court, Assam in relation to the termination of his service on account of certain adverse findings during a departmental enquiry by our Company. Mr. Borthakur has prayed for an award to reinstate him in service along with full back wages. The matter is currently pending and the next date of hearing has been fixed on December 19, 2007.

(i) Mr. R.N. Baruah has filed a reference petition (11/2005) against our Company before the Central Government Industrial Tribunal-cum-Labour Court, Assam in relation to the termination of his service on account of certain adverse findings during a departmental enquiry by our Company. Mr. Baruah has prayed for an award to reinstate him in service along with full back wages. The matter is currently pending and the next date of hearing has been fixed on December 10, 2007.

(j) Mr. Sultan Singh Rathore, a contractor, has filed a writ petition (No. DBCSA/Writ No. 307 of 2004) against our Company and others, before the Rajasthan High Court, praying for retrospective regularisation benefits prior to his regularisation in our Company. The Rajasthan

High Court, through an order dated April 13, 2004, dismissed the writ petition on the ground that it was not the appropriate forum to redress the grievance and directed the petitioner to raise an industrial dispute before the appropriate authorities. Aggrieved by the order of the court, Mr. Rathore has filed a revision petition before a division bench of the Rajasthan High Court. The Division Bench, through its order dated January 19, 2005, upheld the order dated April 13, 2004. Accordingly, the petitioner has raised an industrial dispute (Number 39/2005) before the Central Government Industrial Tribunal Cum-Labour Court, Jaipur. The matter is currently pending.

(k) The Rajasthan Oil Casual Employees Union, Jodhpur has filed a case (2/2005), against our Company and others, before the Central Government Industrial Tribunal Cum-Labour Court, Jaipur on behalf of certain contract labourers. The petitioners has claimed that our Company regularise certain contract labourers since they have completed over 15 years of service and has prayed for grant of all consequential benefits to such employees. The matter is currently pending.

(l) Mr. Shekhar Rudra raised an industrial dispute before the Central Government challenging certain disciplinary actions taken by our Company against him including an order terminating his services with our Company. The Central Government, through notification (No. L-30012/1/2005-1R (M)) dated April 27, 2005 has referred to matter to the Industrial Tribunal, Guwahati (Reference No. 1/2005). Mr. Shekhar Rudra has prayed that the Tribunal direct our Company to set aside the dismissal order and reinstate his employment. The matter is currently pending.

(m) 14 unlisted wage contract labourers have raised an industrial dispute (No. 47(13)/2006-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh by issuing a notice dated October 9, 2006, alleging discrimination as they were not included in the list of wage contract labourers attached to memorandum of settlement dated August 30, 2006. The Assistant Labour Commissioner, Dibrugarh, through letter dated July 27, 2007 had requested our Company to submit our reply in relation to the matter. The dispute is currently pending and the date for discussions has not yet been fixed.

(n) Oil India Labour Union has filed a writ petition (WP (C) No. 2922 of 2007) against our Company and others before the Guwahati High Court alleging that our Company was granting preferential treatment to casual labourers forming part of the particular labour union over the members of Oil India Labour Union and the members of Oil India Labour Union with our Company were not receiving the same benefits as the other labour union. The petitioners have prayed that the court issue a show cause notice to our Company demanding an explanation for the preferential treatment in recruitment and other policies accorded to one union over the other union. The petition is currently pending.

(o) Oil Man Management Drilling Worker's Union has filed a writ petition (WP(C) Number 265/2007) against our Company and others in the Guwahati High Court challenging the award of the Industrial Tribunal, Guwahati upholding the Company's preliminary objection to the maintainability of the reference of the dispute raised by the petitioners for regularization of services in our Company. The matter has not yet been listed for next hearing.

(p) Assam Petroleum Workers Association has raised an industrial dispute (No. 8(7)/ 2007-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh in relation to a demand for payment of bonus at an enhanced rate of 20% to the wage contract labourers forming part of the union. The Assistant Labour Commissioner (Central), through order dated August 24, 2007 referred the dispute for conciliation. The first round of discussions took place on August 31, 2007. However, certain financial and administrative matters were unresolved during the discussions. The date for further discussions has not yet been fixed.

(q) Oil India Workers Association, has raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central), Dibrugarh in relation to a demand for payment of bonus at an enhanced rate of 20% to the wage contract labourers forming part of the union and a demand for provident fund for the wage contract labourers. The Assistant Labour Commissioner (Central) has referred the dispute for conciliation. However, the date for discussions has not yet been fixed by the Assistant Labour Commissioner (Central), Dibrugarh.

(r) Motor Workers Association, Duliajan has raised an industrial dispute (No. 8(18)/2007-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh in relation to a demand for permanent recruitment of 100 drivers and helpers and provision of other service benefits provided to permanent employees including provisions for regular and proper wages including overtime, payment of provident fund, minimum service security, minimum medical treatment expenditure in case of minor accidents. The Motor Workers Association have threatened to call a strike in the event of their demands are not fulfilled. The Assistant Labour Commissioner (Central), through order dated October 30, 2007 referred the dispute for conciliation. The first round of discussions took place on November 1, 2007. The date for further discussions have not yet been fixed.

(s) Oil India Workers Association has raised an industrial dispute (No. 8/ID/MISC/2007-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh alleging the non-inclusion of 18 unlisted WCLs of working at our Chemical Department in the list made pursuant to the memorandum of settlement negotiated between the union and the Company on August 30, 2006. The Assistant Labour Commissioner, Dibrugarh, through letter dated July 27, 2007 has requested our Company to settle the matter with the union. The dispute is currently pending and the next date for discussions has not yet been fixed.

(t) Oil India Workers Association has raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central) on behalf of wage contract workers working in the Civil Engineering Department on allegations that they have not been provided wages on the basis of the revised wage rate fixed by our Company. The Assistant Labour Commissioner (Central), though order dated October 30, 2007 referred the dispute for conciliation. The dispute is currently pending and the next date for discussions has not yet been fixed.

Arbitration Proceedings

There are eight arbitration claims pending against our Company. The amounts claimed from us in these cases aggregate to Rs. 564.76 million and USD 11.55 million approximately. We have filed counter claims aggregating to Rs. 327.47 million (including an award of Rs. 8.51 million) and USD 7.65 million approximately. The details of these cases are as follows:

(a) Shiv Vani, who had entered into an agreement for our Company for providing integrated performance drilling services in respect of six exploratory oil wells, has filed an arbitration petition in August 1998, raising a claim of approximately Rs. 480.76 million and USD 3.16 million by way of refund of various amounts deducted from their bills by our Company and praying for, *inter alia*, a declaration that Shiv Vani is not liable to any monetary consequences under the said contract. Our Company has claimed Rs. 318.96 million and USD 10,916.67 along with interest for, *inter alia*, losses incurred on account of defective services provided by Shiv Vani, damages on account of delay in performance beyond the extended contract period along with interest, refund for excess mobilisation charges paid to Shiv Vani. The arbitral proceedings are at the concluding stage and the award is expected shortly.

(b) Anamika Enterprise ("**Anamika**") has filed an arbitration application (Arbitration Case Number 1/2002) in the Guwahati High Court, challenging our Company's refusal of

Anamika's claim for payment of approximately Rs. 0.29 million (excluding interest) on the ground that Anamika failed to supply materials as per the supply order dated May 3, 1994 and has raised invoices in excess of materials supplied by it to our Company. The matter is currently pending before a sole arbitrator appointed by the Guwahati High Court. The next date of hearing is yet to be notified by the sole arbitrator.

(c) Essar Oil Limited ("**Essar**"), who had entered into an agreement dated May 9, 1998 with our Company for providing drilling and auxiliary services in respect of four exploratory oil wells, has filed an arbitration petition against our Company, claiming Rs. 521.15 million and US$ 17.78 million, on account of, *inter alia*, cost of material procured by Essar on behalf of our Company, interest on delayed payment of invoices by our Company, refund of deductions made by our Company and damages for alleged wrongful invocation of bank guarantee by our Company. Our Company has filed a counterclaim of Rs. 59.25 million against Essar, on grounds including excess payment made to Essar on account of, *inter alia*, variation in exchange rate, excess expenditure on equipment and by way of liquidated damages. The arbitral tribunal, constituted under the aegis of the Indian Council of Arbitration, through its order dated August 6, 2004, awarded Rs. 6.83 million and US$ 8.37 million, along with interest, to Essar, and allowed our Company's counterclaim to the extent of Rs. 8.51 million along with interest. Our Company has challenged the majority arbitral award in the Delhi High Court (416/2004), praying, among things, that the impugned arbitral award be set aside. The matter has not yet been listed for hearing.

(d) Our Company has filed an arbitration appeal (A.A. Number 2/2004) in the Guwahati High Court against the judgment dated December 31, 2003 of the Additional District Judge (in Misc. (Arb.) Case Number 529/ 2002), by which our Company's challenge to the arbitration award by the sole arbitrator, dated June 16, 2002 (in arbitration case Number 1/2000), awarding Rs. 3.05 million to Buildsworth (Private) Limited, a former contractor of our Company ("**Buildsworth**"), was set aside on technical grounds, and the impugned arbitration award was confirmed. Our Company has prayed that the impugned arbitration award be set aside. In the interim, our Company has filed an application (Misc. Case Number 793/2004) before the Guwahati High Court, praying for a stay on the execution of the impugned arbitration award. The Guwahati High Court, through an order dated June 1, 2004, directed our Company to deposit 25% deposit of the arbitration award amount, i.e., Rs. 763,600, with the Registrar General of the Guwahati High Court as a precondition for realization of the balance amount to be stayed and for the matter to be heard. The required amount has been deposited in June 2004. The matter is currently pending final disposal.

(e) MKB Asia (Private) Limited ("**MKB**") has filed an arbitration claim against our Company, before a three-member arbitral tribunal. The aggregate claim against our Company, is approximately Rs. 0.26 million, against recovery of cost of unused pipes supplied by our Company to MKB (previously known as M.K. Bhattacharjee and Company (Private) Limited), which were not returned by MKB to our Company at the time of termination of this contract. Our Company has filed its counter claim on November 16, 2006 challenging the claim on various technical and substantive grounds. The next date of hearing has not yet been fixed.

(f) South East Asia Marine Engineering and Construction Limited **(**"**SEAMEC**") has filed an arbitration claim before a three member arbitral tribunal, praying for an award of additional cost of Rs. 19.44 million along with Rs. 5.32 million as interest, in relation to a contract between SEAMEC and our Company, providing that SEAMEC would drill wells and complete all auxiliary operations in connection therewith for our Company within a period of two years. SEAMEC completed the performance of the contract, however, incurring additional cost of the said Rs. 19.44 million due to increase in the price of fuel as compared to the price quoted at the time of submitting their tender. An award dated December 19, 2003 was passed by the arbitral tribunal in favour of SEAMEC (including one dissenting award).

Our Company has filed a petition (Number 2/2004) before the Court of the District Judge at Dibrugarh, Assam, praying for grant of a stay on the operation and setting aside of the said arbitral award. The Court of the District Judge at Dibrugarh, Assam, through its order dated July 4, 2006, has dismissed the petition filed by our Company and upheld the said arbitral award. SEAMEC also filed a writ petition (WP (C) 4136/ 2004) before the Guwahati High Court challenging the jurisdiction of the District Court, Dibrugarh to entertain the arbitration proceedings in the aforesaid petition 2/ 2004. Our Company, being aggrieved by the said order filed an appeal (Appeal Number 11/2006) before the Guwahati High Court praying for the setting aside of the order of the Court of the District Judge at Dibrugarh, Assam. This appeal is currently pending for adjudication.

(g) Dewanchand Ramsaran Industries Private Limited ("**Dewanchand**") has filed a case (Misc. (ARB.3/ 2007) in the Court of the District Judge at Dibrugarh, against our Company, to obtain to restrain our Company from encashing a bank guarantee amounting to approximately USD 7,644,120 provided by Dewanchand to our Company as performance security, during the pendency of this arbitration, and further to obtain an injunction and ad interim directions against our Company. Dewanchand has sought to restrain the encashment of the said performance security, invoking the *force majeure* clause under the contract, on the ground that security concerns and threats from local militant outfits such as the United Liberation Front of Assam have rendered performance of the contract impossible, and that Dewanchand was not made aware of such security concerns at the time of signing the contract with our Company. The District Judge at Dibrugarh has accordingly granted an ad interim injunction restraining our Company and our employees and agents from encashing the said bank guarantee during the pendency of this matter, through his order dated April 10, 2007. The next hearing in this matter has not yet been fixed.

(h) Tata Iron and Steel Company Limited ("**TISCO**"), a supplier of seamless castings, steel tubes and pipes to our Company at an amount fixed by mutual arrangement in accordance with guidelines issued by the Bureau of Industrial Cost and Price ("**BICP**"), has filed an arbitration claim (No. 322/ 1998) against our Company, claiming an aggregate amount of Rs. 48.81 million on the ground that the price of castings has been reviewed and enhanced by BICP on TISCO's request. Our Company filed a counterclaim dated January 18, 2007, stating that TISCO had accepted a cheque dated February 8, 1995, of Rs. 24.20 million as full and final settlement and that therefore, no further amount on account of the enhanced rate is due from our Company. On August 10, 2007, our Company has been informed by the sole arbitrator that he has vacated his office as arbitrator in this matter. The substitute sole arbitrator is yet to be agreed upon between the parties. The next sitting between both parties for discussion regarding appointment of the substitute arbitrator is tentatively scheduled in December 2007. However, it has been decided in principle by both parties that the further proceedings will continue from the point at which the earlier arbitrator has vacated his office.

Consumer Complaints

There is one consumer complaint filed against our Company and certain officials, pending before the Assam State Consumer Disputes Redressal Commission in Assam, India. The aggregate claim against our Company in this case is Rs. 1.50 million approximately. The details of these cases are as follows:

(a) Ms. Anjana Barua has filed a complaint (26/1994) against our Company before the District Consumer Redressal Forum, Dibrugarh alleging deficiency in medical services provided by our hospital and has claimed Rs. 1.50 million as compensation. The District Consumer Redressal Forum, through order dated June 18, 1997 upheld the maintainability of the suit challenged by our Company. Our Company has filed an appeal (C.A. Number 108/97) before the Assam State Consumer Disputes Redressal Commission challenging the order of the District Consumer Redressal Forum. The appeal has been admitted and is currently pending for adjudication.

Title Suits and Land Related Proceedings

There are 15 cases filed against our Company pending before various courts in India. The aggregate claims against our Company in these cases, where claims are quantified, are Rs. 45.64 million approximately. The details of these cases are as follows:

(a) Mr. Buas Christan has filed a suit (Title Suit No. 7/1996) against Mr. John Kachap and others, including our Company, regarding the ownership of certain land which has been taken over by our Company. Mr. Christan claims ownership of the said land as against Mr. Kachap. The matter is currently pending.

(b) Mr. Biplob Kishore Roy has filed a suit (Title Suit Number 64/2001) against our Company in the Court of the Civil Judge (Junior Division) challenging the rejection of his privilege leave. Mr. Roy has prayed for directions to our Company to grant the privilege leave along with consequential benefits such as payment of deducted salary amount. Mr. Roy has filed an application dated July 27, 2006, to implead our Company as a defendant. Our Company filed its objection on October 31, 2006. The Court of the Civil Judge (Junior Division) has, through order dated May 29, 2007, rejected Mr. Roy's petition. Meanwhile, Mr. Roy filed a revision petition (No. 322/ 2007) before the Guwahati High Court, challenging the order of the Civil Judge. However, the Court of the Civil Judge (Junior Division) has fixed November 23, 2007 for passing necessary orders in this matter, subject to receipt of any directions from the High Court. The High Court has granted a stay through its order dated September 21, 2007. The next date of hearing has not been fixed.

(c) Shukla Trading Company has filed a civil suit (No. 22/2001) against our Company and others before the Additional District Judge at Dibrugarh for recovery of arrears of bills in relation to certain services for supply of buses and has claimed compensation of Rs. 34.83 million along with interests and costs. The matter has now been shifted to the Court of the Additional District Judge at Dibrugarh, where it has been renumbered as Title Suit Number 22/2001. As the Court of the Additional District Judge at Dibrugarh has been vacant for approximately the last six months, the next date is yet to be fixed.

(d) Mr. Tarun Bhuyan has filed a suit (Misc. J. 80/2002) against Ms. Pohila Borgohain and our Company, before the Court of the Civil Judge (Senior Division), Sibsagar, raising an objection regarding the ownership of certain land acquired by our Company. Mr. Bhuyan has obtained a stay order from the Court dated June 7, 2002, restraining our Company from making payment of the land value amounting to Rs. 0.13 million to Ms. Borgohain till the ownership of the said property is legally determined. The matter is currently pending.

(e) Mr. Utpal Kakoti, former supplier of fibre rope to our Company, has filed a civil suit (T.S. 320/2003) against the Bureau of Indian Standards, Barin Chemicals and Engineering Company, Delta Rope Works Private Limited and our Company as the *pro forma* defendant, before the Civil Judge (Senior Division), Guwahati, claiming Rs. 10 million from our Company, as damages suffered due to rejection of the tender by our Company on account of an alleged conspiracy. The matter is currently pending before the Civil Judge for framing of issues.

(f) Mr. Dinesh Das and others have filed a suit (No. 59/2003) against our Company before the Court of Munsif, Dibrugarh, for grant of permanent injunction restraining our Company from evicting the petitioners from the premises being occupied by them for their livelihood. As the plaintiffs had sought several adjournments, the Court has, through order dated May 8, 2007, ordered that the testimony of the plaintiffs which remained to be cross examined as of that date, be expunged. The plaintiffs have filed a revision petition before the Guwahati High Court in September 2007, against the order of the Court of Munsif, Dibrugarh, dated May 8,

2007. The Court of Munsif, Dibrugarh has notified December 14, 2007 for submission of the High Court's order.

(g) Ms. Ram Piyari and others have filed a suit (No. 40/2004) against our Company and others before the Court of Civil Judge (Junior Division) at Dibrugarh, praying that the road on which the petitioners' shops are situated be declared as a public road, and further praying for grant of a permanent and mandatory injunction restraining our Company from inconveniencing the public by blocking the said road on account of certain construction activities undertaken by our Company. The next date of hearing is January 4, 2008 for hearing of the plaintiffs' witnesses.

(h) Mr. Lokeswar Lohar filed a suit (52/2004) against Mr. Lakhi Chandra Paul and others, including our Company before the Court of Civil Judge, Junior Division, Dibrugarh, for a declaration of right, title and interest, possession and ownership in the suit land to be acquired by our Company and for grant of permanent injunction restraining our Company from paying compensation to Mr. Paul and others. The Court through its order dated November 17, 2005 decreed the suit in the favour of Mr. Lohar. Aggrieved by the order of the Court, Mr. Paul and another have filed an appeal (Title Appeal No. 55/2005), impleading our Company as *pro forma* respondents, before the Court of Civil Judge, Senior Division, Dibrugarh to set aside the order of the lower court. The matter is currently pending and the next date of hearing is January 11, 2008.

(i) Ms. Manju Bora and others have filed a suit (Title Suit Number 42/2005) against her brother Mr. Ruben Bora and others including our Company, before the Civil Judge Senior Division, Dibrugarh for recovery of Rs. 684,823 along with interest and costs in relation to certain dues payable by our Company to her deceased father Mr. Mohan Borah, a former employee of our Company. The petitioners have also prayed for an injunction restraining our Company from releasing any dues to the defendants, without providing prior information to the petitioners. The next date of hearing has been fixed for February 2, 2008.

(j) Mr. Robin Gogoi and others have filed a suit (Title Suit Number 47/2006) against our Company before the Court of Civil Judge at Dibrugarh for a declaration that the petitioners are entitled to remain in possession of their respective shops opposite our Company's offices and have also prayed for grant of a perpetual injunction restraining our Company from interfering and obstructing the petitioners' right of use by constructing any structure, wall or fencing in front of the petitioners' shops. The next date of hearing is December 1, 2007 for return of summons. However, the same plaintiffs had filed a separate petition (Misc. J. 56/2006) praying for temporary injunction in the same matter, which has been rejected through the order dated December 6, 2006, of the Civil Judge at Dibrugarh. The next date of hearing has been fixed for February 2, 2008.

(k) Ms. Sewarin Garh has filed a suit (Title Suit Number 14/ 2007) against Ms. Guruli Mura, our Company and others in the Court of Munsiff Number 1, Tinsukia, stating that Ms. Guruli Mura had executed an unregistered sale deed dated April 17, 1998 for a piece of land in favour of Ms. Garh for Rs. 56,000 which was duly paid by Ms. Garh. Subsequently, Ms. Guruli Mura sold a part of the suit land to our Company. Ms. Garh has therefore prayed for a declaration of her title to the suit land under the deed which was not registered at the instance of Ms. Guruli Mura due to the death of her husband and for permanent injunction restraining Ms. Guruli Mura from executing the sale deed entered into with our Company with respect to a part of the suit land. The matter is currently pending.

(l) Ms. Sumitra Sonar has filed a suit (Title Suit Number 19/2007) against Ms. Manju Sonar and others, including our Company, before the Munsiff Court, Dibrugarh, for a declaration that the Court grant her 50% of the service dues or retirement/ death benefits payable to her on account of the death of her husband, who was an employee of our Company and has also prayed for an injunction restraining our Company from releasing any dues to Ms. Manju Sonar, along with costs. Our Company has filed its written statement and the next date of hearing has been fixed for January 31, 2008, for framing of issues and filing of certain documents.

(m) Ms. Pallabi Sonowal has filed a suit (Title Suit Number 60/2007) against Ms. Sachila Sonowal and others, including our Company, before the Munsiff Court at Dibrugarh for a declaration that the Court grant her 50% of the service dues or retirement/ death benefits payable to her on account of the death of her husband, who was an employee of our Company and has also prayed for an injunction restraining our Company from releasing any dues to the defendants, along with costs. The next date of hearing has been notified for December 11, 2007 which has been fixed for put up.

(n) Ms. Chandrawati Devi, the wife of a former employee of our Company who is currently living in our Company's settlement area, has filed a suit (Misc (J) Case Number 66/2007) against Mr. Bhaggulal Balmiki and our Company, before the Court of the Munsiff, Dibrugarh praying for the Court to issue appropriate orders restraining Mr. Balmiki or his representatives from entering the premises being occupied by the plaintiff and evicting the plaintiff from the premises. The case has been fixed for a hearing on January 3, 2008.

(o) Mr. Rajesh Salhotra has filed a suit (Title Suit Number 188/2007) in the Court of Civil Judge (Junior Division No. 1), Dibrugarh against our Company and others, praying that the since his father, who was an employee of our Company, has been missing and unheard of for the last seven years, the Court should declare that he is presumed dead. The next date of hearing has been fixed for December 14, 2007 for filing the written statement and return of summons.

Land Acquisition Disputes/ Land related Disputes

There are 39 cases in relation to demands for enhanced compensation for land acquired by our Company for its operations by proceedings instituted by the GoI under the Land Acquisition Act, 1894 that have been filed against our Company and are pending before various courts in India. The aggregate claims against our Company in nine of these cases, where claims are quantified, are Rs. 13.88 million approximately. Additionally, our Company has quantified the claims in relation to the 27 land acquisition cases pending before the District Judge Kamrup to Rs. 23.44 million. The details of these cases are as follows:

(a) Mr. Jitendra Das and others have filed a title suit (No. 47 of 1993) against Mrs. Doirai Das and others, before the Court of Munsif, Dibrugarh. Mr. Das and others have claimed title over the certain land which has been acquired by our Company on January 30, 1989 under the Land Acquisition Act and have prayed for enhanced compensation for the land acquisition. The case is currently pending.

(b) Assam Co-operative Apex Bank Limited has filed a writ petition (WP No. 3967 of 1997) against the State of Assam, our Company and others, before the Guwahati High Court challenging the letter of our Company dated April 21, 1997 applying to Deputy Commissioner and District Collector, Dibrugarh for the grant of entry to our Company over the land mortgaged to Assam Co-operative Apex Bank Limited by one of the Respondent Mr. Ramananda Shah. The Bank, being the mortgagee, has prayed that our Company, being the acquirer of the said land, should be restrained from paying the amount of Rs. 60,000 as compensation to Mr. Shah, the mortgagor, till the outstanding dues of the bank are cleared. The matter is currently pending.

(c) Mr. Bharatchandra Mishra has filed a case for reference (No. 12 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land

Acquisition Act. While the total compensation paid by our Company is Rs. 142,000, Mr. Mishra has claimed for a higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation as applicable and interest. The case is currently pending before the court.

(d) Mr. P.K. Medhi has filed a case for reference (No. 13 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 106,500, Mr. Medhi has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation as applicable and interest. The case is currently pending before the court.

(e) Mr. D.N. Das has filed a case for reference (No. 14 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 319,050, Mr. Das has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(f) Mr. G. C. Bhuyn has filed a case for reference (No. 15 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 142,000, Mr. Bhuyn has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(g) Mr. N.N. Burman has filed a case for reference (No. 16 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 106,500, Mr. Burman has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(h) Mr. R. Chauwdhary has filed a case for reference (No. 17 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 142,000, Mr. R. Chauwdhary has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(i) Mr. D.K. Mohonto has filed a case for reference (No. 18 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 106,500, Mr. Mohonto has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(j) Mrs. Anima Barman has filed a case for reference (No. 19 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 248,500, Mrs. Barman has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(k) Mr. R.N. Daimary has filed a case for reference (No. 20 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 106,500, Mr. Daimary has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(l) Mr. L.C. Medhi has filed a case for reference (No. 21 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 78,100, Mr. Medhi has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(m) Mr. K.C. Barman has filed a case for reference (No. 22 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 142,000, Mr. Barman has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(n) Ms. Umadevi, Ms. Uttara Devi, Ms. Panchali Devi, Mr. Sanjeev Narayan Deb and others, all belonging to the same family having equal share in the land involved, have filed four cases for reference (No. 129-132 of 1999) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated March 6, 1995 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 1,059,672, Mrs. Umadevi and others have claimed for higher compensation of Rs. 300,000 per katha along with additional compensation and interest. The case is currently pending before the court.

(o) Mr. Abani Mohanta has filed a case for reference (No. 56 of 2000) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated February 12, 1996 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 302,244, Mr. Mohanta has claimed for higher compensation of Rs. 100,000 per katha along with additional compensation and interest. The case is currently pending.

(p) Mr. Srikanta Patowary has filed a case for reference (No. 57 of 2000) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated February 12, 1996 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 265,650, Mr. Patowary has claimed for higher compensation of Rs. 100,000 per katha along with additional compensation and interest. The case is currently pending.

(q) Mrs. Gauri Das has filed a case for reference (No. 58 of 2000) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated February 12, 1996 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 286,723, Mrs. Das has claimed for higher compensation of Rs. 100,000 per katha along with additional compensation and interest. The case is currently pending.

(r) Nandlal and Sons Tea Industries Private Limited has filed a writ petition (WP No. 1721 of 2002) against the State of Assam, our Company and others, before the Guwahati High Court challenging the order of the Deputy Commissioner and Collector, Tinsukia dated July 26, 2001 which granted the petitioner certain compensation for acquisition of the petitioners land. The petitioner has challenged the validity of the provisions of Rules 189 and 190 of the Assam Land and Revenue Rules, 1886 and has prayed that the court set aside the award of the Collector and enhance the compensation payable by our Company to Rs. 1,334,000. The case is currently pending in the High Court.

(s) Nandlal and Sons Tea Industries Private Limited has filed a writ petition (WP No. 1722 of 2002) against the State of Assam, our Company and others, before the Guwahati High Court challenging the order of the Deputy Commissioner and Collector, Tinsukia dated July 26, 2001 which granted the petitioner a sum of Rs. 42,178 as compensation for acquisition of the petitioners land. The petitioner has challenged the validity of the provisions of Rules 189 and 190 of the Assam Land and Revenue Rules, 1886 and has prayed that the court set aside the award of the Collector and enhance the compensation payable by our Company to Rs. 3,589,990. The case is currently pending in the High Court.

(t) Nandlal and Sons Tea Industries Private Limited has filed a writ petition (WP No. 1680 of 2002) against the State of Assam, our Company and others, before the Guwahati High Court challenging the order of the Deputy Commissioner and Collector, Tinsukia dated July 26, 2001 which granted the petitioner a sum of Rs. 42,831 as compensation for acquisition of the petitioners land. The petitioner has challenged the validity of the provisions of Rules 189 and 190 of the Assam Land and Revenue Rules, 1886 and has prayed that the court set aside the award of the Collector and enhance the compensation payable by our Company to Rs. 2,511,000. The case is currently pending in the High Court.

(u) Nandlal and Sons Tea Industries Private Limited has filed a writ petition (WP No. 1681 of 2002) against the State of Assam, our Company and others, before the Guwahati High Court challenging the order of the Deputy Commissioner and Collector, Tinsukia dated July 26, 2001 which granted the petitioner a sum of Rs. 320,882 as compensation for acquisition of the petitioners land. The petitioner has challenged the validity of the provisions of Rules 189 and 190 of the Assam Land and Revenue Rules, 1886 and has prayed that the court set aside the award of the Collector and enhance the compensation payable by our Company to Rs. 5,739,910. The case is currently pending in the High Court.

(v) Assam Company Limited has filed a writ petition (WP No. 961 of 2002) against the State of Assam, our Company and others, before the Guwahati High Court challenging the order of the Additional Deputy Commissioner, Dibrugarh dated January 16, 2002 granting right of entry to our Company over an area of land belonging to the Assan Company Limited and have prayed for a stay on the acquisition proceedings. The case is currently pending.

(x) Mrs. Benarashi Devi and others have filed a case for reference (No. 07 of 2003) before the Court of Additional District Judge, Kamrup, Guwahati against the award of the Collector dated July 7, 1997 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 106,500, Mrs. Devi has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The Court through its order dated September 28, 2006 awarded compensation of Rs. 120,000 per katha. Aggrieved by the said order, our Company filed an appeal (No. 8 of 2007) before the Guwahati High Court. The Court through its order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 70,000 per katha within a period of six weeks from the date of the order. In compliance of the said order, our Company has paid a sum of Rs. 529,305 to the High Court. The said land acquisition appeal is currently pending.

(y) Mr. Lalbabu Das and others have filed a case for reference (No. 08 of 2003) before the Court of Additional District Judge, Kamrup, Guwahati against the award of the Collector dated July 7, 1997 in relation to compensation granted by the Collector for land acquired under the Land

Acquisition Act. While the total compensation paid by our Company is Rs. 34,000, Mr. Das has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The Court through its order dated September 28, 2006 awarded compensation of Rs. 120,000 per katha. Aggrieved by the said order, our Company filed an appeal (No. 9 of 2007) before the Guwahati High Court. The Court through its order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 70,000 per katha within a period of six weeks from the date of order. In compliance of the said order, our Company has paid a sum of Rs. 168,980 to the High Court. The said land acquisition appeal is currently pending.

(z) Mr. Uday Das and others have filed a case for reference (No. 09 of 2003) before the Court of Additional District Judge, Kamrup, Guwahati against the award of the Collector dated July 7, 1997 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 12,500, Mr. Das has claimed for higher compensation between Rs. 150,000 to Rs. 200,000 per katha along with additional compensation and interest. The Court through its order dated September 28, 2006 awarded compensation of Rs. 120,000 per katha. Aggrieved by the said order, our Company filed an appeal (No. 10 of 2007) before the Guwahati High Court. The Court through its order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 70,000 per katha within a period of six weeks from the date of order. In compliance of the said order, our Company has paid a sum of Rs. 62,125 to the High Court. The said land acquisition appeal is currently pending.

(aa) Mr. Kamal Lahan and others have filed a writ petition (WP No. 4651 of 2003) against the State of Assam, our Company and others, before the Guwahati High Court challenging the notice issued by our Company dated June 18, 2002 in relation to acquisition of certain land for our Company. The petitioners have claimed that the land should be valued in accordance with the proposal sent by the Circle Officer, Tinkhomg, Rajgarh. The case is currently pending.

(bb) Mr. Shashi Mohan Das has filed a case for reference (No. 1 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 36,920, Mr. Das has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(cc) Mr. Ram Krishna Das has filed a case for reference (No. 2 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 27,690, Mr. Das has claimed for higher compensation of Rs. 70,000 per katha along with additional compensation and interest. The case is currently pending.

(dd) Mrs. Renu Das has filed a case for reference (No. 3 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 36,920, Mrs. Das has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(ee) Mr. Gunindranath Das has filed a case for reference (No. 4 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 27,690, Mr. Das has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(ff) Mrs. Thunu Gayan has filed a case for reference (No. 5 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 36,920, Mrs. Gayan has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(gg) Mr. Basudev Das has filed a case for reference (No. 6 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 36,920, Mr. Das has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(hh) Mrs. Sabita Das has filed a case for reference (No. 7 of 2004) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 27,690, Mrs. Das has claimed for higher compensation of Rs. 17,000 per katha along with additional compensation and interest. The case is currently pending.

(ii) Mr. Atul Moran and others have filed a writ petition (WP No. 2234 of 2006) under Article 226 of the Constitution of India, against our Company and others, before the Guwahati High Court challenging the illegal and arbitrary action of our Company for non payment of the land value for the land acquired measuring 7 Bigha 13 Lessa from Mr. Moran and others. They have also challenged the order of the Deputy Commissioner, Tinsukia dated June 24, 2005 fixing land compensation at the rate of Rs. 100,000 per Bigha. Mr. Moran and others have prayed for quashing the said order and the action of our Company and have raised a claim of Rs. 0.71 million. The case is currently pending.

(jj) Mr. Bijoy Ram Rahang has filed a case for reference (No. 19 of 2007) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated July 7, 1997 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 1,469,700, Mr. Rahang has claimed for higher compensation between Rs. 140,000 to Rs. 160,000 per katha along with additional compensation and interest. The case is currently pending.

(kk) Mr. Bichitra Mikir has filed a case for reference (No. 20 of 2007) before the Court of District Judge, Kamrup, Guwahati against the award of the Collector dated July 7, 1997 in relation to compensation granted by the Collector for land acquired under the Land Acquisition Act. While the total compensation paid by our Company is Rs. 408,350, Mr. Mikir has claimed for higher compensation between Rs. 140,000 to Rs. 160,000 per katha along with additional compensation and interest. The case is currently pending.

Claims and notices from statutory authorities

There are three statutory notices pending before various authorities in India. The aggregate amount of claims in these cases are Rs. 34.57 million. The details of these cases are as stated below:

(a) The Government of Rajasthan, through its letter dated August 18, 2003, has demanded PEL fees of Rs. 295,890 and a penalty of Rs. 946,848 in respect of the 9,750 square kilometer PEL in Tanot. Our Company has deposited the principal amount of Rs. 1.95 million with the Government of Rajasthan. However, the penalty and interest is yet to be paid by us.

(b) The Additional Commissioner, Central Excise and Service Tax, Dibrugarh issued a show cause notice (C.No. V(12)11/CE/HQAE/DIB/06/147) dated February 14, 2007 and have demanded an explanation as to why service tax and education cess of Rs. 3.58 million should not be demanded and recovered under the provisions of the Finance Act, 1994 along with interest and penalty. Our Company has replied to the show cause notice, through letter dated April 5, 2007. The matter is currently pending.

(c) The Commissioner, Central Excise and Service Tax, Dibrugarh issued a show cause notice (C.No. V(12)12/CE/HQAE/DIB/06/357) dated April 20, 2007 and have demanded an explanation as to why Cenvat credit wrongfully availed of Rs. 29.75 million as service tax should not be demanded and recovered under the provisions of the Cenvat Credit Rules, 2004 read with the Finance Act, 1994 along with interest and penalty. Our Company has replied to the show cause notice, through letter dated August 16, 2007. The matter is currently pending.

Pending applications under the Right to Information Act, 2005 ("RTI Act")

There are eight applications pending before our Public Information Officer or the Registrar, Central Information Commission in relation to information requested under the RTI Act. The details of such applications are stated as under:

(a) Mr. Tilak Deka has filed an application dated August 2, 2007 under the RTI Act to the Chief Public Information Officer of our Company to obtain information relating to cases involving officers of our Company that are pending before the courts of Assam since April 1, 2000. Our Company did not respond to such compliant within the statutory time period and consequently was considered as 'refused' under Clause 7(1) of the RTI Act. An appeal has been filed before the First Appellate Authority of our Company, which is currently pending.

(b) Mr. Satyakam Borthakur has filed an application dated September 6, 2007 under the RTI Act to the Chief Public Information Officer of our Company to obtain a copy of our Company's Officers' Promotion Policy and the Departmental Promotion Committee's report for the promotion of General Managers w.e.f. December 31, 2004. The application is currently pending.

(c) Mr. Pradeep Kumar has filed an application dated October 15, 2007 under the RTI Act, with the Chief Public Information Officer of our Company, to obtain information relating to, *inter alia*, the principle and rule followed to decide January 1, 2007 as the effective date for promotion of the certain executives (level-III). The application is currently pending.

(d) Mr. Raju Moni Gogoi has filed an application dated October 15, 2007 under the RTI Act to the Chief Public Information Officer of our Company to obtain information relating the enquiry ordered by Mr. J.K. Talukdar, Group General Manager of our Company regarding a blowout that occurred on September 13, 2005 at one of our oil wells. Mr. Gogai has requested for a copy of enquiry report, if any and has requested for an explanation in case such enquiry was not conducted. The application is currently pending.

(e) Mr. Satyakam Borthakur has filed two separate complaints dated October 17, 2007 and October 24, 2007, respectively, with the Registrar, Central Information Commission, New Delhi, under the Right to Information Act, 2005. Mr. Borthakur has appealed against the failure of our Company's Public Information Officer and First Appellate Authority to provide a response within the requisite time under applicable law. Mr. Borthakur has requested penal action against our Company's Public Information Officer and the First Appellate Authority for their failure to provide the information requested. The said complaints are currently pending.

(f) Mr. Raju Moni Gogoi has filed an application dated October 15, 2007 under the RTI Act, to the Chief Public Information Officer of our Company, to obtain information relating to the procedure followed in selecting the consultant who conducted the written test for the recruitment of the executive trainees and has requested for certain information on the executive trainees. The application is currently pending.

(g) Mr. Raju Moni Gogoi has filed an application dated October 17, 2007 under the RTI Act, to the Chief Public Information Officer of our Company to obtain information relating to the sealing of the corporate office of our Company in New Delhi. Mr. Gogoi has sought all copies of the notices served by the New Delhi Municipal Corporation to our Company, the date on which the said premise was occupied by our Company, expenditure incurred by our Company towards renovation of the said premises since January 1, 2006, the monthly rental being paid for the premises and the name of the person(s) from whom the said premises were taken on lease. The application is currently pending.

II. Litigation by the Company

Taxation Matters

Excise Tax

There is one excise tax case involving us which is pending before the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The total amount of demanded by our Company aggregates to Rs. 11.77 million. The details of this case are as follows:

(a) The Deputy Commissioner Central Excise, Dibrugarh, through orders (No. V(18)58/Ref/ACD/2002/4300) dated September 16, 2003 granted our Company with a refund of Rs. 50 million (exclusive of any interest charges) that was pre-deposited against a dispute raised on classification of lean gas and gas condensate produced by our Company. Aggrieved by non- payment of interest on the refund, our Company filed various applications for grant of interest amounting to Rs. 11.77 million. The Assistant Commissioner of Central Excise, Dibrugarh, through order dated May 26, 2006 rejected our request for grant of interest. Aggrieved by the order dated May 26, 2006, our Company has filed an appeal (No. 10/CE(A)/GHY/07) before the Commissioner (Appeals) Central Excise, Guwahati to set aside the impugned order. The Commissioner, Customs and Central Excise (Appeals), Guwahati through order dated July 30, 2007 rejected our appeal and upheld the order passed by the Assistant Commissioner of Central Excise. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Kolkata to set aside the order dated July 30, 2007.

Customs Case

There is one customs related case involving us which is pending before the Committee on Disputes. The total amount of refund claimed by our Company aggregates to Rs. 1.16 million. The details of this case are as follows:

(a) Our Company has filed a claim (Ref: BEP/MAT/Customs/F-15) with the Deputy Commissioner of Customs, Paradip for the refund of Rs. 12,19,631 for the cancellation of the Bill of Entry (No. 298/Imp/1999-2000) dated January 1, 2000 filed for the disposal of scrap. Our Company has also filed a claim (Ref: BEP/MAT/Customs/F-15) with the Deputy Commissioner of Customs, Paradip for the refund of Rs. 11,58,649 for the cancellation of the Bill of Entry (No. 403/Imp/2000-01) dated February 10, 2001 filed for the disposal of scrap.

The Deputy Commissioner of Customs, Paradip by its order dated October 10, 2002 rejected the said claim of Rs. 12,19,631. Aggrieved by the said order, our Company filed an appeal (No. 1/BBSR-1/2003) before the Commissioner of Customs, Bhubneshwar. The Commissioner of Customs, Bhubneshwar by its order dated August 26, 2003 held in favor of our Company and directed the Custom authorities to refund the amount of Rs. 11,58,649. Thereafter, the Deputy Commissioner of Customs, Paradip filed an appeal (No. 01 of 2003) under section 129A(1) of the Customs Act, 1962 for stay against the order of the Commissioner of Customs, Bhubneshwar before the Central Excise and Customs Tribunal, Eastern Division, Kolkata. The tribunal by its order dated June 21, 2004 rejected the appeal as the Deputy Commissioner of Customs, Paradip had not submitted a clearance certificate from the High Powered Committee in this regard. However, the Tribunal stated that the Deputy Commissioner of Customs, Paradip was at liberty to pray for re-opening the matter on production of the (COD) clearance certificate. Subsequently, the Deputy Commissioner of Customs, Paradip approached the Ministry of Finance (CBEC, New Delhi) by its letter (No.6138) dated December 22, 2005 for obtaining (COD) clearance from the High Powered Committee to re-open the said case against our Company. The (COD) clearance is currently pending.

Criminal Cases

There are two criminal cases that have been filed by our Company on allegations of theft, damage to property and misbehaviour that are pending before the Sub-Divisional Judicial Magistrate, Bhubaneshwar, India. The details of these cases are as follows:

(a) Our Company has filed a criminal complaint (I.C.C. No 817 of 2003) against Mr. N.R. Mallick and others before the Court of Sub-Divisional Judicial Magistrate, Bhubneshwar on allegations of theft, property damage and misbehavior. The Court by its order dated May 7, 2003 directed the concerned police station to register a case against the accused and accordingly a first information report (No. 107 of 2003) and criminal case (No. GR-1602 of 2003) was registered against Mr. Mallick and others. The case is currently pending. Our Company has also filed another criminal complaint (I.C.C. No. 2229 of 2006) before the Court of Sub-Divisional Judicial Magistrate, Bhubneshwar alleging that the police had not acted on the earlier filed criminal case on account of political pressure and prayed that the said protest petition may be heard with case (No. GR-1602/2003) after taking cognizance against the accused persons. The matter is currently pending.

(b) Our Company has filed a criminal complaint (I.C.C. No 1496 of 2006) against Mr. N.R. Mallick and others before the Court of Sub-divisional Judicial Magistrate, Bhubneshwar. Our company has prayed that the Court issue directions to the Inspector In-charge of Saheednagar police station to register a criminal case under provisions of section 156(3) of the Code of Criminal Procedure against Mr. Mallick and others for manhandling the Manager, Finance and Accounts, Bay Exploration project, Bhubneshwar of our Company. The Court by its order dated May 7, 2003 directed that a case be registered against Mr. Mallick and others. Thereafter, a first information report (No. 183 of 2006) and criminal case (No. GR-2487 of 2006) was registered against Mr. Mallick and others. The case is currently pending. In furtherance, our Company has filed an application dated July 4, 2006 before the same Court seeking for directions to the Investigating Officer for the arrest of Mr. Mallick.

Civil Cases

There are ten civil cases filed by our Company, pending before various courts in India. We have claimed Rs. 35.03 million approximately. Brief details of these civil cases are as follows:

(a) Our Company has filed an appeal arising from a writ petition against Peerless Drive Limited ("**Peerless**") and others. Peerless submitted a technical bid in response to a tender floated by our Company inviting charter hire of on-shore drilling rig in Rajasthan. Thereafter, the bid was accepted and a contract was duly entered into between our Company and Peerless on January 18, 1991 wherein a bank guarantee was given by Peerless against illegal termination of the contract. However, Peerless failed to take any effective steps to mobilize the rig within a period of 180 days from the completion of the contract. On July 16, 1991 Peerless moved the writ jurisdiction of this Court praying, *inter alia*, that our Company be prevented from terminating the contract and invoking the bank guarantee. The Court through its order dated July 16, 1991 passed an *ad interim* injunction in favour of Peerless. Therefore, our Company has filed the present appeal. The next date of hearing has not been fixed.

(b) Our Company has filed a suit (Number 36/1993) against Bharat Process and Mechanical Engineers Limited ("**BPMEL**") in the Guwahati High Court, claiming an aggregate amount of Rs. 1.35 million, including indemnity bond of Rs. 0.45 million and refund of Rs. 0.90 million paid to BPMEL with respect to procurement of heater separator units, along with interest. In the meanwhile, BPMEL has gone into liquidation and the matter has been referred to the liquidator for the recovery of the said amount. The matter is currently pending.

(c) Our Company had filed a civil suit (No. 29/1998) against Saligram and Company before the Civil Judge, Senior Division, Dibrugarh for recovery of dues, in relation to non delivery of an order of motorcycles against which our Company made certain advances. Our Company was awarded Rs. 115,027 by the Court through its order dated July 15, 1999. However, since the defendants failed to make the payment as per the said order of the Court, our Company has filed an execution petition (M. Ex. 34/1999) before the Guwahati High Court along with an application for attachment of movables for realization of the decretal amount, Rs. 104,766, including interest and costs. The matter is currently pending and the next date is fixed for return of writ on December 17, 2007.

(d) Our Company has filed two separate money suits (M.S. 21/2000 and 1/2001) against Mr. S.M. Saifullah, senior manager (land) of our Company, before the Court of Civil Judge (Senior Division), Dibrugarh; who has since retired. These matters relate to losses suffered by our Company due to payment in excess of land acquired by our Company, due to misinformation by Mr. Saifullah in relation to area of land acquired by our Company, and in relation to the rate of land value, respectively. The respective claims in the said money suits are for Rs. 2.64 million, and future and *pendente lite* interest on the said sum till realization at 20% p.a., in M.S. 1/2001 and for recovery of Rs. 4.07 million with future and *pendente lite* interest, in M.S. 21/2000. Both matters are currently pending.

(e) Our Company has filed two civil writ petitions (CWP Number 4172 of 2002 and 963 of 2003) under Article 226 of the Constitution of India, against the State of Assam and others, in the Guwahati High Court. The Revenue Authorities of the Government of Assam have decided an imposition of enhanced land revenue tax in respect of the land used for our Company's operations, through notice dated April 4, 2002, issued pursuant to sections 3A and 25(B) of the Assam Land Revenue Reassessment (Amendment) Act, 1997. Our Company has prayed that the relevant provisions of the said Amendment Act, 1997 be declared arbitrary and unreasonable, and accordingly, be set aside. The case is currently pending.

(f) Our Company has filed a civil suit (No. 205 of 2003) against Mr. N.R. Mallick before the Court of Civil Judge (Junior Division), Bhubneshwar from permanently restraining Mr. Mallick and his supporters from entering our Bhubaneshwar office premises and causing any disturbances in the said premises. The court by its order dated April 19, 2006 dismissed our petition. Aggrieved by the said order, our Company filed an appeal (R.F.A. No 114 of 2006) before the Court of District Judge, Bhubneshwar challenging the decision of the Civil Judge. The case is currently pending.

(g) Our Company has filed a money suit (M.S. Number 27/2006) against Indus Pipeline Company and others ("**Indus**") in the Court of the Civil Judge, Dibrugarh under Order VII, Rule 1 of the Code of Civil Procedure, for recovery of a principal amount of Rs. 8.07 million, 6.16 million as interest calculated at 12% for the duration from July 26, 2001 to April 8, 2004, and compensation of Rs. 10 million being the cost of man hours lost, on the ground that on inspection of casings delivered by Indus to our Company, it was found that the casings were not as per the desired quality prescribed in the contract. Indus has not so far refunded the claimed amount nor has it replaced the said defective casing. The matter is currently pending before the Court of the Civil Judge, Dibrugarh for return of summons. The said Court has been approached by our Company, through an application dated May 10, 2007, to proceed *ex parte*. The next date of hearing has been notified for January 17, 2008.

(h) Our Company along with Oil India Limited Employees' Provident Fund has filed a money suit (38/2007) against Kalyanbhai Mayabhai Financial Services Private Limited and others, before the Civil Judge, Dibrugarh, for recovery of dues on account of non-receipt of interest in relation to certain bonds allotted by the defendants and have claimed Rs. 2.63 million along with interest and costs. The next date is fixed for return of summons on January 5, 2008.

III. Material Developments

Except as stated in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 236 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

IV. Litigation against our Directors

There are no pending adjudicatory, regulatory or arbitral proceedings involving any of our Directors as of the date of this Draft Red Herring Prospectus. Further, as of the date of this Draft Red Herring Prospectus, neither our Company nor any of our Directors have received any notices from any regulatory body or any other persons, with respect to any threatened or potential litigation or regulatory proceedings or investigations against them.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

A. APPROVALS FOR THE ISSUE

Our Board of Directors has, pursuant to a resolution passed at its meeting held on September 12, 2007, authorised this Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution passed at its meeting held on October 31, 2007 authorised this Issue, under section 81(1A) of Companies Act.

The MoPNG, through letter no. G-34014/2/2000-Fin.III, dated September 11, 2007, granted approval for an initial public offering of 11% of our post-Issue paid-up capital (including a reservation of 1% of our post-Issue paid-up capital for our employees).

Further, the MoPNG has through a letter dated November 26, 2007, granted approval for lock-in of 20% of the fully diluted post-Issue paid-up Equity Share capital of our Company for three years from the date of Allotment of Equity Shares in this Issue and lock-in of the balance pre-Issue Equity Share capital of our Company for a period of one year from the date of Allotment of Equity Shares in this Issue.

B. APPROVALS FOR OUR BUSINESS

We have obtained several approvals, licences and permissions from various government departments and governmental agencies and other authorities in relation to our business operations of exploration, development, production and transportation of crude oil and natural gas.

The approvals include, amongst others:

- PMLs and PELs issued under the PNG Rules;
- Environmental approvals and clearances from the State PCB(s) and MoEF, including consents to establish and operate in respect of Air Act and Water Act and environmental clearances for exploration and appraisal drilling under the Environment Impact Assessment Notification (Notification No. SO 60(E)) dated January 27, 1994 as amended ("EIA Notification")
- Licence for usage, carriage and storage of explosives under the Explosives Act, 1884 issued by the Controller of Explosives;
- Approvals issued under the Water Act, Air Act or Hazardous Waste Rules, by the concerned State PCB; and
- Licence/approval for the construction, addition, alteration or storage of hydrocarbon products for various plants such as gas compressor plants, group gathering stations, LPG, effluent treatment plants, well heads issued by the DGMS under the Mines Act and under the Oil Mine Regulations.

The material licenses and approvals received for our business operations are set forth below:

Petroleum Mining Leases

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
Assam			
Regrant of PML for an area measuring 1.42 sq km in Naharkatiya, Dibrugarh, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/317 ONG/89/D/IV dated September 10, 2004	PEM.66/59/196	February 18, 2005, w.e.f February 4, 2004	Valid for 20 years
Grant of PML for an area measuring 165.76 sq km in Naharkatia Extension area in Dibrugarh, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/8/91-ONG.D.IV dated May 20, 1994.	PEM.130/92/18	May 23, 1995 w.e.f January 10, 1991	Valid for 20 years
Regrant of PML for an area measuring 429.42 sq km in Moran, Sibsagar, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/60/2000.ONG.D.IV dated August 6, 2001	PEM. 66/59/Pt/30	December 18, 2001, w.e.f January 10, 2001	Valid for 20 years
Approval for the regrant of PML for an area measuring 560 sq km for Moran, Sibsagar, under the PNG Rules by the GoI	O-12012/10/2006-ONG-III	August 31, 2007, w.e.f November 1, 2006	Valid for 20 years
Regrant of PML for an area measuring 725.197 sq. km in Hugrijan, Dibrugarh and Tinsukia, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/61/2000.ONG.D.IV dated August 2, 2001	PEM. 66/59/456	December 11, 2001, w.e.f January 9, 2001	Valid for 20 years
Regrant of PML for an area measuring 506.21 sq km in Dum Duma in Dibrugarh, Tinsukia and Sibsagar districts, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/74/89-ONG.D.IV dated May 20, 1994	PEM. 41/95/16	June 28, 1995 w.e.f November 26, 1989	Valid for 20 years
Grant of PML for an area measuring 250 sq km in Tinsukia, Tinsukia district, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/ 50/2000.ONG.D.IV dated August 2, 2000	PEM. 21/ 2000/21	December 7, 2001 w.e.f October 18, 2002	Valid for 20 years
Grant of PML for an area measuring 185 sq km in Tinsukia Extension in Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/49/1999-ONG/D-IV dated March 17, 2004	PEM.93/2003/89	February 17, 2005, w.e.f May 17, 2003	Valid for 20 years

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
Grant of PML for an area measuring 87 sq km in Borhapjan, Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/65/2000-ONG/D-IV dated August 7, 2001	PEM.9/2001/17	December 13, 2001, w.e.f December 7, 2000	Valid for 20 years
Grant of PML for an area measuring 189 sq km in Chabua area in Dibrugarh and Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/33/98-ONG/D-IV (PT) dated May 11, 2004	PEM.147/2002/27	May 12, 2005, w.e.f June 12, 2002	Valid for 20 years
Grant of PML for an area measuring 186 sq km in Dibrugarh, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI letter no. O-12012/46/2000-ONG-IV, dated August 6, 2001	PEM. 42/2000/19	December 14, 2001 w.e.f September 26, 2000	Valid for 20 years
Grant of PML for an area measuring 131 sq km in Dholiya area in Dibrugarh and Sibsagar by the Government of Assam, under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/66/2000-ONG/D.IV dated August 2, 2001	PEM. 10/2001/30	December 20, 2001 w.e.f October 18, 2002	Valid for 20 years
Regrant of PML for an area measuring 49.33 sq km in Digboi, Tinsukia, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/62/2000.ONG.D.IV dated August 6, 2001	PEM. 82/82/pt-II/29	January 3, 2002 w.e.f October 13, 2001	Valid for 20 years
Grant of PML for an area measuring 75 sq km in Baghjan, Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/98/2003/ONG/D-IV dated April 15, 2004	PEM.93/2003/138	December 12, 2005, w.e.f May 14, 2003	Valid for 20 years
Approval for the grant of PML for an area measuring 195 sq km in Mechaki block, Tinsukia under the PNG Rules by the GoI	O-12012/99/2003-ONG/D-IV	April 8, 2004, w.e.f May 19, 2003	Valid for 20 years
Arunachal Pradesh			
Approval of regrant of PML for an area measuring 540.67 sq km in Ningru Block, Arunachal Pradesh, under the PNG Rules by the GoI	O-12012/60/ 2003-ONG/D/IV	January 23, 2004 w.e.f November 27, 2003	Valid for 20 years
Approval for regrant of PML for an area measuring 75 sq km in Ningru Extension Block, Arunachal Pradesh, under the PNG Rules by the GoI	O-12012/4/1993-ONG/D-IV (Pt)	May 11, 2004, w.e.f June 4, 2003	Valid for 20 years
Rajasthan			
Grant of PML for an area measuring 250	P17:38:Mine/Gr-1/96	July 8, 1996,	Valid for 20 years

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
sq km in Jaisalmer by the Government of Rajasthan		w.e.f January 1, 1996	
Grant of PML for an area measuring 210 sq km in Baghewala, Jaisalmer and Bikaner, Rajasthan, by the Government of Rajasthan pursuant to approval of the GoI through letter no. 0-12012/24/2004-ONG-IV dated March 23, 2004	F19(4) Mines/Gr.2/2003	June 30, 2004, w.e.f May 30, 2003	Valid for 20 years

** The PML is subject to the following conditions, among others:*
1. The lease is only in respect to crude oil and natural gas.
2. The lease is subject to the provisions of the Oilfields Act and PNG Rules.
3. Royalty on crude oil, condensate and natural gas and CBM shall be payable by our Company as per the terms of the PSC entered into between the lessee and GoI in respect to the said block/ area at such rates as may be fixed by GoI in consultation with the State Government. Royalty shall be paid on monthly basis.
4. Necessary approval from the competent authority should be obtained for the reserved forest falling in the leased area. Our Company is permitted to carry out survey for oil exploration in the reserved forest area falling in such leased area without obtaining prior approval from MoEF, provided the survey does not involve cutting of trees. Our Company shall not carry out survey in specially protected areas like sanctuaries, national parks and sample plots demarcated by the forest department.

Petroleum Exploration Leases

(A) Nominated Blocks

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Approval for extension of PEL for an area measuring 133 sq km in Dumduma Extension in Tinsukia by the GoI	O-12012/311/2004-ONG-III	November 17, 2007. w.e.f August 1, 2007	Valid for two years, subject to stipulated conditions.
Approval for extension of PEL for an area measuring 184 sq km in Margherita in Tinsukia by the GoI	O-12012/315/2004-ONG-III	April 26, 2007. w.e.f April 1, 2007	Valid for one year, subject to stipulated conditions
Arunachal Pradesh			
Approval for extension of PEL for an area measuring 18 sq km and 23.25 sq km in Jairampur and Jairampur extension respectively by the GoI	O-12012/308/2004-ONG-III	June 15, 2007, w.e.f April 1, 2007	Valid for two years, subject to conditions stipulated
Approval for extension of PEL for an area measuring 195 sq km in block Namchik by the GoI	O-12012/313/2004-ONG-III	May 7, 2007, w.e.f May 1, 2005	Valid for four years, subject to conditions stipulated
Recommendation by the DGH to the MoPNG for extension of PEL for an area measuring 113.5 sq km (NF-F) in Deomali .	DGH/PEL/OIL/Deomali/2007	January 22, 2007, w.e.f February 18, 2005	Valid for a period of four years
Uttar Pradesh			
Approval for extension of PEL for an area measuring 3,605 sq km in Kashipur, Uttar Pradesh, by the GoI under the PNG Rules.	4998/77-5-2006-5(3)2001	December 8, 2006. w.e.f July 23 ,2005	Valid for a period of four years

Description	Reference Number	Date of issue	Date of Expiry
Uttaranchal			
Approval for extension of PEL for an area measuring 3,595 sq km in Kashipur (Extension), Uttaranchal by the GoI under the PNG Rules.	4281/7/05/303-Mine/2002	December 16, 2005 w.e.f August 4, 2005	Valid for a period of four years

<u>Pending Applications</u>

Nominated Blocks

<u>Assam</u>

1. Our Company has made an application dated March 15, 2007 to the Government of Assam for a two year extension of the PEL (w.e.f April 1, 2007) for an area measuring 19 sq km in Dumduma Extension (Forest);
2. Our Company has made an application dated March 15, 2007 to the Government of Assam for a four year extension of the PEL (w.e.f April 1, 2007) for an area measuring 427 sq km in Dibrugarh for the riverine area and a two year extension for the non-riverine area ;
3. Our Company has made an application dated March 15, 2007 to the Government of Assam for a two year extension of the PEL for the non-riverine area (w.e.f April 1, 2007) and a four year extension for the riverine area (w.e.f. from the date of approval of the Assam State PCB) for an area measuring 480 sq km in Tinsukia;
4. Our Company has made an application dated March 15, 2007 to the Government of Assam for a two year extension of the PEL (w.e.f April 1, 2007) for an area measuring 111 sq km for Borhat in Upper Assam;
5. Our Company has made an application dated March 15, 2007 to the Government of Assam for a two year extension of the PEL for the non-riverine area (w.e.f April 1, 2007) and a four year extension for the riverine area (w.e.f from the date of approval of the Assam State PCB) for an area measuring 95 sq km in Murkongselek (F); and
6. Our Company has made an application dated March 15, 2007 to the Government of Assam for a two year extension of the PEL for the non-riverine area (w.e.f April 1, 2007) and a four year extension for the riverine area (w.e.f from the date of approval of the Assam State PCB) for an area measuring 653 sq km in Murkongselek (N.F).

<u>Arunachal Pradesh</u>

1. Our Company has made an application dated November19, 2007 to the Government of Arunachal Pradesh for two year extension of the PEL for an area measuring 370 sq km in Namsai.
2. Our Company has made an application dated June 28, 2007 to the MoPNG for a two year extension of the PEL for the non-riverine area and four year for the riverine area (w.e.f April 1, 2007) for an area measuring 694 sq km in Pasighat block.

(B) <u>NELP Blocks (where our Company is the "Operator")</u>

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
Grant of PEL for block RJ-ONN-2000/1 (NELP II) measuring 2,535 sq km, in Jaisalmer, by the Rajasthan Government, pursuant to the approval of the GoI through letter no. O-12012/04/2001-ONG/D-IV, dated September 1, 2001	P.19(30) Mine/GR-II/2002	January 18, 2002, w.e.f August 17, 2002	Valid for six years
Grant of PEL for block RJ-ONN-2001-1	P19(2) Mine/ Gr-	July 23, 2003	Valid for four years

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
(NELP III) measuring 3,425 sq km in Siyasar block in Bikaner and Ganganagar by the Rajasthan Government, pursuant to the approval of the GoI through letter no. O-12012/09/2003-ONG/D-IV dated April 4, 2003.	2/2003		
Grant of PEL for block RJ-ONN-2002/1(NELP IV) measuring 9,900 sq km, in Jaisalmer, by the Rajasthan Government, pursuant to the approval of the GoI through a letter no. O-12012/04/2004-ONG/D-IV, dated March23,2004	F.18(6)Mines/GrII/2004	Jun 22, 2004 w.e.f March 23,2004	Valid for seven years
Extension of PEL for block MN-ONN-2000/1 (NELP II) measuring 5,903 sq km, in Cuttack, Jaipur, Puri, Khurda, Jayatsinghpur and Kendrapara in Orissa to our Company, ONGC, IOC and GAIL by Government of Orissa	3821/SM.Bhubaneswar	April 18, 2007, w.e.f April 24, 2007	Valid for a year
Grant of the PEL for block AA-ONN-2002/3 (NELP IV) measuring 1,460 sq km in the Karbi-Anglong and N.C. Hill, Assam to a consortium of our Company and ONGC by the Government of Assam, pursuant to the approval of the GoI through letter no O-12012/8/2004-ONG/D-IV dated March 17, 2004	PEM.89/2003/53	February 5, 2005.	Valid for seven years
Grant of PEL for block AA-ONN-2003/3 (NELP V) measuring 275 sq km in Tinsukia, Assam to a consortium of our Company and HOEC by Government of Assam, pursuant to the approval of the GoI through letter no O-12012/13/2005 dated July 10, 2006	PEM.64/2005/53	October 19, 2006	Valid for seven years
Grant of PEL for block AA-ONN-2004/1 (NELP V) measuring 144 sq km in Sibsagar and Dibrugarh, Assam to a consortium of our Company and Shiv Vani Oil, by Government of Assam under the PNG Rules	PEM.36/2007/36	June 13, 2007	Valid for a period of seven years
Grant of PEL for block AA-ONN-2004/2 (NELP VI) measuring 218 sq km in Dibrugarh, Assam, to consortium of our Company and Suntera Resources Limited by Government of Assam under the PNG Rules	PEM.36/2007/36	June 13, 2007	Valid for a period of eight years
Approval of GoI to award the block MZ-ONN-2004/1 (NELP VI) measuring 3,123 sq km in Mizoram to consortium of our Company, Suntera Resources Limited and Shiv Vani Oil	O-19018/16/2006-ONG.VI	February 12, 2007	Valid for eight years.

** The PEL is, inter alia, subject to the following conditions:*
1. Our Company is required to adhere to the provisions of the Oilfields Act and PNG Rules
2. Grant is with respect to the work program submitted by our Company along with the application.
3. No right to explore for coal/ lignite bed methane from the PEL area.
4. If any reserve forest is included in the PEL area, necessary approval from the competent authority will be required.

5. Our Company is permitted to carry out surveys for oil exploration in the reserved forest falling within such licensed area without obtaining prior clearance of the MoEF, GoI under the Forest Conservation Act,1980 as long as the surveys do not involve cutting of trees. However, our Company is not permitted to carry out such surveys in specially protected areas such as the wildlife sanctuary, national park and preservation or sample plots demarcated by the Forest Department.

Pending Applications

1. Our Company has made an application for grant of the PEL dated March 13, 2007 addressed to the Government of Rajasthan, for the block RJ-ONN-2004/2 measuring 2,196 sq km in the district of Bikaner subsequent to the execution of the PSC on March 2, 2007;

2. Our Company has made an application for grant of the PEL dated March 13, 2007 addressed to the Government of Rajasthan, for the block RJ-ONN-2004/3 measuring 1,330 sq km in the district of Jaisalmer and Bikaner subsequent to the execution of the PSC on the March 2, 2007;
3. Our Company has made an application for the grant of the PEL dated March 22, 2007 addressed to the Government of Pondicherry, for block KG-ONN-2004/1 measuring 38 sq km in onland areas of Yanam, Pondicherry subsequent to the execution of the PSC on March 2, 2007; and
4. Our Company has made an application for the grant of the PEL dated March 24, 2007 addressed to the Government of Andhra Pradesh, for block KG-ONN-2004/1 measuring 511 sq km in onland areas of east Godavari district, Andhra Pradesh, subsequent to the execution of the PSC on March 2, 2007.

Approvals under the Forest Conservation Act, 1980 ("Forest Conservation Act")

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Permission to carry out seismic survey operations in Joypore and Dillibari Reserve Forests for petroleum exploration granted by Principal Chief Conservator of Forest	GC/87/07/1807-808	March 21, 2007	Not applicable
Permission to carry out seismic survey operations in Upper Dehing Reserve Forest (West Block) and Upper Dehing Reserve Forest (East Block) granted by Principal Chief Conservator of Forest, Assam	FG.27/Nodal Seismic Survey/OIL/Digboi	February 14, 2007	Not applicable
Permission to carry out seismic survey operations in Duarmara Reserve Forest granted by the Principal Chief Conservator of Forest, Assam	FG.27/Nodal/Seismic survey/Oil Doom Dooma	February 14, 2007	Not applicable
Permission to carry out seismic survey operations in Namdang, Telpani and Jokai for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	GC/87/07/724-25	February 6, 2007	Not applicable
Permission to carry out seismic survey operations in Sapekhati Reserve Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG 27/Nodal/Seismic Survey OIL- Sibsagar	November 30, 2006	Not applicable
Permission to carry out seismic survey operations in Poba and Gali	FG 27/ Nodal/ Seismic Survey/ OIL/Dhemaji	November 30, 2006	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Reserve Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam			
Permission to carry out seismic survey operations in Phillobari, Nalani, Takauni, Tarani and Kakojan Reserved Forests for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG- 27/ Nodal/ Seismic Survey/ OIL/ Dumduma	April 6, 2006	Not applicable
Permission to carry out seismic survey operations in Phillobari, Naloni, Takauni, Kakejan and Tarani R.F. by the Divisional Forest Doom Dooma & Khatang Pni range, Tinsukia granted by the Principal Chief Conservator of Forest, Assam.	GL.123(MISC)06/1670 -73 DT	April 6, 2006	Not applicable
Permission to carry out seismic survey operations in Buridehing Reserve Forest granted by the Principal Chief Conservator of Forest, Assam.	FG.27/Nodal/Seismic survey/Oil Doom Dooma	March 7, 2006	Not applicable
Permission to carry out seismic survey operations in Kotha, Bogapani and Upper Dehing (East Block) Reserved Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG. 27/Nodal/Seismic Survey/ Digboi Division	August 17, 2005	Not applicable
Arunachal Pradesh			
Permission to carry out seismic survey operations for petroleum exploration over an area of 9,259 hectare in Manabum, Noa- Dehing, Namsai, Koriapani, Kotha and Miao reserved forest granted by MoEF.	11-92/2005-FC	November 24, 2005	Not applicable

***** *The permission is subject to, inter alia, the following conditions.*
1. Survey and investigation work is restricted only to hydro carbon exploration.
2. No survey and investigation works are to be carried out in the national park/ wildlife sanctuaries and sample plots demarcated by the forest department..
4. If any crater is created, it must be sealed to the original level.
5. No camp hut shall be allowed to be erected inside the forest hut.

Pending Applications

1. Our Company has made an application dated July 5, 2007 to the Divisional Forest Officer, Sibsagar for seeking permission to carry out seismic survey operations in Abhoypur Reserve Forest.

Approvals for the Pipeline Project

Our Company has received the following major approvals in relation to our Pipeline Project.

Description	Reference Number	Date of issue	Date of Expiry
Approval from the DGMS			
Permission under the Oil Mines Regulations	S2/ Oil/ 1778	September 29,	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
for laying out and maintenance of pipelines of 1,157 kms between Naharkatiya (Assam) and Barauni (Bihar) via Noonmati (Guwahati)		2004	
Approval under the Oil Mines Regulations, for construction of 112 km pipeline loops between repeater stations at Kaziranga and Ghani and between Noonmati and Barpeta repeater stations	MII/011/105/76/7780 of 24- 0578	May 24, 1976	Not applicable
Permission under the Oil Mines Regulations for laying a multi product pipeline from Numaligarh (Assam) to Siliguri (West Bengal)	S2/48-49	January 13, 2005	Not applicable
Permission under the Oil Mines Regulations for laying and commissioning of a 47.6 km of 16 inch diameter pipeline from Ghani repeater station to Jagi road repeater station	S2/1825	October 14, 2004	Not applicable
Permission under the Oil Mines Regulations for laying and occasioning of 13.2 km long, 16 inch diameter pipeline with accessories between Badulipara repeater station and Numaligarh refinery	S4/AS/Oil/Perm/13(96) /732	August 1, 1997	Not applicable
Permission under the Oil Mines Regulations for two scraper traps with valve and fittings at Ghani and Jagiroad repeater station	S2/ 1985	November 17, 2004	Not applicable
Approval under the Oil Mines Regulations for construction of a pump station at Barauni for pumping crude oil to Bongaigaon	S4/735	May 26, 2000	Not applicable
No objection to the construction of pump station at Tengakhat in the district of Dibrugarh, Assam	S29020/28/2007/RN2(EZ)/100009/2657	September 12, 2007	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at repeater station number 10 at Pratapkhat, number 11 at Chepani, number12 at Binaguri, number13 at Udlabari, number14 at Kishnaganj, number15 at Belgachi, number 16 at Thanabihpur and number 17 at Khagaria	S4/ 744	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at pump station number 6 at Bongaigaon	S4/749	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at pump station number 7 at Madarihat, number 8 at Sonapur, and number 9 at Domer	S4/754	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant changes/ alteration at river crossings in 16 inch diameter and 14 inch diameter existing Naharkatiya (Assam) - Barauni (Bihar) pipeline	S29020/27/2007/RN2(EZ)/100009/2743-45	September 18, 2007	Not applicable
Approval from the PESO			
Approval for laying and commissioning of Naharkotiya to Barauni Crude Oil Pipeline	P.2(4)385	January 5, 2001	Not applicable
Approval for laying and commissioning of 16	P.2(4) 227	January 5,	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
km long 16'' diameter pipeline with accessories between Badulipar repeater station and Numaligarh in Golaghat, Assam		2000	
Approval for laying of pipeline under the pipeline expansion project from Numaligarh to Siliguri	P2(4)492	October 26, 2004	Not applicable
Renewal of Licence for importation and storage of 4,546 L of the Petroleum Class A, 18,184 of Petroleum Class B at Dumar, Jharkhand	Bi-1711	July 2, 2007	December 2, 2008
Renewal of Licence for importation and storage of 1,269 KL of the Petroleum Class A at Jalpaiguri, West Bengal	P/HQ/WB/15/73 (P320)	March 5, 2007	December 31, 2008
Renewal of Licence for importation and storage of 1,269 KL of the Petroleum Class A and storage at Sonapur, Dakshin Dinajpur, West Bengal	P/HQ/WB/15/74 (P321/Ben-4236)	February 16, 2007	December 31, 2008
Renewal of Licence for importation of 4. 546 KL of the Petroleum Class A, 4.546 KL of the Petroleum Class B and 13.638 KL of the Petroleum Class C and storage at thereof at Sonapur, Uttar Dinajpur, West Bengal	P/EC/WB/16/146 (P 188888/Ben- 4331)	December 22, 2006	December 31, 2008
Renewal of licence for importation and storage of 500 KL of the Petroleum Class A at Udayan Vihar, Numaligarh, Golaghat, Assam	P/HQ/AS/15/418 (P1399)	September 13, 2006	December 31, 2008
Renewal of Licence for importation and storage of 15 KL of the Petroleum Class A at Guhawati, Kamrup, Assam	P/EC/AS/14/85(P51977)	June 13, 2006	December 31, 2008
Renewal of license granted for the possession of cylinder filled with compressed gas at Birkuchi, Assam	GC (LPG)- 145/AS	May 4, 2006	September 30, 2008
Renewal of licence for importation and storage of 30,000 KL of petroleum of class B at Jorhat, Assam	P/HQ/AS/15/248 (P968)	March 31, 2006	December 31, 2008
Renewal of licence for importation and storage of 1,281.5 KL of the Petroleum Class A at Chegaligam, Sibsagar, Assam	P/HQ/AS/15/38(P406)	March 31, 2006	December 2, 2008
Renewal of Licence for importation and storage of 3,781 KL of the Petroleum Class A at Rangali, Assam	P/HQ/AS/15/39(P407)	March 31, 2006	December 31, 2008
Renewal of Licence for importation and storage of 38,149 KL of the Petroleum Class A at Bongaigaon, Golpara, Assam	P/HQ/AS/15/87 (P486)	March 31, 2006	December 31, 2008
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A, 4,545 L of the Petroleum Class B and 13,637 of Petroleum Class C at Sakoni, Nowgong, Assam	AS- 1328	March 23, 2006	December 31, 2008
Renewal of licence for importation and storage of 4,545 L of the Petroleum Class B and 13,637 of Petroleum Class C at Jorhat, Assam	P/EC/AS/16/145 (P145389)	March 20, 2006	December 31, 2008
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A, 4,545 L of the Petroleum Class B and 13,600 of Petroleum Class C at Guwahati, Kamrup,	P/EC/AS/16/24 (P117903)	March 20, 2006	December 31, 2008

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Renewal of Licence for importation and storage of 1,269.2 KL of the Petroleum Class A at Dumar, Hazaribagh, Jharkhand	P/HQ/BI/112 (P9223)	February 27, 2006	December 31, 2009
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A and 4,545 L of Class B and 13,637 L at Bongaigaon, Golpara, Assam	AS- 1330	March 23, 2005	December 31, 2008,
Approval from the PCB			
Extension of consent to establish pipelines for transfer of oil from Numaligarh refinery to Siliguri	2N-514/2003	October 18, 2006	March 31, 2009
No objection certificate for pipeline expansion project from Numaligarh to Siliguri	WB/Z-1/T-3072/04-05/117/1892	November 9, 2004	Not applicable
Approval granted for collection, reception, treatment, storage, transport and disposal of hazardous waste at Moran oil field, Assam	WB/OTWA/HW-42/2004-05/04/505	May 27, 2004	May 27, 2009
Approval granted to pump station number 4 at Sekoni, Assam to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste	WB/OTWA/HW-39/04-05/7/506	May 27, 2004	May 27, 2009
Approval granted to pump station number 5 at Noonmati, Assam to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste	WB/OTWA/HW-38/04-05/7/507	May 27, 2004	May 27, 2009
Approval granted to pump station number 6 at Bongaigaon, Assam to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste	WB/ OTWA/HW-33/03-04/10-83	April 3, 2004-	Valid for 5 years
Approval granted to pump station number 3 at Jorhat, Assam to operate a facility for storage and disposal of hazardous waste	WB/OTWA/HW-34/03-04/11	April 3, 2004	April 3, 2009
Approval granted to pump station number 6 at Bongaigaon, Assam to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste	WB/ OTWA/HW-33/03-04/10-83	April 3, 2004-	Valid for 5 years
Approvals under the Forest Conservation Act			
Approval for diversion of 35.63 hectares of forest land (i.e. 9.20 hectare in Mahananda Wildlife Sanctuary, 23.249 hectares in Buxar Tiger Reserve Forest and 3.184 hectare in North Barjhar Reserve Forest, Jaldapara) in West Bengal for laying an oil pipeline by the MoEF	5-WBC007/2006/BHU	January 31, 2007	Not applicable
Approval for diversion of 18.53 hectares (two hectares in Diana Reserve Forest, 7.531 hectares in Upper Tandu Reserve Forest, 2.40 hectares in Baikunthpur Reserve Forest in district of Jalpaiguri and 6.60 hectares in Mongpong Reserve Forest) of forests in Darjeeling, West Bengal by the MoEF	5-WBC004-2006/BHU	July 9, 2006	Not applicable
Consent for diversion of 1.0 hectares of forest land for laying of pipeline parallel to existing pipeline crossing Panbari Reserve Forest, issued by the Government of West Bengal	3789 For/ FR/ O/ L/ 10T/ 4/ 2001	April 8. 2005	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
In principle approval for diversion of 0.5 hectares of forest land for laying of a product pipeline along with the existing pipeline under the Goma, Phukagaon and Magurmari Reserve Forests, Kokrajhar, Assam by the MoEF	3ASB009/2005-SIII/3293-75	February 1, 2005	Not applicable
Consent to expand the existing pipeline system within its existing right of way from Numaligarh to Siliguri by the MoEF	J-11011/108/2005-IA II(1)	September 21, 2004	Not applicable
Permission for laying pipe line within the Kaziranga National Park, issued by the Government of Assam, office of the Chief Conservator of Forests	Number WLF/ FG 35/ Nodal Proposal/ 2003 - 4	September 9, 2004	Not applicable
Miscellaneous Approvals			
No objection to lay a product pipeline from Numaligarh refinery to Siliguri (Rangapani) issued by the District Magistrate, Darjeeling, West Bengal	172/J(Arms)	August 9, 2006	Not applicable
No objection for construction of terminal facilities at the Numaligarh refinery issued by District Magistrate, Golaghat, Assam	GAW 18/2005/16	March 21, 2006	Not applicable
Approval by the local military authority for the laying of a second pipeline through military station, Narangi, as per conditions laid down by the Defence Estate Officer	6555/8/Gen/Q3/PC-5	April 23, 2005	Not applicable
Approval by office of the Defence Estates Officer, Guwahati Circle for laying of an oil pipeline on the existing pipeline route passing through military station, Narangi	DEO/GAU/LANDS/R-5/14/485	March 15, 2005	Not applicable
Permission for expanding pipeline on certain villages in Jalpaiguri, issued by the Government of West Bengal, office of the District Magistrate, Jalpaiguri, West Bengal	177/J	February 17, 2005	Not applicable
Approval by North Bengal Flood Control Commission, West Bengal, to increase the number of crossings of water bodies along the pipeline in the pipeline expansion project from Numaligarh to Siliguri	590/M-3/NBFC	December 31, 2004	Not applicable
Permission for expanding pipeline through certain villages in Darjeeling district, issued by the Government of West Bengal, office of the District Magistrate, Darjeeling, West Bengal	680/J	November 10, 2004	Not applicable
No objection for laying 16 inch pipe line through Cooch Bihar district, issued by the Government of West Bengal, office of the District Magistrate, Cooch Bihar	1/ 903/ III 9	September 3, 2004	Not applicable
Approval by the Water Resources Department, Guwahati, Assam, for laying pipeline in the pipeline expansion project from Numaligarh to Siliguri	WR(C)167/2004/37	August 18, 2004	Not applicable
Approval granted by the Water Resources Department, Guwahati, Assam, for laying a 16'' diameter pipeline across rivers in alignment with right of way, in the pipeline expansion project from Numaligarh to Siliguri	WR(G)8/2004/71	August 17, 2004	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
No objection for expansion of pipeline through certain villages in Guwahati district, issued by the Government of Assam, office of Deputy Commissioner, Barpeta, Guwahati, Assam	BRLA 19/ 99/ 85 A	August 16, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Bongaigaon, issued by the Government of Assam, office of the Deputy Commissioner, Bongaigaon, Assam	3/ 98/ Pt/ 291	August 2, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Kokrajhar, issued by the Government of Assam, office of the Deputy Commissioner, Kokrajhar, Assam	KDO 1/ 2003/ 13	July 29, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Golaghat, issued by the Government of Assam, office of the Deputy Commissioner, Golghat, Assam	GRS 44/ 2003/ 9	July 8, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Morigaon, issued by the Government of Assam, office of the Deputy Commissioner, Morigaon, Assam	MRK 8/ 2004/ 12	June 28, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Kamrup, issued by the Government of Assam, office of the Deputy Commissioner, Kamrup, Assam	KAV 38/ 2004/ 9	June 22, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Nagaon, issued by the Government of Assam, office of the Deputy Commissioner, Nagaon, Assam	NRQ (OIL) 4/ 2004/ 8	June 9, 2004	Not applicable

Miscellaneous Licences

Permanent Account Number (PAN)

Description	Reference Number	Date of issue	Date of Expiry
PAN allotted by the Joint Commissioner of Income Tax, Dibrugarh, Assam	AAA2352C	January 17, 2000	Not applicable

Central Excise Registrations

Description	Reference Number	Date of issue	Date of Expiry
Central Excise Registration issued under the Central Excise Rules, 2002 ("**Central Excise Rules**") by the Deputy Commissioner Central Excise, Dibrugarh, Assam, for our operations at Assam	AAACO2352CXM002	September 8, 2003	Not applicable
Central Excise Registration issued under the Central Excise Rules	AAACO2352CXM001	April 16, 2003	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
by the Deputy Commissioner of Central Excise, Jodhpur, Rajasthan, for our operations at Rajasthan			

Service Tax Registrations

Description	Reference Number	Date of issue	Date of Expiry
Registration under the Finance Act, 1994, issued by the Assistant Commissioner, Central Excise, Dibrugarh, Assam, for our operations in Duliajan, Assam	AAACO2352CST007	July 26, 2007	Not applicable
Registration under the Finance Act, 1994, issued by the Central Excise Division, Jodhpur, Rajasthan, for our operations in Jodhpur, Rajasthan	3563/ST/TIC/JDR104	May 28, 2004	Not applicable
Registration under the Finance Act, 1994, issued by the Central Excise Division, Bhubaneswar, Orissa, for our operations in Bhubaneswar, Orissa	324/ST/BBSR-II/TIC,STC/2005	September 28, 2005	Not applicable

Importer Exporter Code Registration

Description	Reference Number	Date of issue	Date of Expiry
Importer Exporter Code issued by GoI, Ministry of Commerce, Foreign Trade Department	1488000930	July 28, 1988	Not Applicable

Sales Tax Registrations

Description	Reference Number	Date of issue	Date of Expiry
Registration as a trader, allotted under the Central Sales Tax (Registration	CST/NHR 0078	July 28, 1988	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
and Turnover) Rules, 1957 ("**CST Rules**"), for our office at Duliajan, Assam			
Registration as a trader allotted under the CST Rules, for our office at Jodhpur, Rajasthan	CST/1932/01932	September 13,1996 w.e.f August 16, 1996	Not applicable
Registration as a dealer allotted under the CST Rules, for our office at Bhubhaneshwar, Orissa	BHC (Central)914	February 27, 1980	Not applicable

Registration for Infrastructure Provider Category

Description	Reference Number	Date of issue	Date of Expiry
Registration as a Infrastructure Provider category-I to establish and maintain the assets including dark fibres, right of way, duct space and tower to grant on lease/ rent/ sale basis to the licensee of telecom services licensed by the Department of Telecommunications, GoI.	64/2003	February 17, 2003	Not applicable

Registrations under the local Shops and Establishments Acts

Description	Reference No.	Date of Issue	Date of Expiry
Registration certificate issued by the Inspector of Shops for our Company's corporate office in Noida, Uttar Pradesh under the Uttar Pradesh Shops and Commercial Establishments Act, 1962	35/24	February 23, 1998	March 31, 2011
Registration certificate issued by the Office of Labour Commissioner, for our Company's office in Jodhpur, Rajasthan under the Rajasthan Shops and Establishments Act, 1958	0/2666/85	July 27, 1985	Not applicable
Registration certificate issued by the Office of Labour Commissioner, for our Company's office in Jodhpur, Rajasthan	0/267/85	July 27, 1985	Not applicable

Description	Reference No.	Date of Issue	Date of Expiry
under the Rajasthan Shops and Establishments Act, 1958			
Registration certificate issued by the Office of Labour Commissioner, for our Company's office in Kolkata, West Bengal under the West Bengal Shops and Establishments Act, 1963	CAL/HARE/P-II/16556	May 15, 1983	Not applicable

Employee Provident Fund Registration

Description	Reference No.	Date of Issue	Date of Expiry
Registration of Employee Provident Fund (for executives) by the Commissioner of Income Tax, Shillong	8/P.Fund/JDL/77-78/14129-31	October 31, 1981	Not applicable
Registration of Employee Provident Fund (for staff) by the Commissioner of Income Tax, Shillong	8/P.Fund/JDL/77-78/14126-28	October 10, 1981	Not applicable

Intellectual Property Registrations

Applications pending

Our Company has made the following applications for the registration of our logo under the Trademarks Act, 1958:

1. Application dated November 23, 2007 for registration of our logo under class 42 in respect of "carrying out various seismic surveys for exploration and drilling";
2. Application dated November 23, 2007 for registration of our logo under class 39 in respect of " transportation of crude oil and finished products";
3. Application dated November 23, 2007 for registration of our logo under class 4 in respect of "production of hydrocarbon (crude oil and natural gas), transportation of crude oil and finished products and production and packaging of LPG cylinders"; and
4. Application dated November 23, 2007 for registration of our logo under class 36 in respect of "acquisition of overseas properties and acreages".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board, through its resolution dated September 12, 2007, has authorised this Issue subject to the approval of our shareholders under section 81(1A) of the Companies Act. Our shareholders have authorised this Issue, through special resolution dated October 31, 2007 under section 81(1A) of the Companies Act.

The MoPNG through letter no. G-34014/2/2000-Fin.III, dated September 11, 2007, granted approval for an initial public offering of 11% of our post-Issue paid-up capital (including a reservation of 1% of the post issue paid up capital for our employees).

Prohibition by SEBI

Our Company, our Directors, our Promoter and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI and have not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter in the past or pending against our Promoter.

Eligibility for the Issue

We are eligible for the Issue as per Clause 2.2.1 as:

- We have net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets comprising of cash and bank balances;
- We have a pre-Issue net worth of not less than Rs. 10 million in each of the three preceding full years; and
- We have a track record of distributable profits as per Section 205 of Companies Act for at least three out of immediately preceding five years;

The Issue size of up to Rs. [•] million along with the previous issues of Equity Shares in this fiscal 2007 aggregates to Rs [•] million. The said aggregate, i.e., Rs. [•] million, does not exceed five times the pre-Issue net worth as per the audited accounts for the Fiscal 2007 which is Rs. [•] million (i.e., 5 x Rs. [•] million = Rs. [•] million).

Our Company's net profit, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus under the section titled "Financial Statements", as at, and for the last five years ended fiscal 2007 are set forth below:

(Rs. in million)

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
Net Tangible Assets*	76,336.74	66,301.32	54,443.74	46,873.83	41,884.94
Monetary Assets**	32,756.96	31,105.02	18,640.39	11,758.49	7,448.12
Monetary Assets as a % of Net Tangible Assets	42.91	46.91	34.24	25.09	17.78
Net profits, as restated (i.e. distributed profits	15,741.77	18,090.45	11,170.93	7,829.12	8,578.94

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
as per section 205 of the Companies Act)					
Net worth, as restated	68,303.42	59,288.18	47,284.79	39,789.48	35,444.36

*Net tangible assets are defined as the sum of net fixed assets, producing properties, pre-producing properties, investments, current assets, loans and advances less current liabilities and provisions (excluding deferred tax liability (net)).

**Monetary assets include cash and bank balances. Detailed figures are given in the section titled "Financial Statements" on page 187 of this Draft Red Herring Prospectus.

Hence, we are eligible for the Issue under Clause 2.2.1 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of Allottees, i.e. persons to whom our Equity Shares will be allotted under the Issue shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED & MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE BOOK RUNNING LEAD MANAGERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED & MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

“(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH OTHER DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SEBI GUIDELINES AND OTHER APPLICABLE LEGAL REQUIREMENTS.

BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED/ SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.”

WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT PROSPECTUS/LETTER OF OFFER.

WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.

WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE, ARE NOT APPLICABLE TO THE ISSUER.

WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.

WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.

WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS/LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under sections 63 and 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act, 1956. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from our Company and the BRLMs

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. The Company, the Underwriters and their respective directors, officers, agents and the agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website(s), www.oilindia.in and/ or www.oilindia.nic.in, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among our Company and the BRLMs, dated [•] and the Underwriting Agreement to be entered into among our Company and the Underwriters.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres, etc.

Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, FIIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Our Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, our Equity Shares are only being offered or sold to US Persons or in the United States to (i) entities that are both "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act and "Qualified Purchasers" as defined under the Investment Company Act of 1940 and related rules (the "Investment Company Act") and (ii) outside the United States to non-U.S. Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Further, each Bidder may be required to agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic, interest therein, including any so-called 'Participatory Notes' or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. NSE has, through its letter dated [•], granted permission to our Company to use NSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed, subject to our Company fulfilling the various criteria for listing including the one related to paid-up capital and market capitalization (i.e., the paid-up capital shall not be less than Rs 100 million and the market capitalization shall not be less than Rs. 250 million at the time of listing). NSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has, through letter dated [•], granted permission to our Company to use BSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Division of Issues and Listing, SEBI Bhavan, C-4G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC located at Morello Building, Ground Floor, Shillong 793 001, India and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to NSE and BSE for permission to deal in and for an official quotation of our Equity Shares. The [•] shall be the Designated Stock Exchange with which the basis of Allocation will be finalised for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 (eight) days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 (fifteen) days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of 8 (eight) days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within 7 (seven) Business Days of finalisation of the basis of Allotment for the Issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to our Company; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

[•], the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Gaffney, Cline & Associates (Consultants) Pte Ltd, have given their written consent to the inclusion of their Summary Independent Technical Report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s A.K. Sabat & Co. and M/s Chatterjee & Co., our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated in the section titled “Financial Statements” beginning on page 187, the Summary Independent Technical Report furnished by Gaffney, Cline & Associates (Consultants) Pte Ltd dated December 5, 2007 beginning on page 395 and the report provided by [•] (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC, pursuant to the SEBI Guidelines, we have not obtained any expert opinions.

Issue Expenses

The Issue Expenses include, among others, lead management, underwriting and selling commissions, IPO grading fees, listing fees, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses of the Registrar, the Depository and legal expenses. All expenses with respect to the Issue will be borne by the Company. The Issue expenses are as follows:

S. No.	Activity Expense	(Rs. in million)	% of Issue Size	% of Issue Expenses
1.	Lead management, underwriting and selling commissions*	[•]	[•]	[•]
2.	IPO Grading fees*	[•]	[•]	[•]
3.	Printing, distribution and stationery	[•]	[•]	[•]

S. No.	Activity Expense	(Rs. in million)	% of Issue Size	% of Issue Expenses
	expenses*			
4.	Advertising and marketing expenses*	[•]	[•]	[•]
5.	Others (Registrar, Depository, listing and legal fees etc.) *	[•]	[•]	[•]
Total estimated Issue expenses*		**[•]**	**[•]**	**[•]**

*** *To be incorporated at the time finalisation of Issue Price*

Fees Payable to the BRLMs and Syndicate Members

The total fees payable to the BRLMs and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at our corporate office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue including fees for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register, etc will be as per the Memorandum of Understanding signed with our Company, a copy of which is available for inspection at our corporate office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by our Company during the last 5 (five) years.

Issues otherwise than for Cash

Except as disclosed in the section entitled "Capital Structure" beginning on page 65 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.

Commission and Brokerage paid on Previous Issues of our Equity Shares

No sums have been paid or are payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for our Equity Shares since the inception of our Company.

Companies under the Same Management

There are no companies under the same management within the meaning of former Section 370 (1B) of the Companies Act other than the Subsidiaries, details of which are provided in the section entitled "History and Certain Corporate Matters" beginning on page 144 of this Draft Red Herring Prospectus.

Promise vs. Performance – Last Three Issues

There has not been any previous public issue of our Equity Shares.

Promise vs. Performance – Last Issue of Group/Associate Companies

Our Company has no subsidiaries or group companies.

Outstanding Debentures or Bonds

There has not been any previous public issue of debentures or bonds.

Outstanding Preference Shares

There are no outstanding preference shares issued by our Company.

Stock Market Data of our Equity Shares

Our Equity Shares are not listed on any stock exchange and thus there is no stock market data for the same.

Purchase of Property

Our Promoter and our Directors have no interest in any property acquired by us within two years of the date of filing of this Draft Red Herring Prospectus. For details of the related party transactions, see the section titled "Financial Statements-Statement of Related Party Transactions" beginning on page 226 of this Draft Red Herring Prospectus.

Other Disclosures

Except as stated in the chapter titled "Capital Structure" beginning on page 65 of this Draft Red Herring Prospectus, our Directors have not purchased or sold any securities of our Company during a period of 6 (six) months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

Mechanism for Redressal of Investor Grievances by our Company

The Memorandum of Understanding between our Company and the Registrar to the Issue, provides for retention of records with the Registrar to the Issue for a period of at least 1 (one) year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. S.K. Senapati as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. S.K. Senapati
OIL House,
Plot Number 19, Sector 16A,

Noida, District Gautam Budh Nagar,
Uttar Pradesh, 201 301.
Tel: +91(120) 2488 312
Fax: +91 (120) 2488 412
E-mail: investors@oilindia.in

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

We do not have any other company under the same management within the meaning of former Section 370 (1B) of the Companies Act.

Changes in Auditors

Our statutory auditors are appointed by the CAG for every fiscal year. The following are the details of the changes in auditors in the last five fiscal years:

Sl. No.	Name of Auditor	Date of Appointment	Date of Cessation	Reason for change
1.	M/s Ray & Ray	October 5, 2002	November 1, 2004	Completion of tenure
2.	M/s B.M.Chatrath & Co.	October 5, 2002	November 10, 2003	Completion of tenure
3.	M/s P.K. Mitra & Co.	November 11, 2003	July 30, 2007	Completion of tenure
4.	M/s A.K.Sabat & Co.	November 2, 2004	Continuing	Appointment
5.	M/s Chatterjee & Co.	July 31, 2007	Continuing	Appointment

Capitalisation of Reserves or Profits

We have not capitalized our reserves or profits at any time during last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company since incorporation.

Payment or benefit to offices of the Company

Except as may be otherwise stated in this Draft Red Herring Prospectus, no amount or benefit has been paid, given or is intended to be paid or given to any of our offices, employees or Directors, except as normal remuneration for services rendered.

None of the beneficiaries of loans or advances and sundry debtors are related to our Directors.

ISSUE STRUCTURE

The present Issue of up to 26,449,982 Equity Shares is being made through the Book Building Process. The Issue comprises a Net Issue of up to 24,045,438 Equity Shares and a reservation for Eligible Employees of up to 2,404,544 Equity Shares.

	Eligible Employees	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation*	Up to 2,404,544 Equity Shares.	At least 14,427,263 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 2,404,544 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 7,213,631 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for allocation	Up to 9.09% of the Issue**.	At least 60% of Net Issue or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 10% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate.	Proportionate.	Proportionate.	Proportionate.
Minimum Bid	[•] Equity Shares.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds Rs. 100,000.	[•] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount does not exceed Rs. 2.50 million.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Bid/ Allotment Lot	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares
Who can Apply ***	All or any of the following: (a) a	Public financial institutions, as specified in Section 4A of the	Resident Indian individuals, HUFs (in the name of	Resident Indian Individuals, HUFs (in the name of the Karta) and

	Eligible Employees	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
	permanent employee of our Company as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form. (b) a Director of our Company (excluding Government Nominee Directors) as of as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.	Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts.	Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	100% of Bid Amount.	At least 10% of Bid Amount.	100% of Bid Amount.	100% of Bid Amount.

*Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except in the QIB Portion, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. If at least 60% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded.

** Any under subscription in Equity Shares, if any, reserved for Eligible Employees would be included in the Net Issue and allocated in accordance with the description in Basis of Allocation as described in page 365 of this Draft Red Herring Prospectus.

*** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/ Issue Opening Date but before Allotment, without assigning any reason therefor.

Letters of Allotment or Refund Orders

Our Company shall give credit of Equity Shares Allotted, if any, to the beneficiary account with Depository Participants within 2 (two) Business Days from the date of the finalisation of basis of Allocation. Our Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 under Certificate of Posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post or Direct Credit, NEFT, RTGS or ECS at the sole or First Bidder's sole risk within 15 (fifteen) days of the Bid/ Issue Closing Date.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Despatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/ Issue Closing Date; and
- Our Company shall pay interest at 15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date.

We will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**[•]**
BID/ISSUE CLOSES ON	**[•]**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs.

100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Business Days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 Business Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

TERMS OF THE ISSUE

Our Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. Our Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

Our Equity Shares being issued shall be subject to the provisions of the Companies Act, 1956 and our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend**.** The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

Our Equity Shares are being issued in terms of the Red Herring Prospectus at a total price of Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for our Equity Shares.

The Floor Price is [•] times the face value and the Cap Price is [•] times the face value.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced and allotted;
- Right to receive surplus on liquidation;
- Right of free transferability of Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements with the Stock Exchanges and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled “Main Provisions of Articles of Association of our Company” beginning on page 375 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, our Equity Shares shall be Allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 (one) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, our Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to our Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of our Equity Shares; or
b. to make such transfer of our Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer our Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of our Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue less the Employee Reservation Portion, including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of Allottees, i.e. persons to whom our Equity Shares will be Allotted under the Issue shall be not less than 1,000.

In the event we are not able to Allot at least 60% of the Net Issue to QIBs, we shall refund the entire application money.

Application by eligible NRIs, FIIS and FVCIs Registered with SEBI

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue. Equity Shares acquired by Eligible NRIs can only be sold to Indian residents and other NRIs.

There is no reservation in the Issue for NRIs, FIIs or FVCIs registered with SEBI.

ISSUE PROCEDURE

Book Building Procedure

This is an Issue of less than 25% of the post-issue capital through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIB Bidders on a proportionate basis, including 5% of the QIB Portion which shall be available for allocation to the Mutual Funds only. Further, not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company, in consultation with BRLMs, may reject Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that our Equity Shares would be allotted to all successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of our Equity Shares in physical form. Our Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in this Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis.	White
Non Residents, Eligible NRIs or FIIs applying on a repatriation basis.	Blue
Eligible Employees in the Employee Reservation Portion.	Pink

Who can Bid?

1. Indian nationals residing in India who are majors in single or joint names (not more than three);
2. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in Equity Shares;
5. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
6. Scientific and/or industrial research authorized to invest in Equity Shares;
7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
8. Mutual funds registered with SEBI;
9. FIIs registered with SEBI, on a repatriation basis;
10. Multilateral and bilateral development financial institutions;
11. Venture capital funds registered with SEBI;
12. FVCIs registered with SEBI;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
15. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares;
16. Pension funds with a minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares; and
17. Eligible Employees of our Company.

Participation by associates of BRLMs and Syndicate Members:

Associates of BRLMs and Syndicate Members may bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLMs and Syndicate Members shall be on a proportionate basis.

However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

(c) **For Bidders in the Employee Reservation Portion**

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, the maximum Bid by an Eligible Employee cannot exceed Rs. 2.50 million. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an over subscription in the Employee Reservation Portion, the maximum allotment to any Eligible Employee will be capped at up to [•] Equity Shares.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Corporate Office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers, one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.

(b) The Bid/Issue Period shall be a minimum of 3 (three) Business Days and shall not exceed 7 (seven) Business Days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, and the Bid/Issue Period may be extended, if required, by an additional three days, subject to the total Bid/Issue Period not exceeding 10 Business Days.

(c) Each Bid cum Application Form will give the Bidder the choice to bid for up to 3 (three) optional prices (for details, see the section titled "Issue Procedure- Bids at Different Price Levels" beginning on page 346 of this Draft Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(d) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 351 of this Draft Red Herring Prospectus.

(e) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(f) During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Draft Red Herring Prospectus.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled "Issue Procedure- Terms of Payment" beginning on page 349 of this Draft Red Herring Prospectus.

Bids at different price levels

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.

(b) In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 Business Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(d) Our Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders in excess of Rs. 100,000 and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who bid at Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price agree that they shall purchase our Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [•] Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Form from our corporate office, members of the Syndicate or the Registrar to the Issue.

2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (white in colour). All instruments accompanying Bids shall be payable at Mumbai only.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. Accordingly, the holding by any Venture Capital Fund should not exceed 25% of the corpus of the Venture Capital Fund.

SEBI has issued a notification dated October 16, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the restrictions applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus or the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Escrow Mechanism

Our Company shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details see the section titled "Issue Procedure- Payment Instructions" beginning on page 360 of this Draft Red Herring Prospectus.) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.

Each category of Bidders i.e. QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 336 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been Allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 (fifteen) days from the Bid /Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bid/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be displayed on-line at all bidding centers and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bid/Issue Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s)
- Investor category – individual, corporate, or Mutual Fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Margin Amount paid-upon submission of Bid cum Application Form
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that our Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the 'online IPO system' should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(h) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on BSE and NSE.

Build up of the book and revision of Bids

(a) Bids registered through the members of the Syndicate shall be electronically transmitted to BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in our Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bid/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for 3 (three) options in the Bid cum Application Form and he is changing only 1 (one) of the options in the Revision Form, he must still fill the details of the other 2 (two) options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of NSE and BSE shall be considered for Allocation. In case of discrepancy of data between BSE or NSE and the members of the Syndicate, the data provided by BSE and NSE shall be considered for allocation, subject to receipt of valid Bids by Registrars.

Price Discovery and Allocation

(a) After the Bid /Issue Closing Date, the BRLMs will analyze the demand generated at various price levels.

(b) Our Company, in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.

(c) The Allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Guidelines and this Draft Red Herring Prospectus and in consultation with Designated Stock Exchange subject to valid Bids being received at or above Issue Price.

(d) In case of over subscription in all categories, at least 60% of the Net Issue shall be Allotted to QIB Bidders on a proportionate basis out of which 5% shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 721,363 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any under subscription in the Employee Reservation Portion would be included in the Net Issue. Under subscription, if any, in any category of the Net Issue, other than the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company, in consultation with the BRLMs. If at least 60% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded.

(e) Allocation to Non Residents applying on a repatriation basis will be subject to the terms and conditions stipulated by the RBI while granting permission for the transfer of Equity Shares to them and to applicable law.

(f) The BRLMs, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

(h) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(i) Details of the Allotment shall be available on the website.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would file the Prospectus with the RoC. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

Subject to the section titled "notice to QIBs – Allotment Reconciliation and Revised CANs", below:

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;

(b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all our Equity Shares allocated to such Bidder; and

(c) Such Bidders who have been Allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be Allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all our Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company will ensure credit to the successful Bidders' depository accounts of the allotted Equity Shares to the Allottees within 2 (two) Business Days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and Allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialize our Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept our Equity Shares that may be allocated to them pursuant to this Issue.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants within two Business Days from the date of the Allotment. Applicants residing at 15 centres where clearing houses are managed by the RBI will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid /Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post intimating them about the mode of credit of refund within 15 Business Days of the closure of the Issue. Our Company shall ensure dispatch of refund orders/refund advice (for Direct Credit, NEFT, RTGS or ECS), if any, by "Under Certificate of Posting" or registered post or speed post, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date and adequate funds for making refunds to applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode, i.e. Direct Credit, NEFT, RTGS or ECS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by our Company as an Escrow Collection Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Ensure that you Bid within the Price Band

c) Read all the instructions carefully and complete the Bid cum Application Form (white, blue or pink in colour) as the case may be;

d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialised form only;

e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.

g) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the I.T. Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof;

h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form; and

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, by money order or by postal order or by stock invest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders and Bidders bidding under the Employee Reservation Portion, for whom the Bid Amount exceeds Rs. 100,000); and

(g) Do not fill up the Bid cum Application Form such that our Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the Bid without the margin amount, in the case of a QIB Bidder; and

(i) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue or pink colour);

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details);

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form;

(d) The Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000;

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount exceeds Rs. 100,000. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations;

(f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of [•] Equity Shares in multiples of [•]; and

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or give credit through Direct Credit, NEFT, RTGS or ECS and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit or credit through Direct Credit, NEFT or RTGS for refunds/CANs/Allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the sole or Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bidder's Bank Details

Bidders should note that on the basis of names of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the sole or Bidders sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLMs may deem fit.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

(a) a permanent employee of our Company as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.

(b) a Director of the Company (excluding Government Nominee Directors) as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form. Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour Form).
- Eligible Employees should mention the Eligible Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder should be Eligible Employees.
- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum Bid under Employee Reservation Portion by an Eligible Employee cannot exceed Rs. 2.50 million.
- Bid by Eligible Employees can be made also in the 'Net Issue' category and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than 2,404,544 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see the section titled "Issue Procedure-Basis of Allocation" beginning on page 365 of this Draft Red Herring Prospectus.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Non Residents, including Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of [•] that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 344 of this Draft Red Herring Prospectus.

4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, including Eligible NRIs, FIIs and FVCIs and all Non Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bid/Issue during the Bidding Period is less than the Issue Price multiplied by our Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident QIB Bidders: **"Escrow Account – OIL Public Issue-QIB-R"**
   (b) In case of Non Resident QIB Bidders: **"Escrow Account-OIL Public Issue-QIB-NR"**
   (c) In case of resident Bidders: **"Escrow Account – OIL Public Issue-R"**
   (d) In case of Non Resident Bidders: **"Escrow Account – OIL Public Issue-NR"**
   (e) In case of Eligible Employees: **"Escrow Account- OIL Public Issue-** Eligible **Employees"**

In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary ("**NRO**") Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.

In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on our Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

(v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

(vii) On the Designated Date and not later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India's Circular Number DBOD Number FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will issue a TRS slip giving the details of the Bids registered and acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.

4. The applications will be scanned for same or identical DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.

5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction with effect from July 2, 2007. Each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **The copy of the PAN card(s) or PAN allotment letter(s) is required to be submitted with the Bid cum Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion, our Company have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. NRIs, except Eligible NRIs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. **PAN not stated or copy of PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of PAN. See the section titled "Issue Procedure—PAN or GIR Number" beginning on page 362 of this Draft Red Herring Prospectus;**
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of [•];
12. Category not ticked;
13. Multiple Bids as defined in this Draft Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that match three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 346 of this Draft Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by U.S. persons other than entities that are "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act, 1933;
24. Bids by QIBs not submitted through members of the Syndicate; and

25. Bids by employees of our Company or Directors of our Company not eligible to apply in the Employee Reservation Portion.
26. In case of Bid cum Application forms are not available with Registrar to the Issue for reasons such as force majeure, acts of god, flood or similar circumstances.
27. Bids not uploaded in the book would be rejected; and
28. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 5.00 p.m. or any such time as prescribed by Stock Exchanges on the Bid/Issue Closing Date.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, our Equity Shares in this Issue shall be allotted only in a de-materialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated [•] between NSDL, us and Registrar to the Issue;
b) an agreement dated [•] between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of our Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. S.K. Senapati, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. S.K. Senapati
OIL House,
Plot Number 19, Sector 16A,
Noida, District Gautam Budh Nagar,
Uttar Pradesh, 201301, India.
Tel: +91(120) 2488 312
Fax: +91 (120) 2488 412
E-mail: investors@oilindia.in

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(c) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category is for less than or equal to 7,213,631 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this category are for more than 7,213,631 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category is for less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

- In case the valid Bids in this category are for more than 2,404,544 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Net Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of 721,363 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 721,363 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Net Issue size, i.e. at least 14,427,263 Equity Shares.

- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

   (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
   (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
   (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below.

(b) In the second instance allocation to all QIBs shall be determined as follows:

   (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

   (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

   (iii) Under subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non-Institutional Portion, the aggregate allotment to QIB Bidders shall be made on a proportionate basis of at least 14,427,263 Equity Shares up to a minimum of [•] Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

D. For Employee Reservation Portion

- Bids received from Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allocation shall be made to Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 2,404,544 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares up to a minimum of [•] Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

Method of Proportionate basis of allocation in the Issue

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of [•] Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner approved by the Designated Stock Exchange.

If the proportionate allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If our Equity Shares allocated on a proportionate basis to any category are more than our Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

Sr. No	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Allocation to Mutual Funds (5%)	6 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40

S.No	Type of QIB bidders#	No. of shares bid for (in million)
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	6	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" beginning on page 336 of this Draft Red Herring Prospectus.
2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 114 million Equity Shares [i.e. 120 - 6 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

    1. For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 114 /494
    2. For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114/494

3. The numerator and denominator for arriving at allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 (fifteen) Business Days of the Bid/Issue Closing Date. Applicants residing at 15 (fifteen) centers where clearing houses are managed by the Reserve Bank of India (**"RBI"**) will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 (fifteen) Business Days of closure of the Issue.

Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 (fifteen) days of the Bid/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

Our Company shall ensure dispatch of allotment advice, refund orders and shall give credit of Equity Shares allotted, if any to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) Business Days of date of Allotment.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where our Equity Shares are proposed to be listed, are taken within 7 (seven) Business Days of the finalization of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;

- Refunds shall be made within 15 (fifteen) days from the Bid/Issue closing date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS; and

- Our Company - shall pay interest at 15% per annum if allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us -, as an Escrow Collection Bank and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the sole or Bidder's sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

I. Direct Credit

Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

II. NEFT

Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (**"IFSC"**), which can be linked to a Magnetic Ink Character Recognition (**"MICR"**), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

III. RTGS

Applicants having a bank account at any of the abovementioned 15 (fifteen) centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

IV. ECS

Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 15 (fifteen) centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 15 (fifteen) centres.

Note: We expect that all payments including where refund amounts exceed Rs. 1,000,000 (Rupees One Million) shall be made through NEFT, however in some exceptional circumstances where refund amounts exceed Rs. 1,000,000 (Rupees One Million), refunds may be made through RTGS.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that applicants having a bank account at any of the 15 (fifteen) centres where the clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under "Under Certificate of Posting" for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where our Equity Shares are proposed to be listed within 7 (seven) Business Days of finalization of the basis of Allotment;
- that the funds required for dispatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that no further issue of Equity Shares shall be made till our Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription, etc;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days or 15 days of closure of the issue, as the case may be, giving details of the bank where refunds shall be credited along with amount and epected date of electronic credit of refund;
- that the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
- that we shall adhere to the disclosure and accounting norms specified by SEBI from time to time.

Utilisation of Issue proceeds

Our Board certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilized monies have been invested;

Our Company shall not have recourse to the Issue proceeds until the approval for trading of our Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments. The Government policy for FDI in the petroleum and natural gas sector is as follows:

Petroleum and Natural Gas sector	
All activities other than refining and including market study and formulation; investment/ financing; setting up infrastructure for marketing in Petroleum and Natural Gas sector).	FDI up to 100% is allowed under the automatic route, subject to sectoral regulations issued by MoPNG; In case of trading and marketing of petroleum products, divestment of 26% equity in favour of Indian partner/ public within five years is necessary. FDI up to 100% is allowed under the automatic route, in oil exploration for both small and medium sized fields, subject to and under the GoI policy on private participation in (a) exploration for oil; and (b) the discovered fields of national oil companies.
Refining	FDI up to 26% in case of public sector undertakings is allowed, while 100% FDI is allowed in the private sector, subject to sectoral regulations issued by MoPNG.

Subscription by Eligible NRIs/FIIs/FVCIs

It is to be distinctly understood that there is no reservation for Non Residents including Eligible NRIs, FIIs and FVCIs and all Non Residents will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

Our Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“the Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, our Equity Shares are only being offered or sold to US Persons or in the United States to (i) entities that are both "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act and "Qualified Purchasers" as defined under the Investment Company Act of 1940 and related rules (the "Investment Company Act") and (ii) outside the United States to non-U.S. Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of our Articles of Association, relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or their consolidation/splitting are as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Division Of Capital	5	**CAPITAL** The Authorised Capital of the Company shall be such amount and be divided into such Shares as may from time to time be provided in Clause 5 of the Memorandum of Association with power to increase or reduce the capital and divide the Shares in the capital of the Company for the time being into equity Share capital and preference Share capital and to attach thereto respectively any preferential, qualified or special rights including as to voting, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges, or conditions in such manner as may for the time being be permitted by the Act.
Register Of Members/Debenture Holders	6	The Company shall cause to be kept at its Office or at such other place as may be decided by the Board, the Register and Index of Members, Register and Index of Debenture holders, in accordance with the applicable provisions of the Act and the Depositories Act, with the details of Shares/ Debentures held in physical and dematerialised form, in any medium permitted by law, including the electronic medium. The Register and Index of Beneficial Owner maintained by a Depository under the Depositories Act shall also be deemed to be the Register and Index of Members/ Debenture holders for the purpose of the Act. The Company shall have power to keep in any State or Country outside India, a Register of Members/ Debenture holders for residents of that State or Country. The instrument of transfer shall after registration remain in the custody of the Company. The Board may require preserving the transfer deeds for a period of at least 8 (eight) years.
Serving of beneficial ownership records	6A	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held by a Depository, the records of the beneficial ownership may be served by such Depository to the Company in electronic mode or by delivery of floppies or discs.
Allotment Of Shares	7	Subject to the provisions of the Act and these Articles, the Shares shall be under the control of the Board who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions, and either at a premium or at par, or (subject to compliance with Section 79 of the Act), at a discount and at such time as the Board may consider fit, and subject to Section 77A of the Act with the sanction of the Company in a General Meeting to give to any person or persons the option or right to call for any Shares either at premium or at par during such time and for such consideration as the Board may think fit, and may issue and allot Shares in the capital of the Company in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares ad if so issued shall be deemed to be fully paid up Shares

Provided that option or right to call for or be allotted Shares shall not be given to any person except with the sanction of the Company in General Meeting.

Return Of Allotments 8 As regards all allotments made from time to time, the Company shall duly comply with Section 75 of the Act.

Further Issue Of Capital 9 (1)Where at the time after the expiry of 2 (two) years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of the unissued capital or out of the increased share capital then:

(a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at the date.

(b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than 30 (thirty) days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may renounce the Shares offered to him.

(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose off them in such manner and to such person(s) as it may in its sole discretion, think fit.

(2) Notwithstanding anything contained in sub-clause (1) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
(a) If a Special Resolution to that effect is passed by the Company in General Meeting, Or
(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where Proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3)Nothing in sub-clause (c) of (1) hereof shall be deemed:
(a) To extend the time within which the offer should be accepted; or
(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the

renunciation.

(4)Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(i). To convert such Debentures or loans into Shares in the Company; or

(ii). To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise.)

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in a General Meeting before the issue of such Debentures or raising of the loans.

Instalments on Shares to be duly paid	10	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
Issue of Securities in dematerialised form	10A	Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialised form as required by applicable laws and subject to the provisions of applicable law. Trading in the Securities of the Company post listing shall be in the demat segment of the relevant Stock Exchange(s) where the Securities issued by the Company are listed for trading, in accordance with the directions of SEBI, the Stock Exchange(s) and in terms of the listing agreements to be entered into with the said Stock Exchange(s).
Information on transfer of securities in dematerialised form	10B	(a) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the beneficial owner thereof, at such intervals and in such manner as may be specified by its bye-laws and the Company in that behalf. (b) The Company shall make available to the Depository copies of the relevant records in respect of Securities held by such Depository.
Joint holding provisions to apply to dematerialised shares	10C	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien, on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held by a Depository so far as they apply to Shares held in physical form subject to the provisions of the Depositories Act.
Intimation to the Depository on allotment	10D	Notwithstanding anything in the Act or these Articles to the contrary, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.
How far new shares To	11	Except so far as otherwise provided by the conditions of issue or by these

rank with Shares in Original Capital

presents, any capital raised by the creation of new Shares shall be considered part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

Inequality in number of New Shares

12 If, owing to any inequality in the number of new Shares to be issued, and the number of Shares held by Members entitled to have the offer of such new Shares, any difficulty shall arise in the apportionment of such new Shares, or any of them amongst the Members, such difficulty shall, in the absence of any direction in the resolution creating the Shares or by the Company in General Meeting, be determined by the Board.

Allotment of Shares For Consideration in kind

13 Subject to the provisions of the Act and these Articles, the Directors may allot and issue Shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and, if so issued, shall be deemed to be fully or partly paid up Shares as aforesaid.

Acceptance of Shares

14 An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any share therein, shall be an acceptance of Shares within the meaning of these Articles; and every person who thus or otherwise accepts any Shares and whose name is on the Register shall for the purpose of these Articles, be a Member.

Who may be Registered

15 Share may be registered in the name of any person, a limited company or other corporate body. Not more than 4 (four) persons shall be registered as Joint holders of any share.

Deposit and calls etc. to be debt payable

16 The money (if any) which the Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall, immediately on the insertion of the names of the allottees in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company, from the allottee thereof and, shall be paid by him accordingly.

Calls on uniform basis

17 Where any calls for further share capital are made on Shares, such calls shall be made on a uniform basis on all Shares falling under the same class. For the purpose of this article, Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Company not bound to recognize any interest in shares other than that of the registered holders

18 Save as herein otherwise provided, the Company shall be entitled to treat the persons whose name appears on the Register of Members/Debenture Holders as the holder of any Share/Debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust for equity or equitable contingent or other claim to or interest in such Share/Debenture on the part of any other person whether or not it shall have express or implied notice thereof.

Company's fund not to be applied or lent in purchase of shares of the Company and power of Company to purchase its own

19 Save as authorized by Sections 77, 77A, 77AA and 77B of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of Shares of the Company and the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise, any financial assistance for the purpose of or in connection with any purchase of or subscription for any

shares		Shares in the Company.
Evidence in actions by Company against shareholders	20	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the Register as a holder, or one of the holders, of the number of the Shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever.
Inspection of Register of Members/Debentureholders etc.	21	The Register of Members, Index of Members, Register and Index of Debenture-holders, copies of all annual returns prepared under the Act, together with the copies of the Certificates and documents required to be annexed thereto under the Act shall except when the Register of Members or Debenture-holders is closed under the provisions of the Act or these Articles, be open to inspection at least for 2 (two) hours daily during business hours, of any Member or Debenture-holder gratis and to inspection of any other person on payment of such sum as may be prescribed from time to time by the Central Government for each inspection. Any such Member or person may take extracts there from on payment of such sum as may be prescribed from time to time by the Central Government.
Commission for placing shares, debentures etc.	22	**UNDERWRITING AND BROKERAGE** Subject to the applicable provisions of the Act, the Company may, at any time, pay commission and/or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares, Debentures, Debenture-stock or any other Security of the Company or procuring or agreeing to procure subscription (whether absolutely or conditionally) for any Shares, Debentures, Debenture-stock or any other Security of the Company; provided that such commission shall not exceed in the case of shares 5 (five) percent (or such other percentage as may be prescribed by the Act or the Rules framed thereunder) of the price at which such shares are issued and in case of debentures or other securities 2½ (two and a half) percent (or such other percentage as may be prescribed by the Act or the Rules framed thereunder or by any statutory authority) of the price at which the debentures or other securities are issued. . The Commission and/or brokerage may be paid or satisfied in cash or allotment of fully or partly paid-up Shares, Debentures, Debenture-stock or other Securities of the Company, or partly in one way and partly in another.
Certificates	23	**CERTIFICATES** (a) Every Member shall be entitled, without payment, to receive one or more certificates in marketable lots for all Securities of each class or denomination specifying the certificate number, name of the person in whose favour it is issued, the distinctive number of the Securities to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in case of issue of bonus Shares. (b) Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and

the two Directors or other attorney and the Secretary or other person shall sign the certificate; provided that if the composition of the Board so permits, at least one of the aforesaid two Directors shall be a person other than a managing or a whole time Director. Particulars of every certificate issued shall be entered in the Register of Members or Debentureholders as the case may be against the name of the person to whom it has been issued indicating the date of issue. The certificate of such Securities shall be delivered within 3 (three) months after the allotment or within 1 (one) month from the receipt of application for the registration of the transfer, transmission, sub-division, consolidation or renewal of such Securities as the case may be provided always that notwithstanding anything contained in these Articles the certificate of title to Securities may be executed and issued in accordance with such other provisions of this Act or, any other provisions of law or Rules made thereunder, as may be in force for the time being and from time to time.

(c) Any two or more joint allottees of a Security shall, for the purpose of this Article, be treated as a single Member, and the certificate of any Security, which may be the subject of joint ownership, may be delivered to the first named joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge. The Company shall comply with the provisions of Section 113 of the Act.

(d) Director may sign a certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Numbering of shares

24 The Shares in the Company's capital shall be numbered progressively according to their several denominations and except in the manner mentioned in these Articles no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Issue of new certificate in place of one defaced, lost or destroyed

25 (a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate being provided, a new certificate in lieu thereof shall be provided to the party entitled to such certificate. Every certificate under this Article shall be issued on payment of such fees as the Board may prescribe, not exceeding Rs. 2 (two) for each certificate (or such rate as may be prescribed under the Act or the Rules framed thereunder). Provided that no fee shall be charged for issue of new certificates in replacement of certificates which are worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer.

Provided that, notwithstanding the above, the Board shall comply with all applicable provisions of the Act, the Securities Contracts (Regulation) Act, 1956, any other applicable legislation and rules and regulations framed thereunder. The provisions of this Article shall apply mutatis mutandis to the debentures of the Company.

(b) Where a new certificate has been issued in pursuance of the last preceding paragraph particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members or the Register of Debenture holders, as the case may be, by suitable cross reference in the 'remarks' column. All entries made in the Register of Members, the Register of Debenture holders or in the Register of Renewed and duplicate certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for purpose of sealing and signing the certificate under paragraph (a) hereof.

Dematerialized Securities to be in fungible form	25A	All Securities held by a Depository shall be dematerialised and be in fungible form and shall not be progressively numbered, and the provisions relating to progressive numbering shall not apply to the Securities of the Company which have been so dematerialised. No certificate shall be issued in respect of the Securities so held in dematerialised form by a Depository.
Other provisions regarding dematerialization and rematerialization of Securities	25B	(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize and rematerialize its Securities (both present and future) held with a Depository, and to offer its Securities in dematerialised form pursuant to the Depositories Act, and the rules framed thereunder. (b) Every person subscribing to Securities offered by the Company shall have the option to receive the certificate or to hold the Security with a Depository. Such a person who is the beneficial owner of a Security may at any time opt out of the depository mechanism if permitted by law, in respect of the Securities held by him, and the Company shall in the manner and within the time prescribed under the Depositories Act, issue the required certificates of Securities to such beneficial owner. (c) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company held by it, on behalf of the beneficial owner. Save as otherwise provided in herein, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. (d) Notwithstanding anything to the contrary contained in these Articles, every person holding Securities of the Company whose name is entered as the beneficial owner of such Securities in the records of the Depository shall be deemed to be a Member/Debenture holder, as the case may be, of the Company. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of all Securities so held with a Depository.
Procedure for dematerialization of Securities	25C	Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Depository Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said Securities and shall inform the Depository accordingly.
Procedure for rematerialization of Securities	25D	(a)If a beneficial owner seeks to opt out of the depository mechanism in respect of any Security of the Company, such beneficial owner shall inform the Depository accordingly. (b)The Depository shall, on receipt of intimation as above make appropriate entries in its records and shall inform the Company. (c)The Company shall within 30 (thirty) days of the receipt of such intimation from the Depository and on fulfilment of such conditions and on payment of such fee as may be specified by the regulations, issue the certificates of Securities to the beneficial owner or the transferee as the case may be

Board to observe certain restrictions as to allotment	26	The Board shall observe the restrictions contained in Sections 69 and 70 of the Act as to allotment of Shares to the public and shall cause to be made the Returns as to all allotments provided for in Section 75 of the Act.
Calls	27	**CALLS** The Board may, from time to time, subject to the terms on which any Shares may have been issued, and subject to the provisions of Section 91 of the Act and subject to the applicable guidelines issued by SEBI, make such calls upon the Members in respect of moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. A call may be made subject to the above payable by instalments and shall be deemed to have been made when the Resolution of the Board authorising such call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
When interest on call or instalments payable	30	If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.
Money due from Members and not paid will be deducted from dividends	33	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
Company to have lien on Shares/Debentures	34	**LIEN** The Company shall have a first and paramount lien upon all the Shares, Debentures (other than fully paid-up) registered in the name of each Member/Debentureholder (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares/Debentures shall be created provided that such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed, the registration of transfer/ transmission of Shares/ Debentures shall operate as a waiver of the Company's lien, if any on such Shares/ Debentures The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
Notice for non-payment of calls	37	**FORFEITURE** If any Member or Debenture-holder fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
In default of payment Shares/Debentures to be forfeited	39	If the requirements of any such notice as aforesaid are not complied with, every or any share or debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or interest or any other moneys payable in respect of the forfeited Shares or Debentures and not actually paid before the forfeiture.

Notice of forfeiture and entry of forfeiture in Register of Members/Debenture holders	40	When any Share or Debenture have been so forfeited, notice of the forfeiture shall be given to the Member or Debenture holder in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members or Register of Debenture holders but no forfeiture shall, in any manner, be invalidated by any omission or neglect or to make any such entry as aforesaid.
Forfeited Shares/Debentures to be property of the Company and may be sold etc.	41	Any Share or Debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board may think fit.
Power to annul forfeiture	42	The Board may at any time before any Share or Debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Shareholders/Debenture holders still liable to pay money and interest owing at the time of forfeiture	43	Any Member whose Shares or Debenture holder whose Debentures have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares or Debentures at the time of forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 18 (eighteen) percent per annum as the Board may determine and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the Shares/Debentures at the time of forfeiture, but shall not be under any obligation to do so.
Extinction of right	44	The forfeiture of a Share or Debenture shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share or Debenture and all other rights incidental to the Share/Debenture, except only such of the rights as by these Articles are expressly saved.
Declaration of forfeiture	45	A declaration in writing that the declarant is a Director or Secretary of the Company and that a share or debenture in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares or Debentures and such declaration and the receipt of the Company for the consideration, if any, given for the Shares/Debentures on the sale or disposition thereof shall constitute a good title to such Shares/Debentures; and the person to whom the Shares/Debentures are sold shall be registered as the holder of such Shares/Debentures and shall not be bound to see to the application of the purchase money, nor shall his title to such Shares/Debentures be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Board may issue new certificates	46	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares or Debentures shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member or Debenture holder) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares or Debentures to the person or persons entitled thereto.
Validity of sales in exercise of lien and	47	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to

after forfeiture

execute an instrument of transfer of the Shares or Debentures sold and cause the purchaser's name to be entered in the register in respect of the Shares or Debentures sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such Shares or Debentures, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Directors may refuse to register transfer

48 **TRANSFER AND TRANSMISSION**

The Company shall register the transfer of Securities subject to the applicable provisions of the Companies Act, Depositories Act, Listing Agreements with the Stock Exchanges where the securities of the Company are listed and any other applicable law from time to time.

Subject to the provisions of Section 111A of the Act and Section 22A of the Securities Contracts (Regulations) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within 1 (one) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

A common form of transfer of Shares or Debentures as the case may be, shall be used by the Company.

Further, the Board may, subject to applicable law and these Articles and further subject to the right of appeal, decline to register:

the transfer of a Share or Debentures not being fully paid-up, to a person of whom they do not approve;

any transfer of Shares or Debentures on which the Company has a lien, or when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;

when the transferor object to the transfer, provided he serves on the Company within a reasonable time a prohibitory order of a Court of competent jurisdiction.

Application of transfer

49 Application for the registration of the transfer of a share/ debenture may be made either by the transferor or by the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid Shares/Debentures, be effected unless the Company give notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for the registration of the transfer was made by the transferee.

Register of transfer	51	The Company shall, if the Shares/ Debentures/ Securities of the Company are not in dematerialised form, keep the Registers of Transfer of Shares Debentures (or other Securities, as applicable) and therein enter the particulars of all transfers or transmissions of any Shares, Debentures or other securities, as applicable.
Transfer to be left at Office when to be retained	52	Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Securities to be transferred or if no such certificate is in existence by the letter of allotment of the Securities and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the Shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same
Execution of transfer	53	The instrument of transfer of any Share, Debenture or other Security of the Company shall be executed by both the transferor and the transferee, and the former shall be deemed to remain holder of the Share, Debenture or other security of the Company, until the name of the transferee is entered into the Register of Members or Debenture or other Security holders in respect thereof.
Transmission of registered Shares	55	The Nominee or the Executor or Administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares/Debentures registered in the name of such member, and, in case of death or anyone or more of the joint holders of any registered Shares/Debentures, the survivor shall be the only person recognised by the Company as having any title to or interest in such Shares/Debentures, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares/ Debentures held by him, jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a Grant of Probate, Letters of Administration, Succession Certificate or other legal representation, having effect in India as the case may be, from some competent Court in India. Provided nevertheless that in any case where the Board in their absolute discretion think fit, it shall be lawful for the Board to dispense with the production of Probate, Letters of Administration, Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board, in their absolute discretion, may consider adequate.
Registration of persons entitled to Shares otherwise than by transfer {Transmission Article}	56	Any person becoming entitled to any Shares in consequence of death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Directors (which they shall not be under any obligation to give) and upon producing such evidence as may from time to time properly be required by the Board, either be registered as a Member in respect of such Shares or may, subject to the regulations as to transfer in these Articles contained, transfer such Shares to some other person. This Article is referred to as "The Transmission Article."
Nomination of Securities	59	For the purpose of this Article unless the context otherwise requires: (i) Every Share/ Debenture/ Security holder may at any time, nominate in the prescribed manner, a person to whom his Shares/ Debentures/ or Securities shall vest in the event of his death. (ii) Where the Shares, Debentures or Securities are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares, Debentures or

securities, as the case may be, shall vest in the event of death of all the joint holders

(iii) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Shares/ Debentures/ Securities, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares/ Debentures/ Securities, the nominee shall on the death of the Share/ Debenture/ Security holder or on the death of the joint holders as the case may be, become entitled to all the rights in such Shares/ Debentures/ Security, as the case may be, to the exclusion of all persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) A nominee shall be entitled to the same dividends/ interests and other advantages to which he would be entitled to, if he were the registered holder of the Share/ Debenture/ Security except that he shall not, before being registered as a Member in respect of his Share/ Debenture/ Security be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/ Debenture/ Security, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable or rights accruing in respect of the Shares/ Debentures/ Securities, until the requirements of the notice have been complied with.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares/ Debentures/ Securities, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares/ Debentures, in the event of his death during his minority.

Transmission of Shares by nominee

60 A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

i) To be registered himself as holder of the Share/ Debenture/ Security, as the case may be; or

ii) To make such transfer of the Share/ Debenture/ Security, as the case may be, as the deceased Share/ Debenture/ Security holder could have made.

iii) If the nominee elects to be registered as holder of the Share/ Debenture/ Security, himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/ Debenture/ Security holder, as the case may be;

iv) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled, if he were the registered holder of such Shares/ Debentures/ Securities, except that he shall not, before being registered as a Member in respect of his Shares/ Debentures or Securities be entitled in respect thereof to exercise any right conferred by Membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares/ Debentures or Securities, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other money(s) payable or right(s) accruing in respect of such Shares/ Debentures or Securities, until the requirements of the notice have been complied with.

v)

Increase of Capital	64	**INCREASE, REDUCTION AND ALTERATION OF CAPITAL** Subject to the provisions of the Act, the Company in General Meeting may increase the authorised share capital by such sum to be divided into Shares of such amount as the resolution shall prescribe.
On what conditions new Shares be allotted	65	Subject to the provisions of the Act, new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation whereof shall direct and, if no direction be given, as the Directors shall determine, and in particular, whether such share may be preference share or not. Provided that no Shares (not being preference Shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other Shares (not being preference Shares).
Issue of convertible Debentures or Securities	66	Any Debentures, Debenture stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Reduction of Capital	67	Subject to the provisions of Sections 100 to 104 of the Act, the Company may from time to time, by Special Resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon, against or otherwise and the Board may subject to the provisions of the Act, accept surrender of Shares.
Power to sub-divide and consolidate shares	68	The Company may by Ordinary Resolution (a) Consolidate and divide all or any of its share capital into Shares of large amount than its existing Shares; (b) Subdivide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum subject, nevertheless, to the provisions of clause (d) of sub-section (1) of Section 94 of the Act. (c) Cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
Redeemable Preference Shares	69	Subject to the provision of Section 80 of the Act and all other applicable laws, the Company shall have the power to issue and redeem Preference Shares which shall be redeemed not later than 10 (ten) years from the date of each issue and the resolution authorising such issue shall prescribe the manner, terms and conditions of the redemption.
Power to modify rights of different classes of Shareholders and the rights	70	**MODIFICATION OF RIGHTS** (a).If at any time the share capital of the Company is divided into different classes of Shares the rights attached to the Shares of any class may be varied with the consent in writing of the holders of not less than three fourths of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued Shares of that class. (b) This Article is not to derogate from any power the Company would have had, if this Article were omitted and the right of the dissenting shareholders being holders of not less in the aggregate than 10 percent of the issued Shares of that class to apply to the Court to have the variations or modifications cancelled as provided in Section 107 of the Act.

Issue of Equity shares with Differential Rights	71	Notwithstanding anything contained in these Articles and in pursuance of provisions of Section 86 of the Act and subject to the Rules and Regulations prescribed thereunder, the Company may from time to time sub-divide or consolidate its un-issued authorized equity capital into ordinary equity capital with voting rights and equity capital with differential rights divided into Shares of different class with one or more differential rights and privileges whether deferred, guaranteed, qualified or otherwise with respect to dividend, voting or any other matter, as may be permitted by the Act from time to time. The Company may vary, modify, amalgamate or abrogate any such rights and privileges on such conditions and to such an extent, as may be permitted by the Act and the Rules prescribed at the relevant time on optional basis or otherwise.
General Meeting	72	**GENERAL MEETINGS** The first Annual General Meeting of the Company shall be held within 18 (eighteen) months of its incorporation. The next Annual General Meeting shall be held within 6 (six) months after the expiry of the financial year. Except in the case when for any special reason time for holding any annual general meeting (not being the first annual general meeting) is extended under Section 166 of the Act, no greater interval than 15 months shall be allowed to elapse between the date of 1 (one) Annual General Meeting and that of the next. All other meetings of the Company shall be called "Extra-ordinary General Meetings."
Voting Rights	92	**VOTES OF MEMBERS** (1) Subject to the provisions of Section 87 of the Act, every Member entitled to vote and present in person (a) shall, upon a show of hands, have 1 (one) vote; and (b) shall, (subject to the provisions of Section 92 of the Act and Article 32) upon a poll have voting rights in proportion to his share of the paid-up equity capital of the Company. (2) Subject to the provisions of Section 92 of the Act and Article 32 every Member of the Company holding any preference share capital shall in respect of such capital have a right to vote on resolutions to the extent and in the manner laid down in sub-section (2) of Section 87 of the Act. (3) Provided, however, that so far as the President is concerned a vote may be given on his behalf on a show of hands or on a poll by any person whether a member or not, authorised by him to be present and vote at all or any of the meetings of the Company. The President may at any time revoke or cancel the authority of any person to vote on his behalf as aforesaid and make fresh authorisation. An order of the President authenticated as provided by the Constitution of India in respect of any such authorisation or revocation thereof shall be sufficient and conclusive evidence thereof.
Postal Ballot	93	Notwithstanding anything contained elsewhere in these Articles, but subject to the provisions of Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 the Company, may and in the case of resolutions relating to such business, as the Central Government may by the Rules and/or notifications, declare to be conducted only by Postal Ballot, shall get such resolutions passed by means of Postal Ballot (which includes voting in electronic mode) instead of transacting the business in a General Meeting personally.
Management	114	**BOARD OF DIRECTORS** The business of the Company shall be managed by a Board of Directors. The Directors shall not be required to hold any qualification Shares.

Number of Directors	115	Unless otherwise determined by the Company in General Meeting, the number of Directors shall be not less than 3 (three) and not more than 16 (sixteen). These Directors may be functional directors on a whole-time basis or part-time Directors.
Appointment of Board of Directors	116	2/3rd (Two-third) (any fraction to be rounded off to the next number) of the Directors of the Company shall be persons whose period of office shall be liable to determination by retirement by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting. The remaining Directors shall not be liable to retire by rotation and shall, subject to the provisions of these Articles, be appointed by the President of India so long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company. Subject to Section 256 of the Act, at every Annual General Meeting of the Company 1/3rd (one-third) of such Directors for the time being as are liable to retire by rotation and if their number is not 3 (three) or a multiple of 3 (three), then the number nearest to 1/3rd (one third), shall retire from office.
Which Directors to retire	117	Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairman-cum-Managing Director of the Company and such other non-retiring directors, if any) who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, be determined by lot.
Appointment of Chairman-cum-Managing Director	118	So long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company, the Chairman cum Managing Director of the Company shall be appointed by the President on such terms & conditions, remuneration and tenure as the President may determine from time to time. The Chairman cum Managing Director shall be the Chief Executive of the Company and a non-retiring Director.
Appointment of Functional Directors	119	The President shall, subject to the provisions of Section 255 of the Act and Article 116 appoint in consultation with the Chairman of the Company, such number of functional Directors on whole-time basis as deemed fit on such terms and conditions, remuneration and tenure, as the President may from time to time determine.
Nominee Part-time Directors	120	So long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company, the President may appoint nominee part-time Directors representing various Ministries of the GoI. A nominee parttime Directors shall cease to be a Director of the Company on his ceasing to be an official of that Ministry.
Retiring Directors eligible for re-election	121	A retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which the Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.

(i) at that Meeting or at the previous Meeting, a resolution for the re-appointment of such Director has been put to the Meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment.

(iv) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;

Meetings of Directors

145 **MEETINGS OF THE BOARD**

The Directors may meet together as Board for the dispatch of business from time to time, and shall so meet at least once in every 3 (three) months and at least 4 (four) such meetings shall be held in every year. The Directors may adjourn and otherwise regulate the meetings as they think fit.

General Power of the Company vested in the Board

161 **POWERS OF THE BOARD**

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do : Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent there with and duly made thereunder, including regulations made by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Division of Profits

166 **DIVIDEND AND RESERVES**

Subject to Section 206 of the Act and any restrictions and limitations or special rights relating thereto created or authorised to be created by the Memorandum or by these Articles, the profits of the Company shall be divisible among the Members in proportion to the amount of capital paid up in the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid up on shares during the period in respect of which dividend is declared shall, unless the Directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.

The Company in General Meeting may declare a dividend

167 The Company in General Meeting may declare dividend to be paid to the Members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board.

Power of Directors to limit Dividends

168 (a) No larger dividends shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

(b) No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived after providing for the depreciation in accordance with the provisions of the Act or out of profits of the Company for any previous financial year or years arrived after providing for the depreciation in accordance with applicable laws and remaining undistributed or out of both or out of moneys provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company. For the purpose of this Article, the declaration of the Directors as to the amount of the profits of the Company shall be conclusive

(c) Subject to the provisions of the Companies Act as amended from time to time, no dividend shall be payable except in cash.

(d) Any one of the several persons who are registered as the joint holders of any Share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

Interim Dividends	170	The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Unclaimed Dividend	175	Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "OIL-Unpaid Dividend Account". Any money transferred to the unpaid dividend of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.
Indemnity	205	**INDEMNITY**

(a) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against any bona fide liability and it shall be the duty of the Directors to pay out of the Funds of the Company, all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Officers or employees may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Director, General Manager, Manager, Officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims.

(b) Subject as aforesaid every Director, Manager, Officer or (with the consent of the Directors), Auditors of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgment is given in his or their favour or in which he or they are acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office situated at OIL House, Plot Number 19, Sector 16A, Noida, District Gautam Budh Nagar, Uttar Pradesh, 201301 from 10.00 am to 4.00 pm Indian Standard Time on any Business Day from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letters dated September 10, 2007 for appointment of JM Financial Consultants Private Limited & Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited as BRLMs.

2. Memorandum of Understanding dated December 12, 2007 between our Company and the BRLMs.

3. Memorandum of Understanding dated December 1, 2007 executed between our Company and the Registrar to the Issue.

4. Escrow Agreement dated [•] between our Company, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.

5. Syndicate Agreement dated [•] between our Company, the BRLMs and Syndicate Members.

6. Underwriting Agreement dated [•] between our Company, the BRLMs and Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Our certificate of incorporation dated February 18, 1959.
3. Letter Number G-34014/2/2000-Fin.III dated September 11, 2007 issued by the President of India acting through the Ministry of Petroleum and Natural Gas, granting approval for the Issue.
4. Resolutions of the Board dated September 12, 2007 authorising the Issue.
5. Shareholders' resolutions dated October 31, 2007 in relation to the Issue and other related matters.
6. Resolutions of the IPO Committee dated December 12, 2007, [•] and [•] respectively approving the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.
7. Copies of the letters by the Ministry of Petroleum and Natural Gas, GoI, for appointment and remuneration of our Directors.
8. Report of the Auditors on the restated financial statements, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus and letters from the auditors dated November 27, 2007.
9. Copies of annual reports of our Company for the past five financial years.

10. Consents of the Auditors for inclusion of their report on accounts and Statement of Tax Benefits in the form and context in which they appear in this Draft Red Herring Prospectus.

11. General Powers of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

12. Consents of the IPO Grading Agency, Auditors, Gaffney, Cline & Associates (Consultants) Pte Ltd, Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

13. Summary Independent Technical Report by Gaffney, Cline & Associates (Consultants) Pte Ltd dated December 5, 2007.

14. IPO Grading Letter by [•] dated [•].

15. Applications dated [•] and [•] for in-principle listing approval from BSE and NSE, respectively.

16. In-principle listing approval dated [•] and [•] from BSE and NSE, respectively.

17. Agreement between NSDL, our Company and the Registrar to the Issue dated [•].

18. Agreement between CDSL, our Company and the Registrar to the Issue dated [•].

19. Due diligence certificate dated December 14, 2007 to SEBI from the BRLMs.

20. SEBI observation letter [•] dated [•] and our *in-seriatim* reply to the same dated [•].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the GoI or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by all Directors

Mr. M.R. Pasrija, Chairman and Managing Director

Mr. N.M. Borah, Director (Operations)

Mr. J.K. Talukdar, Director (Human Resources and Business Development)

Mr. T.K. Ananth Kumar, Director (Finance)

Mr. B.N. Talukdar, Director (Exploration and Development)

Mr. A.K. Jain, Government Nominee Director

Ms. Aditi S. Ray, Government Nominee Director

____

Mr. S.K. Senapati
Company Secretary

____

Mr. T.K. Ananth Kumar
Director (Finance)

Date: December 14, 2007
Place: New Delhi

APPENDIX A - SUMMARY INDEPENDENT TECHNICAL REPORT

Gaffney, Cline & Associates (Consultants) Pte Ltd
Technical and Management Advisers to the Petroleum Industry Internationally Since 1962
Principals:
William B. Cline
Peter D. Gaffney

80 Anson Road, #31-01C
Fuji Xerox Towers
Singapore 079907
Telephone: +65 6225 6951
Facsimile: +65 6224 0842
email:gcas@gaffney-cline.com
www.gaffney-cline.com
Registered No. 01453/1987-N

ASJ/dh/L0450/2007/KK814.02 **5 December 2007**

OIL INDIA LIMITED
Plot No. 19, Sector-16A
Noida 201 301
Uttar Pradesh

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021

HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED
52/60 Mahatma Gandhi road
Fort
Mumbai 400 001

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
117 Himalaya House
23 KG Marg
New Delhi

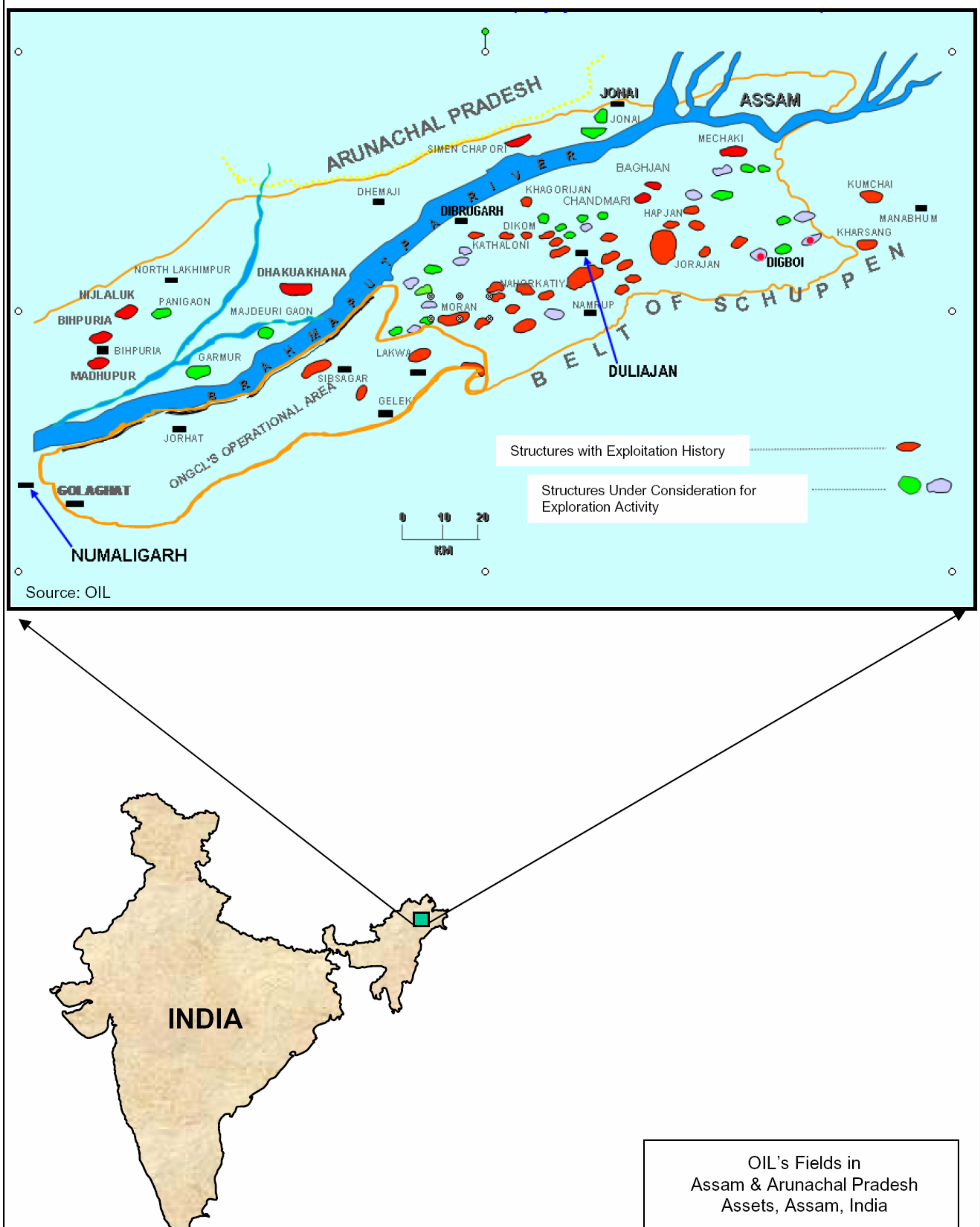
MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED
Hilton Towers, Floor 11
Nariman Point
Mumbai (Ex Bombay) 400 021

Dear Sirs,

SUMMARY INDEPENDENT TECHNICAL REPORT

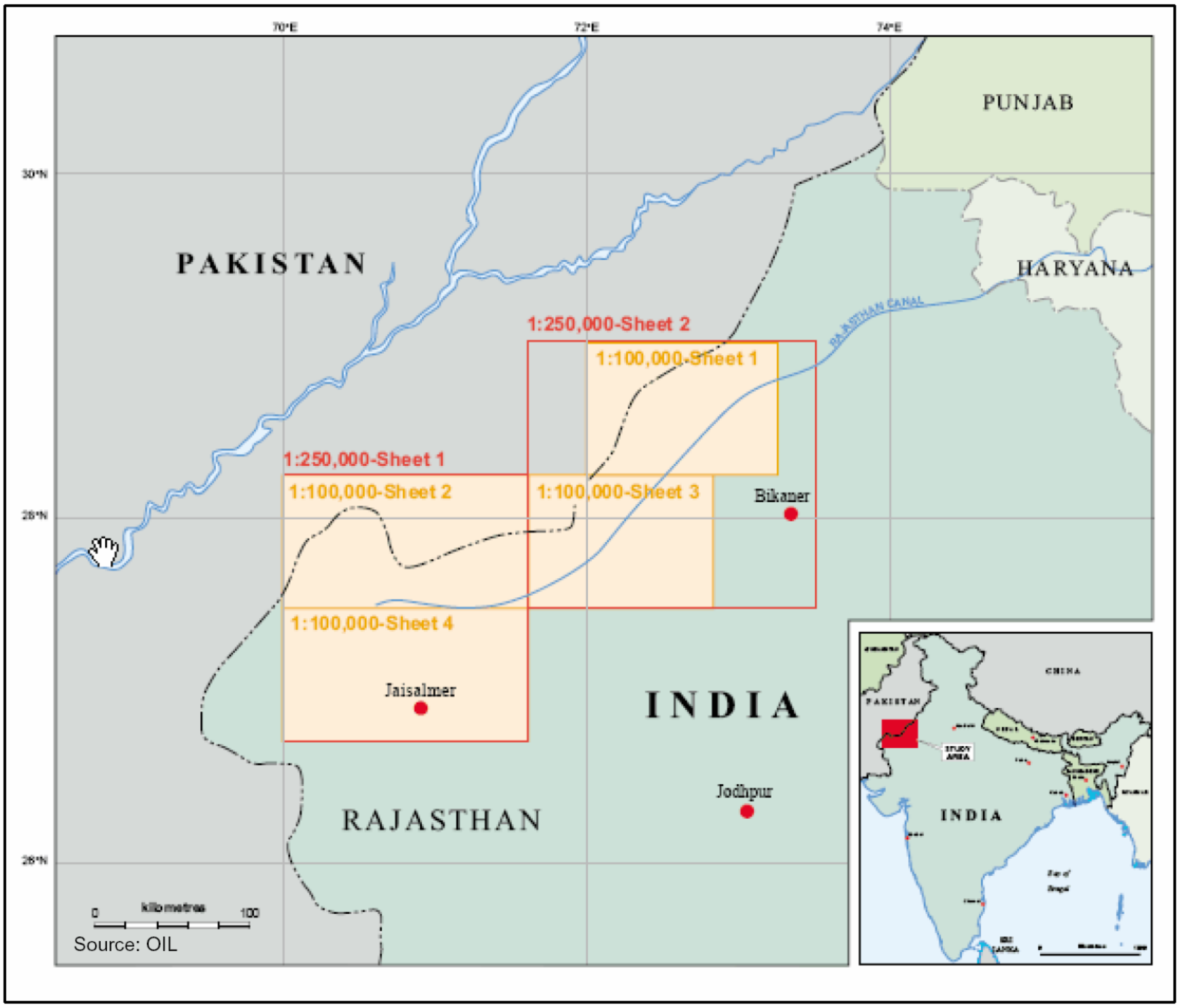
INTRODUCTION

In accordance with the instructions of Oil India Limited (OIL), Gaffney, Cline & Associates (Consultants) Pte Ltd (GCA) has initiated an independent professional assessment of OIL's portfolio of oil and gas property interests as of 31st March 2007. OIL's oil and gas assets are primarily located in India and those reviewed in this report are divided between Assam & Arunachal Pradesh and Rajasthan. See **Figures 1** and **2** for maps of the respective areas.



OIL's Fields in
Assam & Arunachal Pradesh
Assets, Assam, India

KK814.02 Nov 07	Checked:	Fig 1



OIL's Assets Rajasthan, India		
KK814.02 Nov 07	Checked:	Fig 2

OIL has made available to GCA a data-set of technical information, including geological, geophysical, and engineering data and reports, together with financial data and fiscal terms applicable to each of the assets. GCA has also had meetings and discussions with OIL technical and managerial personnel. In carrying out this review, GCA has relied on the accuracy and completeness of the information received from OIL. GCA carried out a review of all the available data and interpretations for reasonableness and adjusted where considered appropriate.

GCA has not undertaken any site visits in connection with this work and has relied on representations made by OIL in respect of the facilities.

GCA uses the Petroleum Resources Management System (SPE PRMS) published by the Society of Petroleum Engineers/World Petroleum Congresses/ American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) in March, 2007, as the basis for its classification and categorization of hydrocarbon volumes. An abbreviated form of these definitions and guidelines is included as Attachment 1.

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of Reserve volumes quoted herein have been determined within the context of an economic limit test on the basis of a constant price and cost (pre-tax and exclusive of accumulated depreciation amounts).

GCA reviewed and audited OIL's reserves estimates for Proved (1P), Proved plus Probable (2P), and Proved plus Probable plus Possible (3P) cases for all the fields as of 31st March 2007. GCA has applied the SPE Reserves Definitions as follows:

- Proved Developed Producing (PDP) reserves are assigned for reservoirs which were on production at the time of estimation at 31st March 2007. They are estimated based on production characteristics and decline curve analysis by extrapolating the trend to the termination date of the respective Mining Licences (ML) or a technical minimum oil production limit is reached before the end of the termination date of the ML.

- Proved Developed non-Producing (PDnP) reserves are estimated as the volumes of oil that are recoverable from existing wells that have penetrated the reservoir but which are not opened at the time of estimation. Reservoirs presently shut-in because of mechanical problems and which can be brought back to production through normal workover operation are also assigned in the PDnP category.

- Proved Undeveloped (PUD) reserves are considered for reservoirs where development activities are ongoing or planned in the near-to-medium term. Reservoirs having undeveloped drainage areas where interpretation of geological and engineering data from existing wells indicates that the reservoir is laterally continuous and excessive water or gas production is not expected (reasonably certain that the well will produce once drilled) are the candidates for assigning PUD reserves. In addition, PUD reserves are calculated as the volume of oil recoverable from the development locations which are released and planned for drilling within a reasonable time frame.

- Probable and Possible reserves are estimated as the volumes of oil recoverable in the future which are dependent on additional development activities, operating methods, technological improvements, future economic conditions and government regulations. These are not restricted to the validity periods/termination dates of the MLs. Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) reserves are calculated based on analogy of recovery factors.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no evident viable markets, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

It must be clearly understood that any determination of Reserve volumes, particularly those involving continuing field development, will be subject to significant variations over short periods of time as new information becomes available and perceptions change.

GCA is an independent energy consultancy specialising in petroleum reservoir evaluation and economic analysis. In the preparation of this report, GCA has maintained, and continues to maintain, a strict consultant-client relationship with OIL. The directors of GCA have been, and continue to be, independent of OIL in the services they provide to OIL including the provision of the opinion expressed in this review. Furthermore, the directors of GCA have no interest in any assets or share capital of OIL, or in the promotion of OIL.

This report must only be used for the purpose for which it was intended.

SUMMARY

In 2005, GCA conducted an independent audit of OIL's oil and gas reserves for the fields in Assam & Arunachal Pradesh and Rajasthan and for its Contingent Resource gas volumes. The current audit for OIL's existing fields was based where possible on the results of the 2005 reserves audit as of 31st March 2005. The estimated reserves were updated, taking into account changes in volumetric compilations, field producing and development activities that occurred between 2005 and 2007 to update the status as of 31st March 2007. Additionally, Contingent Resource heavy oil has been discovered in both regions but, as indicated elsewhere herein, these volumes have not thus far been formally audited by GCA.

All OIL's assets are held under Mining Licences issued by the GoI and each licences is held solely by OIL. The expiry dates of the licences vary and are summarised in the Table below.

Mining Licences – Termination Dates
Assam and Arunachal Pradesh

Licence	Fields	Termination Date
Nahorkatiya	Nahorkatiya Main, Madhuting-Tipling, Zaloni, East Zaloni, Santi, Jaipur, Dighaliya	9th January, 2011
Hugrijan	Dikom-Madarkhat-Kuhiarbari, Kathaloni-Bachmatia, South Kathaloni,Tengakhat-Rungoliting, Hatiali, Tamulikhat, North Tamulikhat, Rajali,East Rajali, Bhekulajan, Deohal-East Deohal, Jutlibari, Langkasi,Kathalguri, Nagajan, Jorajan, Bazaloni, Tarajan, East Langkasi, Bordubi,North-Balijan, Kamkhat, Mohanbari, Makum, Hapjan, North Hapjan, Uriamguri, Sealkati, Lohali, Kasomari, Ghugoloni, Jengoni	9th January, 2021
Moran	Moran, Thoura West, Haldibari	9th January, 2021
Dumduma	Bogapani, Samdang, Duarmara, Kusijan, Borbil, Shalmari, West Shalmari, Tinali, North Tinali, South Tinali, North Makum	25th November, 2009
Moran Extension (4)	Rajgarh, South Rajgarh, Dipling, Diroi, Saroniji, Sapekhati	31st October, 2026

Dibrugarh	Bhogpara	20th January, 2018
Tinsukia	Khagorijan, Matemekhana-1, Jaraipather	6th December, 2021
Borhapjan (1)	Borhapjan, North Borhapjan, Hukanguri	31st March, 2025
Dholiya	Dholiya, Bamunpukhuri, Teloijan	17th October, 2022
Chabua (2)	Chabua, North Dikom, Matimekhana-2	11th May, 2022
Mechaki (3)	Mechaki	18th May 2023
Baghjan (1)	Baghjan	13th May, 2023
Tinsukia Extension (1)	Barekuri (North Chandmari), South Chandmari	16th May, 2023
Ningru	Kumchai, Shonking, Manabum	26th November, 2023
Ningru Extension (2)	Kherem	3rd June, 2023

Notes:

(1) Licence awarded – Waiting for Signing of Deed.
(2) Licence awarded – Waiting for Signing of State Government.
(3) Licence awarded – Waiting for finalization of grant.
(4) Applied for extension – Paid additional Security deposit to State Government, waiting for formal letter of extension from the State Government.
(5) The above data provided by OIL.

For Rajasthan, the Mining Licence for the Tanot, Dandewala and Bagitibba Block expires 1st January 2016.

The hydrocarbon volumes presented in the Tables below are both gross and net, these being the same since OIL hold 100% of the licences. Oil volumes are presented in both millions of standard cubic meters (MMscm) and millions of barrels (MMstb), gas as millions of standard cubic meters (MMscm) and billions of standard cubic feet (Bscf)

As at 31st March 2007, OIL was producing 63,789 barrels of oil per day (10,143 cubic meters per day of oil), and 204.12 million standard cubic feet of gas (5.78 million cubic meters per day of gas) from Assam & Arunachal Pradesh and 20.48 million standard cubic feet of gas (0.58 million standard cubic meters per day of gas) in Rajasthan.

The results presented herein are based upon information and data made available to GCA on or before 12th October 2007.

RESERVES

OIL's reserves are divided between assets in Assam & Arunachal Pradesh and those in Rajasthan.

Assam & Arunachal Pradesh Reserves

The following tables present the Proved, Proved plus Probable, and Proved plus Probable plus Possible oil and gas reserves attributable to OIL.

Oil Reserves
As at 31st March 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Assam and Arunachal Pradesh	44.195	277.942	84.985	534.471	158.141	994.549

Gas Reserves
As at 31st March, 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh	26,557	937.860	43,170	1,524.549	69,361	2,449.484

Notes:
1. The Digboi Field is not included in these estimates due to non-availability of suitable data.

Rajasthan Reserves

The following tables present the gas Reserves attributable to OIL in Rajasthan.

Gas Reserves
As at 31 March 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Rajasthan	1,753	61.907	2,544	89.841	5,217	184.238

RESOURCES

Contingent Resources – Gas

OIL has Contingent Resources in the form of gas and heavy oil in both Assam & Arunachal Pradesh and Rajasthan. In the case of the gas resources, the volumes are contingent on entering into additional gas sales agreements and the renewal of the mining leases. **Note: Contingent Resource volumes of oil or gas are not additive to those classified as Reserve volumes.**

Potentially Recoverable Contingent Resource Gas Volumes
As at 31 March 2007

Region	Low		Best Estimate		High	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh + Rajasthan	19,052	672.821	30,425	1,074.459	34,488	1,217.944

Heavy Oil In-Place

Heavy (high pour point) oil has been discovered in both Assam & Arunachal Pradesh as well as in Rajasthan. However, these accumulations are thus far undeveloped and there is no current record of successful pilot exploitation tests. OIL has estimated the **oil-in-place** for Assam & Arunachal Pradesh at 6.7135 MMSCM (42 MMstb) with associated **gas-in-place** of 522.3303 MMscm (18.446 Bscf). OIL has not been able to calculate a range of potentially recoverable volumes for Assam & Arunachal Pradesh, hence a corresponding range of recoverable Contingent Resources has yet to be established.

OIL has estimated a range of **oil-in-place** volumes for Rajasthan at: **Low Case** 42.932 MMscm (270 MMstb), **Best Estimate** Case 52.314 MMscm (329 MMstb) and **High Case** 61.695 MMscm (388 MMstb). OIL has not presented GCA with its contemporary estimate of associated gas-in-place.

GCA has not formally audited these heavy oil estimates of Contingent Resources and is therefore not in a position to comment further in this regard. Further, it must be understood that the volumes quoted above are 'in-place' volumes only and that the corresponding 'recoverable' (given that suitable exploitation solutions may be determined) Contingent Resource volumes can be expected to be only a fraction of these in-place estimates.

Prospective Resources

No Prospective Resources were included in GCA's examination.

DETAILS OF RESERVES AND RESOURCES

Regional and field-by-field summaries and analyses are provided in Attachments II to XII. Note that, in all cases, the Attachments list volumes in standard cubic meters only. The conversion factors to oil field units are: 1 scm oil = 6.289 barrels, 1 scm gas = 35.315 cubic feet.

QUALIFICATIONS

GCA is an independent international energy advisory group of 45 years' standing, whose expertise includes petroleum reservoir evaluation and economic analysis. The report is based on information compiled by professional staff members who are full time employees of GCA.

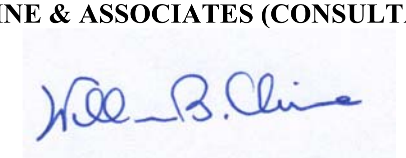
Staff who participated in the compilation of this summary report includes Mr William B. Cline, Mr Brian Rhodes and Mr Alex Johnson. All hold at least a bachelor's degree in geoscience, petroleum engineering or related discipline. Mr Cline is a Senior Partner and Principal of GCA, with over 48 years of industry experience. He has a B.Sc. in Petroleum and Natural Gas Engineering, is a Chartered Engineer in the U.K. and Registered Professional Engineer in the State of Texas, U.S.A. He is also a Member of the Institute of Gas Engineers, the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Rhodes holds a B.Sc. (Hons) Geology, is a member of the Energy Institute, the Petroleum Exploration Society of Great Britain, the Society of Petroleum Engineers and the European Association of Geoscientists and Engineers, and has more than 33 years industry experience. Mr Johnson holds a B.Sc. in Geological Engineering, is a member of the Society of Petroleum Engineers and has over 32 years in the petroleum industry.

BASIS OF OPINION

This assessment has been conducted within the context of GCA's understanding of the effects of petroleum legislation, taxation, and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title, financial interest relationships or encumbrances thereon for any part of the appraised properties.

It should be understood that any determination of Reserve or Resource volumes, particularly involving petroleum developments, may be subject to significant variations over short periods of time as new information becomes available and perceptions change.

Yours sincerely,
GAFFNEY, CLINE & ASSOCIATES (CONSULTANTS) PTE LTD



William B. Cline BSc, CEng. FIGM, PE

Enclosures:

Attachment I:	SPE PRMS Definitions and Guidelines
Attachment II:	Assam Oil and Gas Reserves by Field
Attachment III:	Assam Well Count by Field

Attachment IV: Assam Oil and Gas Cumulative Production as at 31st March 2007, by Field
Attachment V: Assam Oil and Gas Production rate as at 31st March 2007, By Field
Attachment VI: Assam Oil Production History Plots by Field
Attachment VII: Assam Gas Production History Plots by Field
Attachment VIII: Rajasthan Gas Reserves by Field
Attachment IX: Rajasthan Count by Field
Attachment X: Rajasthan Gas Cumulative Production as at 31st March 2007, by Field
Attachment XI: Rajasthan Gas Production Rate as at 31st March 2007, by Field
Attachment XII: Rajasthan Gas Production History Plots by Field

ATTACHMENT I

SPEE PRMS DEFINITION GUIDELINES

Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers
Petroleum Resources Management System

Definitions and Guidelines (1)

March 2007

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be-discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

International efforts to standardize the definition of petroleum resources and how they are estimated began in the 1930s. Early guidance focused on Proved Reserves. Building on work initiated by the Society of Petroleum Evaluation Engineers (SPEE), SPE published definitions for all Reserves categories in 1987. In the same year, the World Petroleum Council (WPC, then known as the World Petroleum Congress), working independently, published Reserves definitions that were strikingly similar. In 1997, the two organizations jointly released a single set of definitions for Reserves that could be used worldwide. In 2000, the American Association of Petroleum Geologists (AAPG), SPE and WPC jointly developed a classification system for all petroleum resources. This was followed by additional supporting documents: supplemental application evaluation guidelines (2001) and a glossary of terms utilized in Resources definitions (2005). SPE also published standards for estimating and auditing reserves information (revised 2007).

These definitions and the related classification system are now in common use internationally within the petroleum industry. They provide a measure of comparability and reduce the subjective nature of resources estimation. However, the technologies employed in petroleum exploration, development, production and processing continue to evolve and improve. The SPE Oil and Gas Reserves Committee works closely with other organizations to maintain the definitions and issues periodic revisions to keep current with evolving technologies and changing commercial opportunities.

The SPE PRMS document consolidates, builds on, and replaces guidance previously contained in the 1997 Petroleum Reserves Definitions, the 2000 Petroleum Resources Classification and Definitions publications, and the 2001 "Guidelines for the Evaluation of Petroleum Reserves and Resources"; the latter document remains a valuable source of more detailed background information.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that SPE PRMS will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

[1] These Definitions and Guidelines are extracted from the Society of Petroleum Engineers / World Petroleum Council / American Association of Petroleum Geologists / Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) Petroleum Resources Management System document ("SPE PRMS"), approved in March 2007.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

The full text of the SPE PRMS Definitions and Guidelines can be viewed at:
www.spe.org/specma/binary/files/6859916Petroleum_Resources_Management_System_2007.pdf

RESERVES

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

On Production

The development project is currently producing and selling petroleum to market.

The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project “chance of commerciality” can be said to be 100%. The project “decision gate” is the decision to initiate commercial production from the project.

Approved for Development

A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.

The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project “chance of commerciality” can be said to be 100%. The project “decision gate” is the decision to initiate commercial production from the project.

Justified for Development

Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.

In order to move to this level of project maturity, and hence have reserves associated with it, the development project must be commercially viable at the time of reporting, based on the reporting entity's assumptions of future prices, costs, etc. ("forecast case") and the specific circumstances of the project. Evidence of a firm intention to proceed with development within a reasonable time frame will be sufficient to demonstrate commerciality. There should be a development plan in sufficient detail to support the assessment of commerciality and a reasonable expectation that any regulatory approvals or sales contracts required prior to project implementation will be forthcoming. Other than such approvals/contracts, there should be no known contingencies that could preclude the development from proceeding within a reasonable timeframe (see Reserves class). The project "decision gate" is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.

Proved Reserves

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes:

(1) the area delineated by drilling and defined by fluid contacts, if any, and

(2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.

In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines," Chapter 8). Reserves in undeveloped locations may be classified as Proved provided that the locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.

Probable Reserves

Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

Possible Reserves

Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves

The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain**.** Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.

Probable and Possible Reserves

(See above for separate criteria for Probable Reserves and Possible Reserves.)

The 2P and 3P estimates may be based on reasonable alternative technical and commercial interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing, faults until this reservoir is penetrated and evaluated as commercially productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil (HKO) elevation and there exists the potential for an associated gas cap, Proved oil Reserves should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

Developed Reserves

Developed Reserves are expected quantities to be recovered from existing wells and facilities.

Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves

Shut-in Reserves are expected to be recovered from:

(1) completion intervals which are open at the time of the estimate but which have not yet started producing,

(2) wells which were shut-in for market conditions or pipeline connections, or

(3) wells not capable of production for mechanical reasons.

Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves

Undeveloped Reserves are quantities expected to be recovered through future investments:

(1) from new wells on undrilled acreage in known accumulations,

(2) from deepening existing wells to a different (but known) reservoir,

(3) from infill wells that will increase recovery, or

(4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to

  (a) recomplete an existing well or

  (b) install production or transportation facilities for primary or improved recovery projects.

CONTINGENT RESOURCES

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Development Pending

A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.

The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to a re-classification of the project to “On Hold” or “Not Viable” status. The project “decision gate” is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.

Development Unclarified or on Hold

A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.

The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to “Not Viable” status. The project “decision gate” is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

Development Not Viable

A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential.

The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project “decision gate”

PROSPECTIVE RESOURCES

Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.

Prospect

A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.

Project activities are focused on assessing the chance of discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.

Lead

A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.

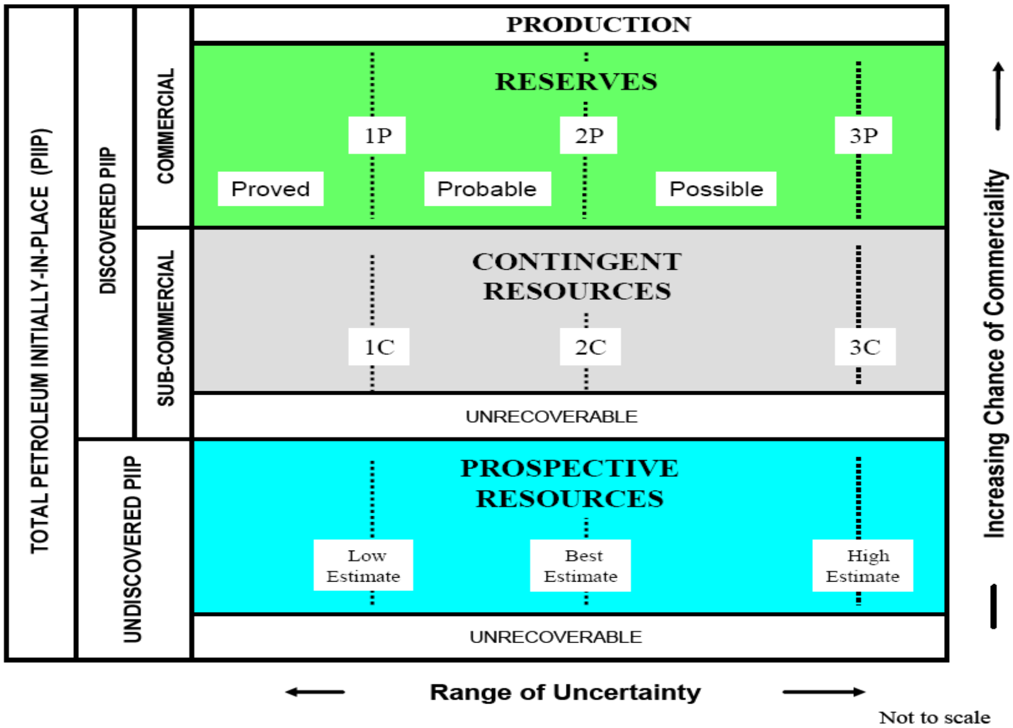
Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the lead can be matured into a prospect. Such evaluation includes the assessment of the chance of discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.

Play

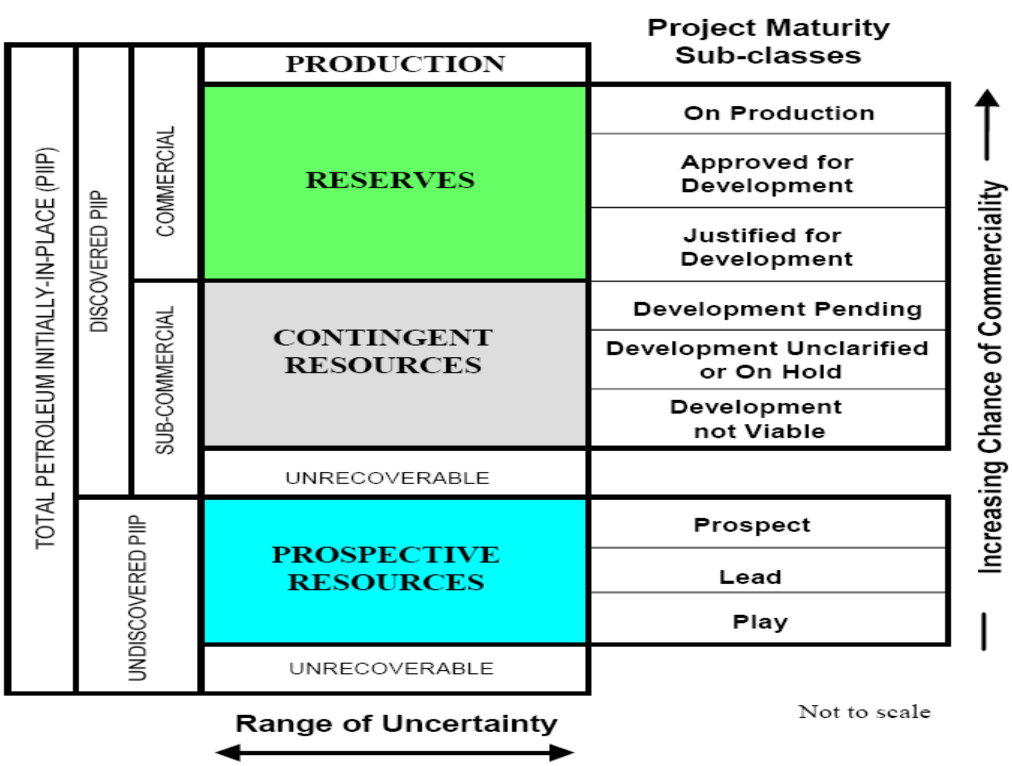
A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific leads or prospects for more detailed analysis of their chance of discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

RESOURCES CLASSIFICATION



PROJECT MATURITY



ATTACHMENT II

ASSAM OIL AND GAS RESERVES BY FIELD

OIL RESERVES TABLES

The following Tables present a summary of the oil reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. These tables show a breakdown of the oil volumes for Assam and Arunachal Pradesh, and breakdown for individual fields.

Proved Oil Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Proved Developed Producing (PDP)	Proved Developed Non-Producing (PDnP)	Proved Undeveloped (PUD)	Total Proved (1P)
Greater Nahorkatiya Field	0.972	1.149	0.555	2.676
Moran Field	0.534	0.110	0.162	0.806
Greater Jorajan Field	0.566	1.393	1.502	3.461
Greater Hapjan Field	6.568	1.031	4.183	11.782
Greater Shalmari Field	0.335	1.089	0.056	1.480
Greater Dikom Field	2.094	0.032	1.520	3.646
Kathaloni FIeld	0.984	1.231	0.275	2.490
Tengakhat Field	4.247	0.896	0.000	5.143
Greater Chandmari Field	3.036	0.595	2.283	5.915
Bhogpara FIeld	1.090	0.566	0.240	1.896
Greater Kumchai Field	0.342	0.446	0.000	0.788
Central Small Fields	1.007	1.612	1.071	3.689
Eastern Satellite Fields	0.043	0.002	0.055	0.100
Western Satellite Fields	0.022	0.302	0.000	0.324
Grand Total	**21.839**	**10.454**	**11.902**	**44.195**

Proved and Unproved Oil Reserves at 31st March, 2007
Asssam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	2.676	13.268	30.795
Moran Field	0.806	3.041	7.711
Greater Jorajan Field	3.461	10.166	21.347
Greater Hapjan Field	11.782	16.791	28.884
Greater Shalmari Field	1.480	2.801	4.873
Greater Dikom Field	3.646	9.475	13.000
Kathaloni FIeld	2.490	3.100	3.655
Tengakhat Field	5.143	6.020	8.237
Greater Chandmari Field	5.915	8.512	16.868
Bhogpara FIeld	1.896	2.507	2.762
Greater Kumchai Field	0.788	1.051	3.920
Central Small Fields	3.689	5.462	11.453
Eastern Satellite Fields	0.100	1.325	2.447
Western Satellite Fields	0.324	1.467	2.191
Grand Total	**44.195**	**84.985**	**158.141**

Proved and Unproved Oil Reserves at 31st March, 2007

Greater Nahorkatiya Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
NHK Main	0.712	0.555	0.180	1.447	9.002	22.580
Zaloni-West Zaloni	0.217	0.583	0.375	1.175	3.244	6.171
Jutlibari	0.001	0.011	0.000	0.012	0.041	0.248
Madhuting- Tipling	0.039	0.000	0.000	0.039	0.185	0.757
Rajali-East Rajali	0.004	0.000	0.000	0.004	0.013	0.022
Bordubi	0.000	0.000	0.000	0.000	0.782	1.017
Total	**0.972**	**1.149**	**0.555**	**2.676**	**13.268**	**30.795**

Moran Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Moran	0.534	0.110	0.162	0.806	3.041	7.711
Total	0.534	0.110	0.162	0.806	3.041	7.711

Greater Jorajan Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Langkasi-Kathalguri-Nagajan-Jorajan	0.400	1.016	1.502	2.918	6.891	14.357
Santi	0.110	0.225	0.000	0.335	1.338	2.074
Jaipur	0.053	0.034	0.000	0.087	1.778	4.579
Tarajan	0.003	0.118	0.000	0.121	0.159	0.337
Total	**0.566**	**1.393**	**1.502**	**3.461**	**10.166**	**21.347**

Greater Hapjan Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Hapjan	1.058	0.254	0.064	1.376	3.500	8.509
North Hapjan	1.685	0.000	2.394	4.079	5.890	9.327
Borhapjan	0.000	0.632	0.000	0.632	0.657	0.968
Makum	3.769	0.000	1.600	5.369	6.150	8.373
North Makum	0.005	0.034	0.000	0.039	0.052	0.470
Samdang	0.000	0.007	0.000	0.007	0.171	0.732
Bazaloni	0.052	0.104	0.125	0.282	0.371	0.505

Total	**6.568**	**1.031**	**4.183**	**11.782**	**16.791**	**28.884**

Greater Shalmari Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Shalmari	0.240	1.089	0.056	1.385	2.550	4.112
Tinali	0.001	0.000	0.000	0.001	0.002	0.002
North Tinali	0.094	0.000	0.000	0.094	0.249	0.758
Total	**0.335**	**1.089**	**0.056**	**1.480**	**2.801**	**4.873**

Greater Dikom Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	2.094	0.032	1.520	3.646	9.475	13.000
Total	**2.094**	**0.032**	**1.520**	**3.646**	**9.475**	**13.000**

Kathaloni Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Kathaloni- Bachmatia	0.984	1.231	0.275	2.490	3.100	3.655
Total	**0.984**	**1.231**	**0.275**	**2.490**	**3.100**	**3.655**

Tengakhat-Rungoliting Field

Kathaloni FieldArea/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Tengakhat-Rungoliting	4.247	0.896	0.000	5.143	6.020	8.237
Total	**4.247**	**0.896**	**0.000**	**5.143**	**6.020**	**8.237**

Greater Chandmari Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Barekuri	2.248	0.185	1.141	3.574	4.632	11.000
Baghjan	0.788	0.410	1.142	2.341	3.879	5.868
Total	**3.036**	**0.595**	**2.283**	**5.915**	**8.512**	**16.868**

Bhogpara Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhogpara	1.090	0.566	0.240	1.896	2.507	2.762
Total	**1.090**	**0.566**	**0.240**	**1.896**	**2.507**	**2.762**

Greater Kumchai Field

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Kumchai	0.342	0.446	0.000	0.788	1.051	3.920
Total	**0.342**	**0.446**	**0.000**	**0.788**	**1.051**	**3.920**

Central Small Fields

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	0.319	0.090	0.080	0.489	0.559	1.928
Tamulikhat-North Tamulikhat	0.053	0.564	0.000	0.617	0.685	0.976
Deohal-East Deohal	0.006	0.007	0.000	0.013	0.071	0.463
Chabua	0.225	0.104	0.891	1.220	2.026	4.112
Jaraipather	0.000	0.000	0.000	0.000	0.007	0.051
Matimekhana- North Matimekhana	0.053	0.794	0.000	0.847	1.048	1.769
North Balijan	0.038	0.000	0.000	0.038	0.289	0.881
Khagorijan	0.000	0.051	0.000	0.051	0.252	0.594
Kamkhat	0.312	0.002	0.100	0.414	0.526	0.680
Total	**1.007**	**1.612**	**1.071**	**3.689**	**5.462**	**11.453**

Eastern Satellite Fields

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Mechaki	0.000	0.000	0.000	0.000	0.086	0.527
Bogapani	0.000	0.002	0.000	0.002	0.850	1.416
Kusijan	0.043	0.000	0.055	0.098	0.389	0.504
Kherem	0.000	0.000	0.000	0.000	0.000	0.000
Total	**0.043**	**0.002**	**0.055**	**0.100**	**1.325**	**2.447**

Western Satellite Fields

Area/Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMsc m	3P MMscm
Rajgarh	0.003	0.000	0.000	0.003	0.120	0.277
South Rajgarh	0.000	0.281	0.000	0.281	0.631	0.757
Diroi	0.014	0.000	0.000	0.014	0.016	0.020
Borbil	0.005	0.000	0.000	0.005	0.006	0.007
Dipling	0.000	0.000	0.000	0.000	0.026	0.053
Sarojini	0.000	0.000	0.000	0.000	0.097	0.292
Sapekhati	0.000	0.021	0.000	0.021	0.572	0.787
Haldibari	0.000	0.000	0.000	0.000	0.000	0.000
Total	**0.022**	**0.302**	**0.000**	**0.324**	**1.467**	**2.191**

GAS RESERVES TABLES

The following tables present a summary of the gas reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. These tables show a breakdown of the gas volumes for Assam and Arunachal Pradesh, and breakdown for individual fields.

Proved Associated Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Proved Developed Producing (PDP)	Proved Developed Non-Producing (PDnP)	Proved Undeveloped (PUD)	Total Proved (1P)
Greater Nahorkatiya Field	1,468	1,163	433	3,064
Moran Field	246	53	78	377
Greater Jorajan Field	456	1,096	1,288	2,840
Greater Hapjan Field	1,150	142	855	2,146
Greater Shalmari Field	92	346	18	456
Greater Dikom Field	905	14	657	1,575
Kathaloni Field	259	324	72	656
Tengakhat Field	1,905	402	0	2,306
Greater Chandmari Field	394	90	333	817
Bhogpara Field	106	55	23	184
Greater Kumchai Field	0	0	0	0
Central Small Fields	203	250	153	607
Eastern Satellite Fields	46	1	58	105
Western Satellite Fields	6	65	0	70
Grand Total	**7,234**	**4,001**	**3,970**	**15,205**

Proved Non-Associated Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Proved Developed Producing (PDP)	Proved Developed Non-Producing (PDnP)	Proved Undeveloped (PUD)	Total Proved (1P)
Greater Nahorkatiya Field	393	0	977	1,370
Moran Field	0	41	46	87
Greater Jorajan Field	1,699	164	2,400	4,263
Greater Hapjan Field	0	0	96	96
Greater Shalmari Field	0	0	9	9
Greater Dikom Field	0	0	0	0
Kathaloni Field	0	0	18	18
Tengakhat Field	0	0	18	18
Greater Chandmari Field	0	0	3,119	3,119
Bhogpara Field	0	0	0	0
Greater Kumchai Field	0	0	0	0
Central Small Fields	323	0	1,683	2,005
Eastern Satellite Fields	60	0	176	236
Western Satellite Fields	0	0	131	131
Grand Total	**2,476**	**204**	**8,673**	**11,352**

Proved Total Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Proved Developed Producing (PDP)	Proved Developed Non-Producing (PDnP)	Proved Undeveloped (PUD)	Total Proved (1P)
Greater Nahorkatiya Field	1,861	1,163	1,410	4,434
Moran Field	246	94	124	464
Greater Jorajan Field	2,156	1,259	3,688	7,103
Greater Hapjan Field	1,150	142	951	2,242
Greater Shalmari Field	92	346	27	465
Greater Dikom Field	905	14	657	1,575
Kathaloni Field	259	324	91	675
Tengakhat Field	1,905	402	18	2,324
Greater Chandmari Field	394	90	3,452	3,936
Bhogpara Field	106	55	23	184
Greater Kumchai Field	0	0	0	0
Central Small Fields	526	250	1,836	2,612
Eastern Satellite Fields	106	1	234	341
Western Satellite Fields	6	65	131	201
Grand Total	**9,710**	**4,205**	**12,642**	**26,557**

Proved and Unproved Associated Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	3,064	5,521	8,225
Moran Field	377	821	1,557
Greater Jorajan Field	2,840	5,801	9,289
Greater Hapjan Field	2,146	3,404	5,349
Greater Shalmari Field	456	626	897
Greater Dikom Field	1,575	3,550	6,695
Kathaloni Field	656	1,091	1,338
Tengakhat Field	2,306	2,687	3,615
Greater Chandmari Field	817	1,790	3,704
Bhogpara Field	184	280	346
Greater Kumchai Field	0	0	0
Central Small Fields	607	992	1,637
Eastern Satellite Fields	105	589	863
Western Satellite Fields	70	291	353
Grand Total	**15,205**	**27,444**	**43,867**

Proved and Unproved Non-Associated Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	1,370	1,697	2,824
Moran Field	87	97	178
Greater Jorajan Field	4,263	4,513	7,132
Greater Hapjan Field	96	215	396
Greater Shalmari Field	9	18	33
Greater Dikom Field	0	0	0
Kathaloni Field	18	38	68
Tengakhat Field	18	33	57
Greater Chandmari Field	3,119	5,619	8,963
Bhogpara Field	0	0	0
Greater Kumchai Field	0	0	0
Central Small Fields	2,005	2,832	4,551
Eastern Satellite Fields	236	339	588
Western Satellite Fields	131	325	702
GRAND TOTAL	**11,352**	**15,726**	**25,494**

Proved and Unproved Total Gas Reserves at 31st March, 2007
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	4,434	7,218	11,049
Moran Field	464	918	1,735
Greater Jorajan Field	7,103	10,314	16,421
Greater Hapjan Field	2,242	3,619	5,745
Greater Shalmari Field	465	645	930
Greater Dikom Field	1,575	3,550	6,695
Kathaloni Field	675	1,128	1,406
Tengakhat Field	2,324	2,720	3,673
Greater Chandmari Field	3,936	7,409	12,667
Bhogpara Field	184	280	346
Greater Kumchai Field	0	0	0
Central Small Fields	2,612	3,823	6,188
Eastern Satellite Fields	341	928	1,451
Western Satellite Fields	201	616	1,055
Grand Total	**26,557**	**43,170**	**69,361**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Nahorkatiya Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
NHK Main	1,215	948	307	2,471	3,907	5,639
Zaloni - West Zaloni	73	196	126	394	830	1,404
Jutlibari	3	20	0	22	26	56
Madhuting – Tipling	176	0	0	176	193	360
Rajali - East Rajali	2	0	0	2	6	10
Bordubi	0	0	0	0	561	756
Total	**1,468**	**1,163**	**433**	**3,064**	**5,521**	**8,225**

Non-Associated Gas Reserves
Greater Nahorkatiya Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
NHK Main	145	0	347	492	543	986
Zaloni - West Zaloni	172	0	141	313	327	471
Jutlibari	0	0	197	197	316	506
Madhuting - Tipling	76	0	282	359	492	827
Rajali - East Rajali	0	0	0	0	0	0
Bordubi	0	0	9	9	19	35
Total	**393**	**0**	**977**	**1,370**	**1,697**	**2,824**

Total Gas Reserves
Greater Nahorkatiya Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
NHK Main	1,360	948	654	2,963	4,450	6,625
Zaloni - West Zaloni	245	196	267	707	1,157	1,875
Jutlibari	3	20	197	219	342	562
Madhuting - Tipling	252	0	282	535	685	1,187
Rajali - East Rajali	2	0	0	2	6	10
Bordubi	0	0	9	9	580	791
Total	**1,861**	**1,163**	**1,410**	**4,434**	**7,218**	**11,049**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Moran Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Moran	246	53	78	377	821	1,557
Total	**246**	**53**	**78**	**377**	**821**	**1,557**

Non-Associated Gas Reserves
Moran Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Moran	0	41	46	87	97	178
Total	**0**	**41**	**46**	**87**	**97**	**178**

Total Gas Reserves
Moran Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Moran	246	94	124	464	918	1,735
Total	**246**	**94**	**124**	**464**	**918**	**1,735**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Jorajan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan – Jorajan	343	872	1,288	2,503	4,992	7,897
Santi	91	186	0	277	474	690
Jaipur	21	14	0	35	305	647
Tarajan	1	24	0	25	30	55
Total	**456**	**1,096**	**1,288**	**2,840**	**5,801**	**9,289**

Non-Associated Gas Reserves
Greater Jorajan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan – Jorajan	1,617	164	1,986	3,766	3,778	5,868
Santi	83	0	314	397	555	958
Jaipur	0	0	36	36	74	135
Tarajan	0	0	64	64	105	171
Total	**1,699**	**164**	**2,400**	**4,263**	**4,513**	**7,132**

Total Gas Reserves
Greater Jorajan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan – Jorajan	1,960	1,036	3,274	6,269	8,770	13,765
Santi	174	186	314	674	1,029	1,648
Jaipur	21	14	36	71	379	782
Tarajan	1	24	64	89	135	226
Total	**2,155**	**1,260**	**3,688**	**7,103**	**10,314**	**16,421**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Hapjan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Hapjan	200	48	12	260	616	1,077
North Hapjan	382	-	570	952	1,389	2,031
Borhapjan	0	47	0	47	57	68
Makum	554	-	247	802	1,169	1,723
North Makum	2	15	0	17	38	197
Samdang	0	10	0	10	26	57
Bazaloni	11	22	26	59	109	196
Total	**1,150**	**142**	**855**	**2,146**	**3,404**	**5,349**

Non-Associated Gas Reserves
Greater Hapjan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Hapjan	0	0	9	9	22	41
North Hapjan	0	0	17	17	34	63
Borhapjan	0	0	35	35	87	169
Makum	0	0	29	29	58	96
North Makum	0	0	0	0	0	0
Samdang	0	0	0	0	0	0
Bazaloni	0	0	6	6	14	28
Total	**0**	**0**	**96**	**96**	**215**	**396**

Total Gas Reserves
Greater Hapjan Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Hapjan	200	48	21	269	638	1,118
North Hapjan	382	0	587	969	1,423	2,094
Borhapjan	0	47	35	82	144	237
Makum	554	0	276	831	1,227	1,819
North Makum	2	15	0	17	38	197
Samdang	0	10	0	10	26	57
Bazaloni	11	22	32	65	123	224
Total	**1,150**	**142**	**951**	**2,242**	**3,619**	**5,745**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Shalmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Shalmari	76	346	18	440	584	771
Tinali	1	0	0	1	1	1
North Tinali	16	0	0	16	41	125
Total	**92**	**346**	**18**	**456**	**626**	**897**

Non-Associated Gas Reserves
Greater Shalmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Shalmari	0	0	9	9	18	33
Tinali	0	0	0	0	0	0
North Tinali	0	0	0	0	0	0
Total	**0**	**0**	**9**	**9**	**18**	**33**

Total Gas Reserves
Greater Shalmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Shalmari	76	346	27	449	602	804
Tinali	1	0	0	1	1	1
North Tinali	16	0	0	16	41	125
Total	**92**	**346**	**27**	**465**	**645**	**930**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Dikom Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati – Hatiali	905	14	657	1,575	3,550	6,695
Total	**905**	**14**	**657**	**1,575**	**3,550**	**6,695**

Non-Associated Gas Reserves
Greater Dikom Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati – Hatiali	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Total Gas Reserves
Greater Dikom Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati – Hatiali	905	14	657	1,575	3,550	6,695
Total	**905**	**14**	**657**	**1,575**	**3,550**	**6,695**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Kathaloni Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Kathaloni – Bachmatia	259	324	72	656	1,091	1,338
Total	**259**	**324**	**72**	**656**	**1,091**	**1,338**

Non-Associated Gas Reserves
Kathaloni Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Kathaloni – Bachmatia	0	0	18	18	38	68
Total	**0**	**0**	**18**	**18**	**38**	**68**

Certified Total Gas Reserves
Kathaloni Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Kathaloni – Bachmatia	259	324	90	675	1,128	1,406
Total	**259**	**324**	**90**	**675**	**1,128**	**1,406**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Tengakhat-Rungoliting Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Tengakhat – Rungoliting	1,905	402	0	2,306	2,687	3,615
Total	**1,905**	**402**	**0**	**2,306**	**2,687**	**3,615**

Non-Associated Gas Reserves
Tengakhat-Rungoliting Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Tengakhat – Rungoliting	0	0	18	18	33	57
Total	**0**	**0**	**18**	**18**	**33**	**57**

Total Gas Reserves
Tengakhat-Rungoliting Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Tengakhat – Rungoliting	1,905	402	18	2,324	2,720	3,673
Total	**1,905**	**402**	**18**	**2,324**	**2,720**	**3,673**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Greater Chandmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Barekuri – South Chandmari	273	24	149	447	1,067	2,635
Baghjan	121	66	184	371	723	1,068
Total	**394**	**90**	**333**	**817**	**1,790**	**3,704**

Non-Associated Gas Reserves
Greater Chandmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Barekuri – South Chandmari	0	0	435	435	942	1,469
Baghjan	0	0	2,684	2,684	4,676	7,494
Total	**0**	**0**	**3,119**	**3,119**	**5,619**	**8,963**

Total Gas Reserves
Greater Chandmari Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Barekuri – South Chandmari	273	24	584	882	2,009	4,104
Baghjan	121	66	2,868	3,055	5,399	8,562
Total	**394**	**90**	**3,452**	**3,936**	**7,409**	**12,667**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Bhogpara Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhogpara	106	55	23	184	280	346
Total	**106**	**55**	**23**	**184**	**280**	**346**

Non-Associated Gas Reserves
Bhogpara Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhogpara	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Total Gas Reserves
Bhogpara Field

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhogpara	106	55	23	184	280	346
Total	**106**	**55**	**23**	**184**	**280**	**346**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Central Small Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	55	16	14	85	201	399
Tamulikhat - North Tamulikhat	9	99	0	108	131	156
Deohal - East Deohal	5	6	-	12	52	85
Chabua	33	15	131	179	274	553
Jaraipather	0	0	0	0	1	4
Matimekhana - North Matimekhana	7	107	0	114	139	166
North Balijan	66	0	0	66	93	121
Khagorijan	-	6	0	6	32	57
Kamkhat	26	0	8	35	70	95
Lohali	0	0	-	0	0	0
Total	**203**	**250**	**153**	**607**	**992**	**1,637**

Non-Associated Gas Reserves
Central Small Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	0	0	3	3	6	11
Tamulikhat - North Tamulikhat	0	0	0	0	0	0
Deohal - East Deohal	323	0	405	727	773	1,282
Chabua	0	0	1,174	1,174	1,887	2,987
Jaraipather	0	0	0	0	0	0
Matimekhana - North Matimekhana	0	0	10	10	20	36
North Balijan	0	0	2	2	4	8
Khagorijan	0	0	0	0	0	0
Kamkhat	0	0	0	0	0	0
Lohali	0	0	89	89	142	227
Total	**323**	**0**	**1,683**	**2,005**	**2,832**	**4,551**

Certified Total Gas Reserves
Central Small Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	55	16	17	88	207	410
Tamulikhat - North Tamulikhat	9	99	-	108	131	156
Deohal - East Deohal	328	6	405	739	825	1,367
Chabua	33	15	1,305	1,353	2,161	3,540
Jaraipather	0	0	0	0	1	4
Matimekhana - North Matimekhana	7	107	10	124	159	202
North Balijan	66	0	2	68	97	129
Khagorijan	0	6	0	6	32	57
Kamkhat	26	0	8	35	70	95
Lohali	0	0	89	89	142	227
Total	**526**	**250**	**1,836**	**2,612**	**3,823**	**6,188**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Eastern Satellite Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	0	0	0	9	41
Bogapani	0	1	-	1	139	229
Kusijan	46	0	58	104	441	593
Kherem	0	0	0	0	0	0
Duarmara	0	0	0	0	0	0
Total	**46**	**1**	**58**	**105**	**589**	**863**

Non-Associated Gas Reserves
Eastern Satellite Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	0	0	0	0	0
Bogapani	0	0	94	94	159	262
Kusijan	60	0	46	106	108	196
Kherem	0	0	30	30	62	112
Duarmara	0	0	7	7	11	17
Total	**60**	**0**	**176**	**236**	**339**	**588**

Certified Total Gas Reserves
Eastern Satellite Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	0	0	0	9	41
Bogapani	0	1	94	95	298	491
Kusijan	106	0	104	210	549	789
Kherem	0	0	30	30	62	112
Duarmara	0	0	7	7	11	17
Total	**106**	**1**	**234**	**341**	**928**	**1,451**

Proved and Unproved Associated Gas Reserves as at 31st March 2007
Western Satellite Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Rajgarh	1	0	0	1	13	19
South Rajgarh	0	60	0	60	105	125
Diroi	3	0	0	3	4	5
Borbil	1	0	0	1	2	2
Dipling	0	0	0	0	4	9
Sarojini	0	0	0	0	14	17
Sapekhati	0	5	0	5	149	177
Haldibari	0	0	0	0	0	0
Dholiya	0	0	0	0	0	0
Total	**6**	**65**	**0**	**70**	**291**	**353**

Non-Associated Gas Reserves
Western Satellite Fields

Area / Structure	PDP MMscm	PDnP MMsc m	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Rajgarh	0	0	7	7	14	25
South Rajgarh	0	0	0	0	0	0
Diroi	0	0	0	0	0	0
Borbil	0	0	0	0	0	0
Dipling	0	0	0	0	0	0
Sarojini	0	0	0	0	0	0
Sapekhati	0	0	99	99	253	556
Dholiya	0	0	25	25	59	121
Total	**0**	**0**	**131**	**131**	**325**	**702**

Total Gas Reserves
Western Satellite Fields

Area / Structure	PDP MMscm	PDnP MMscm	PUD MMscm	1P MMscm	2P MMscm	3P MMscm
Rajgarh	1	0	7	8	27	44
South Rajgarh	0	60	0	60	105	125
Diroi	3	0	0	3	4	5
Borbil	1	0	0	1	2	2
Dipling	0	0	0	0	4	9
Sarojini	0	0	0	0	14	17
Sapekhati	0	5	99	104	402	733
Dholiya	0	0	25	25	59	121
Total	**6**	**65**	**131**	**201**	**616**	**1,055**

ATTACHMENT III

ASSAM WELL COUNT BY FIELD

Assam Well Count By Field

FIELD	AREA/STRUCTURE	NO. OF WELLS
Greater Nahorkatiya Field	NHK Main	200
	Zaloni-West Zaloni	70
	Jutlibari	3
	Madhuting- Tipling	16
	Rajali-East Rajali	2
	Bordubi	5
Moran Field	Moran	109
Greater Jorajan Field	Langkasi-Kathalguri-Nagajan-Jorajan	190
	Santi	27
	Jaipur	31
	Tarajan	5
Greater Hapjan Field	Hapjan	27
	North Hapjan	19
	Borhapjan	5
	Makum	22
	North Makum	2
	Samdang	3
	Bazaloni	3
Greater Shalmari Field	Shalmari	35
	Tinali	2
	North Tinali	12
Greater Dikom Field	Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	48
Kathaloni Field	Kathaloni- Bachmatia	42
Tengakhat-Rungoliting Field	Tengakhat-Rungoliting	38
Greater Chandmari Field	Barekuri	7
	Baghjan	5
Bhogpara Field	Bhogpara	13
Greater Kumchai Field	Kumchai	14
Central Small Fields	Bhekulajan	5
	Tamulikhat-North Tamulikhat	7
	Deohal-East Deohal	8
	Chabua	13
	Jaraipather	1
	Matimekhana- North Matimekhana	4
	North Balijan	7
	Khagorijan	3
	Kamkhat	6

Continue overpage

Assam Well Count By Field (Continued)

FIELD	AREA/STRUCTURE	NO. OF WELLS
Eastern Satellite Fields	Mechaki	1
	Bogapani	7
	Kusijan	10
	Kherem	3
Western Satellite Fields	Rajgarh	12
	South Rajgarh	1
	Diroi	4
	Borbil	2
	Dipling	3
	Sarojini	3
	Sapekhati	1
	Haldibari	1

ATTACHMENT IV

ASSAM OIL AND GAS CUMULATIVE PRODUCTION AS AT 31ST MARCH 2007, BY FIELD

Assam Oil And Gas Cumulative Production As At 31st March 2007, By Field

FIELD	AREA/STRUCTURE	Cum Oil Prod (MMscm)	Cum Gas Prod (MMscm)
Greater Nahorkatiya Field	NHK Main	46.0083	20,280
	Zaloni-West Zaloni	17.2340	4,528
	Jutlibari	0.0145	11
	Madhuting- Tipling	1.9621	3,733
	Rajali-East Rajali	0.0142	11
	Bordubi	0.0287	82
Moran Field	Moran	21.0733	5,609
Greater Jorajan Field	Langkasi-Kathalguri-Nagajan-Jorajan	12.9400	10,339
	Santi	1.9725	1428
	Jaipur	2.6996	382
	Tarajan	0.0861	192
Greater Hapjan Field	Hapjan	2.9469	858
	North Hapjan	1.4033	373
	Borhapjan	0.0042	1
	Makum	2.3544	374
	North Makum	0.0247	59
	Samdang	0.0033	7
	Bazaloni	0.0308	10
Greater Shalmari Field	Shalmari	3.8581	1,531
	Tinali	0.0164	7
	North Tinali	0.1096	5
Greater Dikom Field	Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	7.7870	2,081
Kathaloni Field	Kathaloni- Bachmatia	5.9022	1,697
Tengakhat-Rungoliting Field	Tengakhat-Rungoliting	5.5073	2,055
Greater Chandmari Field	Barekuri	0.4007	42
	Baghjan	0.0541	4
Bhogpara Field	Bhogpara	1.2879	133
Greater Kumchai Field	Kumchai	0.5662	468

Continued over page

Assam Oil And Gas Cumulative Production As At 31st March 2007, By Field
(Continued)

FIELD	AREA/STRUCTURE	Cum Oil Prod (MMscm)	Cum Gas Prod (MMscm)
Central Small Fields	Bhekulajan	0.9331	272
	Tamulikhat-North Tamulikhat	0.4330	154
	Deohal-East Deohal	0.0288	3759
	Chabua	0.2201	43
	Jaraipather	0.0000	0
	Matimekhana- North Matimekhana	0.0764	30
	North Balijan	0.3088	117
	Khagorijan	0.0337	1
	Kamkhat	0.2518	78
	Lohali	0.0000	0
Eastern Satellite Fields	Mechaki	0.0000	0
	Bogapani	0.0734	25
	Kusijan	0.1784	336
	Kherem	0.0000	0
	Duarmara	0.0000	0
Western Satellite Fields	Rajgarh	0.1947	38
	South Rajgarh	0.0000	0
	Diroi	0.2292	59
	Borbil	0.0830	25
	Dipling	0.0017	1
	Sarojini	0.0019	6
	Sapekhati	0.0001	0
	Haldibari	0.0004	0
	Dholiya	0.0000	0
TOTAL		**139.3389**	**61244**

ATTACHMENT V

ASSAM OIL AND GAS PRODUCTION RATE AS AT 31ST MARCH 2007, BY FIELD

Assam Oil and Gas Production Rate as at 31st March 2007, By Field

FIELD	AREA/STRUCTURE	OIL PRODUCTION RATE (scmd)	GAS PRODUCTION RATE (mscmd)
Greater Nahorkatiya Field	NHK Main	536	333
	Zaloni-West Zaloni	202	197
	Jutlibari	3	6
	Madhuting- Tipling	27	307
	Rajali-East Rajali	4	10
	Bordubi	0	120
Moran Field	Moran	294	71
Greater Jorajan Field	Langkasi-Kathalguri-Nagajan-Jorajan	212	1,503
	Santi	96	128
	Jaipur	58	33
	Tarajan	1	7
Greater Hapjan Field	Hapjan	337	68
	North Hapjan	654	221
	Borhapjan	0	0
	Makum	1,574	146
	North Makum	8	35
	Samdang	0	0
	Bazaloni	34	17
Greater Shalmari Field	Shalmari	274	74
	Tinali	6	2
	North Tinali	96	4
Greater Dikom Field	Dikom-Kuhiarbari-Madarkhat-Sealkati-	1,067	853
Kathaloni Field	Kathaloni- Bachmatia	561	293
Tengakhat-Rungoliting	Tengakhat-Rungoliting	1,564	715
Greater Chandmari Field	Barekuri	717	96
	Baghjan	189	14
Bhogpara Field	Bhogpara	792	57
Greater Kumchai Field	Kumchai	151	78
Central Small Fields	Bhekulajan	110	43
	Tamulikhat-North Tamulikhat	64	38
	Deohal-East Deohal	4	151
	Chabua	101	18
	Jaraipather	0	0
	Matimekhana- North Matimekhana	70	5
	North Balijan	39	25
	Khagorijan	0	0
	Kamkhat	220	28
	Lohali	0	0

Continued over page

Assam Oil and Gas Production rate as at 31st March 2007, By Field
(Continued)

FIELD	AREA/STRUCTURE	OIL PRODUCTION RATE (scmd)	GAS PRODUCTION RATE (mscmd)
Eastern Satellite Fields	Mechaki	0	0
	Bogapani	0	0
	Kusijan	52	79
	Kherem	0	0
	Duarmara	0	0
Western Satellite Fields	Rajgarh	6	0
	South Rajgarh	0	0
	Diroi	8	1
	Borbil	12	3
	Dipling	0	0
	Sarojini	0	0
	Sapekhati	0	0
	Haldibari	0	0
	Dholiya	0	0
TOTAL		**10,143**	**5,779**

ATTACHMENT VI

ASSAM OIL PRODUCTION HISTORY PLOTS BY FIELD

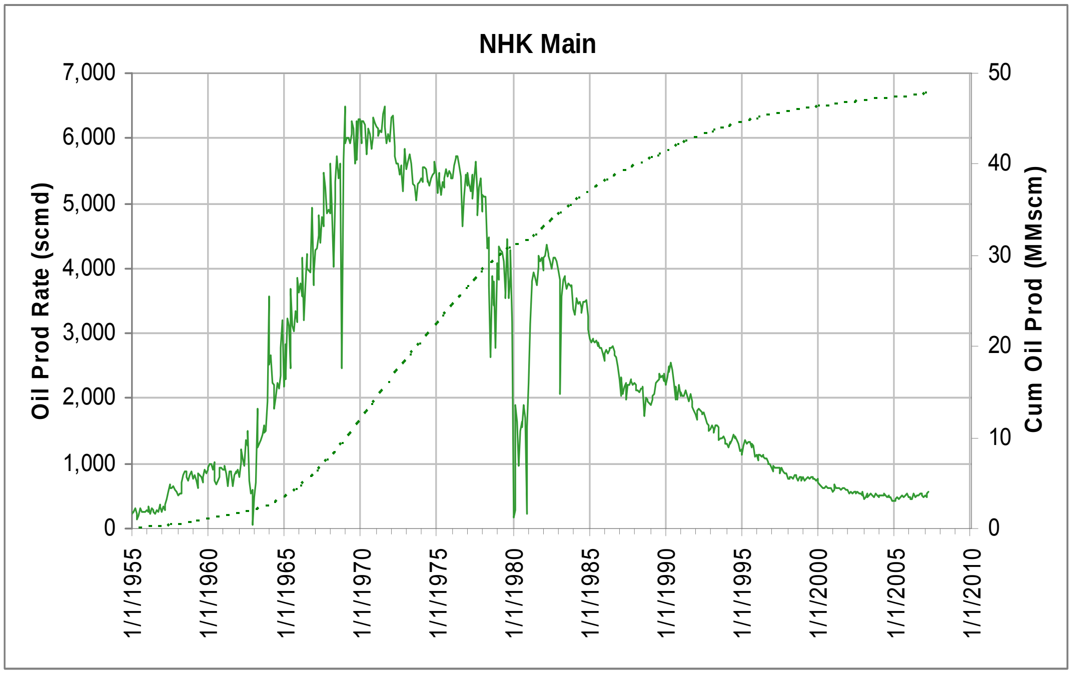
Greater Nahorkatiya Area

The Greater Nahorkatiya Field consists of NHK Main, Zaloni, West Zaloni, Jutlibari, Madhuting-Tipling, Rajali, East Rajali, and Bordubi.

Nahorkatiya Main Field

The oil production history for the NHK Main Field is shown below.

Oil Production Profile
NHK Main Field



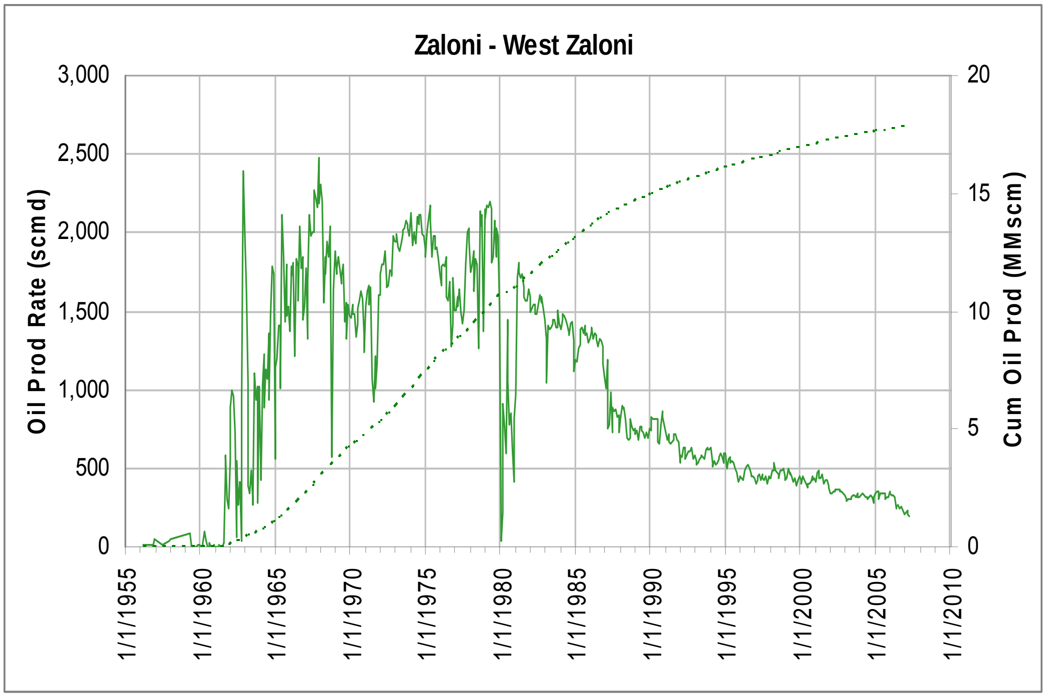
The Nahorkatiya Field is a mature field which has been producing since the 1950s. A plateau oil rate of 6,000 scmd was achieved in 1968 and maintained until 1972. Since then, the field has been in a steady decline except for a period when production was halved in 1980. In recent years, the decline trend has been reversed.

OIL's STOIIP estimate for the field is 151.0 MMscm. Some 46.0 MMscm of oil have been recovered up to 31st March, 2007, giving a current recovery factor of 30.5%.

Zaloni Field

The historical oil production profile for the Zaloni-West Zaloni Field is shown below.

Oil Production Profile
Zaloni-West Zaloni Field



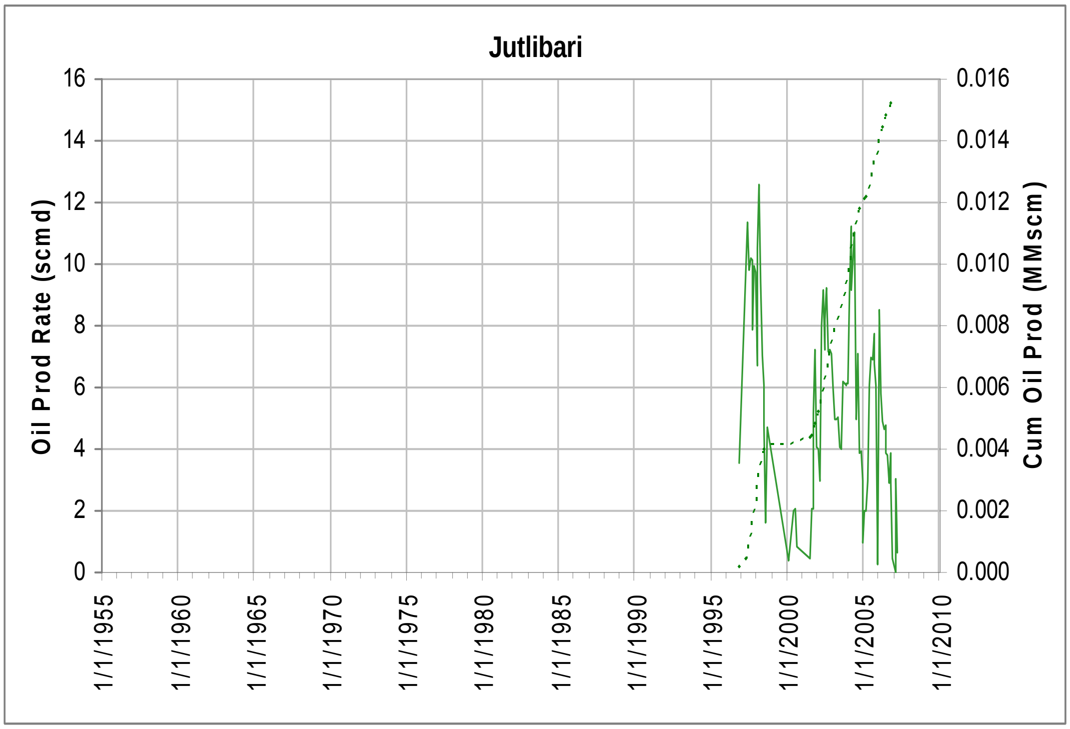
The Zaloni-West Zaloni Field is a mature field which has been producing since the 1960s. The oil production rate varied between 1,000 and 2,400 scmd from 1965 until 1980. In 1982 the field began a steady decline.

OIL's STOIIP estimate for the field is 49.4 MMscm. Some 17.2 MMscm of oil have been recovered giving a current recovery factor of 35.0%.

Jutlibari Field

The historical oil production profile for the Jutlibari Field is shown below.

Oil Production Profile
Jutlibari Field



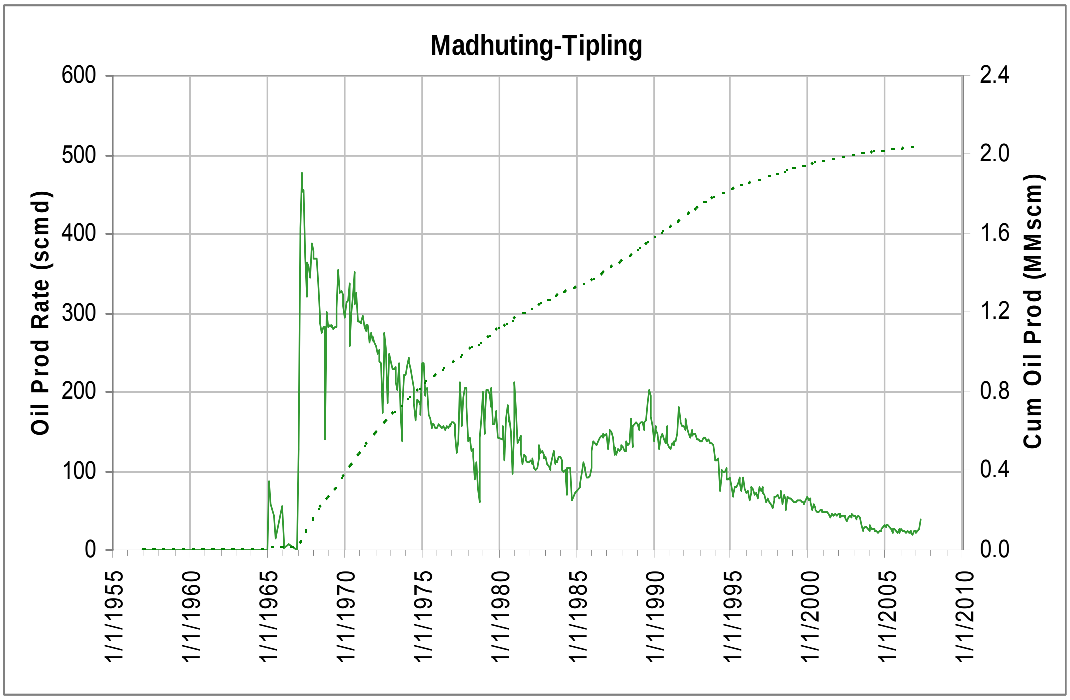
The Jutlibari Field has a chequered production history. The field produced intermittently since 1996, with oil rate ranging up to 12 scmd.

OIL's STOIIP estimate for the field is 1.39 MMscm. Some 0.014 MMscm of oil have been recovered giving a current recovery factor of about 1.1%.

Madhuting-Tipling Field

The historical oil production profile for the Madhuting-Tipling Field is shown below.

Oil Production Profile
Madhuting-Tipling Field



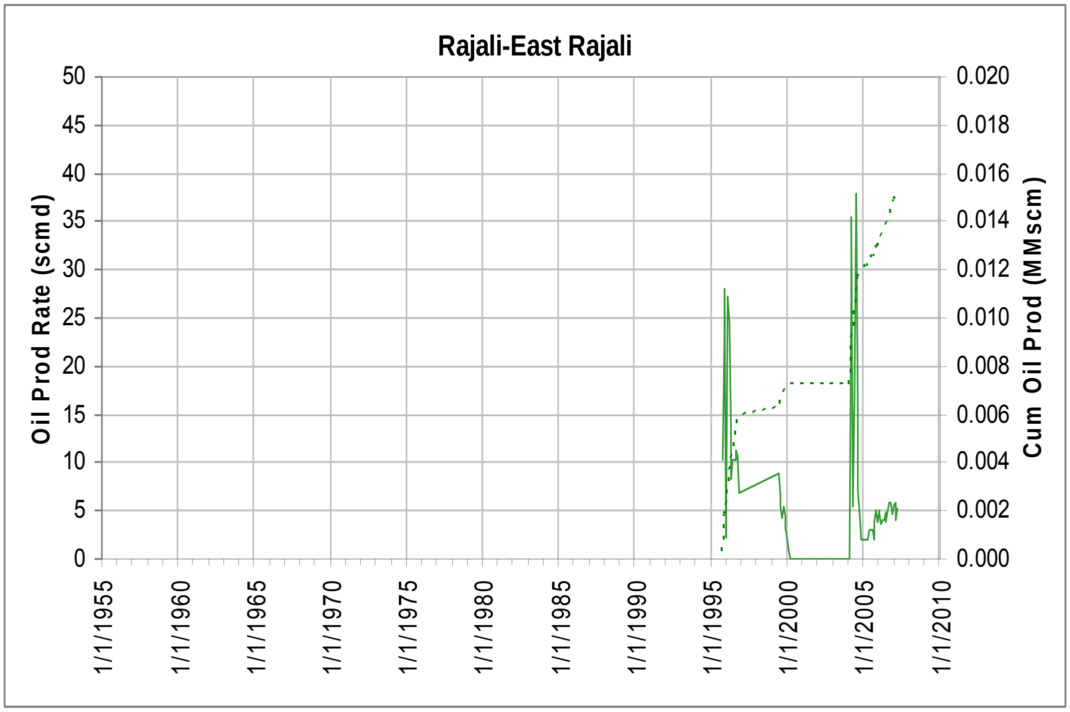
The Madhuting-Tipling Field is a mature field which has been producing since the 1950s. A peak oil rate in excess of 480 scmd was achieved briefly in 1967. Since then, the field has been in a decline which was, up to 1980, erratic in nature.

OIL's STOIIP estimate for the field is 9.43 MMscm. Some 1.96 MMscm of oil have been recovered giving a current recovery factor of 20.8%.

Rajali-East Rajali Field

The historical oil production profile for the Rajali-East Rajali Field is shown below.

Oil Production Profile
Rajali-East Rajali Field

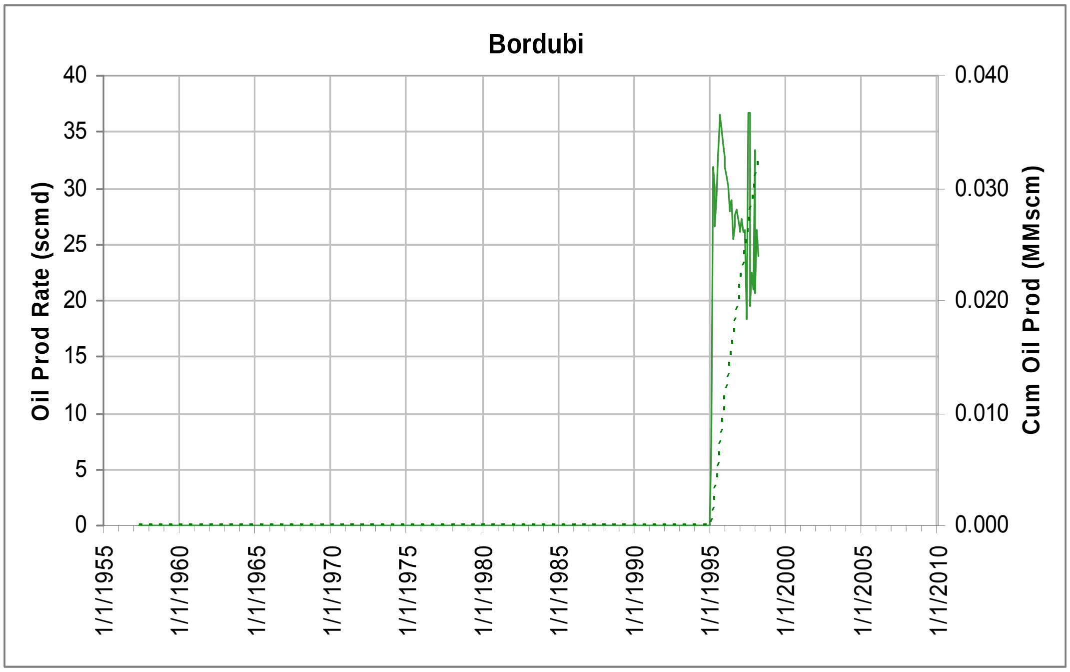


The Rajali Field produced between 1996 and the year 2000. It has not produced since. In March 2004 production began from East Rajali. A peak oil rate of about 38 scmd was achieved briefly in July 2004.
OIL's STOIIP estimate for the field is 1.18 MMscm. Some 0.014 MMscm of oil have been recovered giving a current recovery factor of about 1.3%.

Bordubi Field

The historical oil production profile for the Bordubi Field is shown below.

Oil Production Profile
Bordubi Field



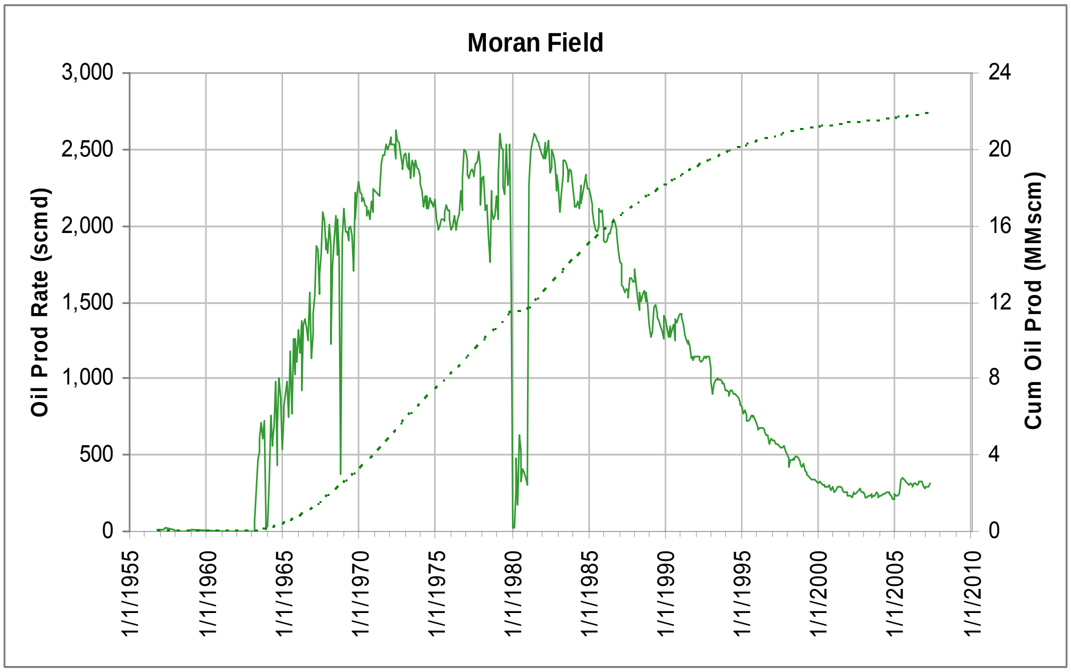
The Bordubi Field produced in the period 1995 to 1998 and it has not produced since.

OIL's STOIIP estimate for the field is 2.73 MMscm. Some 0.029 MMscm of oil have been recovered giving a current recovery factor of 1.1%.

Moran Area

The historical oil production profile for the Moran Field is shown below.

Oil Production Profile
Moran Field



The Moran Field is a mature field which has been producing since 1963. A plateau oil rate of in excess of 2,000 scmd was achieved in 1970 and maintained through until 1986. Since then the field had been in a steady decline until 2005 when the trend was reversed due to development activities.

OIL's STOIIP estimate for the field is 79.5 MMscm. Some 21.1 MMscm of oil have been recovered, giving a current recovery factor of about 26.6%.

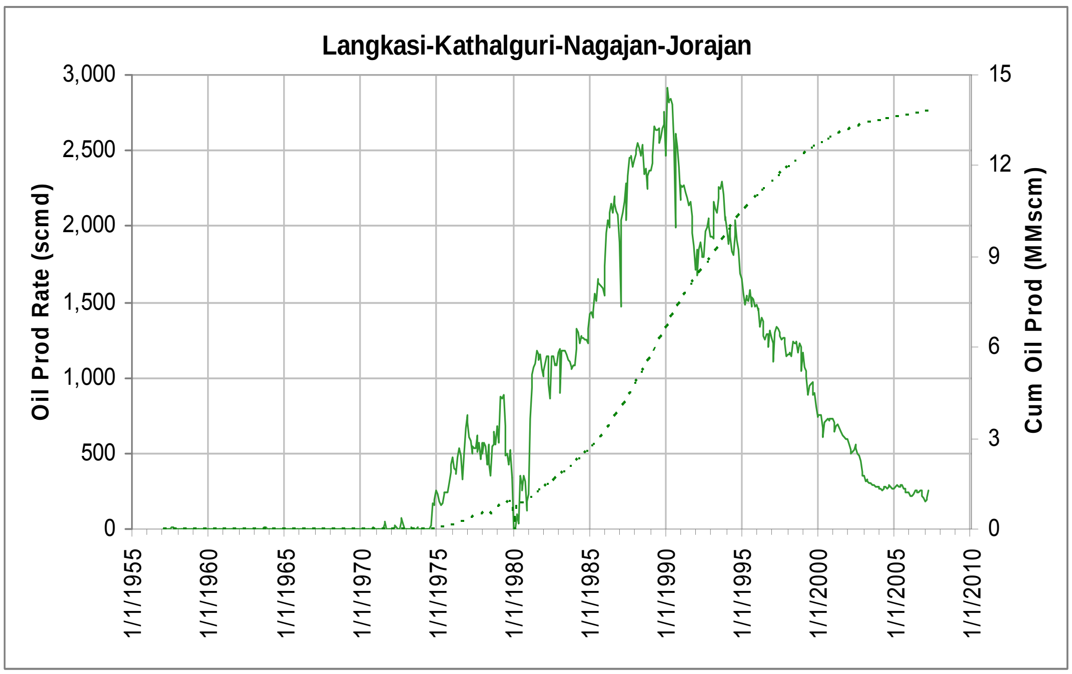
Greater Jorajan Area

The Greater Jorajan Field consists of Langkasi, Kathalguri, Nagajan, Jorajan, Santi, Jaipur and Tarajan.

Langkasi-Kathalguri-Nagajan-Jorajan Field

The historical oil production profile for the Langkasi-Kathalguri-Nagajan-Jorajan Field is shown below.

Oil Production Profile
Langkasi-Kathalguri-Nagajan-Jorajan Field

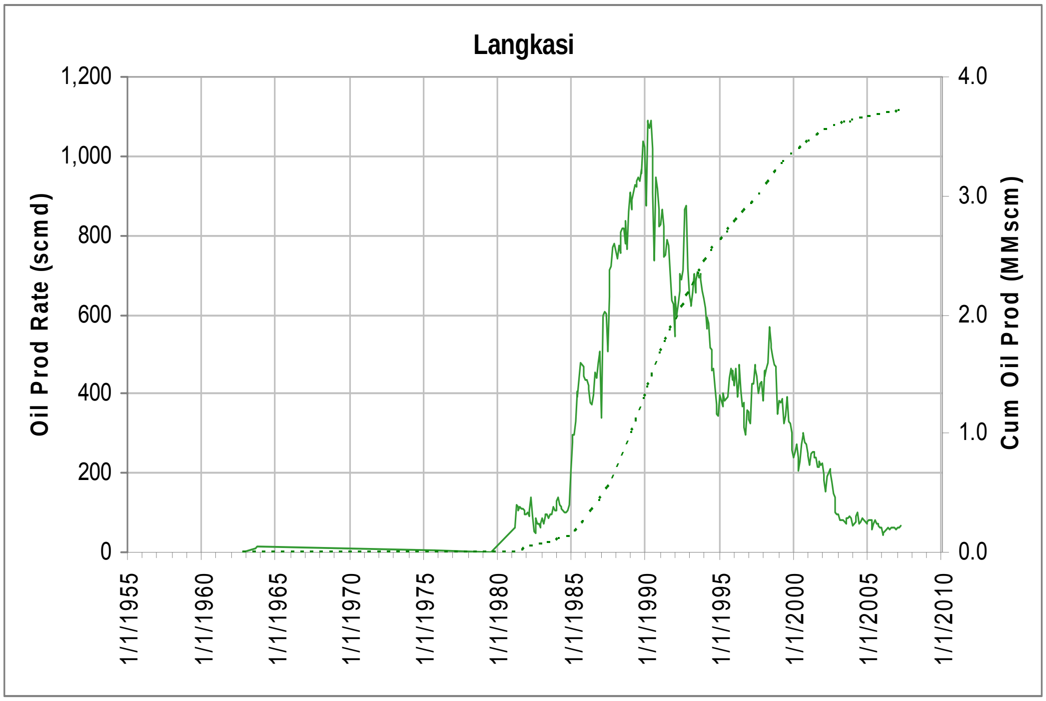


The Langkasi-Kathalguri-Nagajan-Jorajan Field is mature and has been producing since 1970. A peak oil rate of 2,920 scmd was achieved briefly in 1990 and since then, the field has been in a steady decline. In recent years, the oil rate has stabilised at about 230 scmd due to development activities.

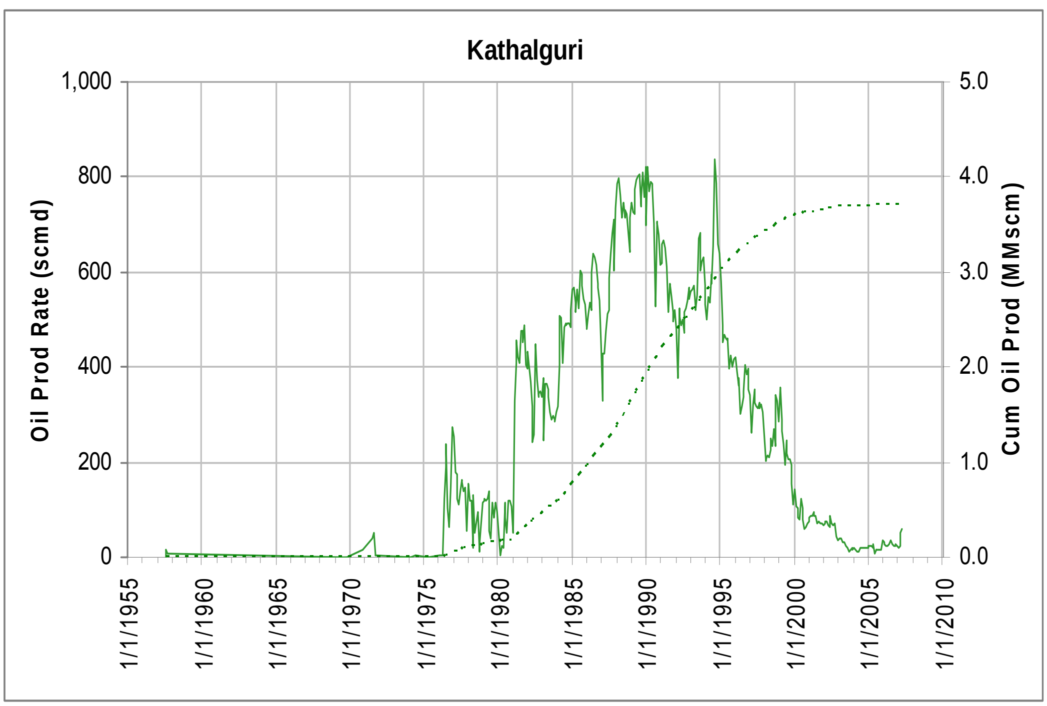
OIL's STOIIP estimate for the field is 120.2 MMscm. Some 12.9 MMscm of oil have been recovered, giving a current recovery factor of 10.8%.

The individual historical oil production profiles for the Langkasi, Kathalguri, Nagajan, and Jorajan Fields are shown below.

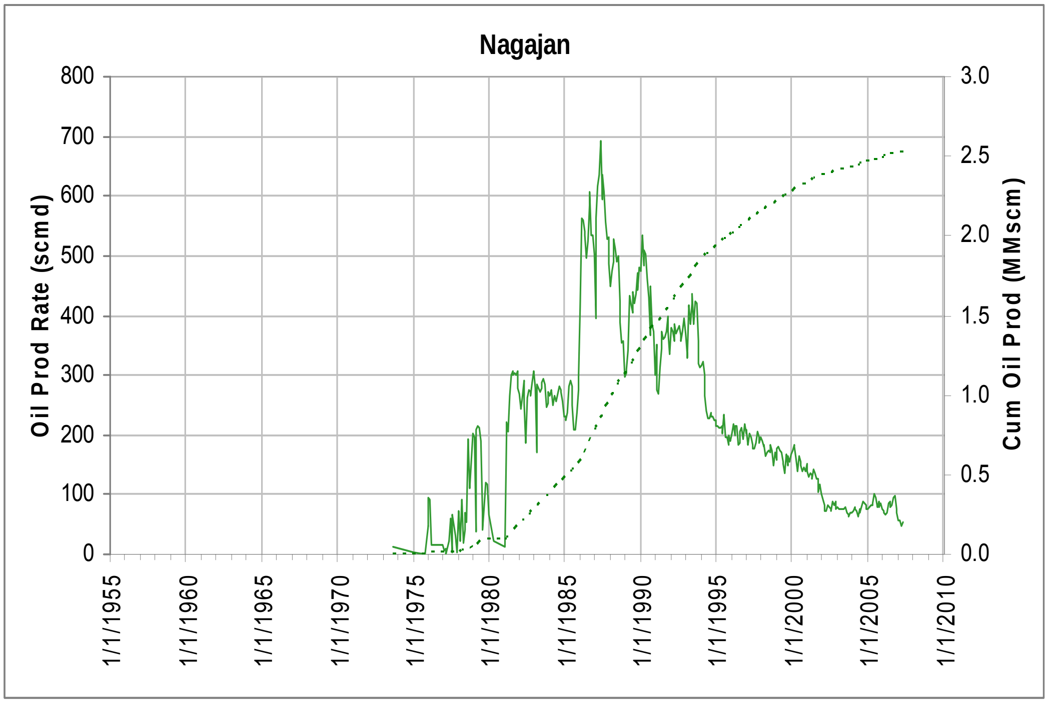
Oil Production Profile
Langkasi Field



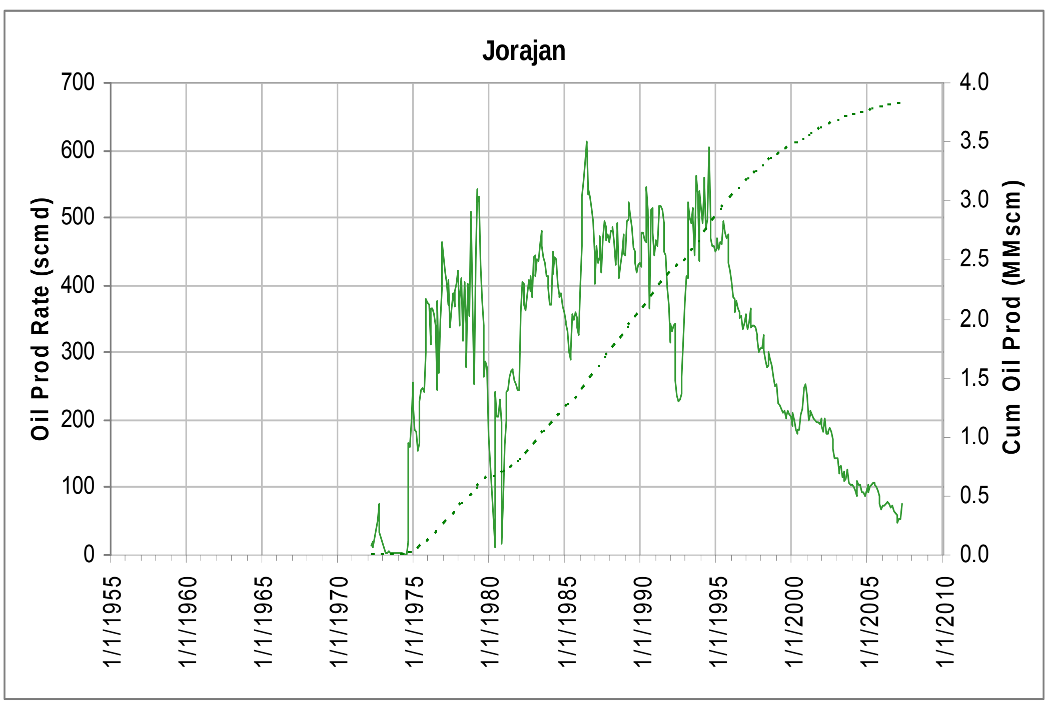
Oil Production Profile
Kathalguri Field



Oil Production Profile
Nagajan Field



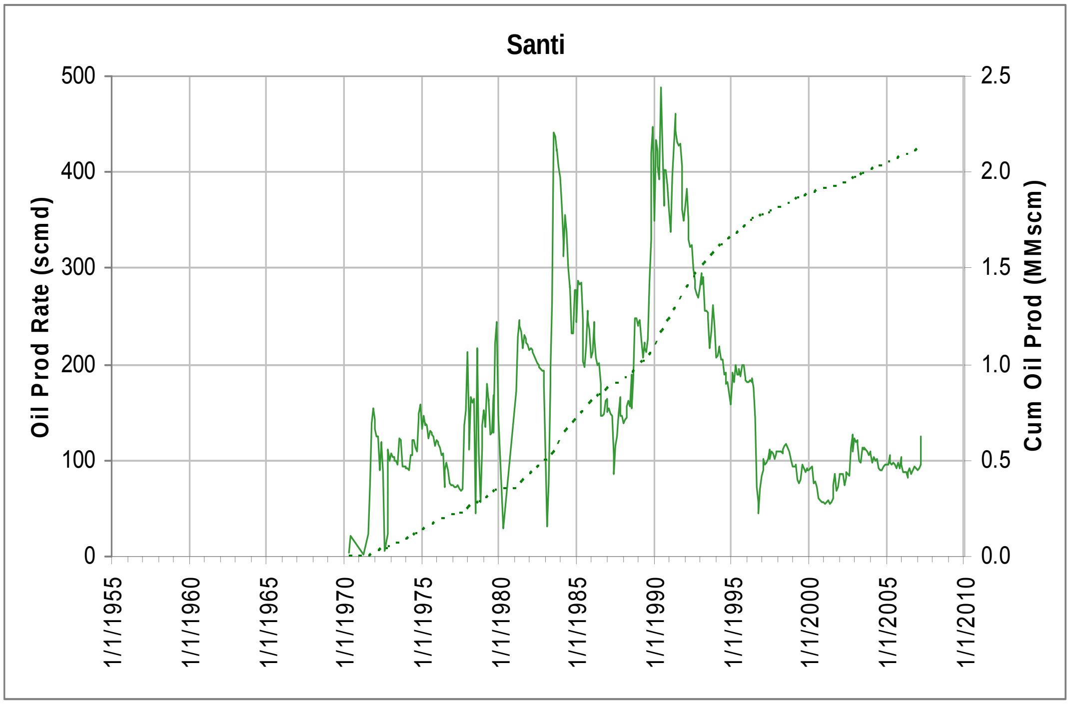
Oil Production Profile
Jorajan Field



Santi Field

The historical oil production profile for the Santi Field is shown below.

Oil Production Profile
Santi Field



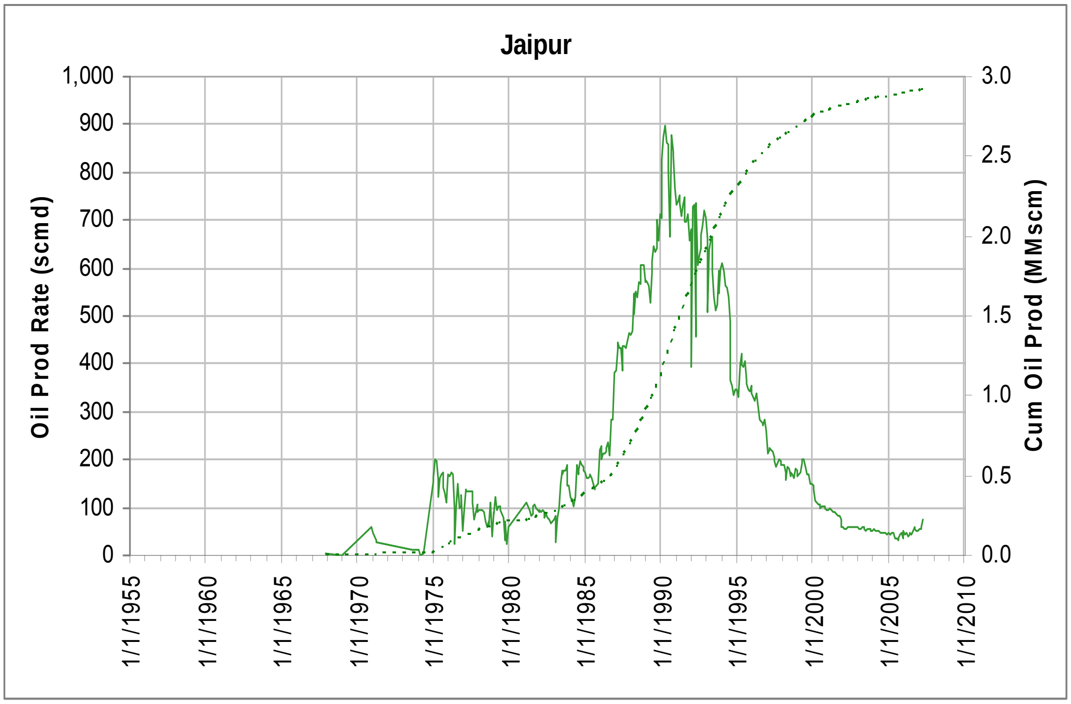
The Santi Field is a mature field which has produced erratically since 1974. A peak oil rate in excess of 400 scmd was achieved briefly in 1983, 1990 and 1991. Since 2003, the field production rate has been in a decline until recently, when the trend was reversed.

OIL's STOIIP estimate for the field is 19.6 MMscm. Some 1.97 MMscm of oil have been recovered, giving a current recovery factor of 10.0%.

Jaipur Field

The historical oil production profile for the Jaipur Field is shown below.

Oil Production Profile
Jaipur Field



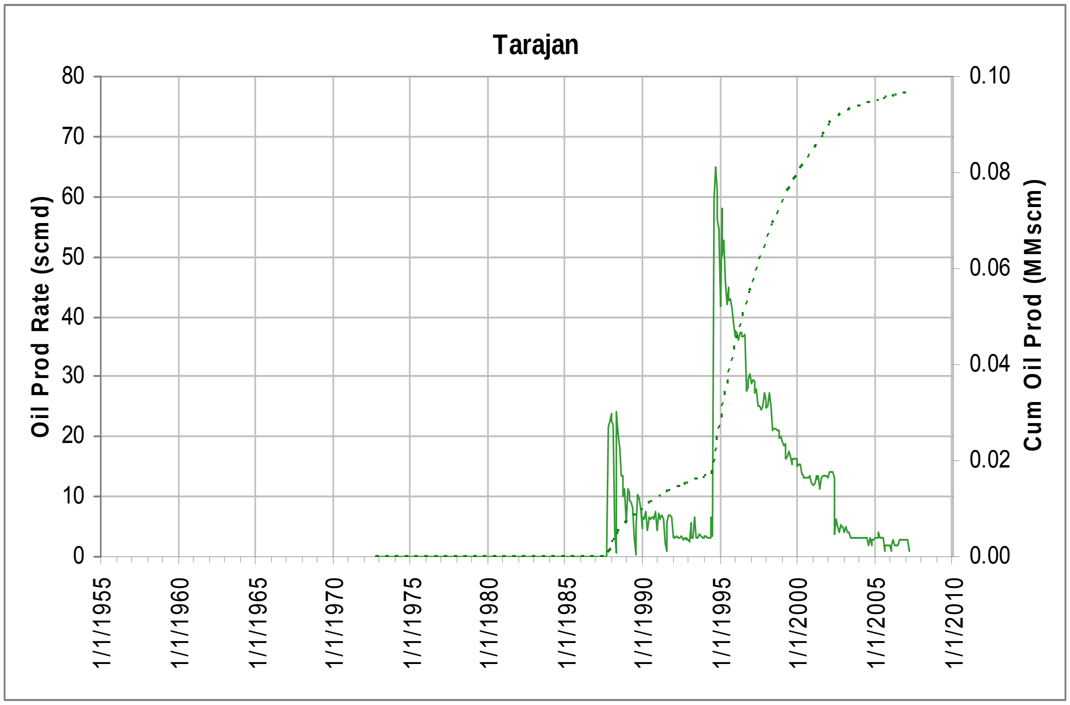
The Jaipur Field is a mature field which has been producing since 1974. A peak oil rate of 900 scmd was achieved in 1991. Since then the field has been in a steady decline trend until recent years when the trend reversed.

OIL's STOIIP estimate for the field is 32.8 MMscm. Some 2.70 MMscm of oil have been recovered giving a current recovery factor of about 8.2%.

Tarajan Field

The historical oil production profile for the Tarajan Field is shown below.

Oil Production Profile
Tarajan Field



The Tarajan Field has had an erratic production history since 1988. A peak oil rate in excess of 60 scmd was achieved briefly in 1994. Since then, the field has been in decline.

OIL's STOIIP estimate for the field is 2.02 MMscm. Some 0.086 MMscm of oil have been recovered, giving a current recovery factor of about 4.3%.

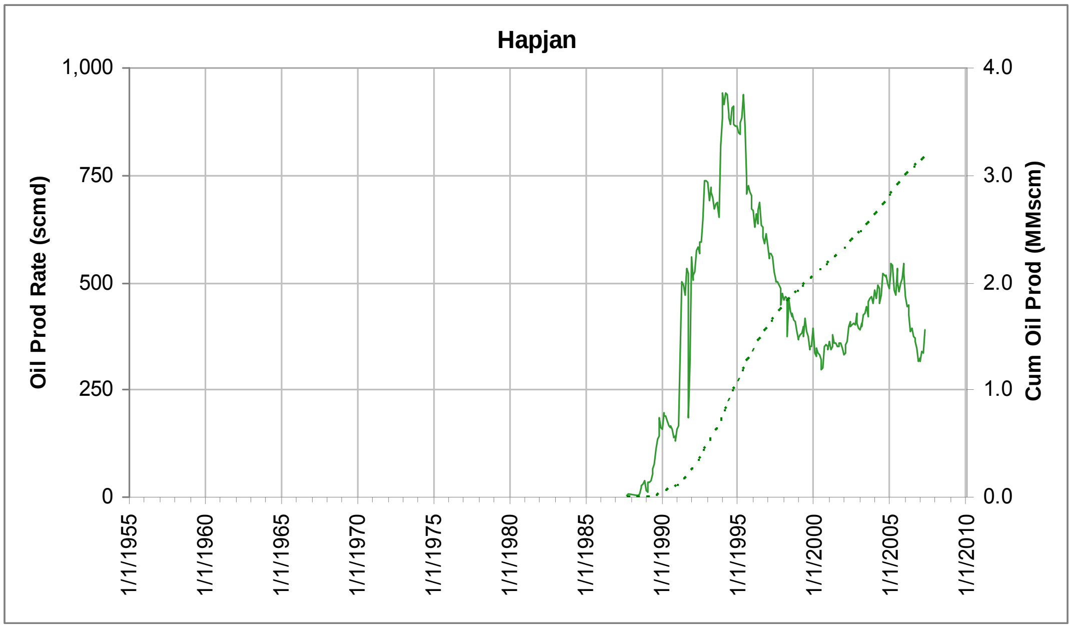
Greater Hapjan Area

The Greater Hapjan Field consists of Hapjan, North Hapjan, Borhapjan, Makum, North Makum, Samdang, and Bazaloni.

Hapjan Field

The historical oil production profile for the Hapjan Field is shown below.

Oil Production Profile
Hapjan Field



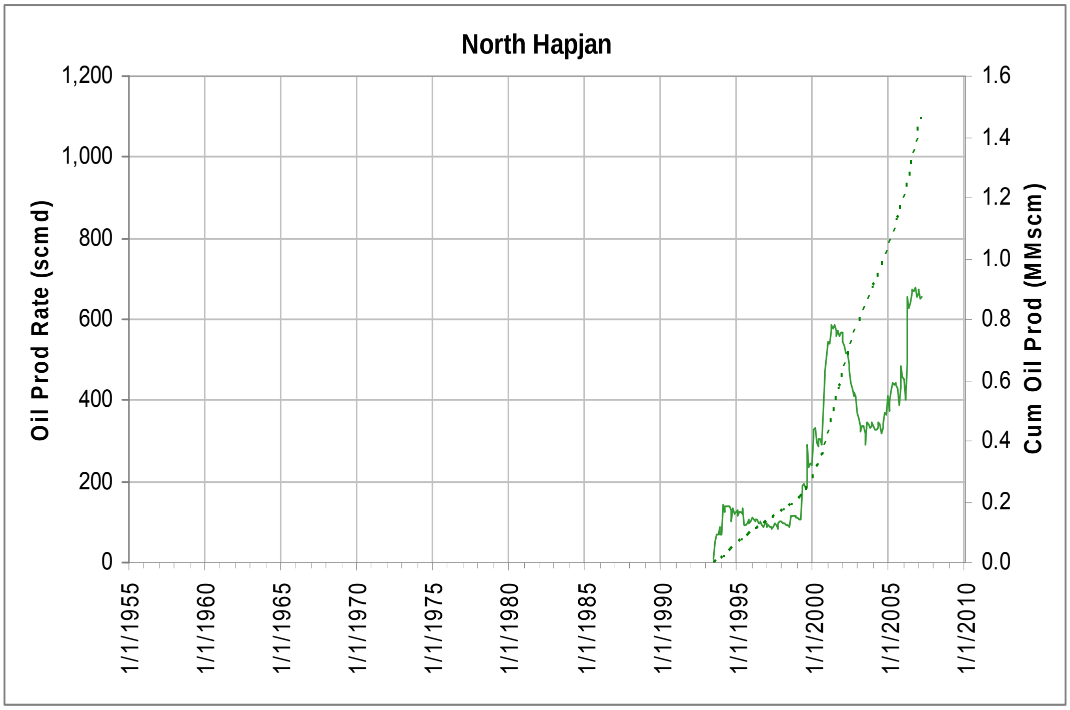
The Hapjan Field field has produced since 1988. It reached a peak oil rate in excess of 900 scmd in 2004, before decline. In 2000, the oil rate started to increase, reaching a lower peak of 540 scmd in 2005 before decline again. Recently, the decline trend has reversed due to development activities.

OIL's STOIIP estimate for the field is 34.4 MMscm. Some 2.95 MMscm of oil have been recovered, giving a current recovery factor of 8.6%.

North Hapjan Field

The historical oil production profile for the North Hapjan Field is shown below.

Oil Production Profile
North Hapjan Field



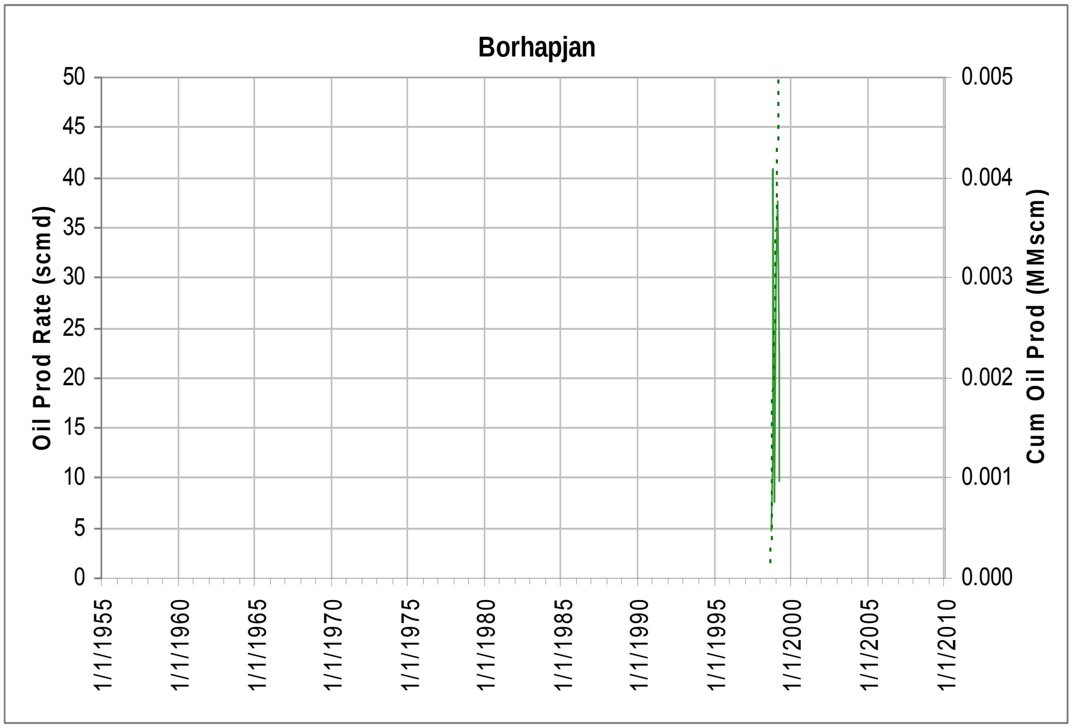
The North Hapjan Field has been producing since 1993. A peak oil rate of 580 scmd was achieved in 2001. In recent years, the oil rate has been on the increase due to development activities.

OIL's STOIIP estimate for the field is 16.5 MMscm. Some 1.4 MMscm of oil have been recovered, giving a current recovery factor of 8.6%.

Borhapjan Field

The historical oil production profile for the Borhapjan Field is shown below.

Oil Production Profile
Borhapjan Field



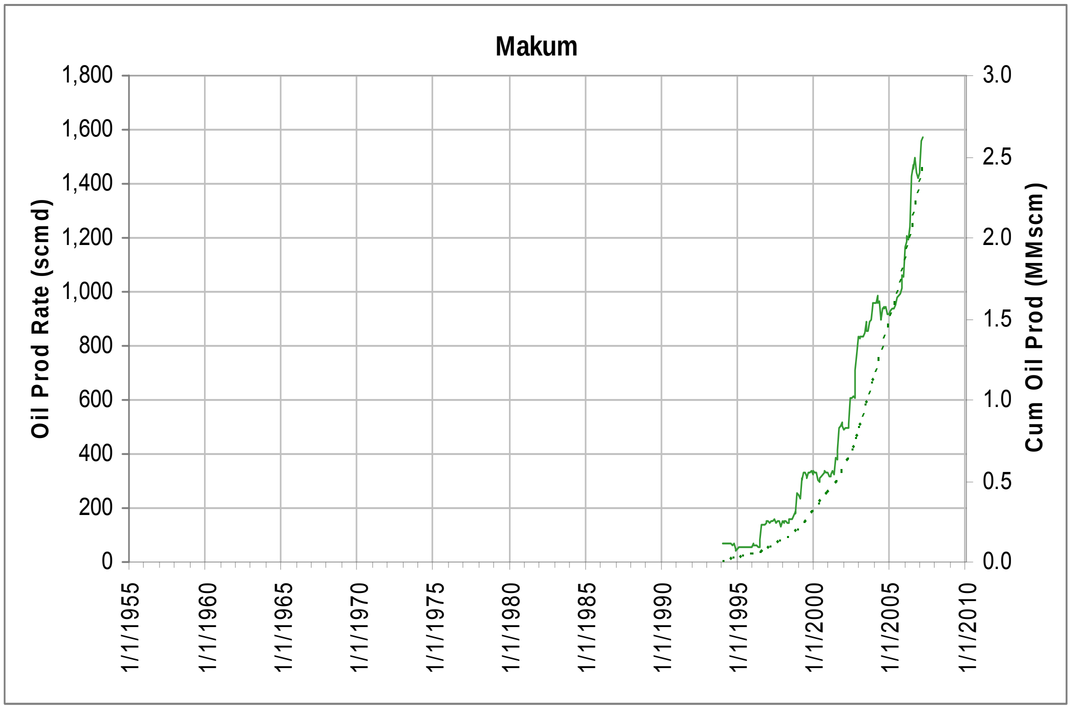
The Borhapjan Field produced briefly in 1998, when it achieved a rate of 40 scmd of oil. It was then shut in for six years until 2005 when production was revived. Production rate started at 38 scmd, but quickly fell to 8 scmd. The field was then shut-in again.

OIL's STOIIP estimate for the field is 2.17 MMscm. Some 0.004 MMscm of oil have been recovered, giving a current recovery factor of 0.2%.

Makum Field

The historical oil production profile for the Makum Field is shown below.

Oil Production Profile
Makum Field



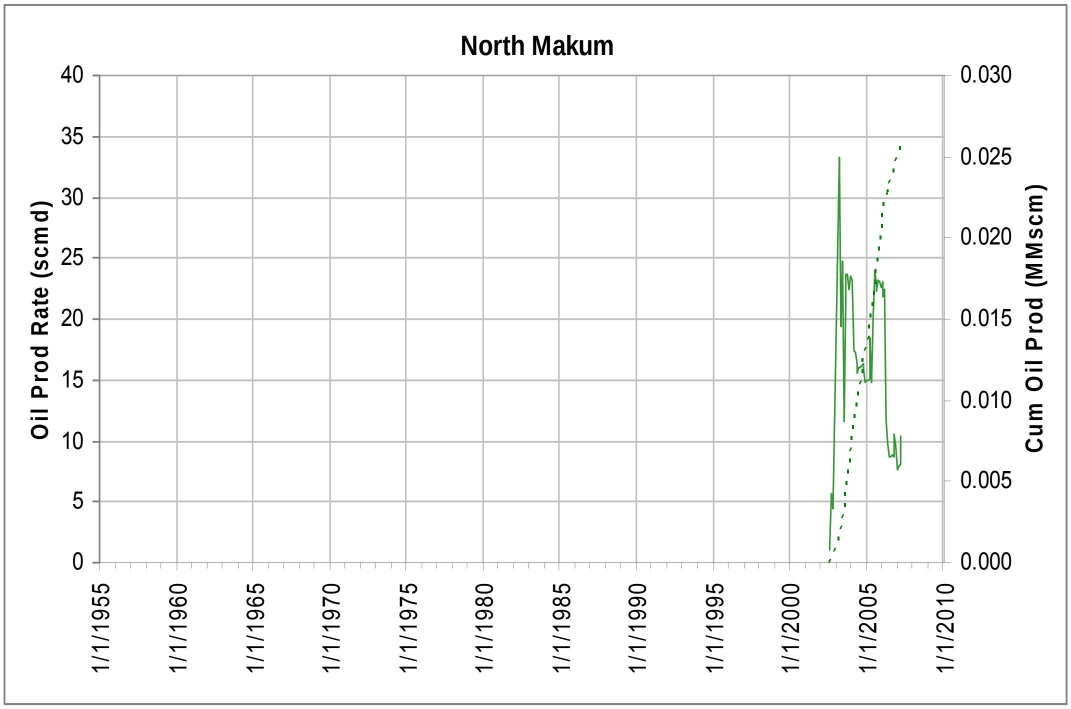
The Makum Field started production in 1994. Since then the oil rate has increased steadily due to ongoing development activities.

OIL's STOIIP estimate for the field is 18.7 MMscm. Some 2.35 MMscm of oil have been recovered giving a current recovery factor of 12.6%.

North Makum Field

The historical oil production profile for the North Makum Field is shown below.

Oil Production Profile
North Makum Field



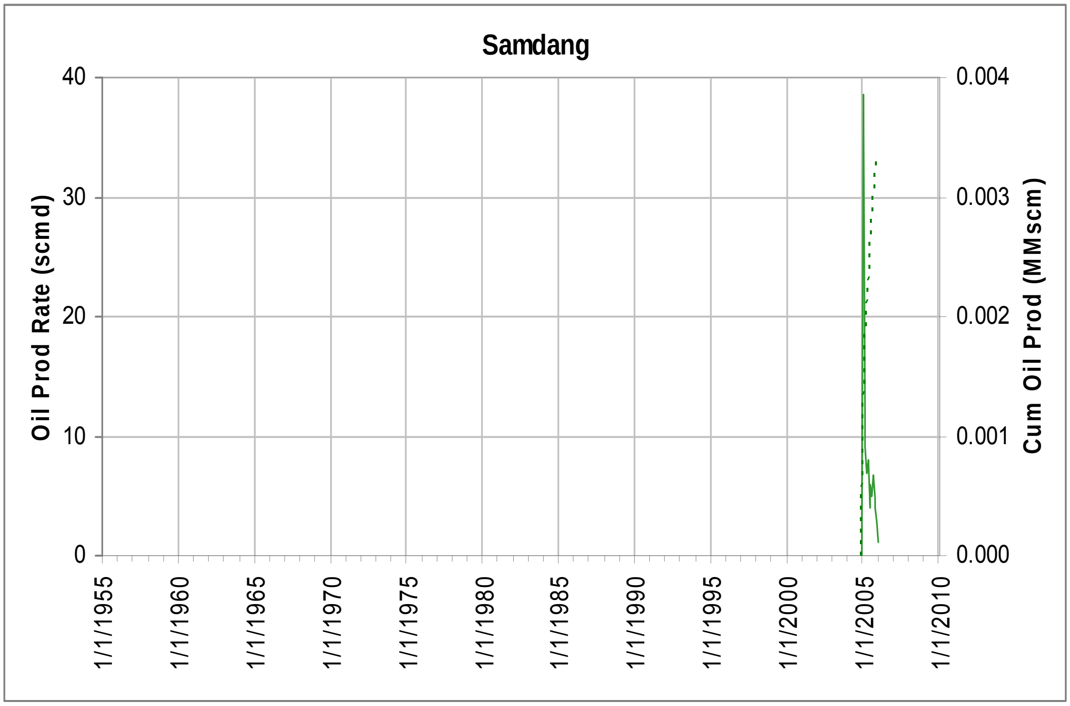
The North Makum Field started production in 2002. In recent years, the oil rate has declined.

OIL's STOIIP estimate for the field is 0.49 MMscm. Some 0.025 MMscm of oil have been recovered, giving a current recovery factor of 5.1%.

Samdang Field

The historical oil production profile for the Samdang Field is shown below.

Oil Production Profile
Samdang Field



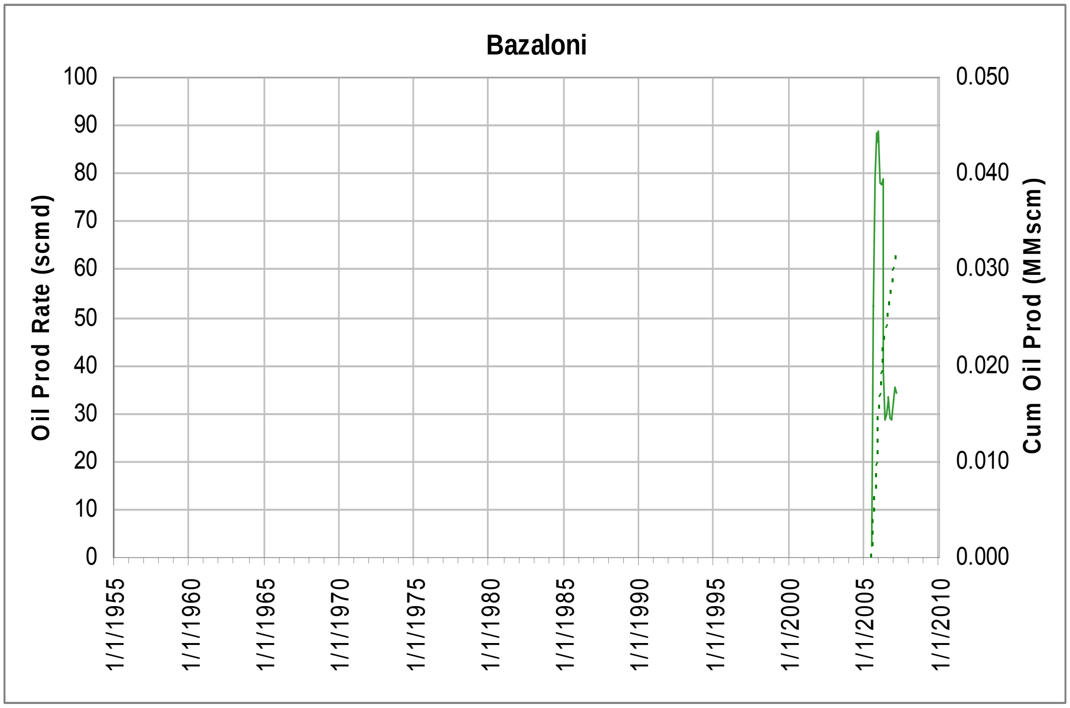
The Samdang Field produced briefly in 2005. Its oil rate declined rapidly and the field is currently shut-in.

OIL's STOIIP estimate for the field is 1.49 MMscm. Some 0.003 MMscm of oil have been recovered, giving a current recovery factor of 0.2%.

Bazaloni Field

The historical oil production profile for the Bazaloni Field is shown below.

Oil Production Profile
Bazaloni Field



The Bazaloni Field started production in 2005. The oil rate reached a peak rate of 90 scmd before decline to about 32 scmd. Recently, the decline trend has reversed.

OIL's STOIIP estimate for the field is 2.11 MMscm. Some 0.031 MMscm of oil have been recovered, giving a current recovery factor of 1.6%.

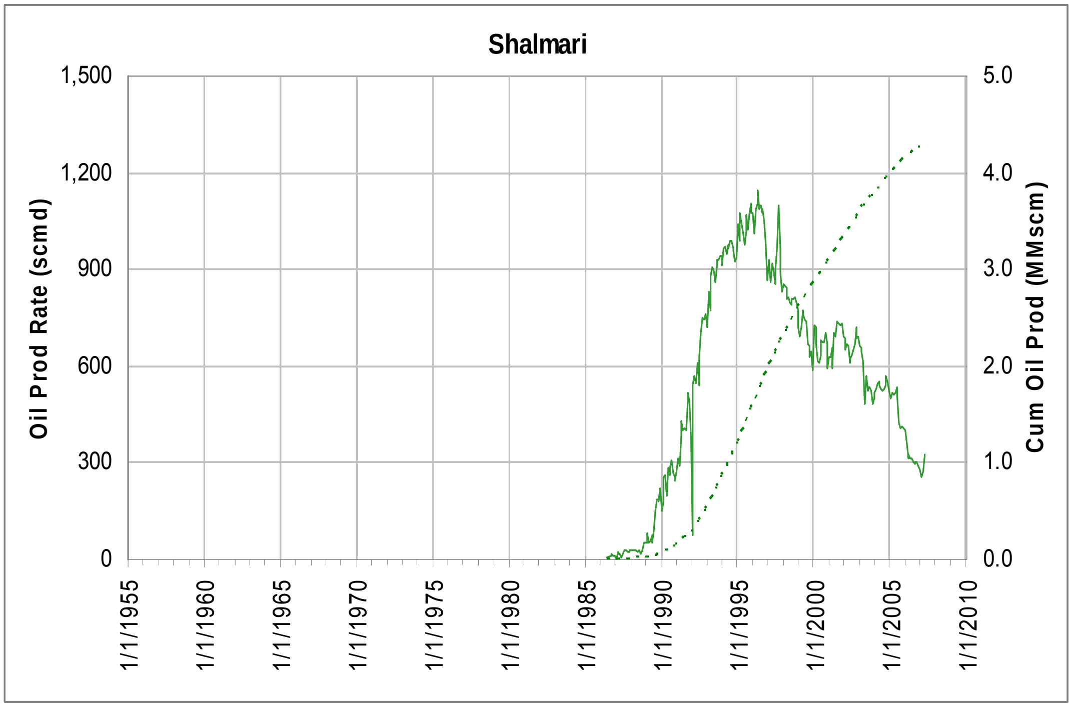
Greater Shalmari Area

The Greater Shalmari Field consists of Shalmari, Tinali, and North Tinali.

Shalmari Field

The historical oil production profile for the Shalmari Field is shown below.

Oil Production Profile
Shalmari Field



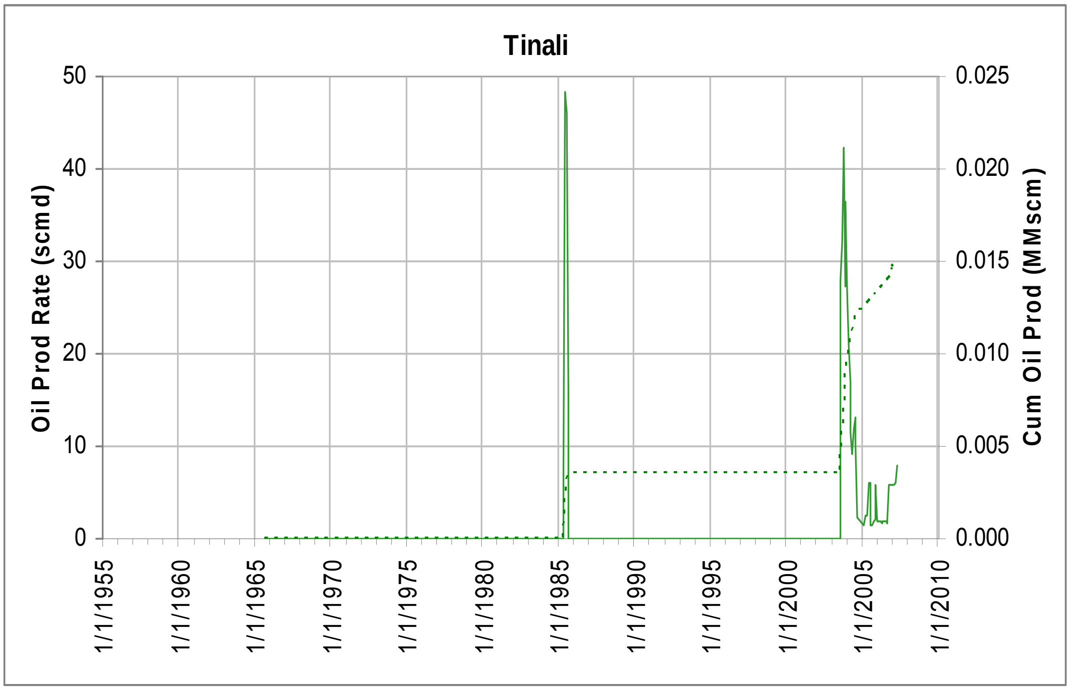
The Shalmari Field is a mature field which has produced since 1986. A peak oil rate in excess of 1,100 scmd was achieved in 1996. Since then, the field has been in a steady decline.

OIL's STOIIP estimate for the field is 18.8 MMscm. Some 3.86 MMscm of oil have been recovered giving a current recovery factor of 20.5%.

Tinali Field

The historical oil production profile for the Tinali Field is shown below.

Oil Production Profile
Tinali Field



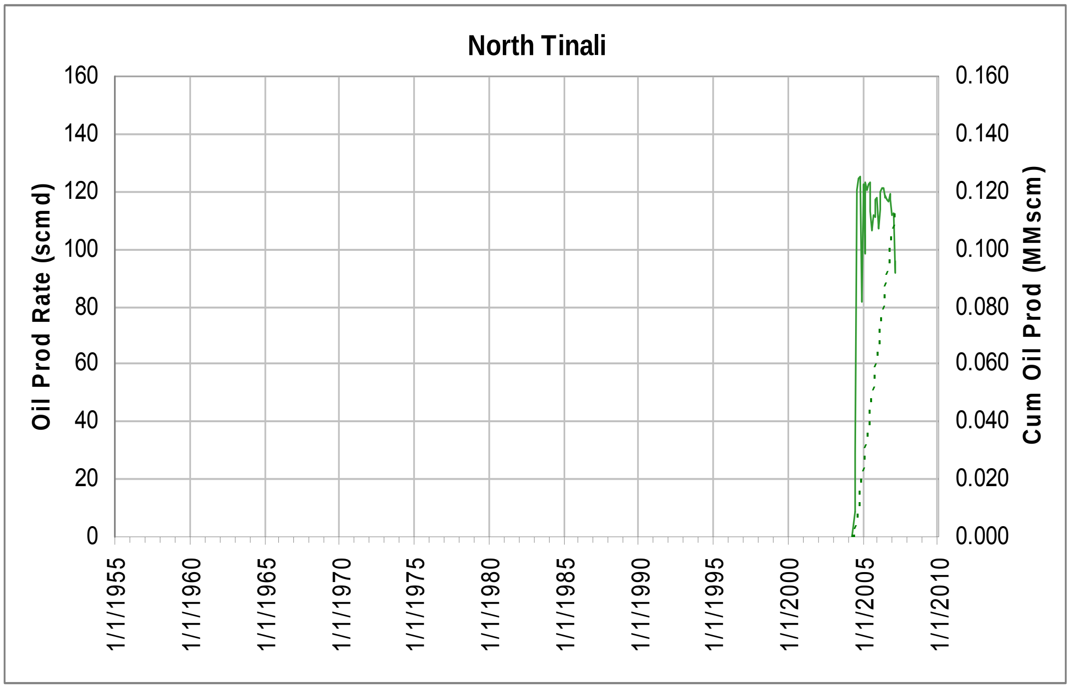
The Tinali Field was tested at various times. It came onto continuous production in 2003 with a peak rate of 42 scmd.

OIL's STOIIP estimate for the field is 2.53 MMscm. Some 0.016 MMscm of oil have been recovered, giving a current recovery factor of only 0.6%.

North Tinali Field

The historical oil production profiled for the North Tinali Field is shown below.

Oil Production Profile
North Tinali Field



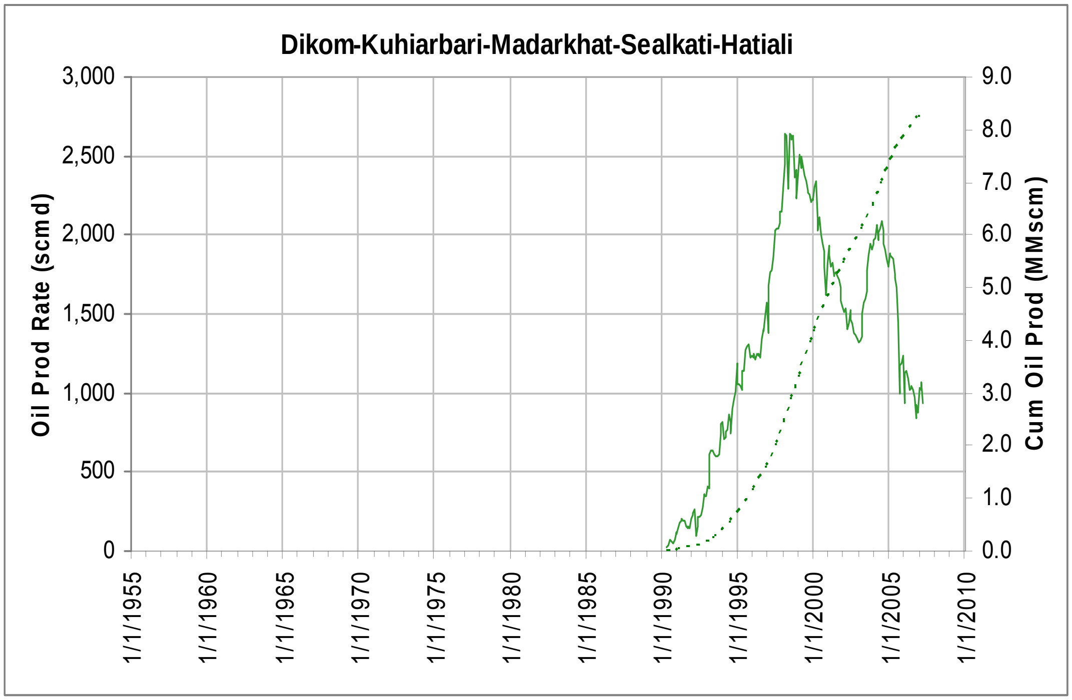
The North Tinali Field came onto production in 2004 and reached an oil rate of 120 scmd. Recently, its oil rate has seen an increase.

OIL's STOIIP estimate for the field is 0.35 MMscm. Some 0.11 MMscm of oil have been recovered giving a current recovery factor of 31.7%.

Greater Dikom Area

The Greater Dikom Field is an amalgamation of Dikom, Madarkat, Kuhiarbari, and Sealkati, and Hatiali Fields.
The historical oil production profile for the Greater Dikom Field is shown below.

Oil Production Profile
Greater Dikom Field



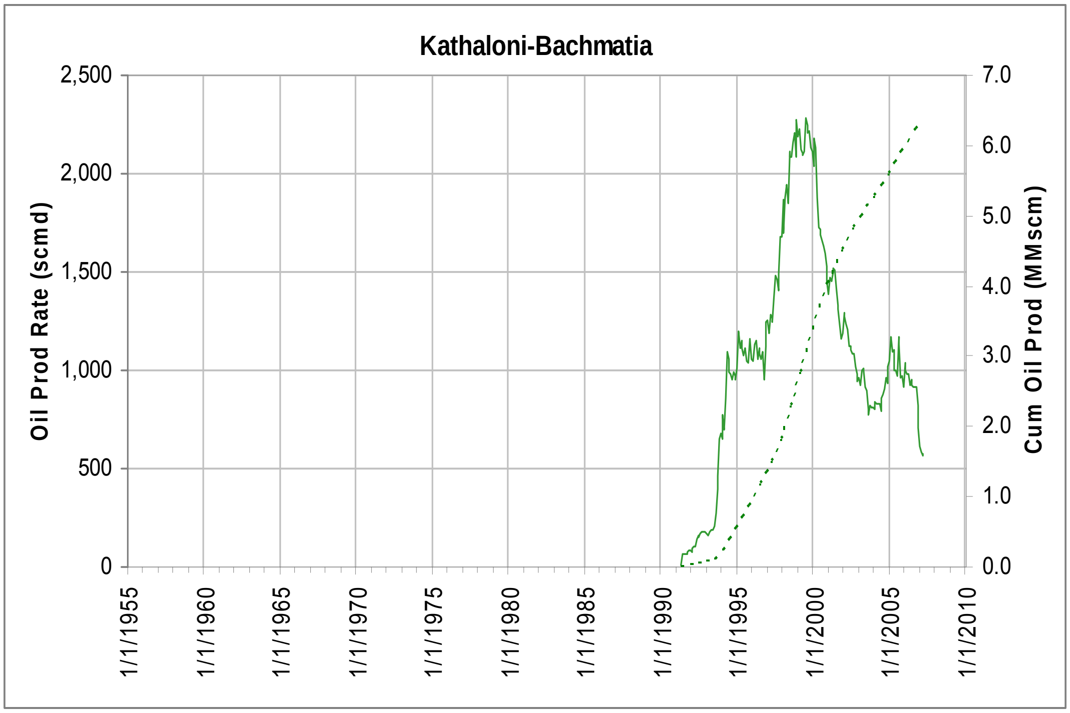
The Greater Dikom Field is a mature field which has been producing since 1990. A plateau oil rate of in excess of 2,500 scmd was achieved in 1998. Since then, the field had been in a steady decline until 2003 when the trend was reversed. It reached a lower peak of 2,000 scmd before decline. In recent years, the oil rate has maintained at about 1,000 scmd due to development activities.

OIL's STOIIP estimate for the field is 23.5 MMscm. Some 7.79 MMscm of oil have been recovered, giving a current recovery factor of about 33.2%.

Kathaloni Area

The Kathaloni Field is an amalgamation of Kathaloni and Bachmatia Fields.
The historical oil production profile for the Kathaloni-Bachmatia Field is shown below.

Oil Production Profile
Kathaloni-Bachmatia Field



The Kathaloni-Bachmatia Field is a mature field which has been producing since 1991. A peak oil rate of in excess of 2,200 scmd was achieved. Since 1999, the field had been in a steady decline until 2004, when the trend was reversed. It reached a lower peak of 1,200 scmd before decline.

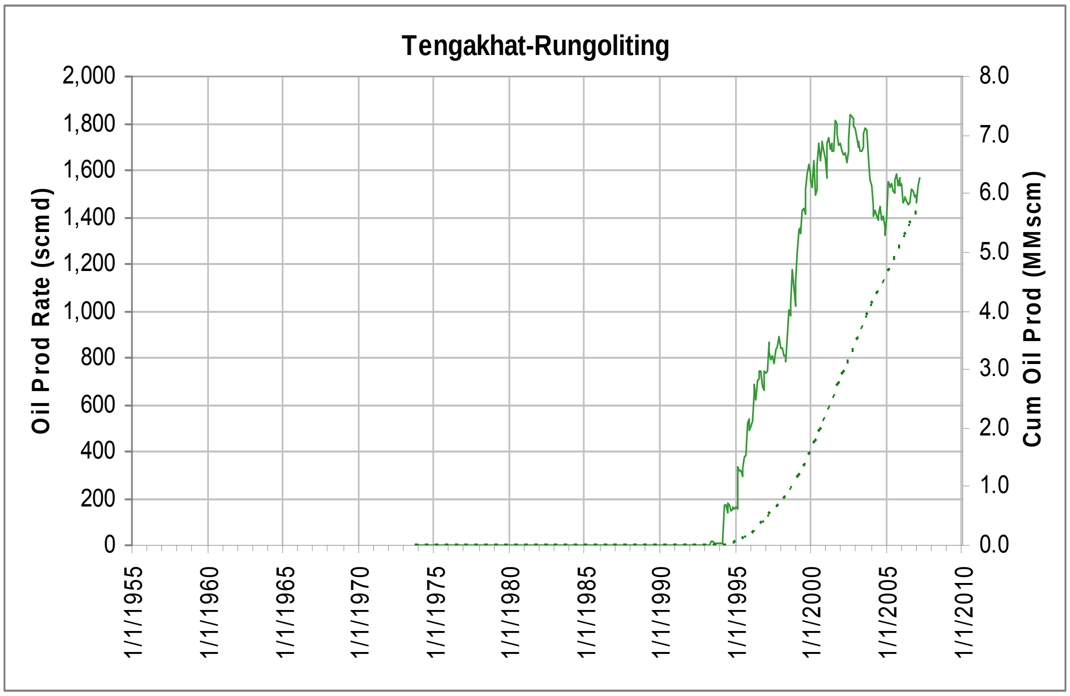
OIL's STOIIP estimate for the field is 23.7 MMscm. Some 5.90 MMscm of oil have been recovered, giving a current recovery factor of about 24.9%.

Tengakhat Area

The Tengakhat Field is an amalgamation of Tengakhat and Rungoliting fields.

The historical oil production profile for the Tengakhat-Rungoliting Field is shown below.

Oil Production Profile
Tengakhat-Rungoliting Field



The Tengakhat-Rungoliting Field has been producing since 1994. A peak oil rate of 1,800 scmd was achieved during 2001 to 2003. Recently, the oil rate has increased due to development activities.

OIL's STOIIP estimate for the field is 15.6 MMscm. Some 5.51 MMscm of oil have been recovered, giving a current recovery factor of 35.3%.

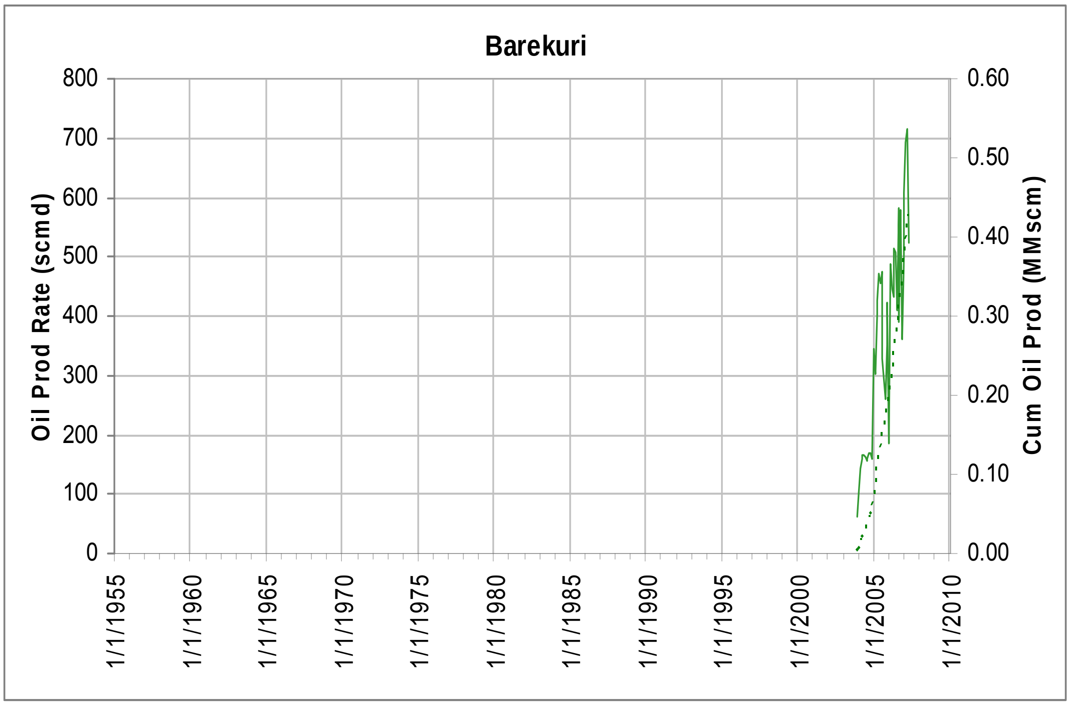
Greater Chandmari Area

The Greater Chandmari Field consists of Barekuri, South Chandmari, and Baghjan.

Barekuri Field

The historical oil production profile for the Barekuri Field is shown below.

Oil Production Profile
Barekuri Field



The Barekuri Field came onto production in 2003. Oil production rate is increasing steadily due to development activities.

OIL's STOIIP estimate for the field is 7.94 MMscm. Some 0.401 MMscm of oil have been recovered, giving a current recovery factor of 5.1%.

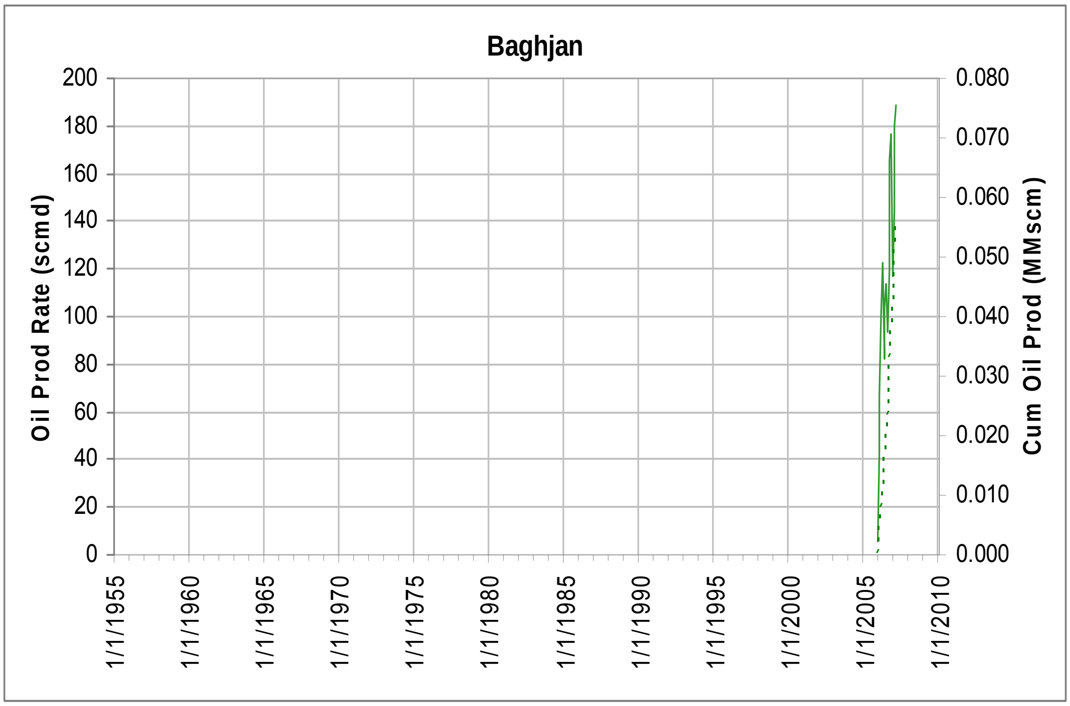
South Chandmari Field

The field has no oil reserve.

Baghjan Field

The historical oil production profile for the Baghjan Field is shown below.

Oil Production Profile
Baghjan Field



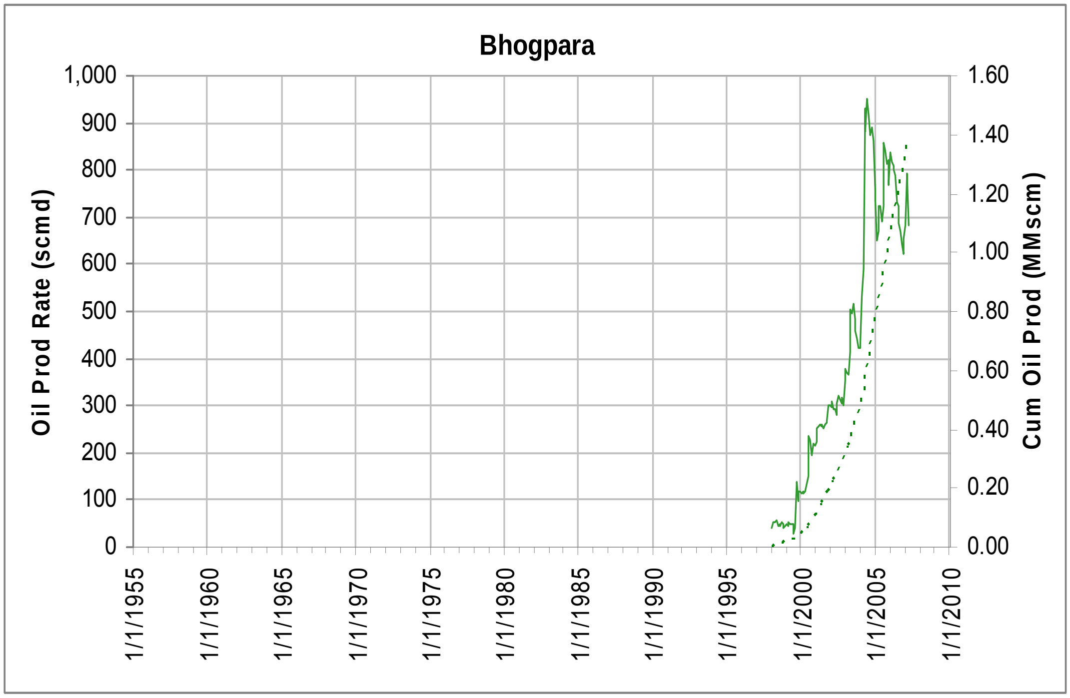
The Baghjan Field came onto production in 2003.

OIL's STOIIP estimate for the field is 6.82 MMscm. Some 0.054 MMscm of oil have been recovered, giving a current recovery factor of 0.8%.

Bhogpara Area

The historical oil production profile for the Bhogpara Field is shown below.

Oil Production Profile
Bhogpara Field



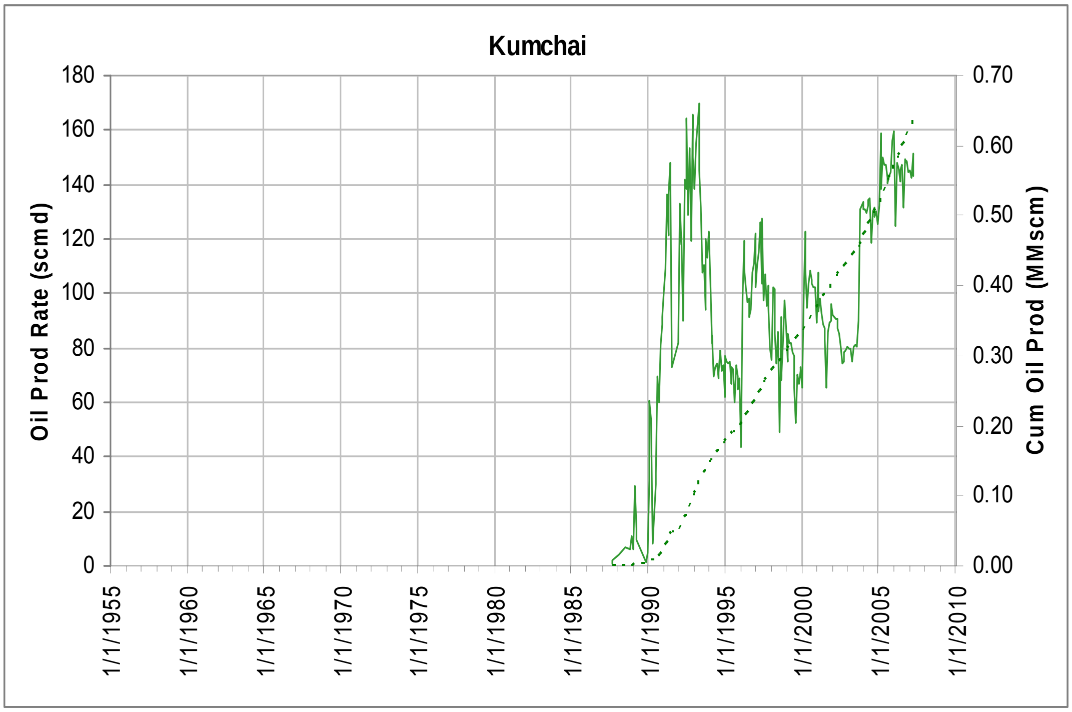
The Bhogpara Field started producing in 1997. Production increased over the years reaching a peak oil rate of 900 scmd in 2004. Since then, production has fluctuated due to development activities.

OIL's STOIIP estimate for the field is 6.59 MMscm. Some 1.29 MMscm of oil have been recovered, giving a current recovery factor of 19.6%.

Greater Kumchai Area

The historical oil production profile for the Kumchai Field is shown below.

Oil Production Profile
Kumchai Field



The Kumchai Field has had a jagged production history since 1987. A peak oil rate in excess of 170 scmd was achieved briefly in 1993. Since 2004, oil production has been on increasing trend.

OIL's STOIIP estimate for the field is 14.7 MMscm. Some 0.566 MMscm of oil have been recovered, giving a current recovery factor of 3.9%.

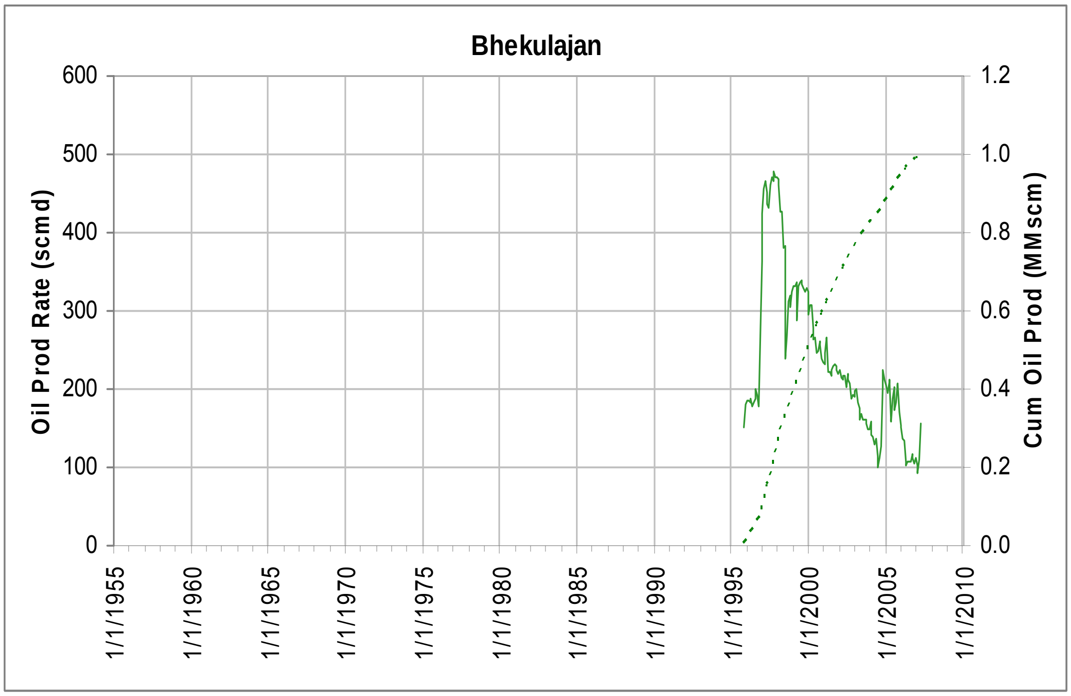
Central Small Area

The Central Small Fields consists of Bhekulajan, Tamulikhat-North Tamulikhat, Deohal-East Deohal, Chabua, Jaraipather, Matimekhaha-North Matimekhaha, North Balijan, Khagorijan, and Kamkhat.

Bhekulajan Field

The historical oil production profile for the Bhekulajan Field is shown below.

Oil Production Profile
Bhekulajan Field



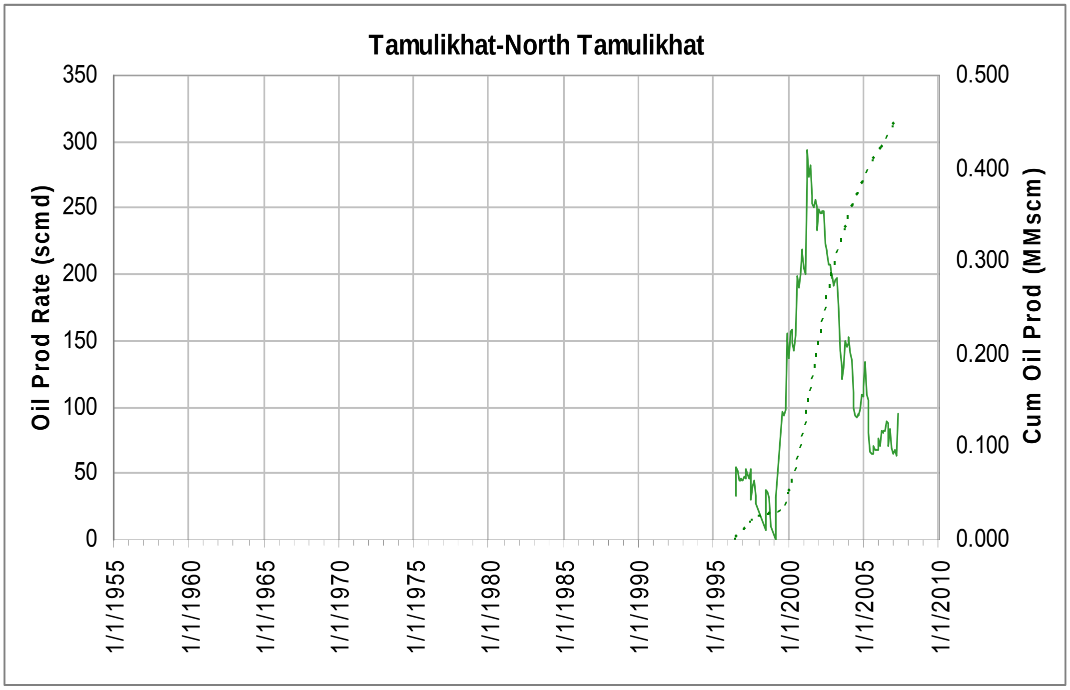
The Bhekulajan Field has been producing since 1995. A peak oil rate of 480 scmd was achieved in 1997, but the production then declined sharply. The field rate continued its decline until 2004, when the trend reversed.

OIL's STOIIP estimate for the field is 3.53 MMscm. Some 0.93 MMscm of oil have been recovered, giving a current recovery factor of 28.3%.

Tamulikhat-North Tamulikhat Field

The historical oil production profile for the Tamulikhat-North Tamulikhat Field is shown below.

Oil Production Profile
Tamulikhat-North Tamulikhat Field



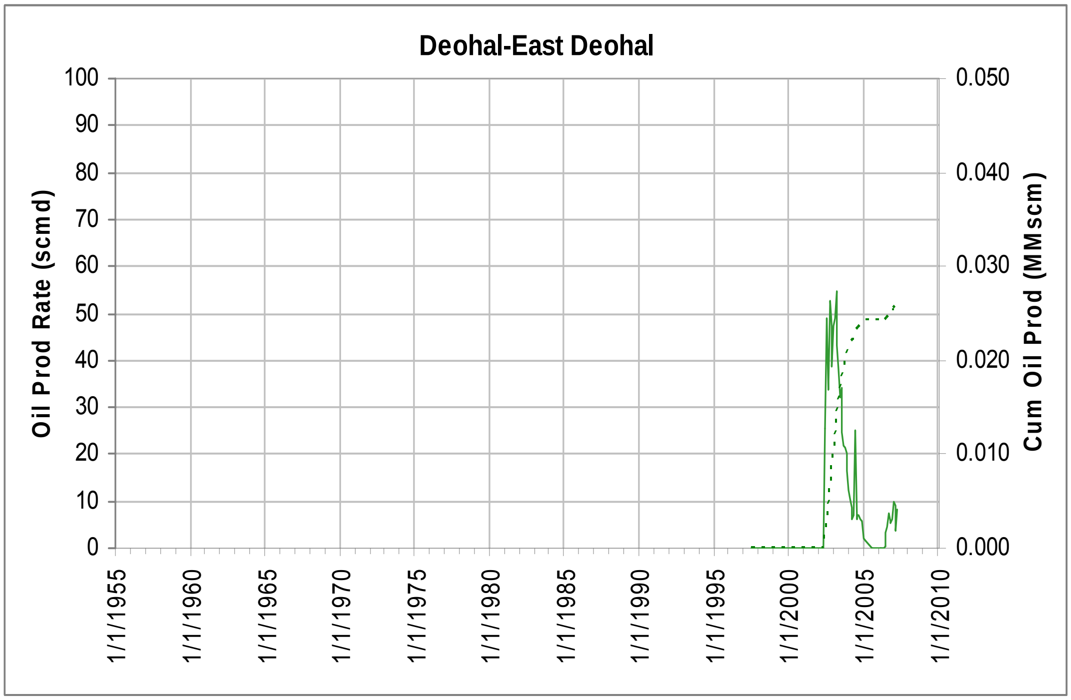
The Tamulikhat-North Tamulikhat Field has been producing since 1995. A peak oil rate of 280 scmd was achieved in 2001 and then the field began its decline.

OIL's STOIIP estimate for the field is 2.87 MMscm. Some 0.43 MMscm of oil have been recovered, giving a current recovery factor of 15.0%.

Deohal-East Deohal Field

The historical oil production profile for the Deohal Field is shown below.

Oil Production Profile
Deohal-East Deohal Field



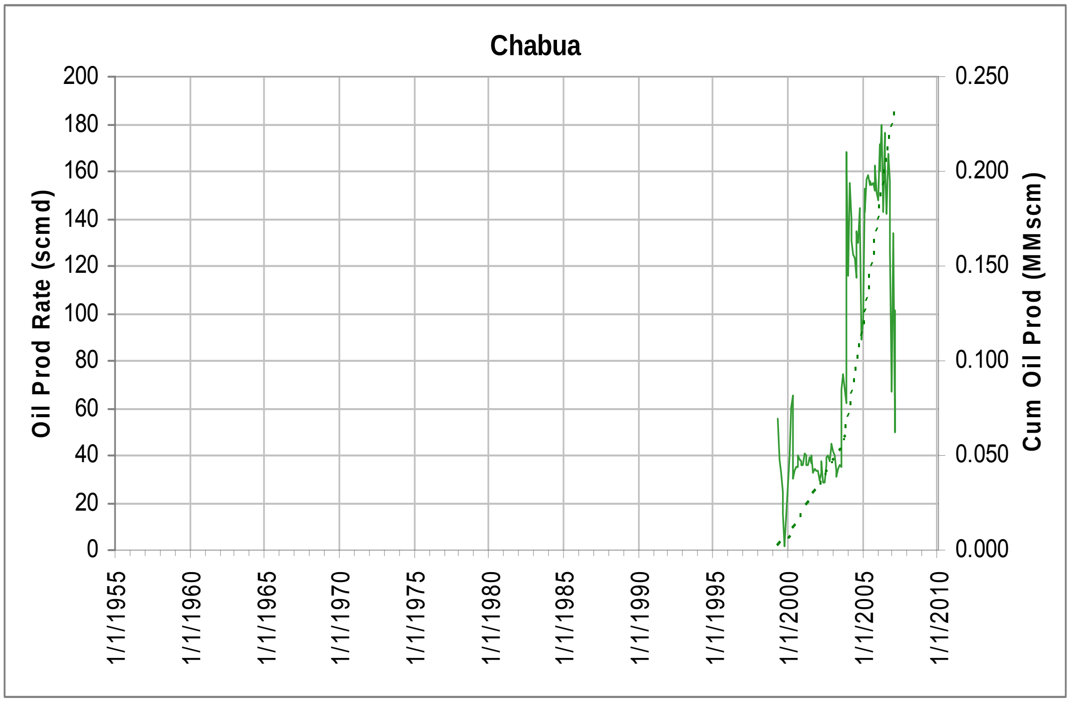
The Deohal-East Deohal Field was tested in 1976 and 1997, and came onto production in 2002. A peak oil rate of 50 scmd was achieved briefly in that year.

OIL's STOIIP estimate for the Deohal-East Deohal Field is 2.74 MMscm. Some 0.029 MMscm of oil have been recovered, giving a current recovery factor of 1.1%.

Chabua Field

The historical oil production profile for the Chabua Field is shown below.

Oil Production Profile
Chabua Field



The Chabua Field started producing in 1999 at an oil rate of 40 scmd. Production increased to 130 scmd in 2004 and further increased to 180 scmd in 2006 before experiencing a drop. Since then, the oil rate has reveresed its decline.

OIL's STOIIP estimate for the field is 4.32 MMscm. Some 0.22 MMscm of oil have been recovered, giving a current recovery factor of 5.1%.

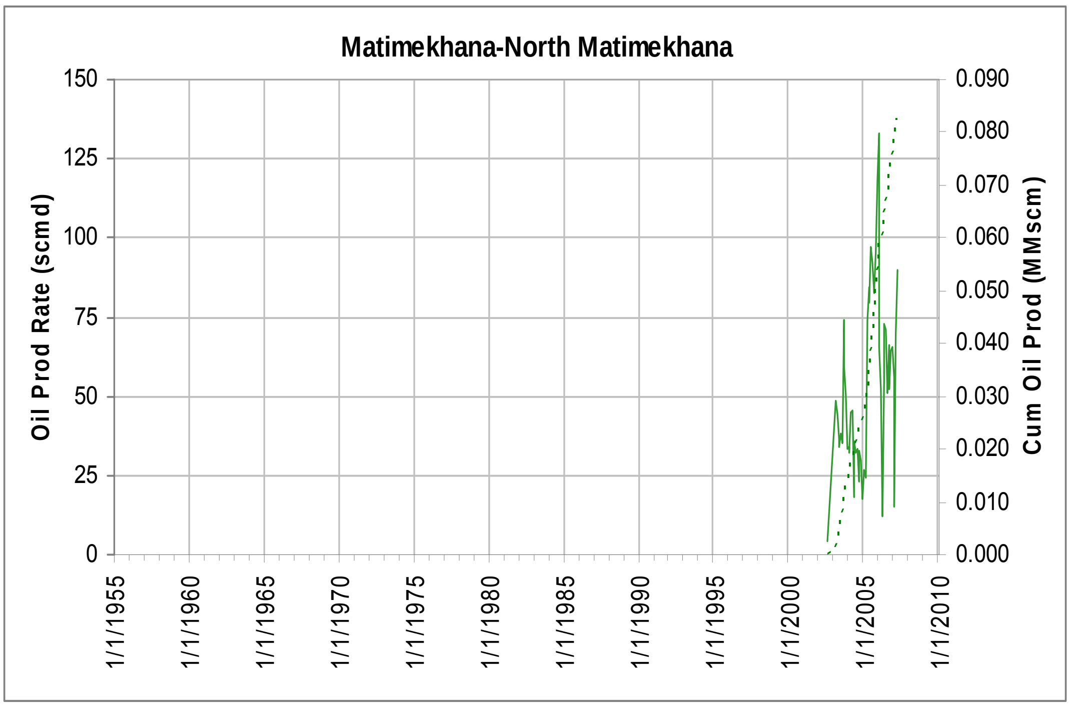
Jaraipather Field

OIL's STOIIP estimate for the field is 0.102 MMscm. The field has not produced.

Matimekhana-North Matimekhana Field

The combined historical oil production profile for the Matimekhana – North Matimekhana Field is shown below.

Oil Production Profile
Matimekhana-North Matimekhana Field



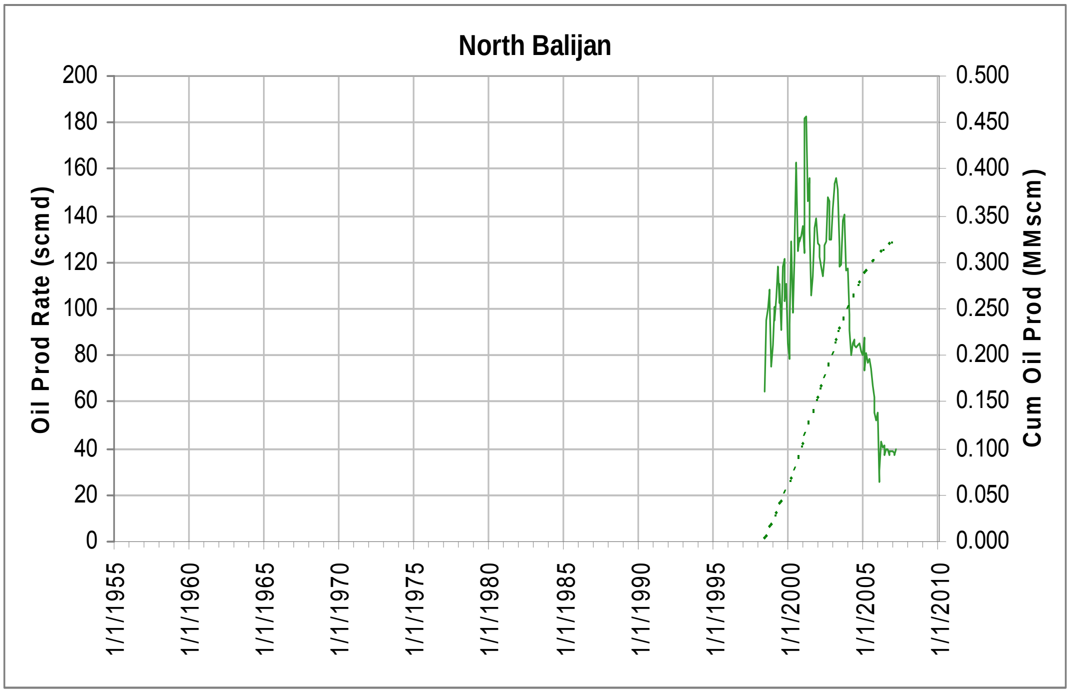
The Matimekhana Field came onto production in 2003 and declined in 2004. The North Matimekhana Field came onto production in 2005. The rate increased briefly to 130 scmd and then declined.

OIL's STOIIP estimate for the field is 3.86 MMscm. Some 0.080 MMscm of oil have been recovered, giving a current recovery factor of 2.1%.

North Balijan Field

The historical oil production profile for the North Balijan Field is shown below.

Oil Production Profile
North Balijan Field



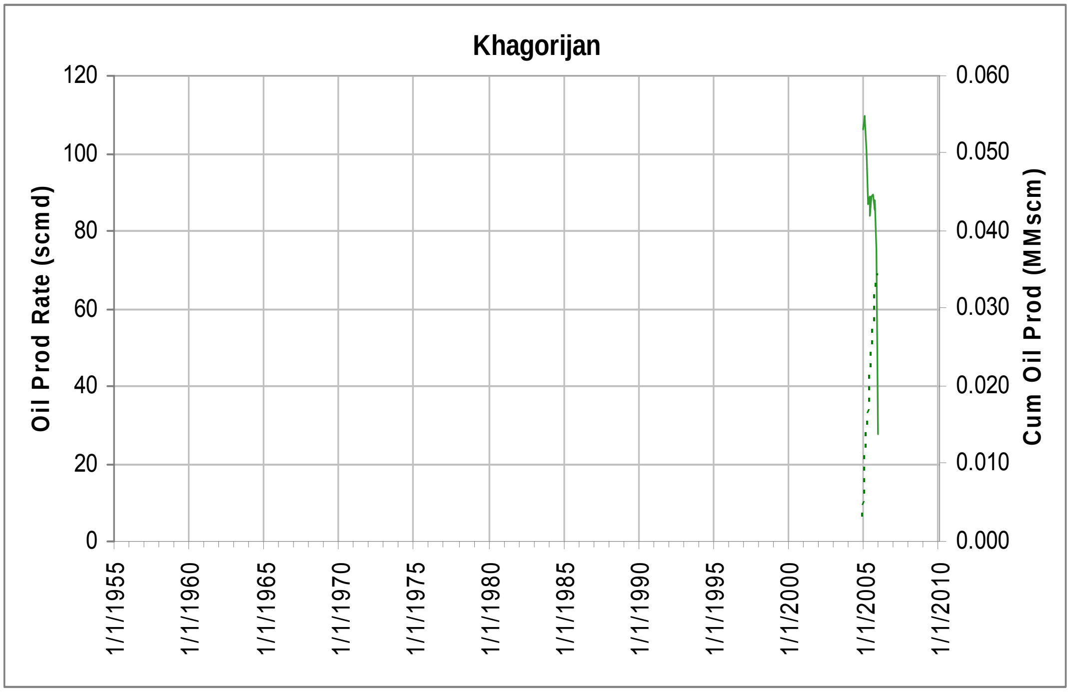
The North Balijan Field came onto production in 1998. In 2001, an instantaneous peak oil rate of 180 scmd was achieved.

OIL's STOIIP estimate for the field is 3.48 MMscm. Some 0.309 MMscm of oil have been recovered, giving a current recovery factor of 8.9%.

Khagorijan Field

The production profile for the Khagorijan Field is shown below.

Oil Production Profile
Khagorijan Field



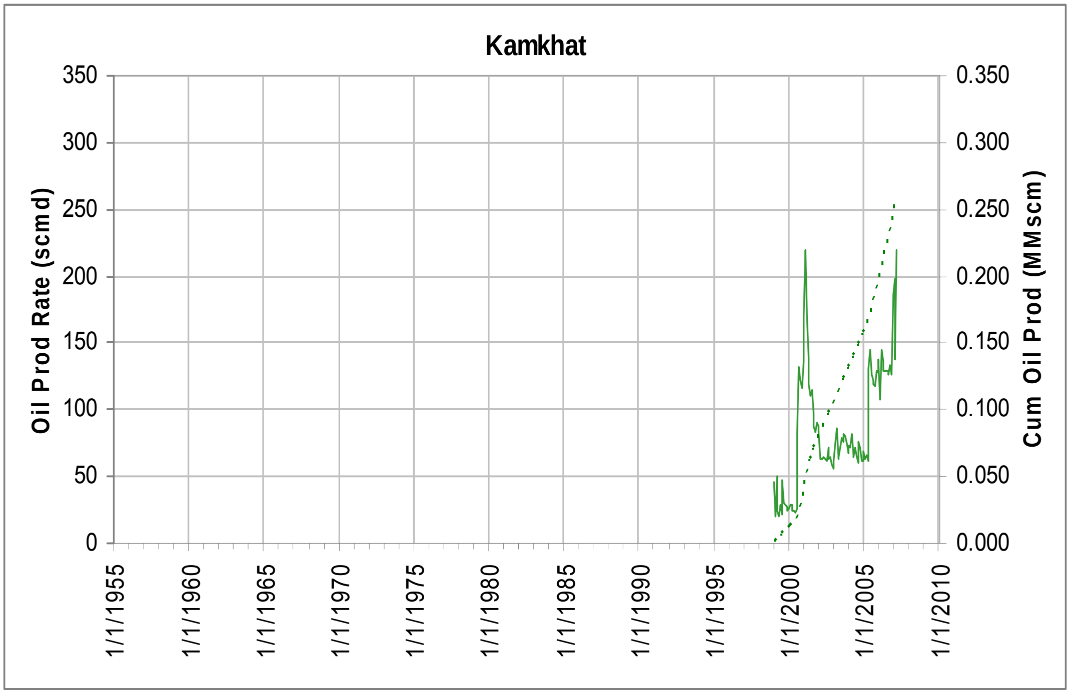
The Khagorijan Field started production in 2005. The oil production briefly reached a peak of 110 scmd before decline.

OIL's STOIIP estimate for the field is 1.51 MMscm. Some 0.034 MMscm of oil have been recovered, giving a current recovery factor of about 2.3%.

Kamkhat Field

The historical oil production profile for the Kamkhat Field is shown below.

Oil Production Profile
Kamkhat Field



The Kamkhat Field came onto production in 1999. The oil production briefly reached a peak rate of 220 scmd in 2000 before decline. Since 2005, the oil rate has increased steadily due to development activities.

OIL's STOIIP estimate for the field is 2.35 MMscm. Some 0.25 MMscm of oil have been recovered giving a current recovery factor of 10.6%.

Eastern Satellite Area

The Eastern Satellite Fields consists of Mechaki, Bogapani, Kusijan, and Kherem.

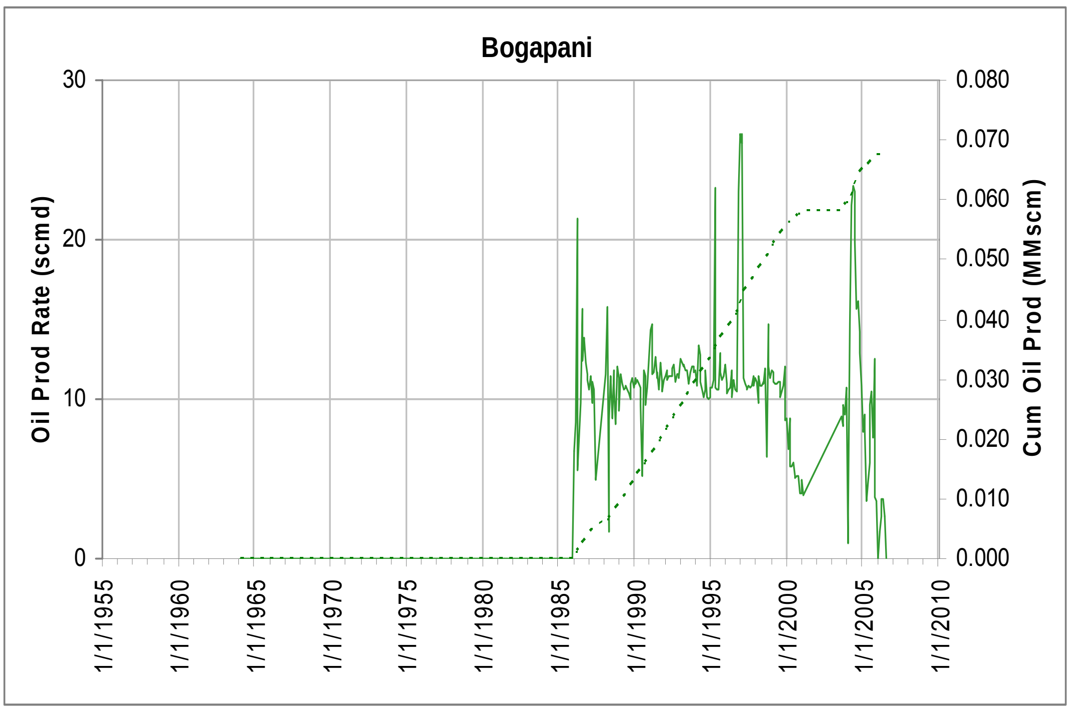
Mechaki Field

OIL's STOIIP estimate for the field is 1.317 MMscm. The field has not been produced.

Bogapani Field

The historical oil production profile for the Bogapani Field is shown below.

Oil Production Profile
Bogapani Field



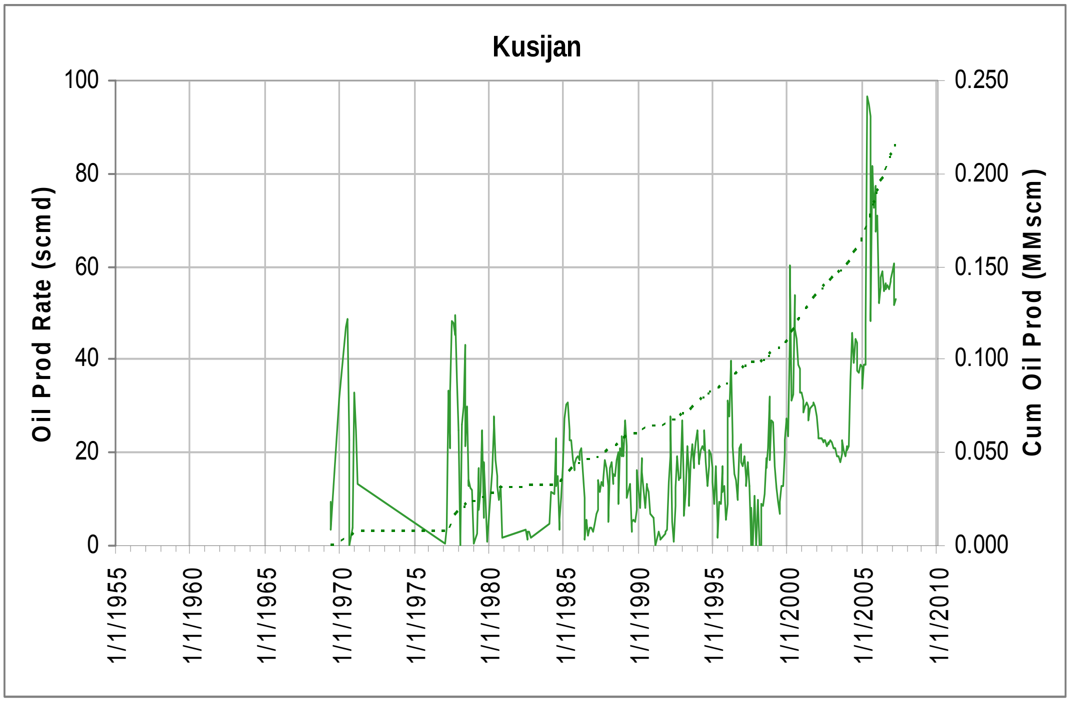
The Bogapani Field came onto production in 1986 and has been producing at a rate of about 10 scmd of oil. The field had stopped producing at end of 2006.

OIL's STOIIP estimate for the field is 9.11 MMscm. Some 0.073 MMscm of oil have been recovered, giving a current recovery factor of 0.8%.

Kusijan Field

The historical oil production profile for the Kusijan Field is shown below.

Oil Production Profile
Kusijan Field



The Kusijan Field came onto production in 1969 and has produced at rates below 50 scmd until 2000. Recently, the field production rate reached a peak of 96 scmd before decline.

OIL's STOIIP estimate for the field is 2.73 MMscm. Some 0.178 MMscm of oil have been recovered, giving a current recovery factor of about 6.5%.

Kherem Field

OIL's STOIIP estimate for the field is 0.463 MMscm. No oil reserves were assigned to the Kherem Field as there is no firm plan to develop the field.

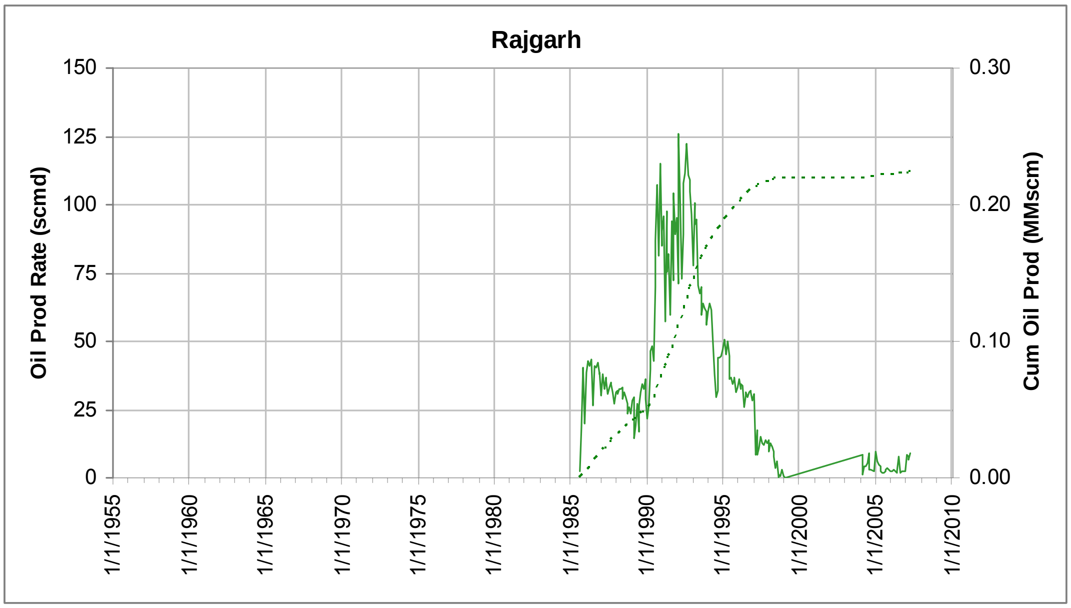
Western Satellite Area

The Western Satellite Fields consists of Rajgarh, South Rajgarh, Dirol, Borbil, Dipling, Sarojini, Sapekhati, and Haldibari.

Rajgarh Field

The historical oil production profile for the Rajgarh Field is shown below.

Oil Production Profile
Rajgarh Field



The Rajgarh Field has been producing since 1995. A peak oil rate of 120 scmd was achieved in 1992. After that, the field rate declined steadily and production ceased in 1998. Production was restarted in 2004.

OIL's STOIIP estimate for the field is 3.14 MMscm. Some 0.195 MMscm of oil have been recovered, giving a current recovery factor of 6.2%.

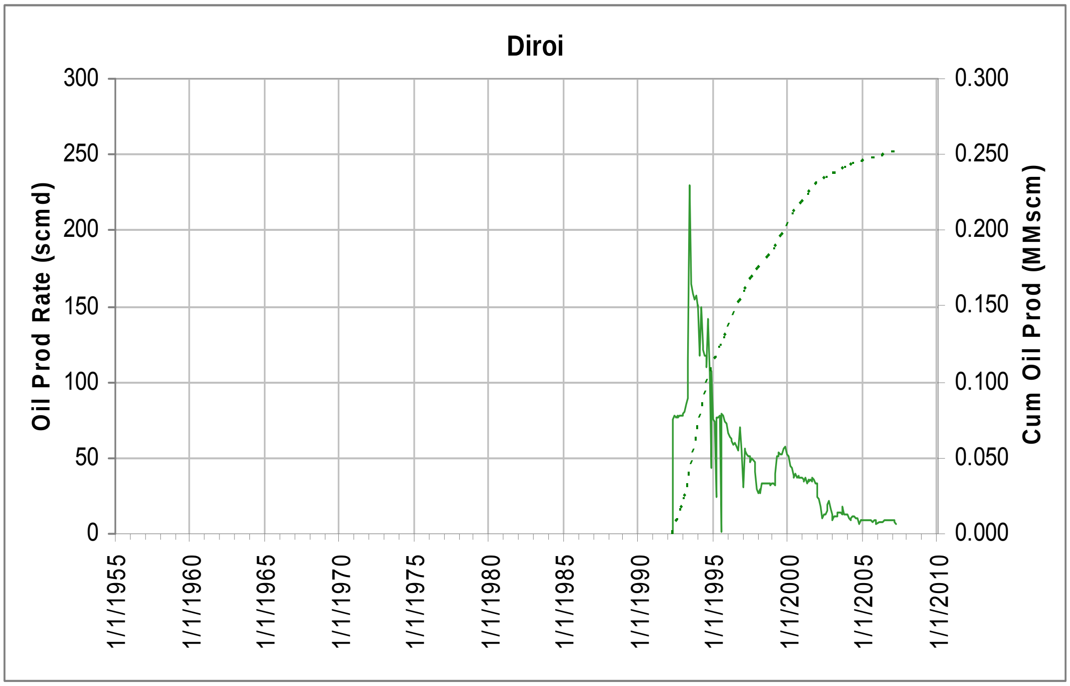
South Rajgarh Field

OIL's STOIIP estimate for the field is 1.68 MMscm. The field has not produced but has good potential to produce from the proved non-producing reserve.

Diroi Field

The historical oil production profile for the Diroi Field is shown below.

Oil Production Profile
Diroi Field



The Diroi Field came onto production in 1993. In that year, a peak oil rate of 230 scmd was achieved.

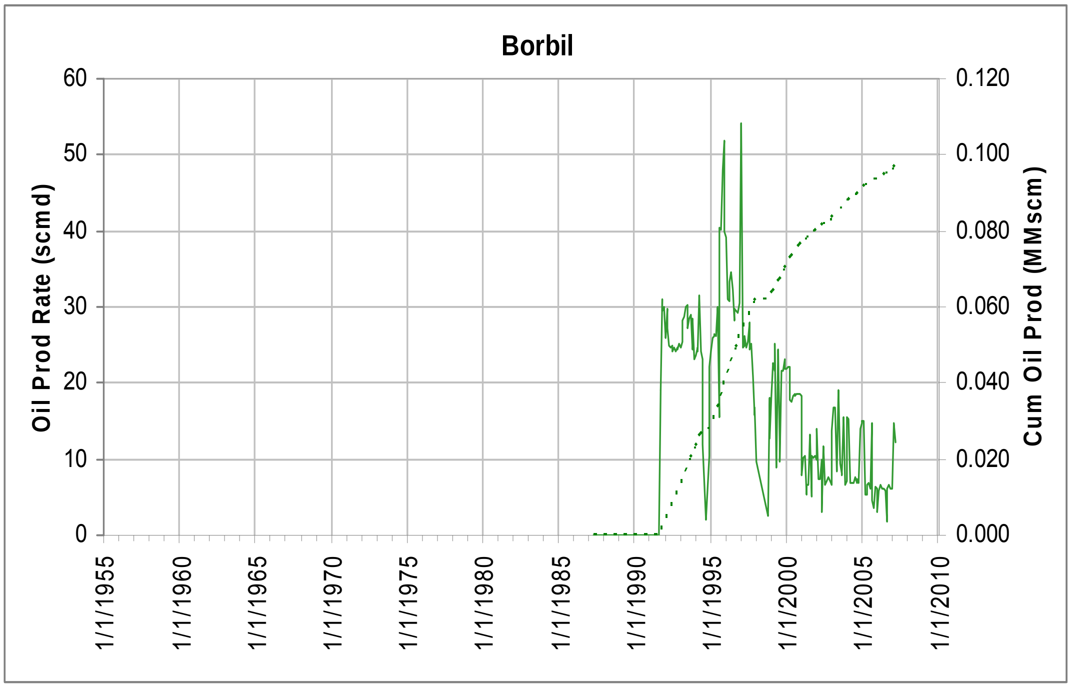
OIL's STOIIP estimate for the field is 1.66 MMscm. Some 0.230 MMscm of oil have been recovered, giving a current recovery factor of 13.8%.

OIL carries a Proved (1P) oil reserve of 0.0044 MMscm for the field. The Company's Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) oil reserves are 0.0050 and 0.0071 MMscm respectively.

Borbil Field

The historical oil production profile for the Borbil Field is shown below.

Oil Production Profile
Borbil Field



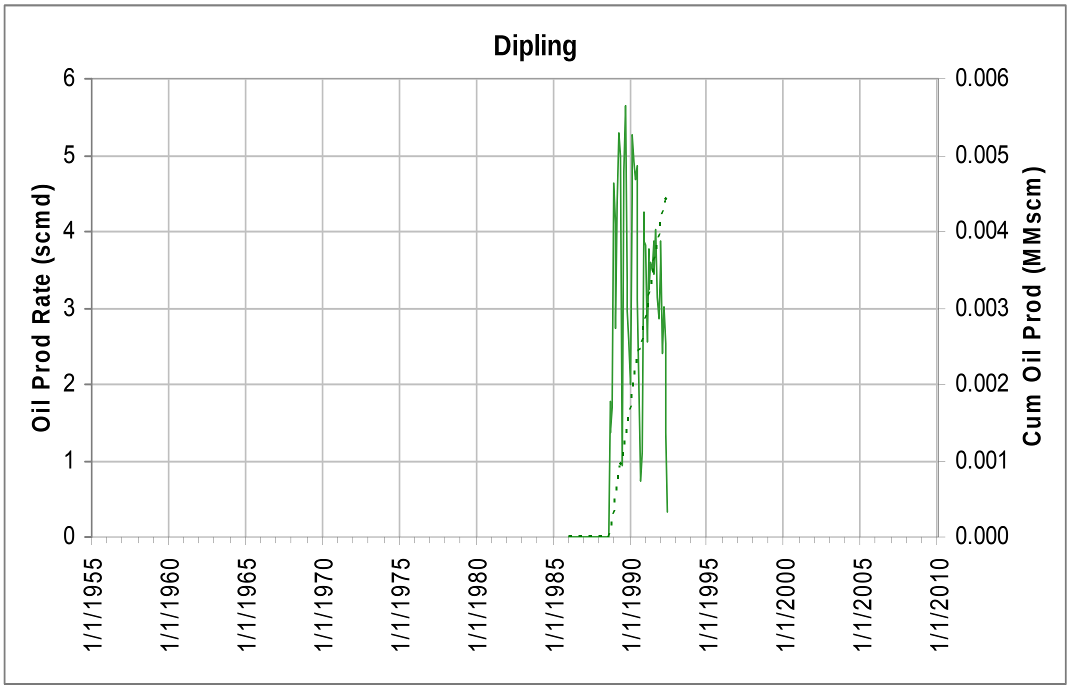
The Borbil Field came onto production in 1987 and has produced erratically. It reached a peak oil rate of 54 scmd in 1997.

OIL's STOIIP estimate for the field is 0.83 MMscm. Some 0.083 MMscm of oil have been recovered giving a current recovery factor of 10.0%.

Dipling Field

The historical oil production for the Dipling Field is shown below.

Oil Production Profile
Dipling Field



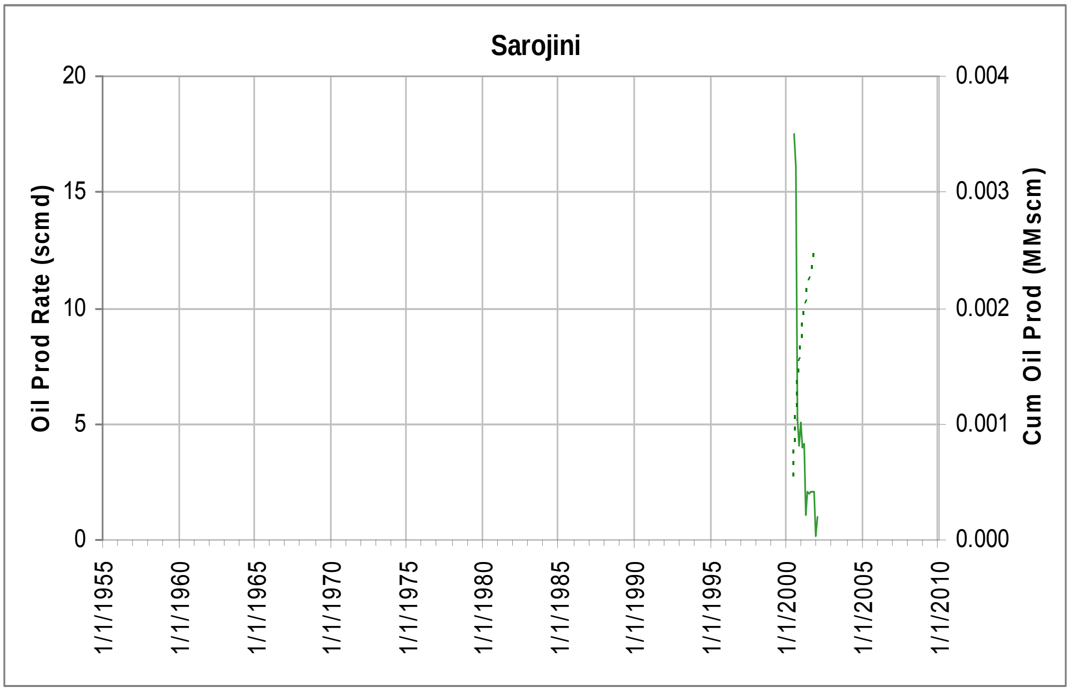
The Dipling Field produced between 1989 and 1992. It has not produced since.

OIL's STOIIP estimate for the field is 4.70 MMscm. Some 0.002 MMscm of oil have been recovered, giving a current recovery factor of only 0.04%.

Sarojini Field

The historical oil production profile for the Sarjojin Field is shown below.

Oil Production Profile
SarjojinField



The field started production at an oil rate of 18 scmd in the year 2000. By 2002, the field ceased production

OIL's STOIIP estimate for the field is 1.24 MMscm. Some 0.002 MMscm of oil have been recovered, giving a current recovery factor of only 0.2%.

Sapekhati Field

OIL's STOIIP estimate for the field is 2.03 MMscm. The sands have not produced.

Haldibari Field

OIL's STOIIP estimate for the field is 0.050 MMscm. The field was tested and the results were disappointing. There are no plans to produce the field. No reserves were assigned to it.

ATTACHMENT VII

ASSAM GAS PRODUCTION HISTORY PLOTS BY FIELD

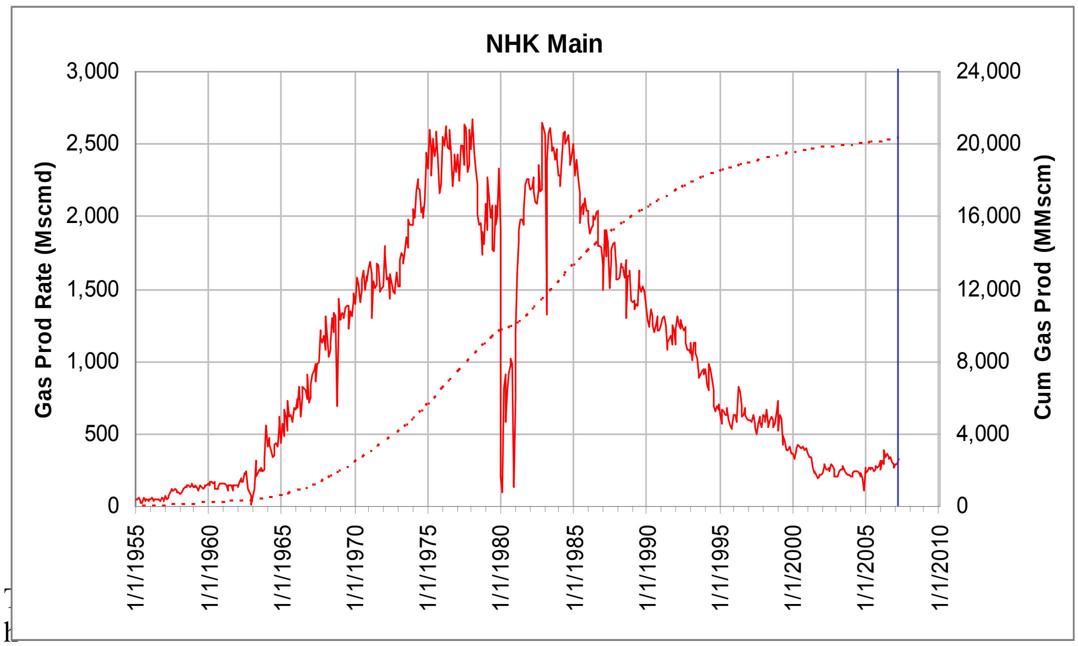
Greater Nahorkatiya Area

The Greater Nahorkatiya Field consists of NHK Main, Zaloni, West Zaloni, Jutlibari, Madhuting-Tipling, Rajali, East Rajali, and Bordubi.

Nahorkatiya Main Field

The gas production history for the NHK Main Field is shown below.

Gas Production Profile
NHK Main Field



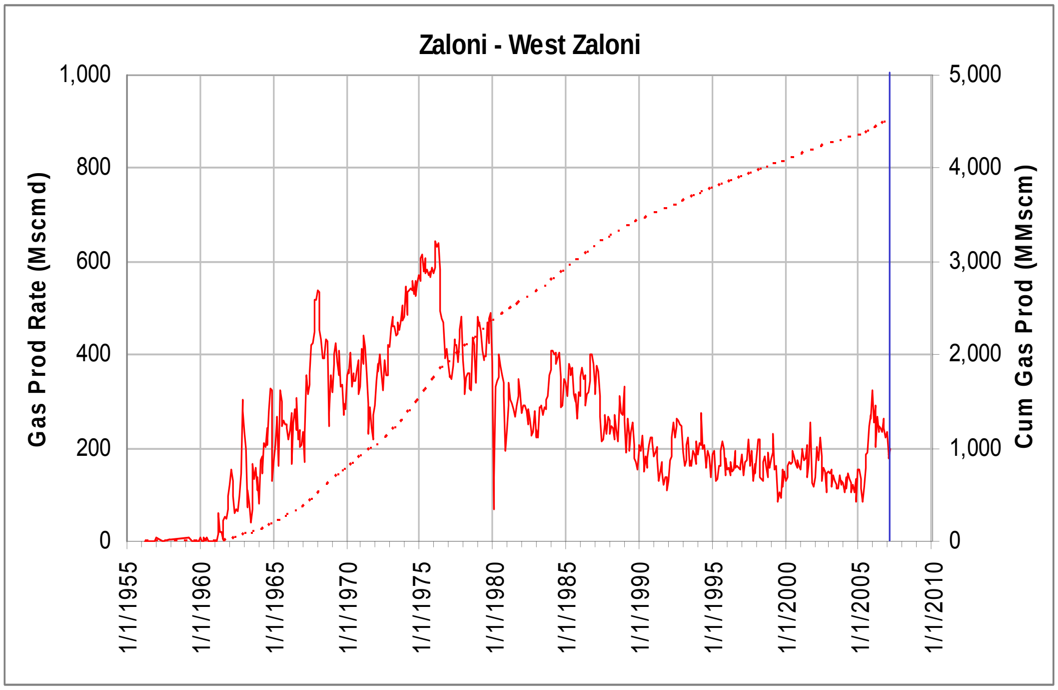
The Nahorkatiya Field is a mature field which has been producing since the 1950s. A plateau gas rate of 2,500 Mscmd was achieved in 1975 and maintained until early 1978. Since then, the gas production had declined in early 1980. The gas production was recovered in late 1982 and reached the second plateau of 2,500 Mscmd until December 1984. From early 1985, the field has been in a steady decline.

OIL's 2P GIIP estimate for the field is 42,350 MMscm. Some 20,280 MMscm of gas have been recovered up to 31st March, 2007, giving a current recovery factor of 47.9%.

Zaloni-West Zaloni Field

The historical gas production profile for the Zaloni-West Zaloni Field is shown below.

Gas Production Profile
Zaloni-West Zaloni Field



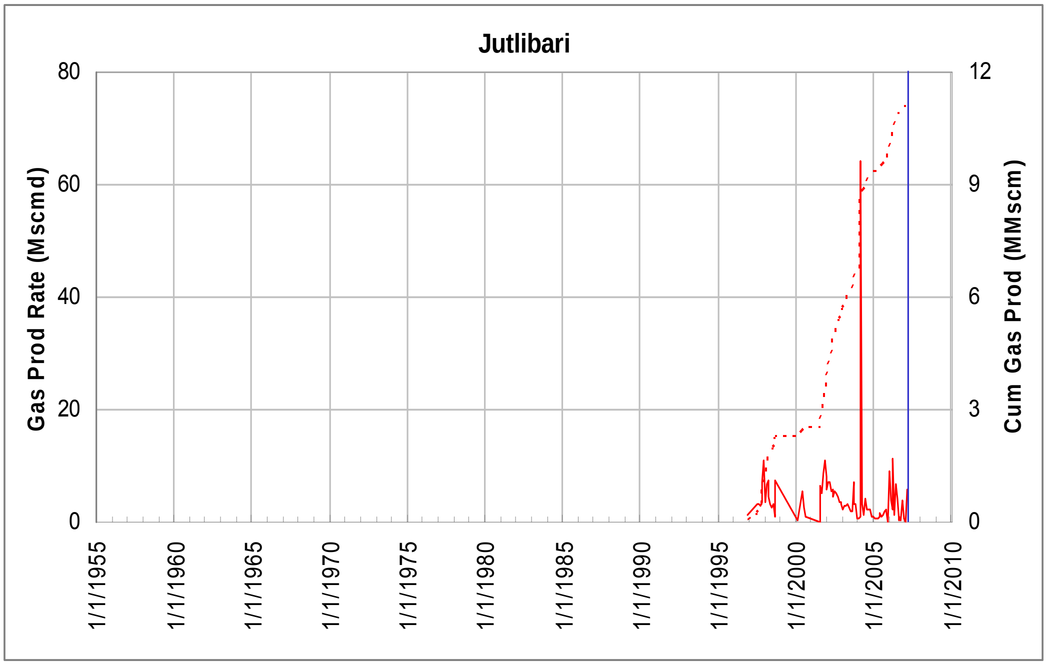
The Zaloni-West Zaloni Field is a mature field which has been producing since the 1960s. The gas production rate varied between 400 and 600 Mscmd from 1973 until 1987, and the production increased to 600 Mscmd from 1973 to 1976. From 1987, the production had ranged around 200 Mscmd and peaked to 300 Mscmd in early 2006.

OIL's 2P GIIP estimate for the field is 10,061 MMscm. Some 4,528 MMscm of gas have been recovered, giving a current recovery factor of 45.0%.

Jutlibari Field

The historical gas production profile for the Jutlibari Field is shown below.

Gas Production Profile
Jutlibari Field



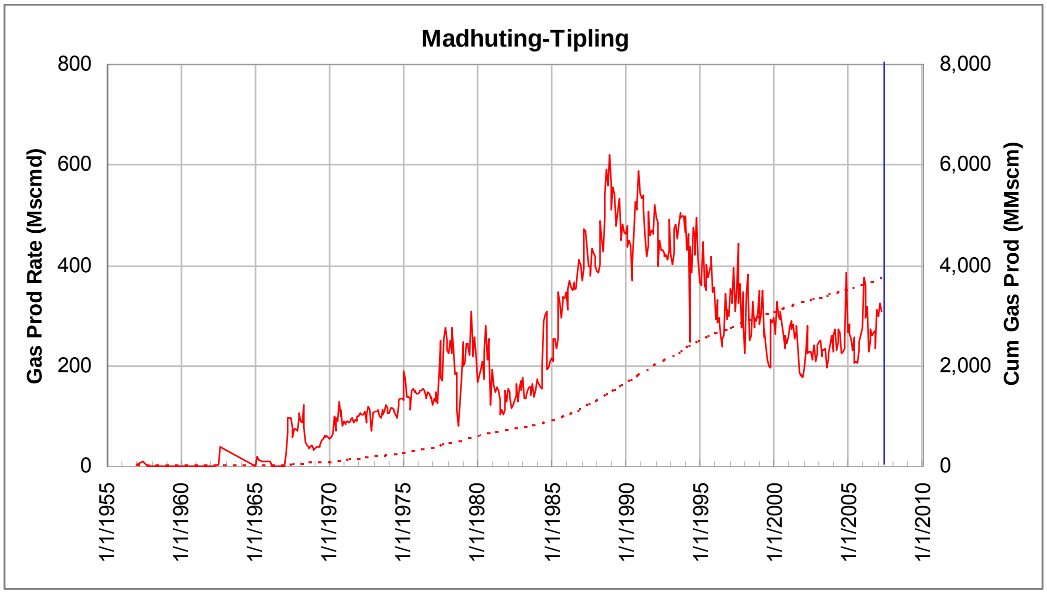
The field produced intermittently since 1996, with gas rate reaching an instantaneous peak rate of 64 Mscmd. GCA assumes there will be a full field development plan for this field in the future.

OIL's 2P GIIP estimate for the field is 1,729 MMscm. Some 11 MMscm of gas have been recovered, giving a current recovery factor of about 0.6%.

Madhuting-Tipling Field

The historical gas production profile for the Madhuting-Tipling Field is shown below.

Gas Production Profile
Madhuting-Tipling Field



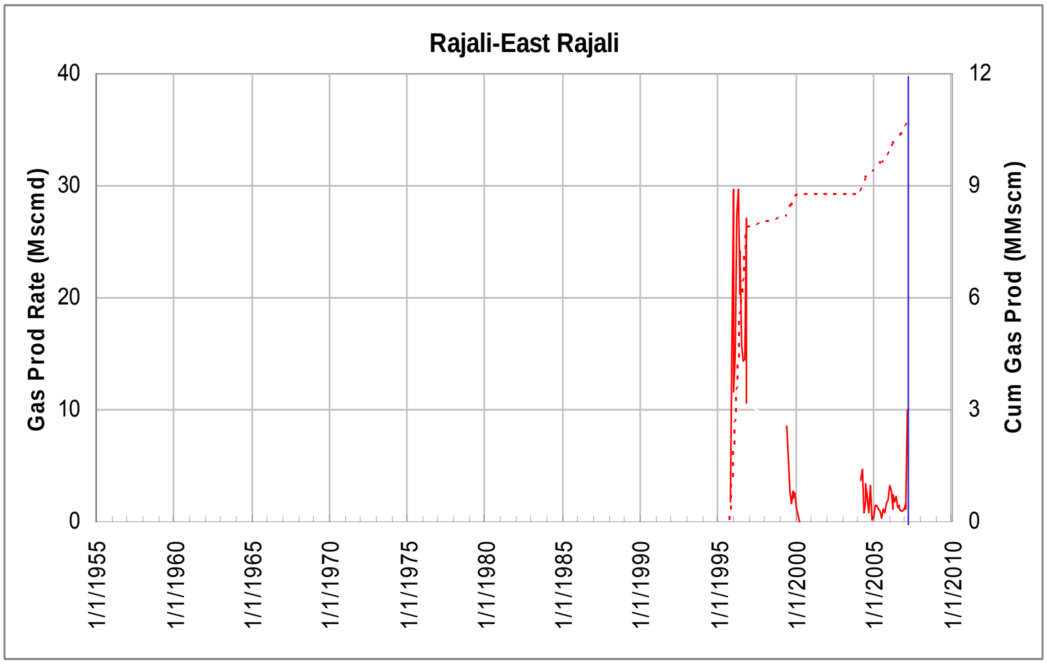
The Madhuting-Tipling Field is a mature field which has been producing since the 1950s. Field production increased steadily since 1985 and reached its peaks of 600 Mscmd in late 1988. From 1990 to 2000, production decreased to 200 Mscmd. Production stablised to about 250 Mscmd from 2000 to 2005.

OIL's 2P GIIP estimate for the field is 7,092 MMscm. Some 3,733 MMscm of gas have been recovered, giving a current recovery factor of 52.6%.

Rajali-East Rajali Field

The historical gas production profile for the Rajali-East Rajali Field is shown below.

Gas Production Profile
Rajali-East Rajali Field



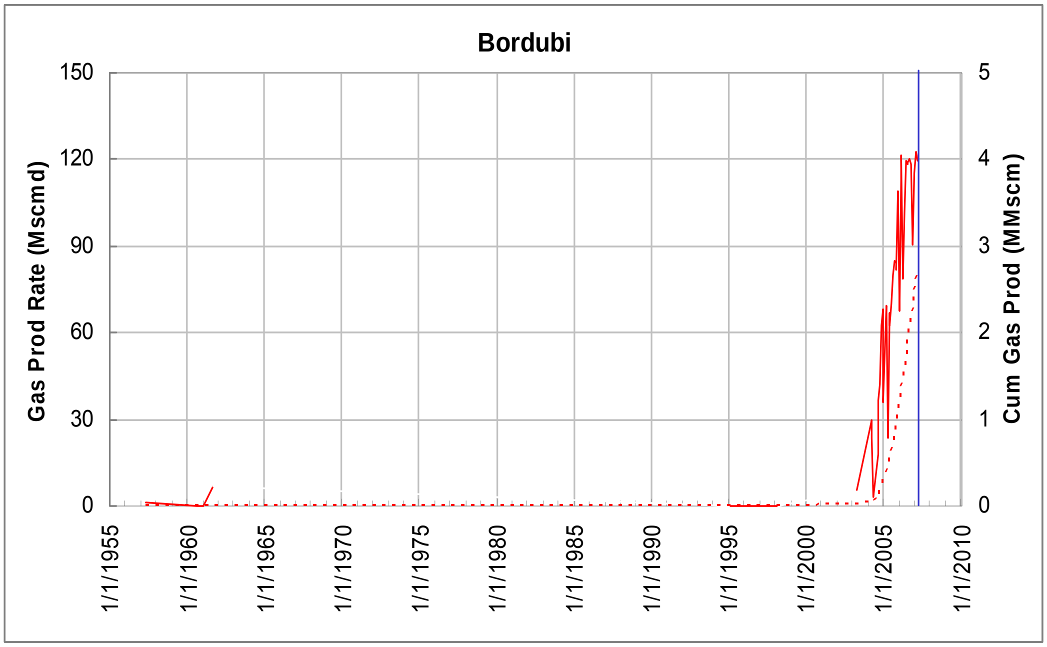
The Rajali Field produced between 1996 and 2000. It has not produced since then. In March 2004, production began from East Rajali. A peak gas rate of about 29 Mscmd was achieved briefly in March and April 1996.

OIL's 2P GIIP estimate for the field is 257 MMscm. Some 11 MMscm of gas have been recovered giving a current recovery factor of about 4.2%.

Bordubi Field

The historical gas production profile for the Bordubi Field is shown below.

Gas Production Profile
Bordubi Field



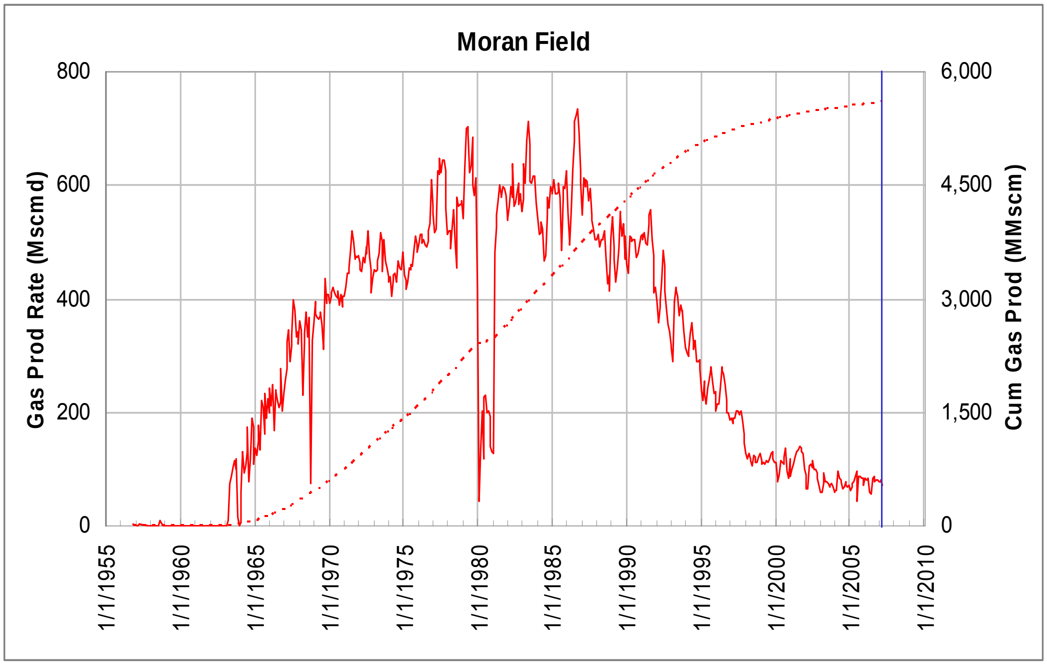
Gas produced intermittently from April 1957 to April 1961, after that the gas production stopped. Gas production was restarted in April 2003.

OIL's 2P GIIP estimate for the field is 2,226 MMscm. Some 82 MMscm of gas have been recovered, giving a current recovery factor of 3.7%.

Moran Area

The historical gas production profile for the Moran Field is shown below.

Gas Production Profile
Moran Field



The Moran Field is a mature field which has been producing since 1963. The production reached its peak of 680 Mscmd in August 1979. Field production rate maintained at 600 Mscmd level other than a short period at 200 Mscmd from late 1980 to early 1981. From mid 1991, the field had been in steady decline until 1998, when the production was maintained at about 70 to 90 Mscmd until now.

OIL's 2P GIIP estimate for the field is 18,214 MMscm. Some 5,609 MMscm of gas have been recovered, giving a current recovery factor of about 30.8%.

Greater Jorajan Area

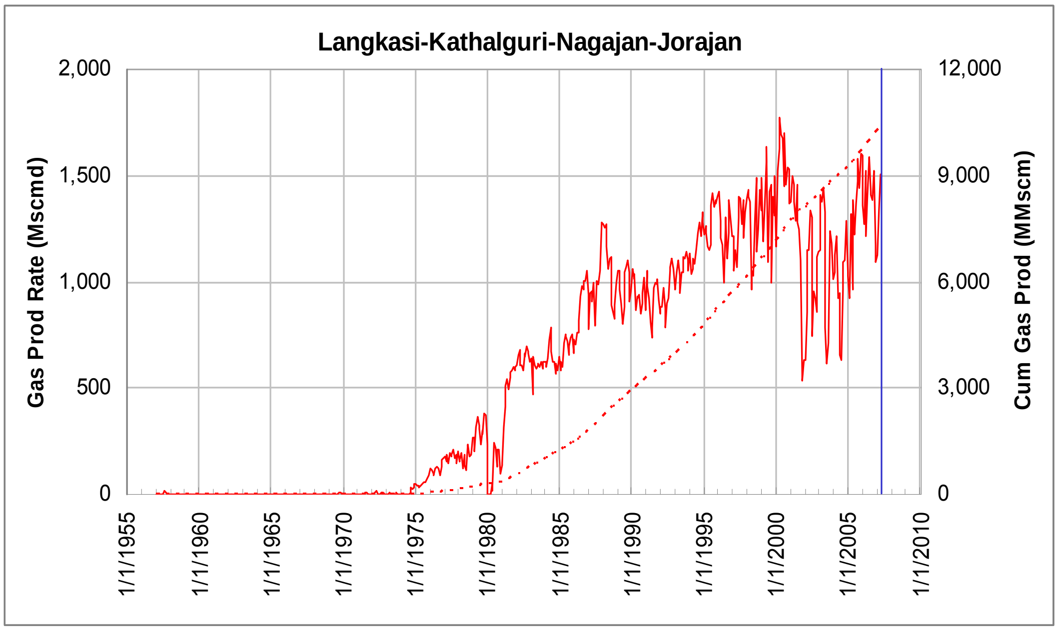
The Greater Jorajan Field consists of Langkasi-Kathalguri-Nagajan-Jorajan, Santi, Jaipur and Tarajan. Gas reserves estimated for Greater Jorajan Field in this Certification Study are shown below.

Langkasi-Kathalguri-Nagajan-Jorajan Field

The Jaipur and Tarajan Fields are dealt with in Sections 3.6 and 3.7.

The historical gas production profile for the Langkasi-Kathalguri-Nagajan-Jorajan Field is shown below.

Gas Production Profile
Langkasi-Kathalguri-Nagajan-Jorajan Field

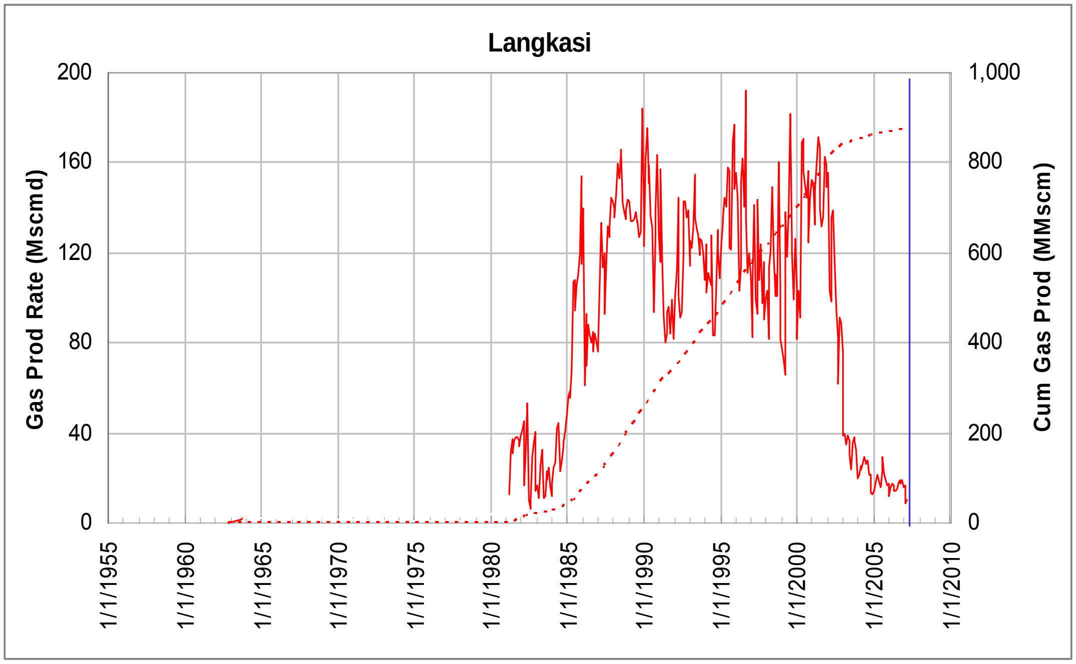


In Langkasi-Kathalguri-Nagajan-Jorajan, Kathalguri is the oldest field that produced for several months in 1957. Steady gas production started in early 1975 and reached a peak rate of 1,700 Mscmd in April 2000. Since then, the field had been in a steady decline.

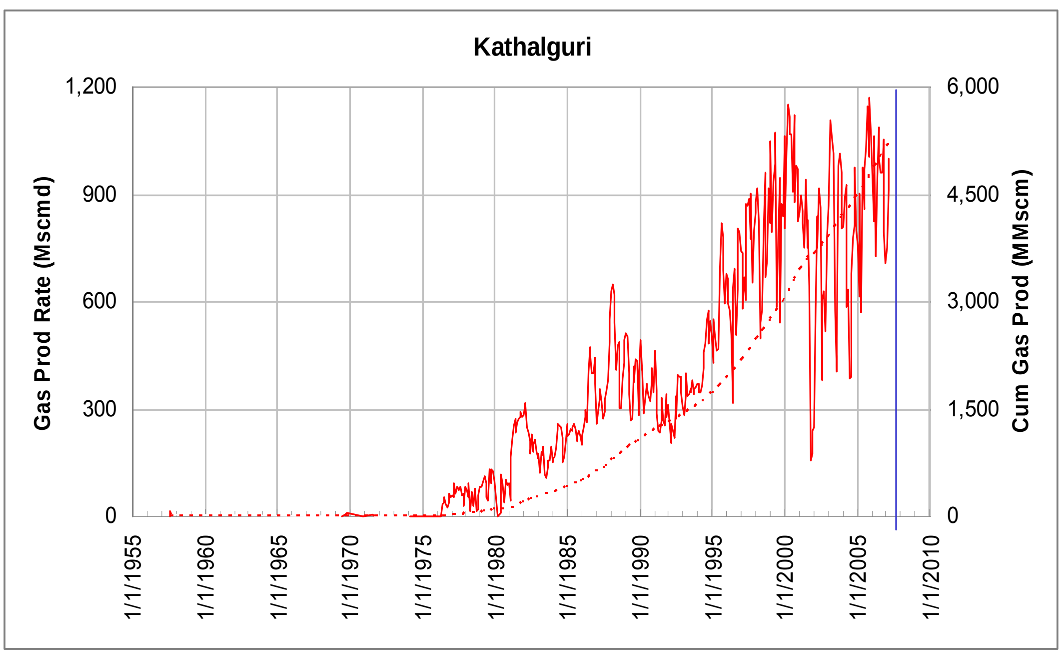
OIL's 2P GIIP estimate for the field is 54,312 MMscm. Some 10.339 MMscm of gas have been recovered giving a current recovery factor of 19.0%.

The individual historical gas production profiles for the Langkasi, Kathalguri, Nagajan, and Jorajan Fields are shown below.

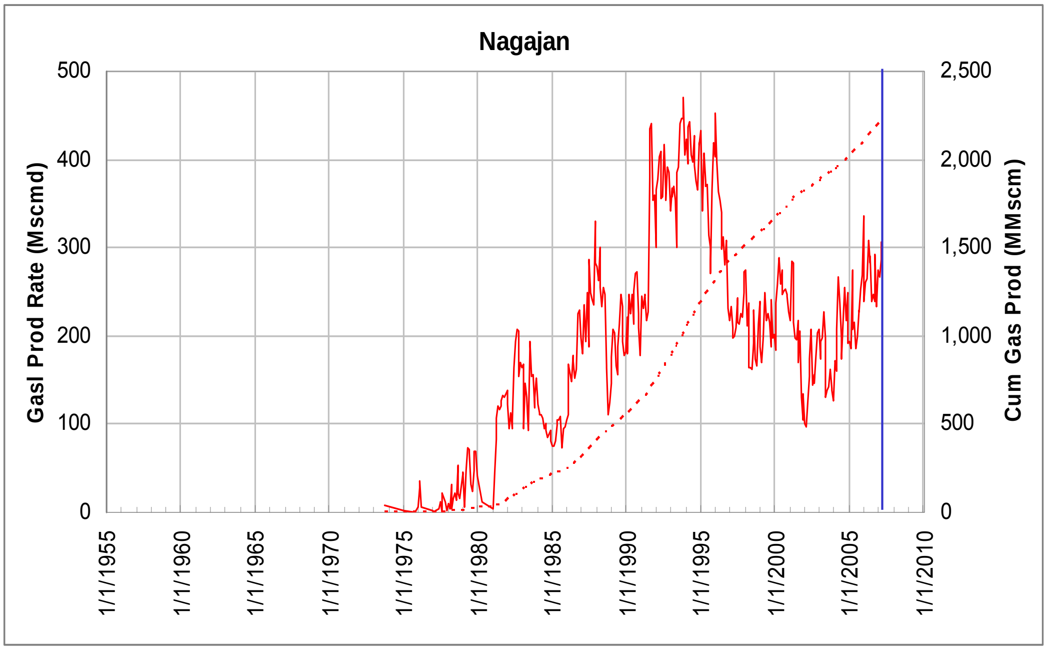
Gas Production Profile
Langkasi Field



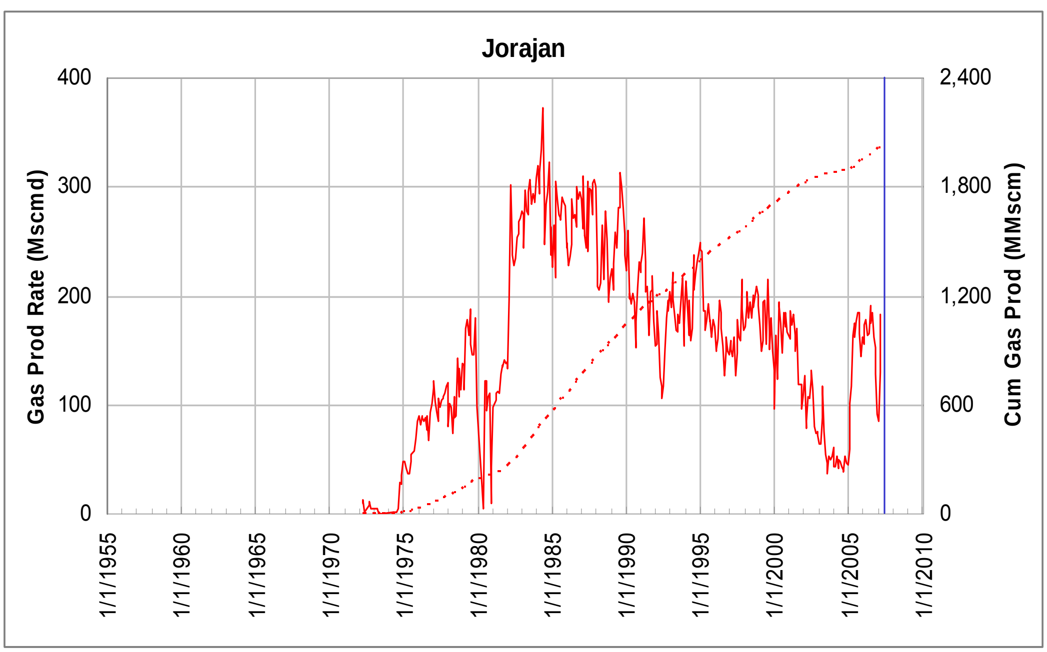
Gas Production Profile
Kathalguri Field



Gas Production Profile
Nagajan Field



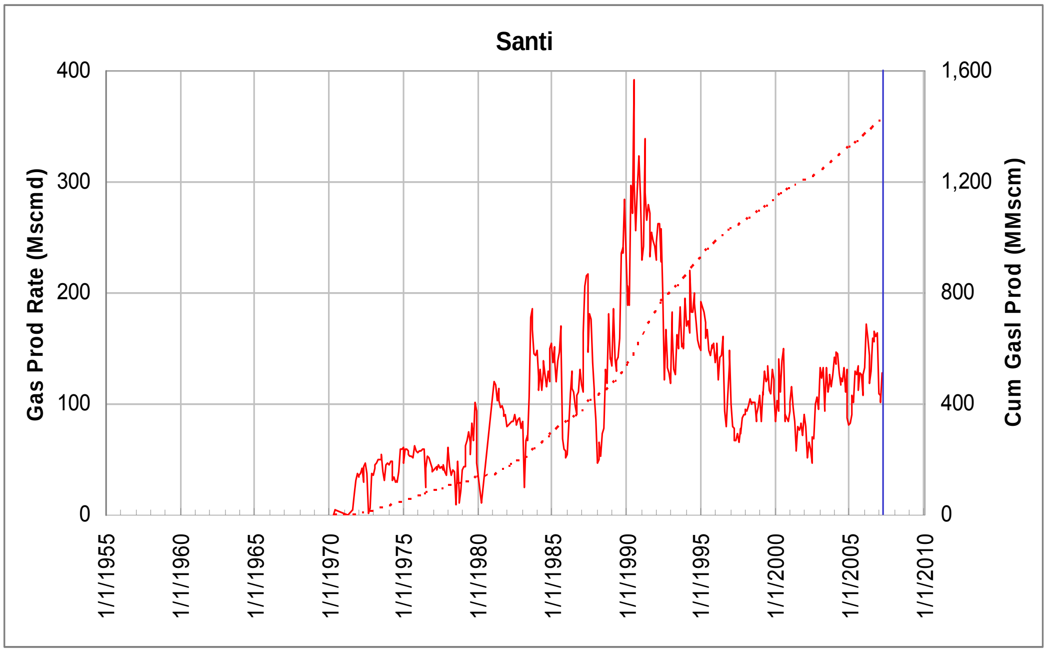
Gas Production Profile
Jorajan Field



Santi Field

The historical gas production profile for the Santi Field is shown below.

Gas Production Profile
Santi Field



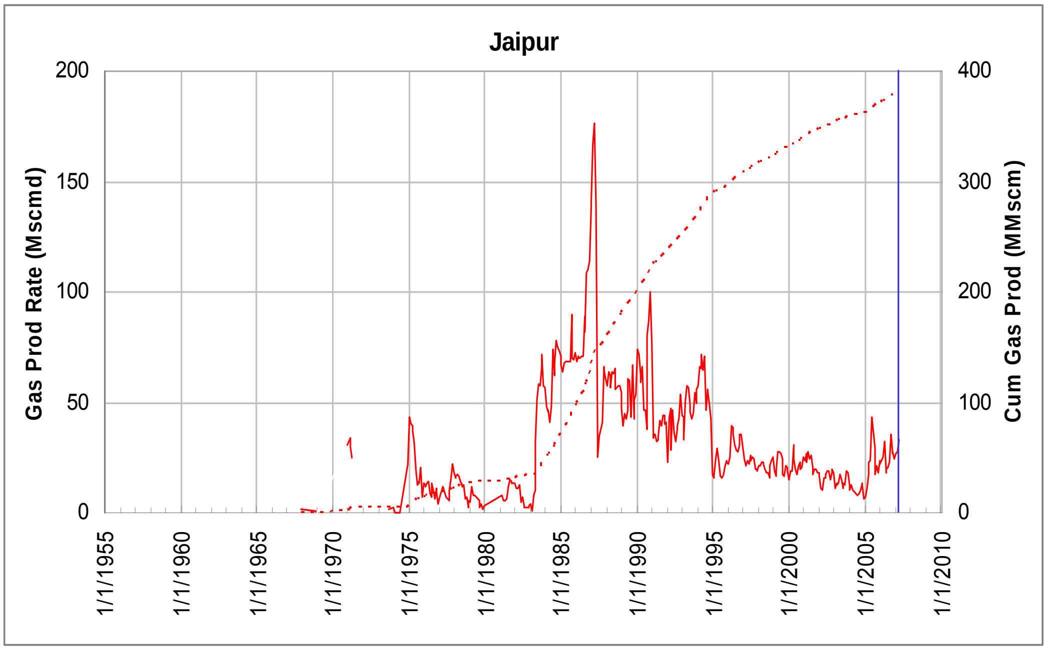
The Santi Field is a mature field which has produced erratically since 1974. A peak gas rate of about 400 Mscmd was achieved briefly in June 1990. Since mid 2000, the field production rate has been in a decline until mid 2002, when the trend was reversed.

OIL's 2P GIIP estimate for the field is 8,117 MMscm. Some 1,428 MMscm of gas have been recovered, giving a current recovery factor of 17.6%.

Jaipur and Tarajan Area Field

The historical gas production profile for the Jaipur Field is shown below.

Gas Production Profile
Jaipur Field



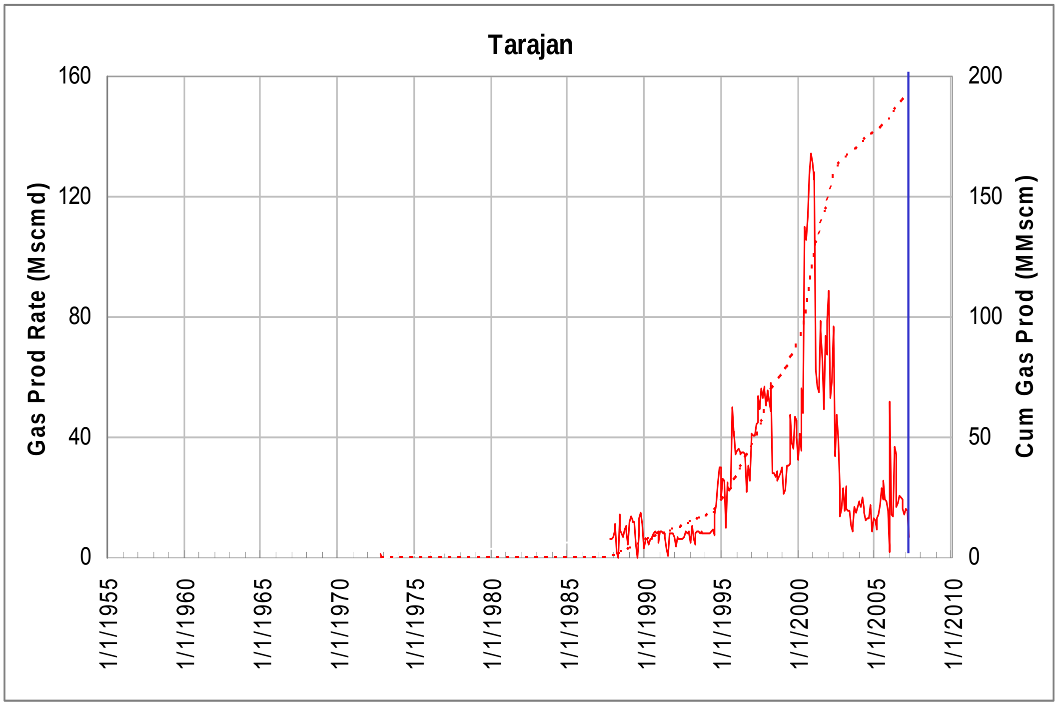
The Jaipur Field is a mature field which has been producing since 1974. A peak gas rate of 176 Mscmd was achieved briefly in March 1987. Since then, the field has been in a decline trend until early 2005 when the field performance improved slightly.

OIL's 2P GIIP estimate for the field is 4,496 MMscm. Some 382 MMscm of gas have been recovered, giving a current recovery factor of about 8.5%.

Tarajan Field

The historical gas production profile for the Tarajan Field is shown below.

Gas Production Profile
Tarajan Field



The Tarajan Field produced erratically until 1988. A peak gas rate in excess of 120 Mscmd was achieved briefly in December 2000. Since then, the field has been in decline.

OIL's 2P GIIP estimate for the field is 936 MMscm. Some 192 MMscm of gas have been recovered, giving a current recovery factor of about 20.5%.

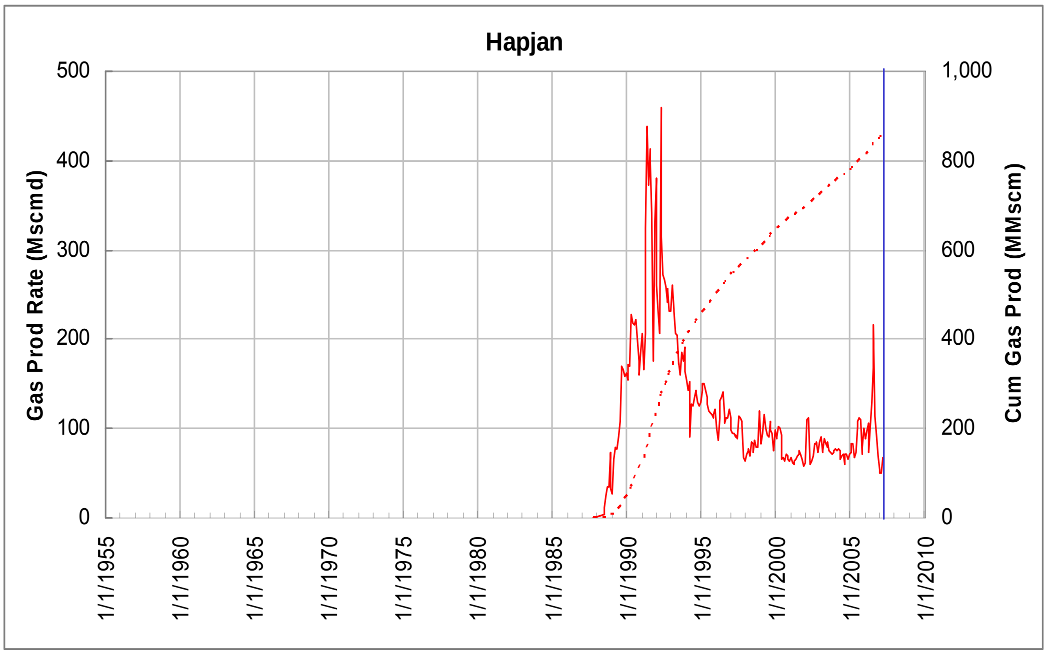
Greater Hapjan Area

The Greater Hapjan Field consists of Hapjan, North Hapjan, Borhapjan, Makum, North Makum, Samdang, and Bazaloni.

Hapjan Field

The historical gas production profile for the Hapjan Field is shown below.

Gas Production Profile
Hapjan Field



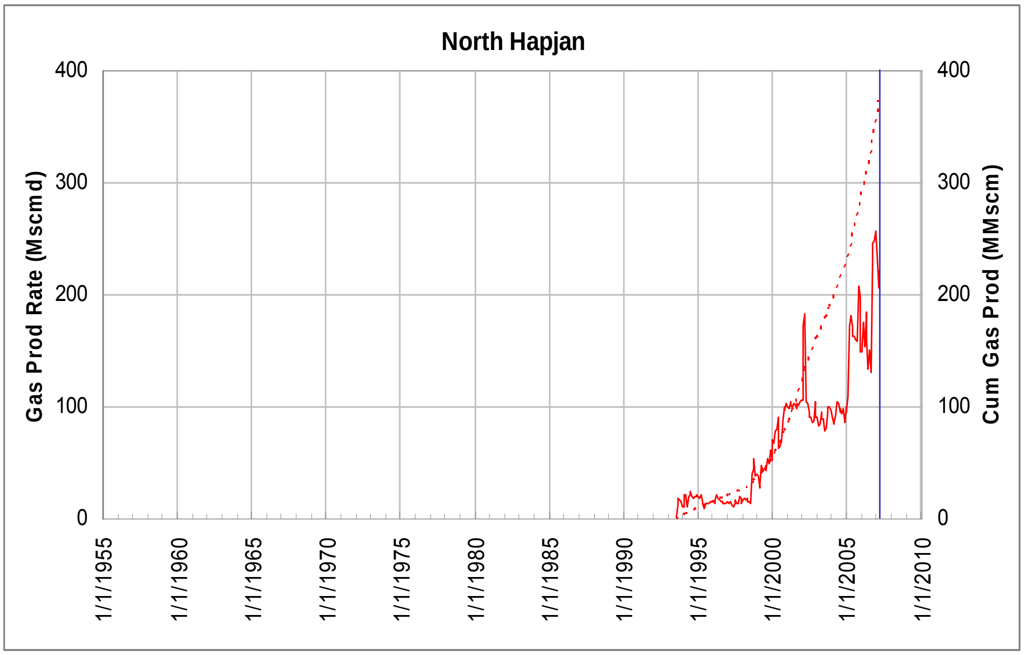
The Hapjan Field has produced since 1988. It reached a peak rate in excess of 400 Mscmd in April 1992 before decline. In early 2005, the gas rate increased and reached a lower peak of 220 Mscmd in August 2006, before decline again.

OIL's 2P GIIP estimate for the field is 7,597 MMscm. Some 858 MMscm of gas have been recovered, giving a current recovery factor of 11.3%.

North Hapjan Field

The historical gas production profile for the North Hapjan Field is shown below.

Gas Production Profile
North Hapjan Field



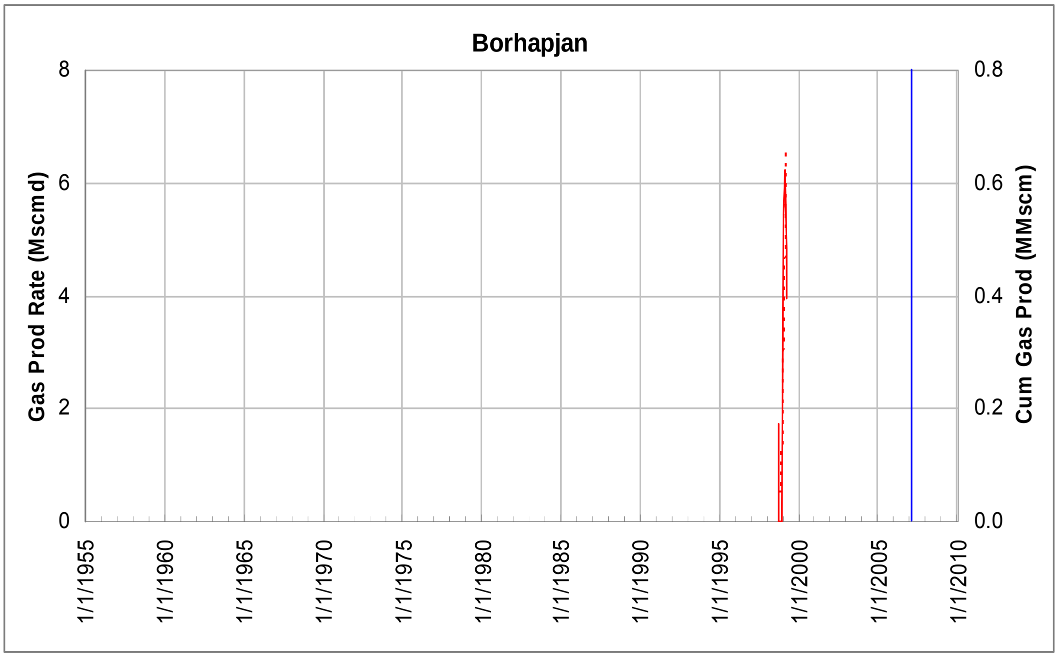
The North Hapjan Field has been producing since 1993. A peak gas rate of 180 Mscmd was achieved in 2002. The field reached its higher peak of 260 Mscmd in late 2006, due to development activities.

OIL's 2P GIIP estimate for the field is 6,341 MMscm. Some 373 MMscm of gas have been recovered giving a current recovery factor of 5.9%.

Borhapjan Field

The historical gas production profile for the Borhapjan Field is shown below.

Gas Production Profile
Borhapjan Field



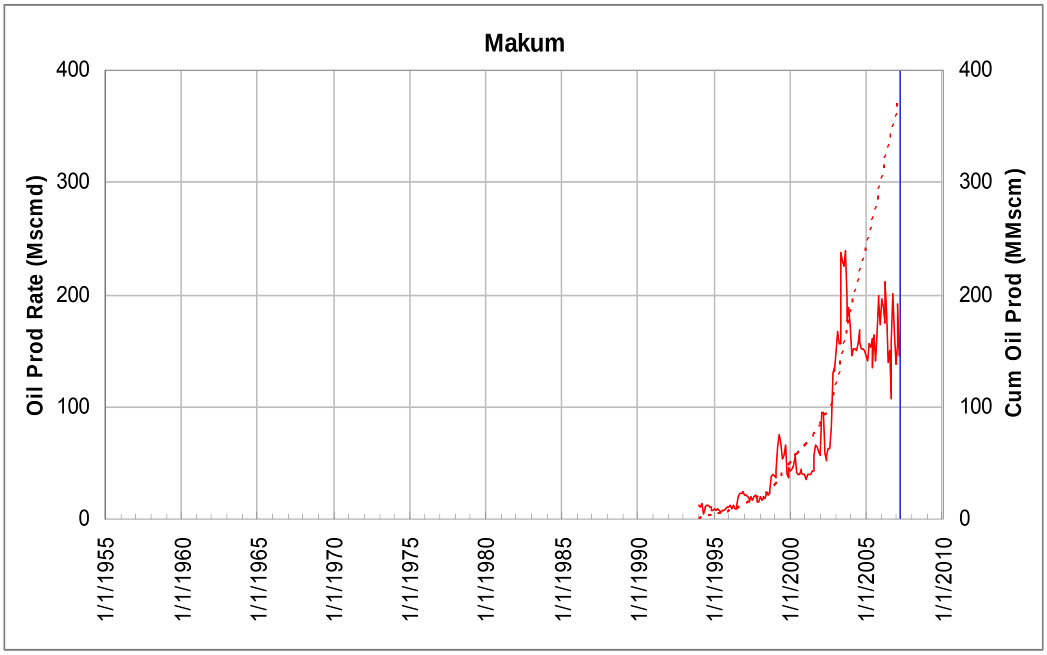
The Borhapjan Field produced briefly in September 1998. It was then restarted in early 1999 for four months. The peak production rate was only 6 Mscmd. Since then, the field was shut-in.

OIL's 2P GIIP estimate for the field is 841 MMscm. Some 1 MMscm of gas have been recovered, giving a current recovery factor of 0.1%.

Makum Field

The historical gas production profile for the Makum Field is shown below.

Gas Production Profile
Makum Field



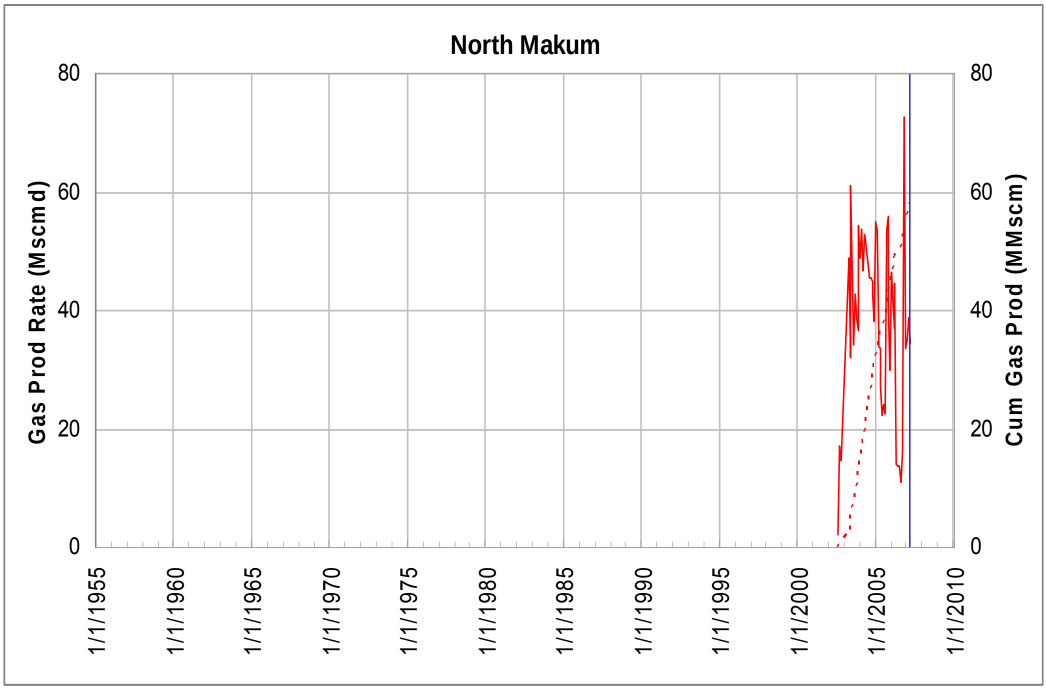
The Makum field started production in 1994. Since then, the gas rate has increased steadily due to ongoing development activities. A peak production rate of 240 Mscmd was reached in August 2003.

OIL's 2P GIIP estimate for the field is 6,375 MMscm. Some 374 MMscm of gas have been recovered, giving a current recovery factor of 5.9%.

North Makum Field

The historical gas production profile for the North Makum Field is shown below.

Gas Production Profile
North Makum Field



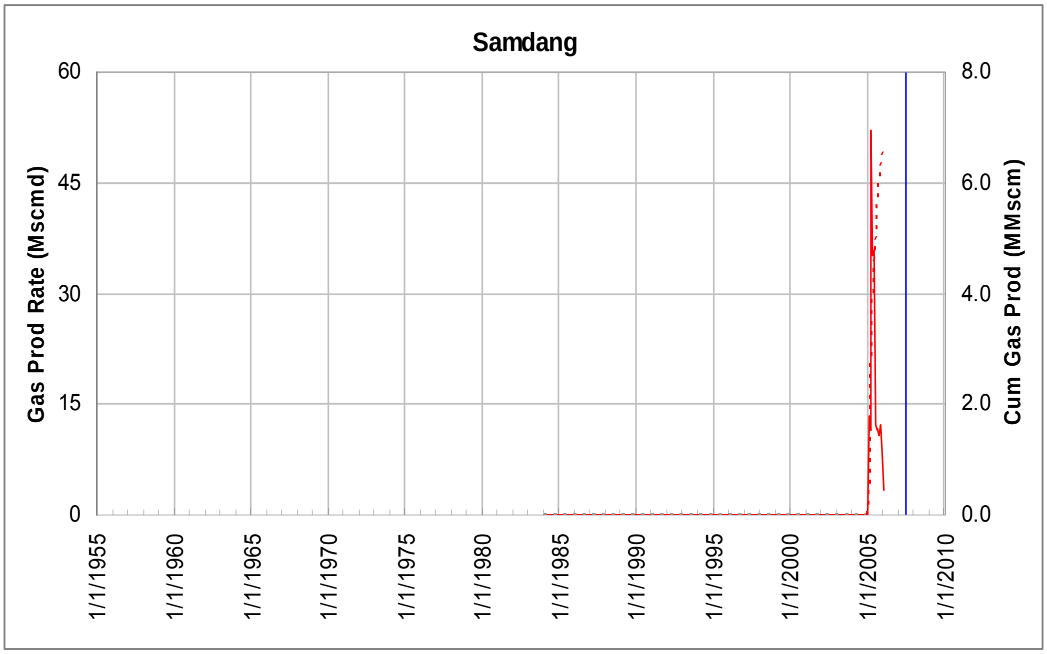
The North Makum Field started production in 2002. A peak production rate of 72 Mscmd was reached in November 2006.

OIL's 2P GIIP estimate for the field is 1,308 MMscm. Some 59 MMscm of gas have been recovered, giving a current recovery factor of 4.5%.

Samdang Field

The historical gas production profile for the Samdang Field is shown below.

Gas Production Profile
Samdang Field



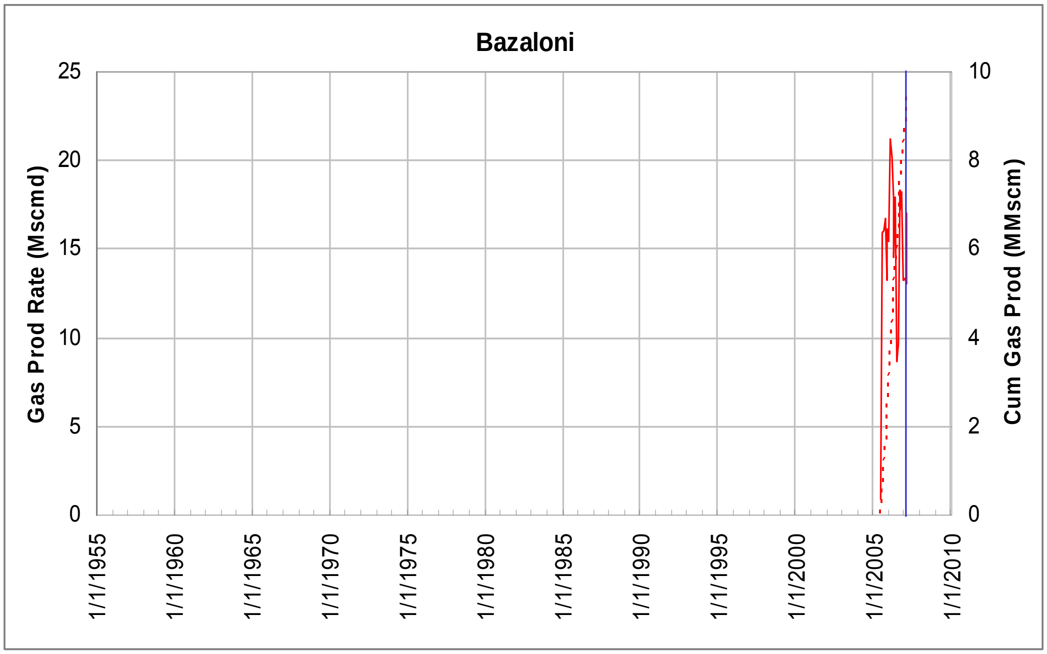
The Samdang field produced briefly in 2005. Its gas rate declined rapidly and the field is currently shut-in.

OIL's 2P GIIP estimate for the field is 284 MMscm. Some 7 MMscm of gas have been recovered giving a current recovery factor of 2.3%.

Bazaloni Field

The historical gas production profile for the Bazaloni Field is shown below.

Gas Production Profile
Bazaloni Field



The Bazaloni Field started production in 2005. The gas rate reached a peak rate of 21 Mscmd in February 2006.

OIL's 2P GIIP estimate for the field is 533 MMscm. Some 10 MMscm of gas have been recovered, giving a current recovery factor of 1.8%.

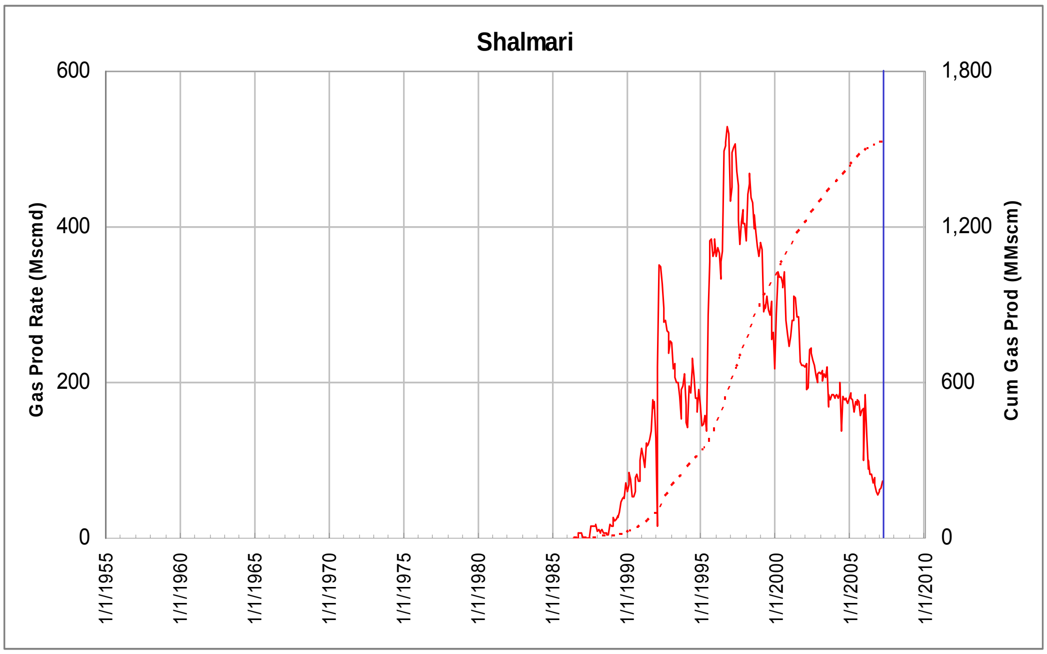
Greater Shalmari Area

The Greater Shalmari Field consists of Shalmari, Tinali, and North Tinali.

Shalmari Field

The historical gas production profile for the Shalmari Field is shown below.

Gas Production Profile
Shalmari Field



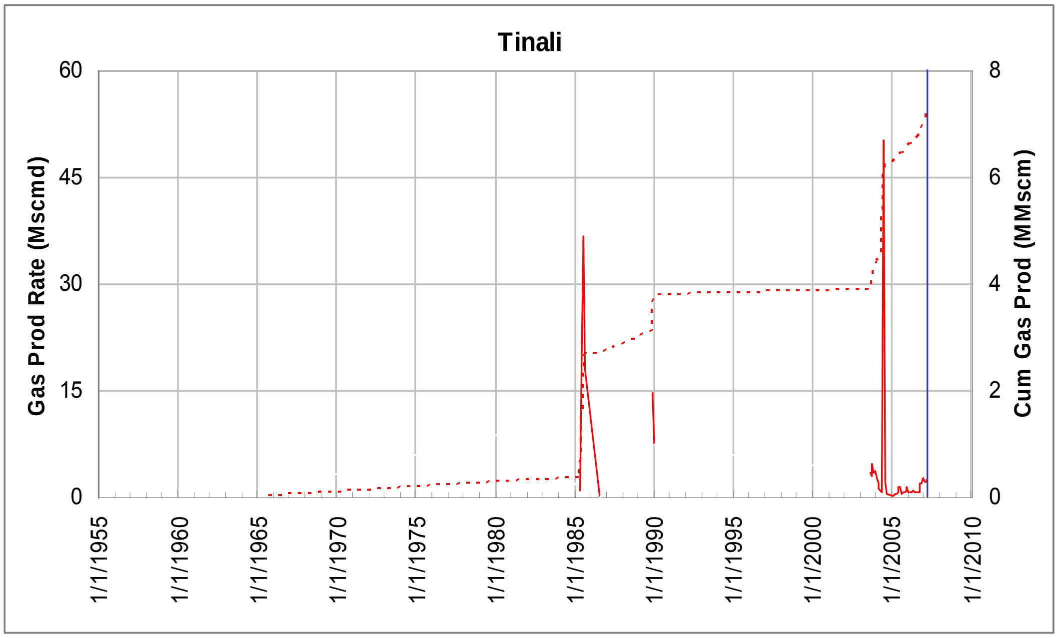
The Shalmari Field is a mature field which has been produced since 1986. A peak gas rate in excess of 500 Mscmd was achieved in late 1996 before decline.

OIL's 2P GIIP estimate for the field is 3,985 MMscm. Some 1,531 MMscm of gas have been recovered, giving a current recovery factor of 38.4%.

Tinali Field

The historical gas production profile for the Tinali Field is shown below.

Gas Production Profile
Tinali Field



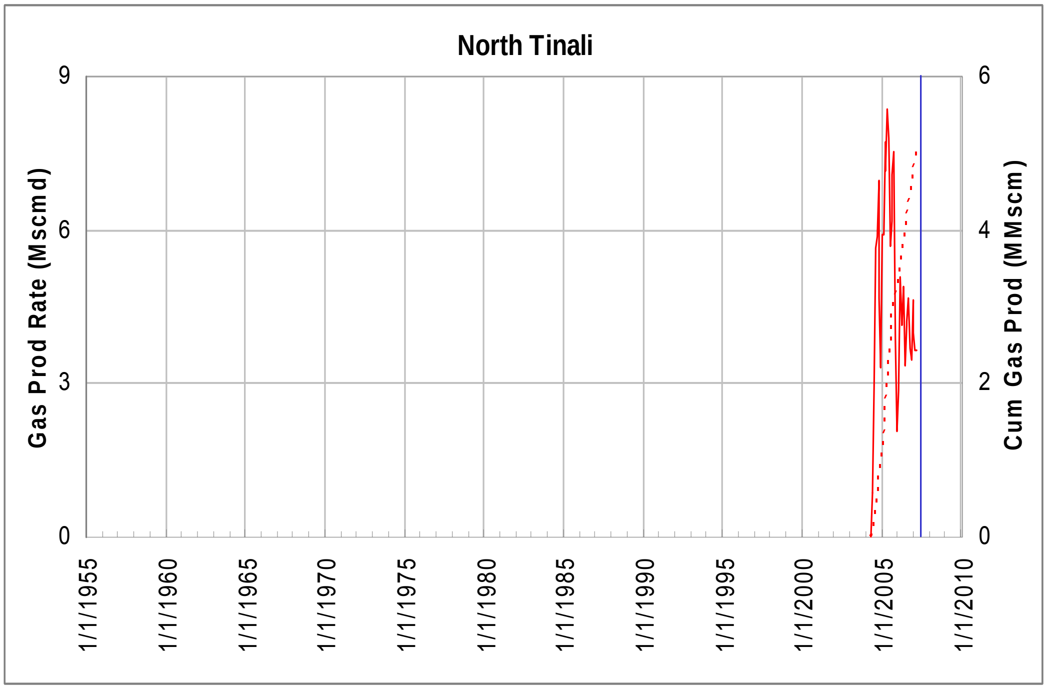
The Tinali Field was tested at various times. It came on continuous production in 2003 with a peak rate of 50 Mscmd in June 2004. Since then, the gas production has declined rapidly.

OIL's 2P GIIP estimate for the field is 531 MMscm. Some 7 MMscm of gas have been recovered, giving a current recovery factor of only 1.4%.

North Tinali Field

The historical gas production profile for the North Tinali Field is shown below.

Gas Production Profile
North Tinali Field



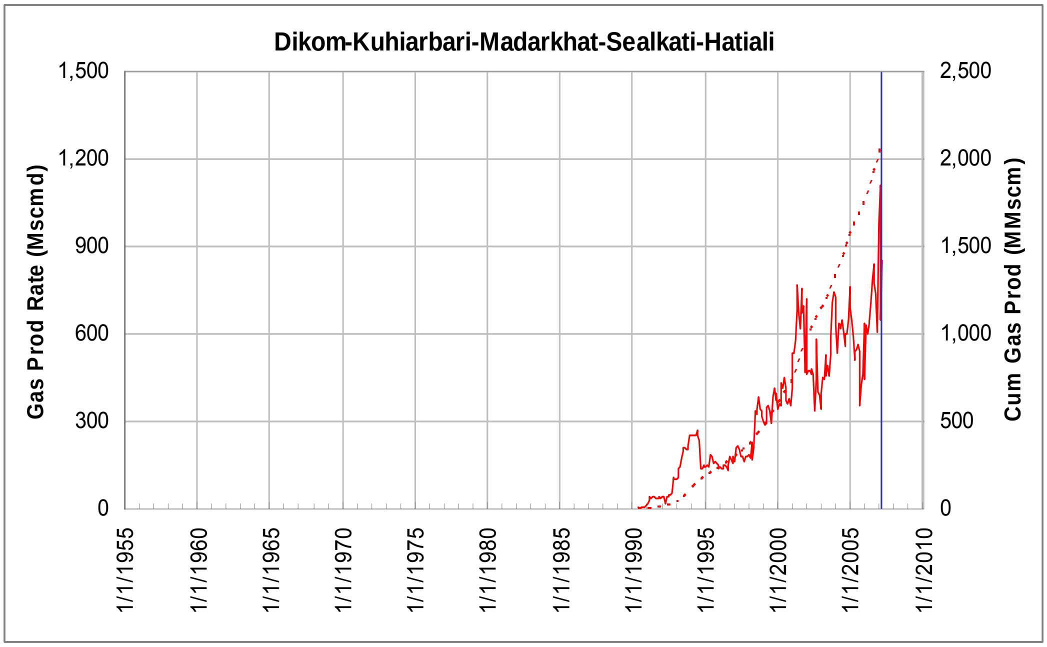
The North Tinali Field came on production in 2004 and reached a peak rate of 8 Mscmd in May 2005. Since then, the production has declined.

OIL's 2P GIIP estimate for the field is 96 MMscm. Some 5 MMscm of gas have been recovered, giving a current recovery factor of 5.2%.

Greater Dikom Area

The Greater Dikom Field is an amalgamation of Dikom, Madarkat, Kuhiarbari, Sealkati, and Hatiali Fields.
The historical gas production profile for the Greater Dikom Field is shown below.

Gas Production Profile
Greater Dikom Field



The Greater Dikom Field has been producing since 1990. The production increased steadily and reached a peak production of 980 Mscmd.

OIL's 2P GIIP estimate for the field is 11,516 MMscm. Some 2,081 MMscm of gas have been recovered, giving a current recovery factor of about 18.1%.

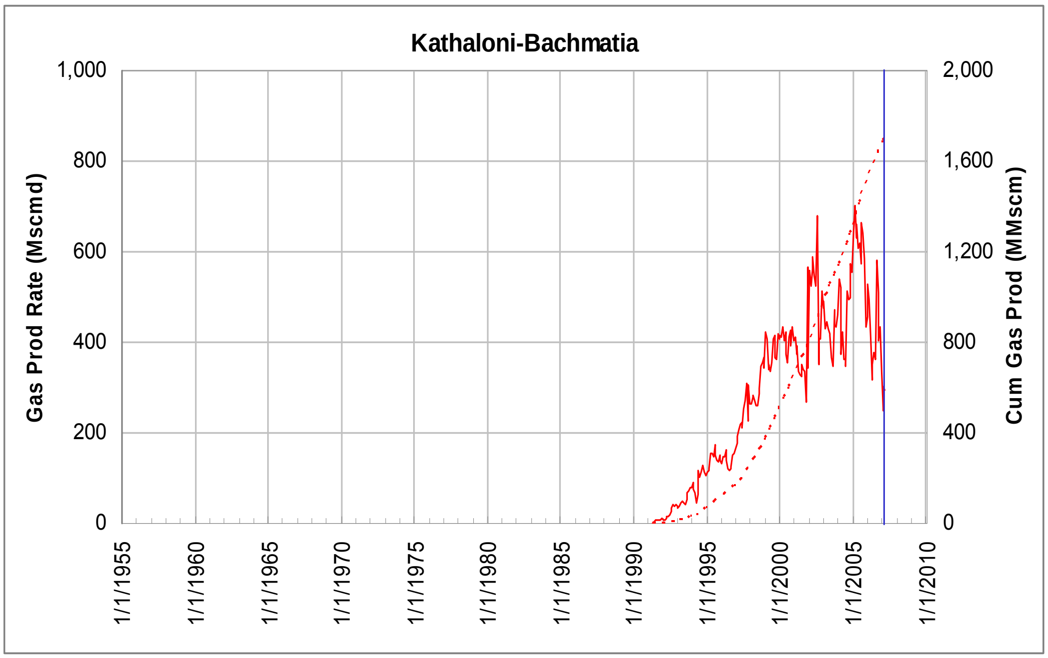
Kathaloni Area

The Kathaloni Field is an amalgamation of Kathaloni and Bachmatia Fields.

Kathaloni-Bachmatia Field

The historical gas production profile for the Kathaloni-Bachmatia Field is shown below.

Gas Production Profile
Kathaloni-Bachmatia Field



The Kathaloni-Bachmatia Field has been producing since 1991. A peak gas rate in excess of 600 scmd was achieved before decline in 2005.

OIL's 2P GIIP estimate for the field is 4,530 MMscm. Some 1,697 MMscm of gas have been recovered, giving a current recovery factor of about 37.5%.

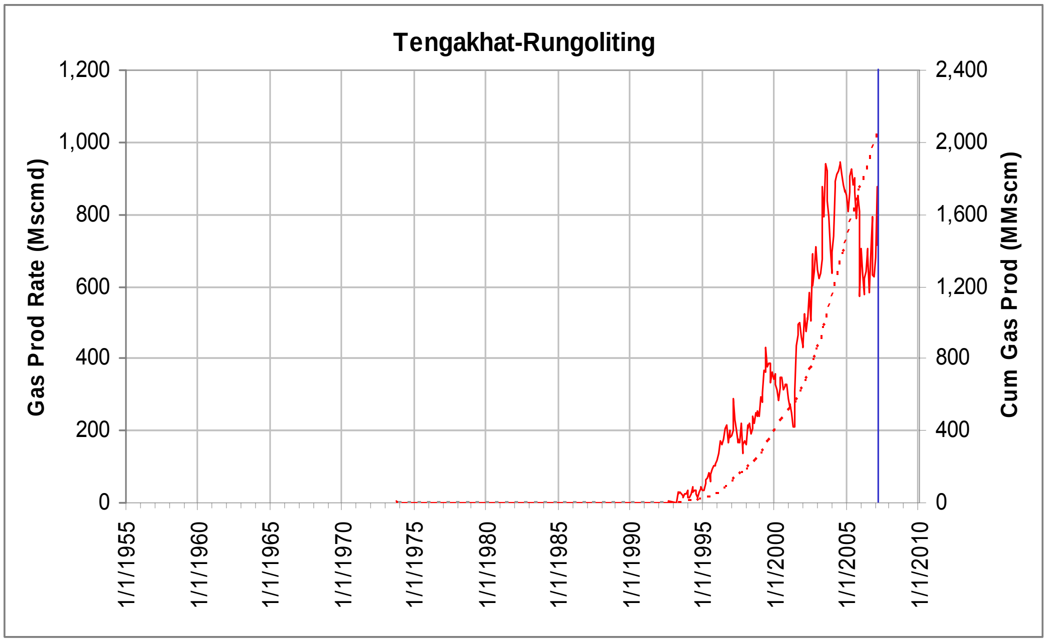
Tengakhat Area

The Tengakhat Field is an amalgamation of Tengakhat and Rungoliting Fields.

Tengakhat-Rungoliting Field

The historical gas production profile for the Tengakhat-Rungoliting Field is shown below.

Gas Production Profile
Tengakhat-Rungoliting Field



The Tengakhat-Rungoliting Field has been producing since 1994. A peak gas rate of about 900 Mscmd was achieved during 2003 to 2005. Since then, the production had declined to some 600 Mscmd. In early 2007, the gas production rate has increased due to development activities.

OIL's 2P GIIP estimate for the field is 9,056 MMscm. Some 2,055 MMscm of gas have been recovered, giving a current recovery factor of 22.7%.

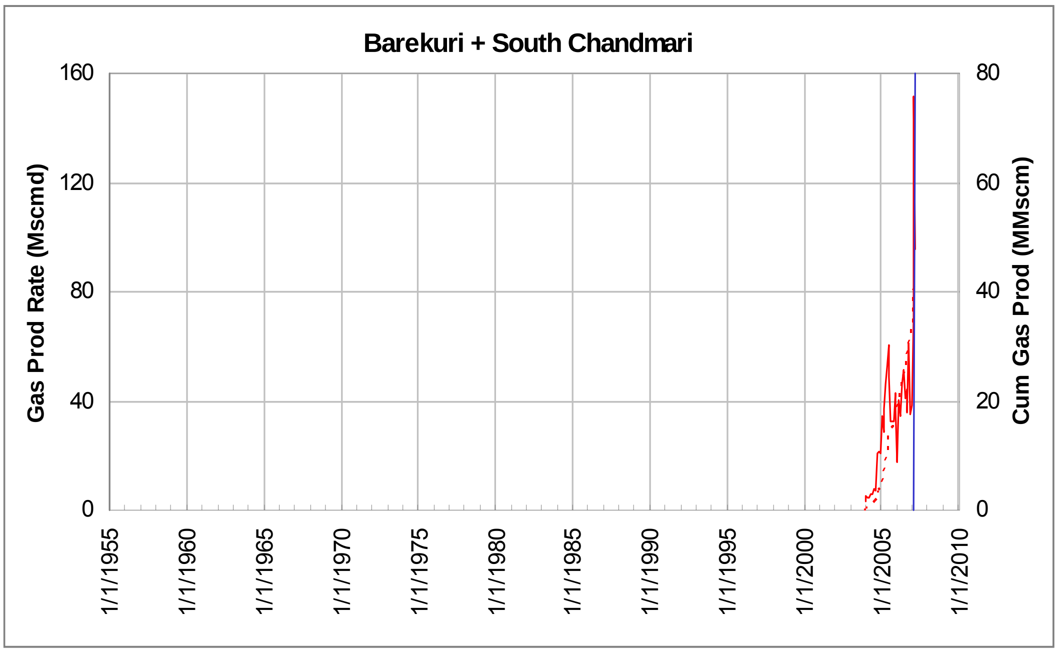
Greater Chandmari Area

The Greater Chandmari Field consists of Barekuri, South Chandmari, and Baghjan.

Barekuri-South Chandmari Field

The historical gas production profile for the Barekuri + South Chandmari Field is shown below.

Gas Production Profile
Barekuri-South Chandmari Field



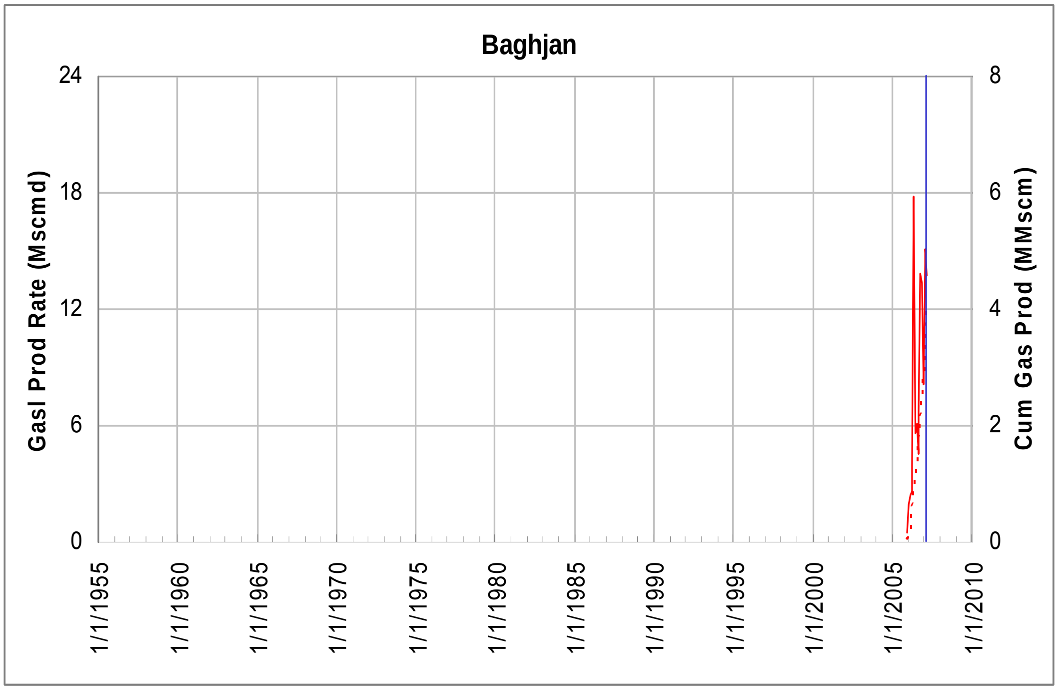
The Barekuri-South Chandmari Field came on production in 2004. Gas production rate increased steadily due to development activities and reached its peak rate of 150 Mscmd in February 2007.

OIL's 2P GIIP estimate for the field is 8,383 MMscm. Some 42 MMscm of gas have been recovered, giving a current recovery factor of 0.5%.

Baghjan Field

The historical gas production profile for the Baghjan Field is shown below.

Gas Production Profile
Baghjan Field



The Baghjan Field came on production in 2003.

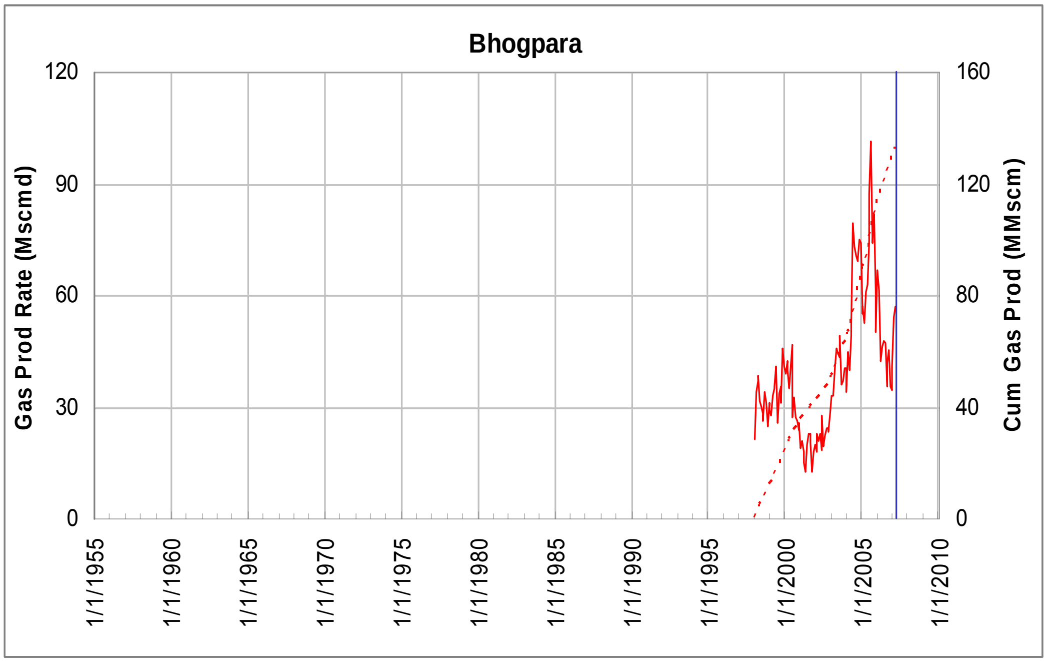
OIL's 2P GIIP estimate for the field is 29,545 MMscm. Some 4 MMscm of gas have been recovered, giving a current recovery factor of 0.01%.

Bhogpara Area

Bhogpara Field

The historical gas production profile for the Bhogpara Field is shown below.

Gas Production Profile
Bhogpara Field



The Bhogpara Field started producing in 1997. Production increased over the years reaching a peak gas rate of 100 Mscmd in August 2005. Since then production has declined.

OIL's 2P GIIP estimate for the field is 910 MMscm. Some 133 MMscm of gas have been recovered, giving a current recovery factor of 14.7%.

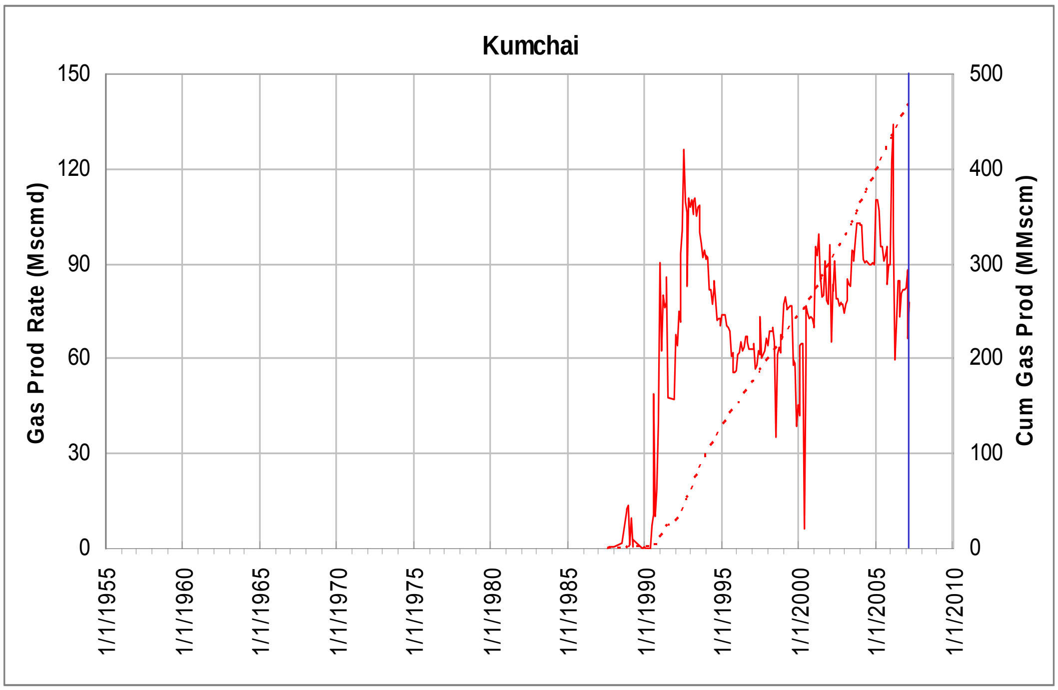
Greater Kumchai Area

There are no reserves allocated to the Greater Kumchai Field due to the unavoidably lost (gas flaring) and gas disposal. There is no gas sales delivery from this field to the customers from the record.

Kumchai Field

The historical gas production profile for the Kumchai Field is shown below.

Gas Production Profile
Kumchai Field



The Kumchai Field has had a jagged production history since 1987. A peak gas rate in excess of 130 Mscmd was achieved briefly in 1992. Since then, the production had declined until 1996 when the trend reversed. A second peak rate of 130 Mscmd was reached in February 2006. Recently, the production has dropped.

OIL's 2P GIIP estimate for the field is 4,564 MMscm. Some 468 MMscm of gas have been recovered, giving a current recovery factor of 10.3%.

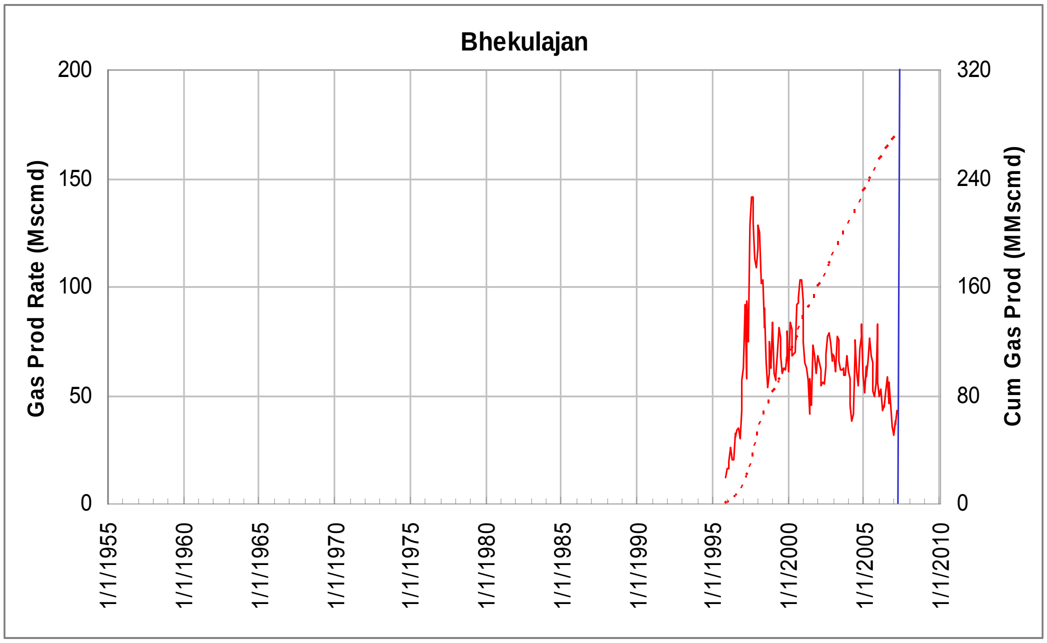
Central Small Area

The Central Small Fields consists of Bhekulajan, Tamulikhat-North Tamulikhat, Deohal-East Deohal, Chabua, Jaraipather, Matimekhana-North Matimekhana, North Balijan, Khagorijan, Kamkhat and Lohali. Gas reserves estimated for Central Small Fields in this Certification Study are shown below.

Bhekulajan Field

The historical gas production profile for the Bhekulajan Field is shown below.

Gas Production Profile
Bhekulajan Field



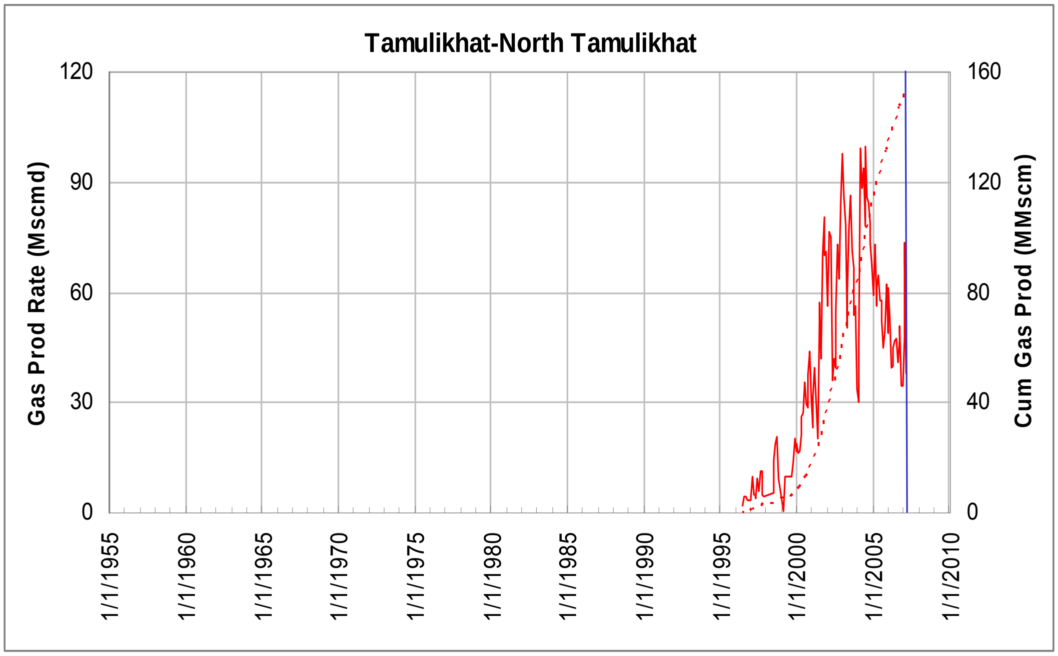
The Bhekulajan Field has been producing since 1995. A peak gas rate of 140 Mscmd was achieved in 1997. Production then fluctuated and showed a decline trend.

OIL's 2P GIIP estimate for the field is 763 MMscm. Some 272 MMscm of gas have been recovered, giving a current recovery factor of 35.7%.

Tamulikhat-North Tamulikhat Field

The historical gas production profile for the Tamulikhat-North Tamulikhat Field is shown below.

Gas Production Profile
Tamulikhat-North Tamulikhat Field



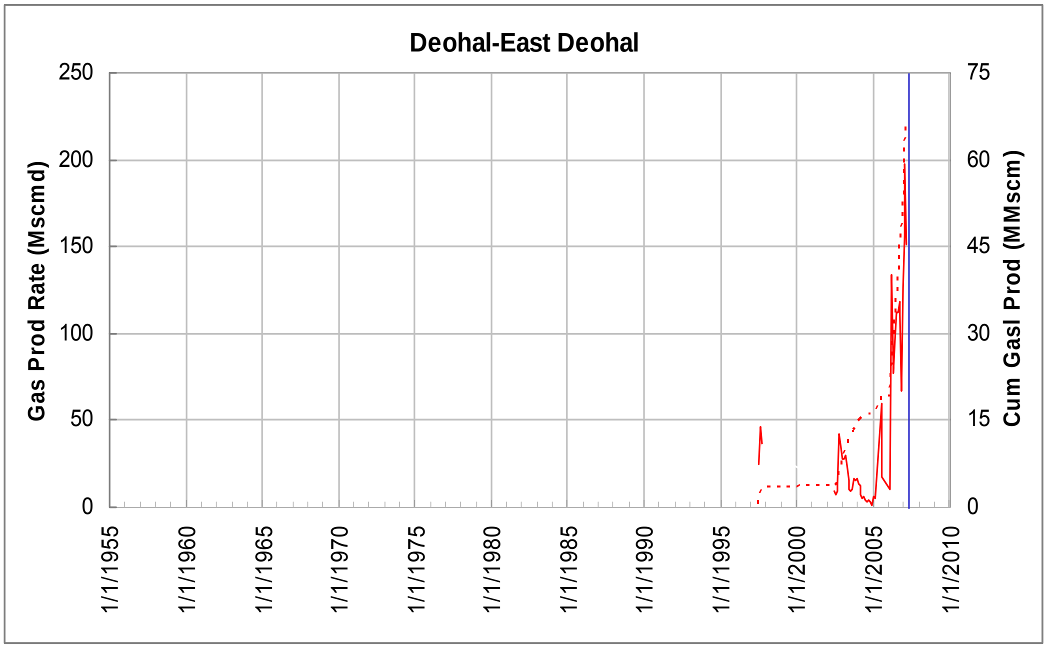
The Tamulikhat-North Tamulikhat Field has been producing since 1995. A peak gas rate of 100 Mscmd was achieved in 2004 and then the field declined. The field production improved briefly to 73 Mscmd in early 2007.

OIL's 2P GIIP estimate for the field is 443 MMscm. Some 154 MMscm of gas have been recovered, giving a current recovery factor of 34.8%.

Deohal-East Deohal Field

The historical gas production profile for the Deohal Field is shown below.

Gas Production Profile
Deohal-East Deohal Field



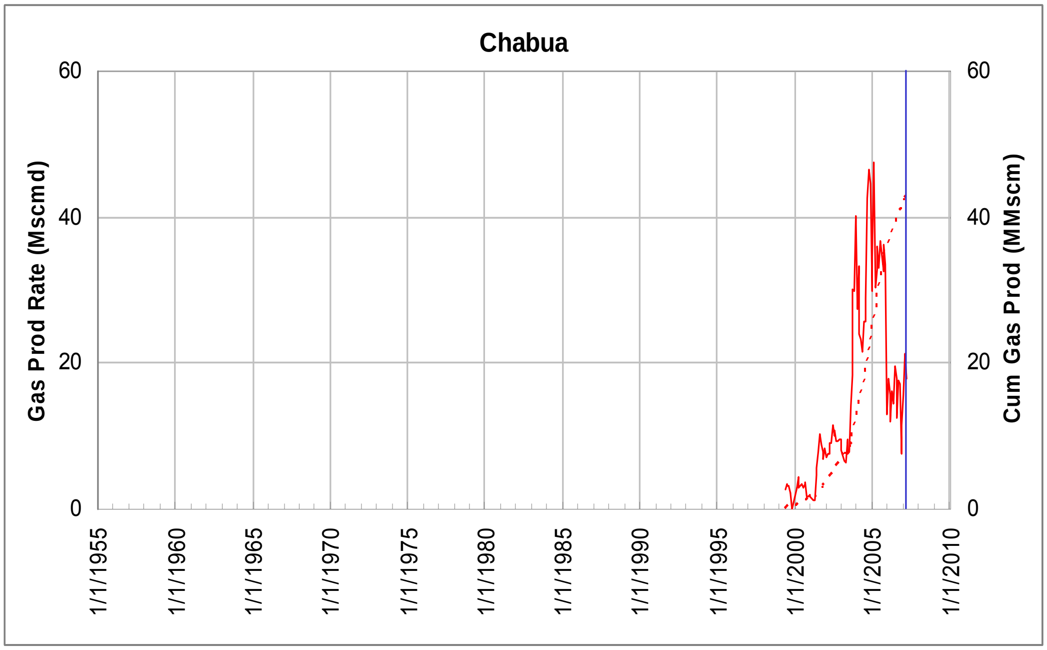
The Deohal-East Deohal Field was tested in 1976 and 1997, and came on production in 2002. A peak gas rate in of 50 Mscmd was achieved briefly in that year. From 2006, the production performance has improved.

OIL's 2P GIIP estimate for the Deohal-East Deohal Field is 3,759 MMscm. Some 66 MMscm of gas have been recovered, giving a current recovery factor of 1.8%.

Chabua Field

The historical gas production profile for the Chabua Field is shown below.

Gas Production Profile
Chabua Field



The Chabua field started producing in 1999. Production increased to 48 Mscmd in February 2005. Since then, the production has declined.

OIL's 2P GIIP estimate for the field is 9,753 MMscm. Some 43 MMscm of gas have been recovered giving a current recovery factor of 0.4%.

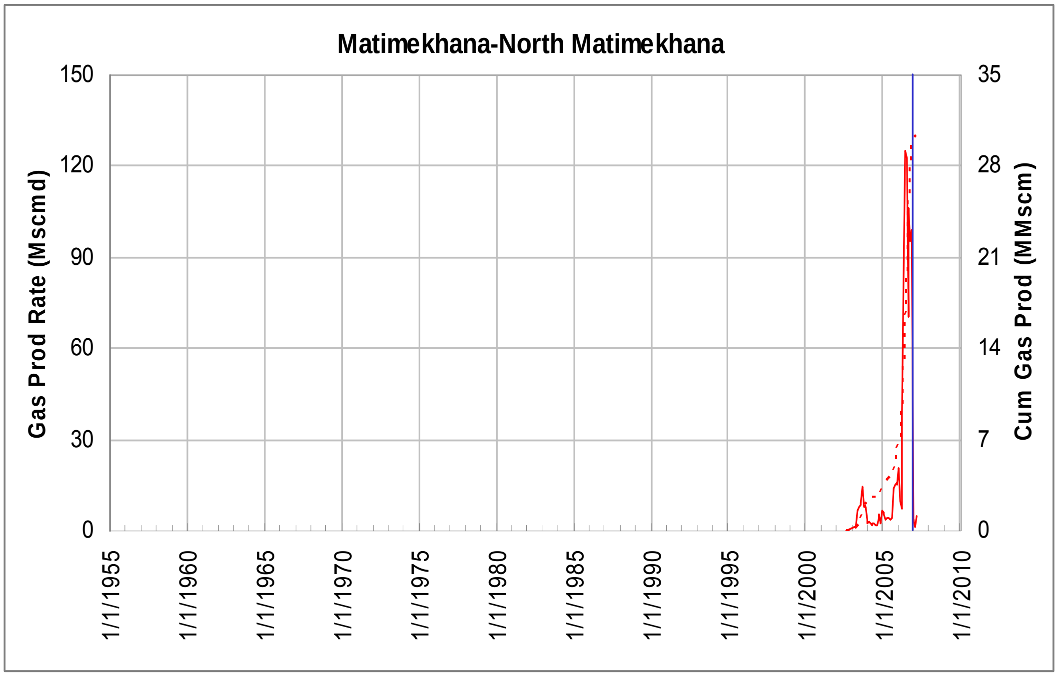
Jaraipather Field

OIL's 2P GIIP estimate for the field is 13 MMscm. There has been no production from the field to date.

Matimekhana-North Matimekhana Field

The combined historical gas production profile for the Matimekhana – North Matimekhana Field is shown below.

Gas Production Profile
Matimekhana-North Matimekhana Field



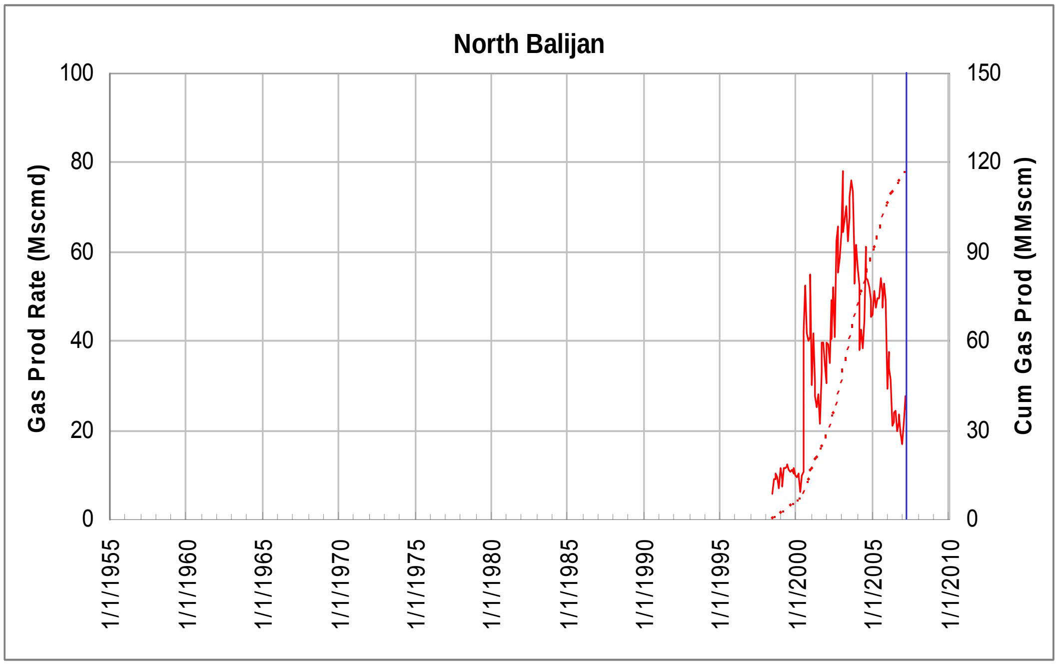
The Matimekhana Field came on production in 2003. The production had increased and reached its peak rate of 120 Mscmd in 2006. Since early 2007, the production has been in rapid decline.

OIL's 2P GIIP estimate for the field is 607 MMscm. Some 30 MMscm of gas have been recovered, giving a current recovery factor of 5.0%.

North Balijan Field

The historical gas production profile for the North Balijan Field is shown below.

Gas Production Profile
North Balijan Field



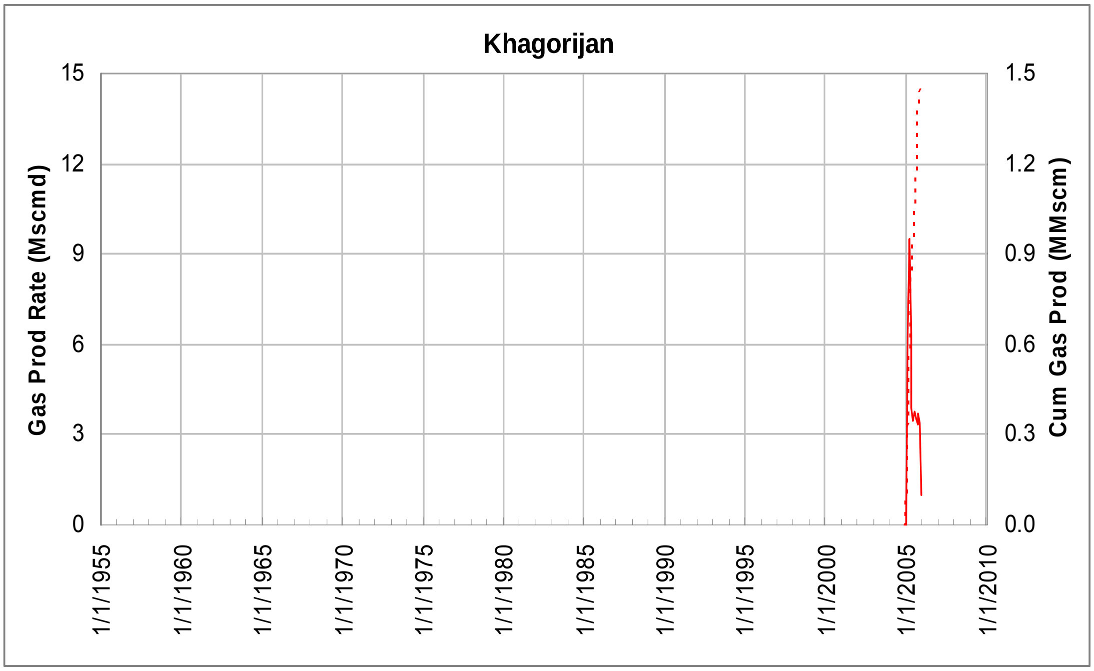
The North Balijan Field came on production in 1998. In 2001, an instantaneous peak rate of 55 Mscmd was achieved. The field reached its higher peak of about 80 Mscmd in 2003. Since then, the field has been declining.

OIL's 2P GIIP estimate for the field is 635 MMscm. Some 117 MMscm of gas have been recovered, giving a current recovery factor of 18.5%.

Khagorijan Field

The production profile for the Khagorijan Field is shown below.

Gas Production Profile
Khagorijan Field



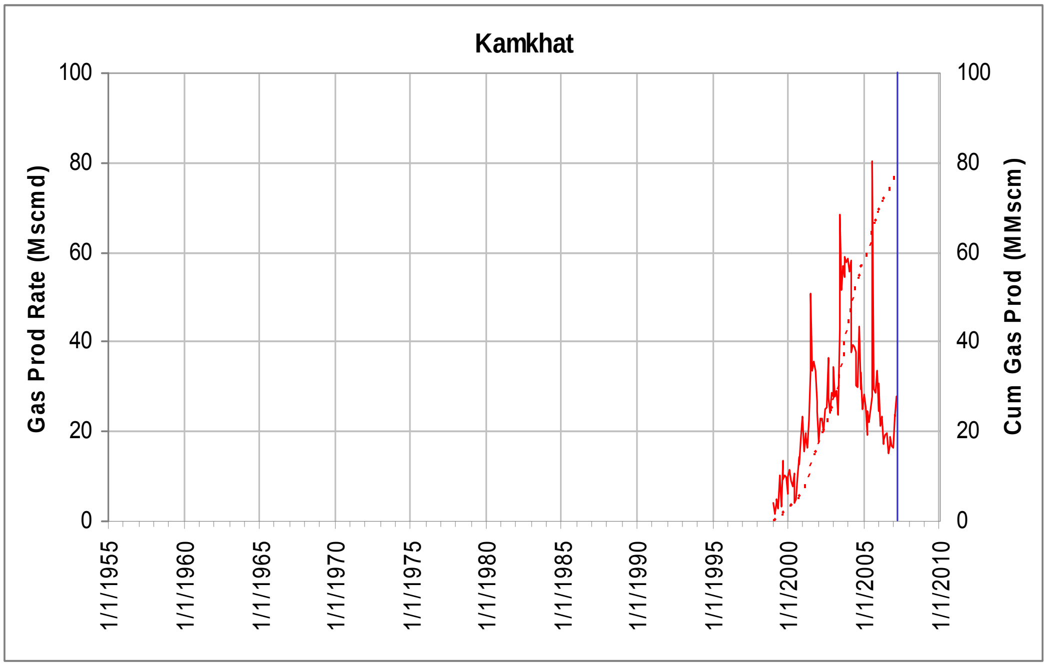
The Khagorijan Field started production in 2005. The gas production briefly reached a peak of 10 Mscmd before decline.

OIL's 2P GIIP estimate for the field is 189 MMscm. Some 1 MMscm of gas have been recovered, giving a current recovery factor of about 0.8%.

Kamkhat Field

The historical gas production profile for the Kamkhat Field is shown below.

Gas Production Profile
Kamkhat Field



The Kamkhat Field came on production in 1999. The field production had been steadily increasing. The peak production of 80 Mscmd was reached in 2005 before declining.

OIL's 2P GIIP estimate for the field is 494 MMscm. Some 78 MMscm of gas have been recovered, giving a current recovery factor of 15.8%.

Lohali Field

OIL's 2P GIIP estimate for the field is 651 MMscm. There has been no production from the field to date.

GCA assumes there will be a full field development for this field in the future.

Eastern Satellite Area

The Eastern Satellite Fields consists of Mechaki, Bogapani, Kusijan, Kherem and Duamara.

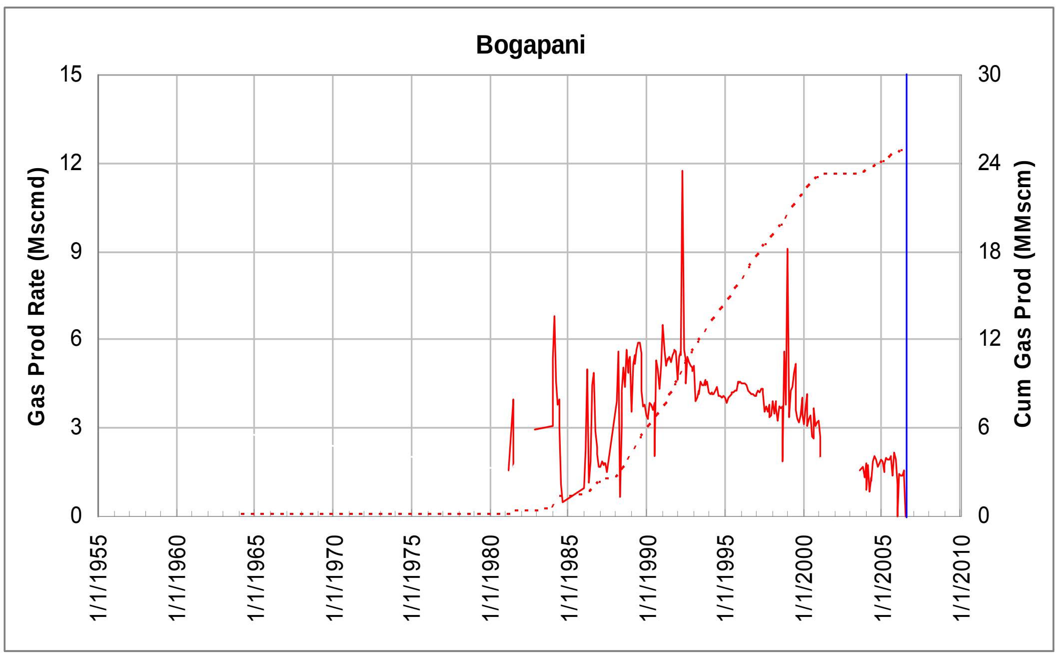
Mechaki Field

OIL's 2P GIIP estimate for the field is 132 MMscm. The field has not been produced.

Bogapani Field

The historical gas production profile for the Bogapani Field is shown below.

Gas Production Profile
Bogapani Field



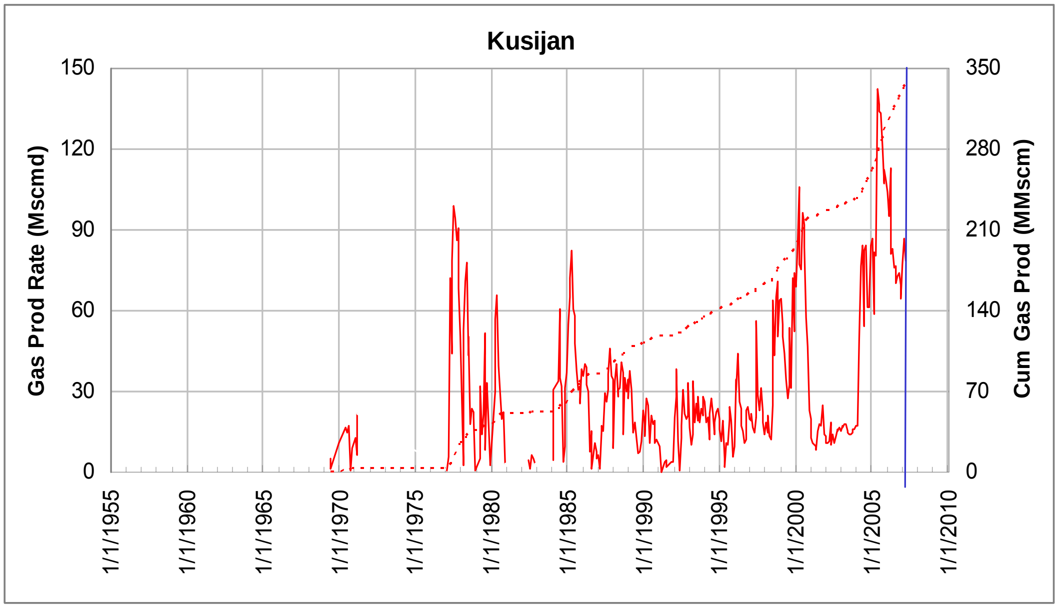
The Bogapani Field came on production in 1986 and produced at a rate of about 5 Mscmd. The field has stopped production as at end of 2006.

OIL's GIIP estimate for the field is 1,928 MMscm. Some 25 MMscm of gas have been recovered, giving a current recovery factor of 1.3%.

Kusijan Field

The historical gas production profile for the Kusijan Field is shown below.

Gas Production Profile
Kusijan Field



The Kusijan Field came on production in 1969 and the production rate had fluctuated. The field reached its first peak of some 100 Mscmd in year 1977. In 2005, the field production reached its highest peak of 140 Mscmd. Since then, production has declined.

OIL's 2P GIIP estimate for the field is 6,982 MMscm. Some 336 MMscm of gas have been recovered, giving a current recovery factor of about 4.8%.

Kherem Field

OIL's 2P GIIP estimate for the +field is 403 MMscm. No estimate for Remaining Producible Gas Volume was assigned to the Kherem Field. GCA assumes there will be a full field development for this field in the future.

Duarmara Field

OIL's 2P GIIP estimate for the field is 80 MMscm. There has been no production from the field to date.

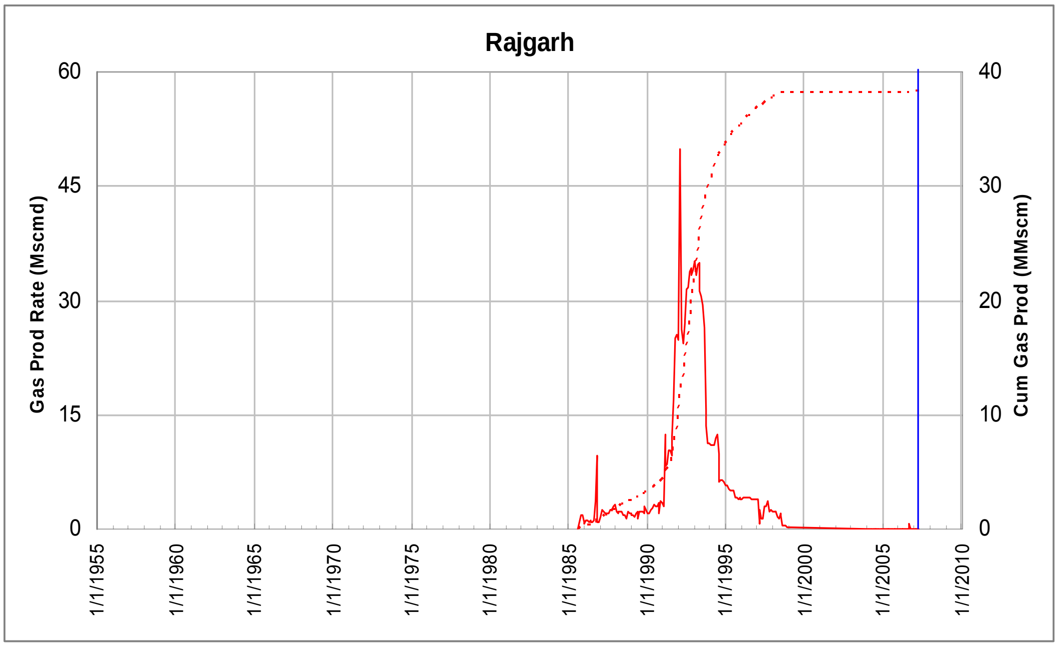
Western Satellite Area

The Western Satellite Fields consists of Rajgarh, South Rajgarh, Dirol, Borbil, Dipling, Sarojini, Sapekhati, Haldibari and Dholiya.

Rajgarh Field

The historical gas production profile for the Rajgarh Field is shown below.

Gas Production Profile
Rajgarh Field



The Rajgarh Field has been producing since 1995. A peak gas rate of 50 Mscmd was achieved in 1992. After that, the field rate declined steadily and production ceased in 1998. Production was restarted briefly in September 2004 and September 2006. Currently, the field is shut-in.

OIL's 2P GIIP estimate for the field is 221 MMscm. Some 38 MMscm of gas have been recovered, giving a current recovery factor of 17.3%.

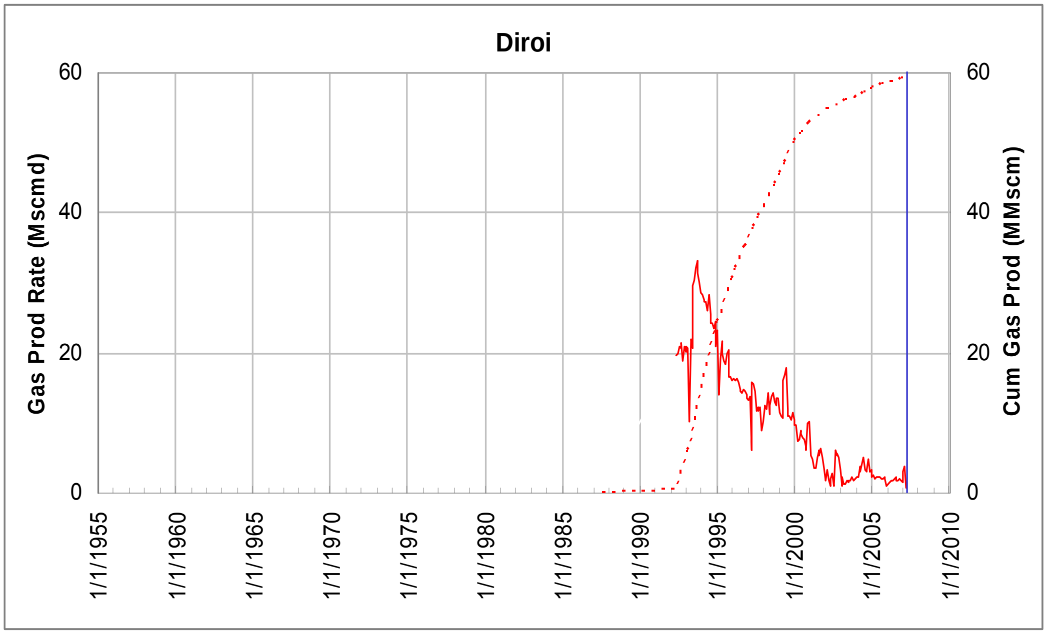
South Rajgarh Field

OIL's 2P GIIP estimate for the field is 357 MMscm. The field has not produced.

Diroi Field

The historical gas production profile for the Diroi Field is shown below.

Gas Production Profile
Diroi Field



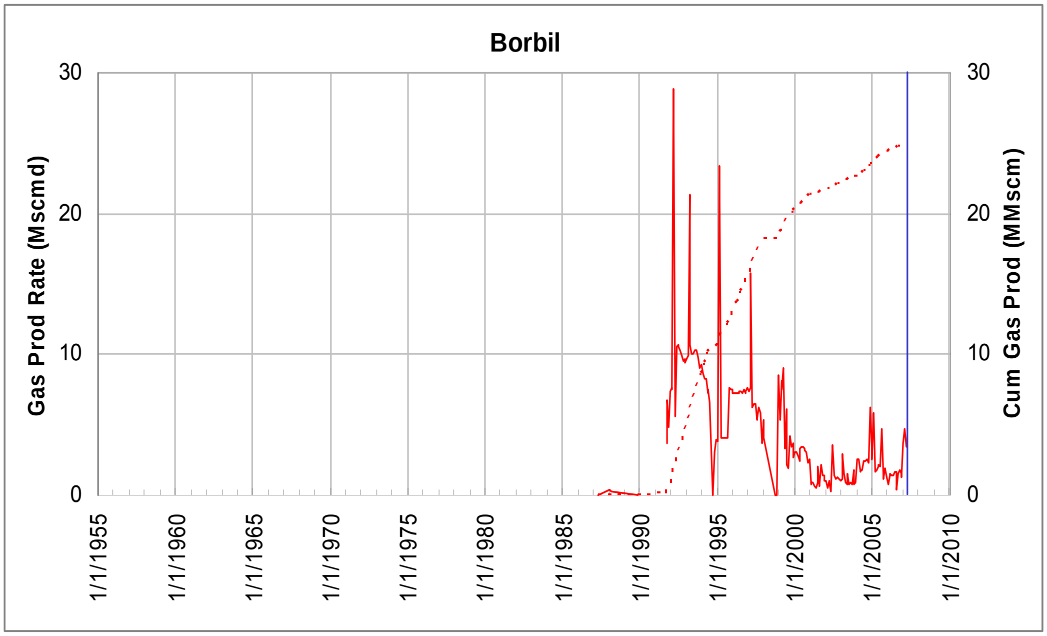
The Diroi Field came on production in 1993. In that year, a peak gas rate of 32 Mscmd was achieved.

OIL's 2P GIIP estimate for the field is 217 MMscm. Some 59 MMscm of gas have been recovered, giving a current recovery factor of 27.3%.

Borbil Field

The historical gas production profile for the Borbil Field is shown below.

Gas Production Profile
Borbil Field



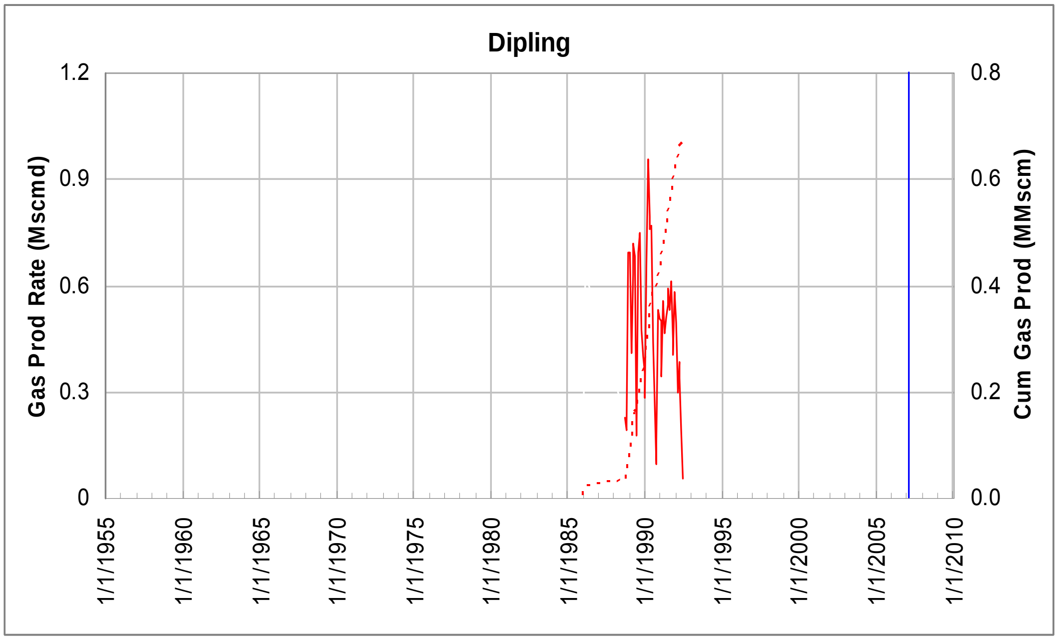
The Borbil Field came on production in 1987 and has produced erratically. It reached a peak gas rate of 29 Mscmd in 1992.

OIL's 2P GIIP estimate for the field is 158 MMscm. Some 25 MMscm of gas have been recovered, giving a current recovery factor of 15.9%.

Dipling Field

The historical gas production for the Dipling Field is shown below.

Gas Production Profile
Dipling Field



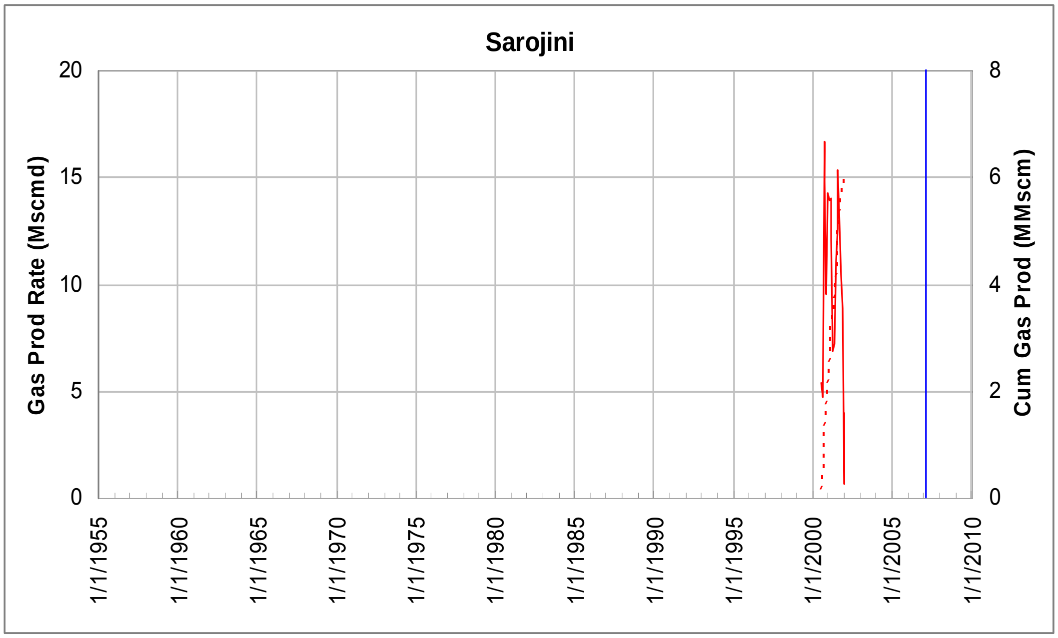
The Dipling Field produced between 1986 and 1992. It has not produced since.

OIL's 2P GIIP estimate for the field is 799 MMscm. Some 1 MMscm of gas have been recovered, giving a current recovery factor of only 0.1%.

Sarojini Field

The historical gas production profile for the Sarojini Field is shown below.

Gas Production Profile
Sarojini Field



The field started production at gas rate of 5 Mscmd in year 2000. A peak production rate of 17 Mscmd was also reached in year 2000. By 2002, the field ceased production.

OIL's 2P GIIP estimate for the field is 55 MMscm. Some 6 MMscm of gas have been recovered, giving a current recovery factor of only 10.8%.

Sapekhati Field

OIL's 2P GIIP estimate for the field is 2,025 MMscm. There has been no production from this field to date.

GCA assumes there will be a full field development for this field in the future.

Haldibari Field

OIL's 2P GIIP estimate for the field is 5 MMScm. The field was tested and the results were disappointing. There are no plans to produce the field. No reserves were assigned to it.

Dholiya Field

OIL's 2P GIIP estimate for the field is 466 MMscm. There has been no production from this field to date.

Digboi Area

There are no reserves allocated to the Digboi Field due to the unavoidably lost (gas flaring) and gas disposal. There is no gas sales delivery from this field to the customers from the record.

Digboi Field

OIL's 2P GIIP estimate for the field is 4,810 MMscm. Some 3,893 MMscm of gas have been recovered, giving a current recovery factor of 80.9%.

ATTACHMENT VIII

RAJASTHAN GAS RESERVES BY FIELD

GAS RESERVES TABLES

The following tables present a summary of the gas reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. This table shows the gas reserves for Rajasthan, and breakdown for individual fields.

Gas Reserves Volumes at 31st March, 2007
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Field	**PDP**	**PDNP**	**PUD**	**1P**	**2P**	**3P**
	MMscm	**MMscm**	**MMscm**	**MMscm**	**MMscm**	**MMscm**
Dandewala	776	345	552	1,673	2,398	4,919
Tanot	40	0	0	40	90	183
East Tanot	18	5	0	23	33	68
Bagitibba	8	8	0	16	23	47
Total Rajasthan	**843**	**358**	**552**	**1,753**	**2,544**	**5,217**

ATTACHMENT IX

RAJASTHAN ACTIVE WELL COUNT BY FIELD

RAJASTHAN ACTIVE WELL COUNT
AS AT 31ST MARCH 2007, BY FIELD

Block	**Active Well Count at 31st March, 2007**
Dandewala	12
Tanot	1
East Tanot	1
Bagitibba	2
Total Rajasthan	16

ATTACHMENT X

RAJASTHAN GAS CUMULATIVE PRODUCTION AS AT 31ST MARCH 2007, BY FIELD

RAJASTHAN GAS CUMULATIVE PRODUCTION AS AT 31ST MARCH 2007, BY FIELD

Block	**Cumulative Production up to 31st March, 2007**
	MMscm
Dandewala	1,165
Tanot	131
East Tanot	261
Bagitibba	91
Total Rajasthan	**1,647**

ATTACHMENT XI

RAJASTHAN GAS PRODUCTION RATE AS AT 31ST MARCH 2007, BY FIELD

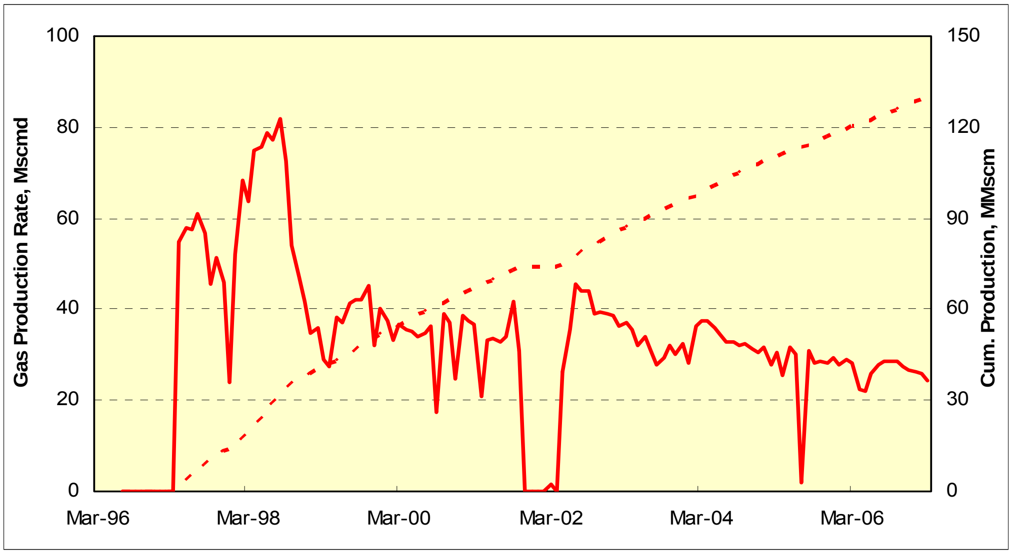
RAJASTHAN GAS PRODUCTION RATE
AS AT 31ST MARCH 2007, BY FIELD

Block	**Gas Production Rate at 31st March, 2007**
	Mscmd
Dandewala	484
Tanot	24
East Tanot	20
Bagitibba	66
Total Rajasthan	594

ATTACHMENT XII

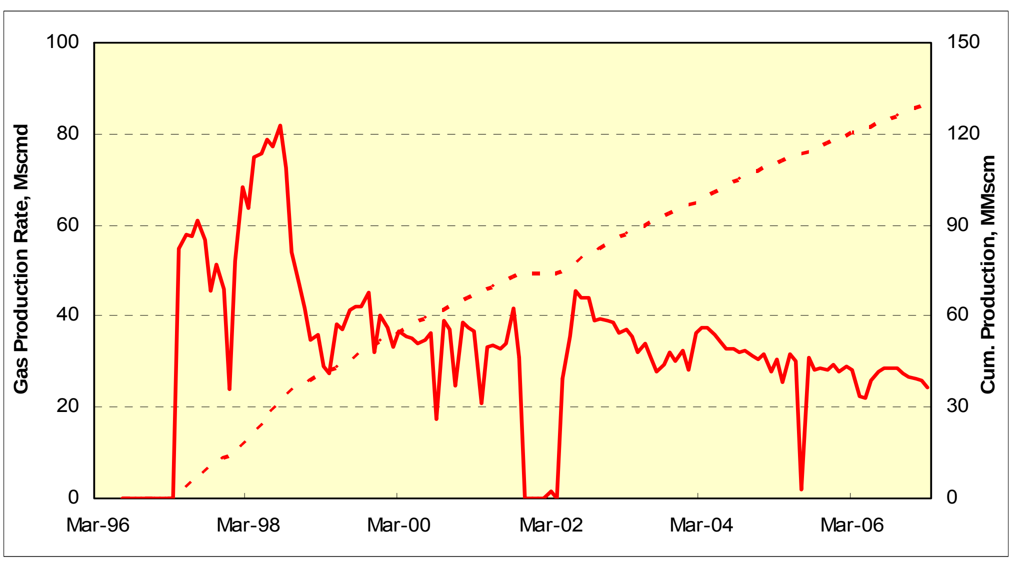
RAJASTHAN GAS PRODUCTION HISTORY PLOTS BY FIELD

Historical Production at 31st March, 2007
Dandewala



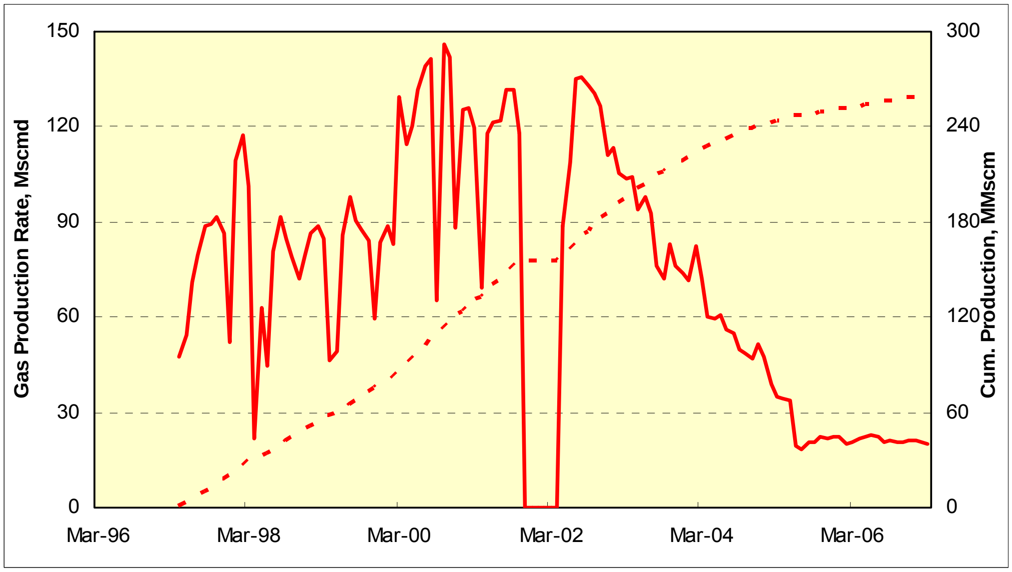
Current production from Dandewala is only from Pariwar and Khuiala sand. Production started from October1996. Cumulative production up to 31st March, 2007 is 1161 MMscm.

Historical Production at 31st March, 2007
Tanot Field



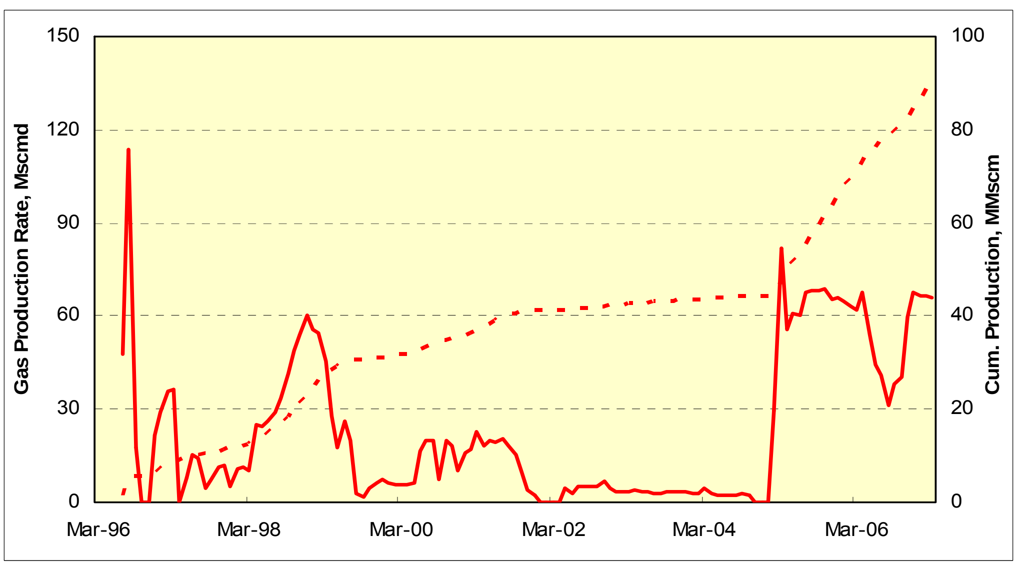
Current production from Tanot is only Tanot-8 well and only from Lower Goru sand. The Upper Goru sand has not been produced as yet. Production started from April 1997. Cumulative production up to 31st March, 2007 is 131 MMscm.

Historical Production at 31st March, 2007
East Tanot Field



Current production from East Tanot is only Tanot-3 well and only from Lower Goru and Upper Goru sand. Production started from April 1997. Cumulative production up to 31st March, 2007 is 261 MMscm.

Historical Production at 31st March, 2007
Bagitibba Field



Current production from Bagitibba is only from Sanu and Upper Goru sand. Production started from July1996. Cumulative production up to 31st March, 2007 is 91 MMscm.