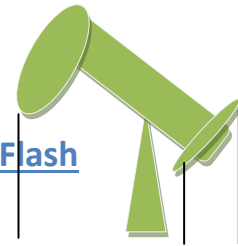


Oil & Gas

News Flash



Contents

- 1) Editorial.....02
- 2) Overview: O & G.....03
- 3) Key Players O & G.....08
- 4) Scenario of O& G10
- 5) Investments in O & G.....12
- 6) Fund Raising Scenario in O& G.....16
- Sources & Reference
- About NRUPS



India may invest US \$ 15 bn in Nigeria's Oil & Gas Sector

(Source: www.hindustantimes.com)

India to boost investment in Iranian Oil and Gas sectors where it already has lined up US \$ 20 Bn in Oil & Gas as well as in petrochemical and fertilizer sector

(Source: www.economictimes.indiatimes.com)

Indian Oil Corporation plans to lay 2,000 Km LPG pipeline from Kandla to Gorakhpur

(Source: www.economictimes.indiatimes.com)

Indian Oil lines up Rs. 18,000 Cr to raise Panipat refinery capacity

(Source: www.economictimes.indiatimes.com)

The World Bank raised its crude oil price forecast for 2017 to \$55 a barrel from \$53 a barrel, as it expects an output agreement among the Organization of the Petroleum Exporting Countries (OPEC) to help trim excess supply.

(Source: www.reuters.com)

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Editorial

Dear Friends,

Hello Everybody!

India's real economic growth averaged around 8 per cent in the past decade, leading to 6.5 per cent growth in the demand for energy. Given the projected economic growth levels, energy demand is expected to continue to rise. Coal, Oil and natural gas are the most important sources of primary energy in India. The Government of India has adopted various policies to fulfill the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others.

Energy is the backbone of the economy, so the right energy policies will spur growth in all other sectors. India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Total fuel consumption is expected to grow around 5-6 per cent in FY 2016-17 and thereafter, while consumption of gasoline is expected to grow around 9-10 per cent over the medium term, supported by robust passenger vehicles sales amid low crude oil prices. The country's gas production is expected to touch 90 Billion Cubic Meters (BCM) in 2040 from 35 BCM in 2013. Gas pipeline infrastructure in the country stood at 15,808 Km in December 2015.

Current demand for imported coal, oil, and natural gas is significantly outpacing domestic production, and the country is being forced to spend valuable foreign capital to procure additional energy resources.

Our Prime Minister Narendra Modi has initiated Industrialization Programme which piqued the interest of international energy companies keen to invest in refineries, petrol stations and even exploration and production. Government has set target of 10% reduction in crude oil imports by 2022 which attempted domestic players to scale up its production and imports could come down leads to saving valuable foreign exchange of the country.

Investing in domestic oil and natural gas exploration is a long-term solution that will help quench India's growing energy demands. Off late there are many investment and consolidation happening in the exploration and production space by domestic and overseas players. Hess Corporation divested its stake in ONGC Videsh limited. AWE Australian major is taken over by Prize petroleum co ltd. The two are the case in point.

So, consumption and demand of Coal and Oil will take paradigm shift in near future and will be replaced by other energy sources like natural gas, hydro power, renewable energy and nuclear energy etc.

In this month's newsletter we have tried to cover various aspects of Oil & Gas sector so as to give a full insight and importance of one of the most core sectors of our Indian economy.

Enjoy Exploring!

-Team Nrups



Overview – Oil & Gas

The Oil and Gas sector is among the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. The foundation of the Oil & Gas Industry in India was laid by the Industrial Policy Resolution, 1954, when the government announced that petroleum would be the core sector industry. In 1997–98, the New Exploration Licensing Policy (NELP) was envisaged to fill the ever-increasing gap between India's gas demand and supply. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Indian Oil & Gas sector is of strategic importance and plays a predominantly pivotal role in influencing decisions in all other spheres of the economy. Oil & Gas sector mainly divided into three segments:

- 1) Upstream
- 2) Mid Stream
- 3) Down Stream

1) Upstream:



The Upstream segment comprises of Exploration and Production (E&P) activity. The Upstream sector includes discovering for potential underground or underwater crude oil and natural gas, drilling exploratory wells, and subsequently drilling and operating the wells that recover and bring the crude oil and / or raw natural gas to the surface.

2) Mid Stream:



The Midstream segment involves processing, transportation and storage of crude oil or refined petroleum products. Pipelines and other transport systems can be used to move crude oil from production sites to refineries and deliver the various refined products to downstream distributors. Natural gas pipeline networks aggregate gas from natural gas purification plants and deliver it to downstream customers, such as local utilities. The midstream operations are often taken to include some elements of the upstream and downstream sectors. For example, the midstream sector may include natural gas processing plants that purify the raw natural gas as well as removing and producing elemental sulphur and natural gas liquids (NGL) as finished end-products.

3) Down Stream:



The Downstream sectors commonly refers to the refining of petroleum crude oil and the processing and purifying of raw natural gas as well as the marketing and distribution of products derived from crude oil and natural gas. The downstream sector reaches consumers through products Such as gasoline or petrol, kerosene, jet fuel, diesel oil, heating oil, fuel oils, lubricants, waxes, asphalt, natural gas, and liquefied petroleum gas (LPG) as well as hundreds of petrochemicals. Midstream operations are often included in the downstream category and considered to be a part of the downstream sector.

About Oil Segment

There are almost 160 types of crude oils that are traded internationally. It varies depending on their pricing and characteristics. Two crude oils which are either traded themselves or whose prices are reflected in other types of crude oil include West Texas Intermediate (WTI) and Brent.

- **West Texas Intermediate (WTI):**

West Texas Intermediate (WTI) crude oil is a high quality crude and is excellent for refining for maximizing of Petrol (Motor Spirit). WTI is light crude with API gravity of 39.6 degrees. Also it contains about 0.24 percent of sulphur, marking it as "sweet" crude. This set of characteristics, combined with its production location (US), makes it an ideal crude oil to be refined in the United States. The production of WTI crude oil is on the decline; nevertheless it still is the major benchmark of crude oil. WTI commands a premium of about a \$5 - \$6 per-barrel over the OPEC Basket price and about \$1 - \$2 per - barrel over Brent.

- **Brent:**

Brent is actually a combination of crude oil from 15 different oil fields in the Brent and North Sea areas. It is a reasonably "light" and sweet crude oil with API gravity of 38.3 degrees and about 0.37 percent of sulphur. Brent blend is ideal for making Motor Spirit (Petrol) and middle distillates. Brent crude production is also on the decline, but it remains the major benchmark for other crude oils. Prices for other crude oils are generally priced as a differential to Brent, i.e., Brent +/- . Brent crude is generally priced at about \$3 - \$4 per-barrel premium to the OPEC Basket price and about a \$1- \$2 / barrel discount to WTI.

OPEC Basket Price:

OPEC collects pricing data on a "basket" of seven crude oils:

- Algeria's Saharan Blend
- Indonesia's Minas
- Nigeria's Bonny Light
- Saudi Arabia's Arab Light
- Dubai's Fateh
- Venezuela's Tia Juana Light and
- Mexico's Isthmus

OPEC uses the price of this basket to monitor world oil market conditions and its own prices.

About Gas Segment

Natural gas has emerged as the most preferred fuel due to its inherent environmentally benign nature, greater efficiency and cost effectiveness. Natural gas available in India can broadly be classified into two categories, viz. (i) Domestic Natural Gas and (ii) Imported Re-gasified Liquefied Natural Gas (R-LNG).

Pricing:

The Natural Gas pricing scenario in India is complex and heterogeneous in nature. There are wide varieties of gas price in the country. At present, there are broadly two pricing regimes for gas in the country - gas priced under APM (Administered Price Mechanism) and non-APM or free market gas. The price of APM gas is set by the Government. As regards non-APM/free market gas, this could also be broadly divided into two categories, namely, domestically produced gas from JV fields and imported LNG. The pricing of JV gas is governed in terms of the PSC (Production Sharing Contract) provisions. It is expected that substantial gas production would commence from the gas fields awarded by the Government under the New Exploration Licensing Policy (NELP). As regards LNG, while the price of LNG imported under term contracts is governed by the SPA (Special Purchase Agreement) between the LNG seller and the buyer, the spot cargoes are purchased on mutually agreeable commercial terms.

Regulatory Framework

The demand of natural gas has sharply increased in the last two decades at the global level. Large gap between demand and available supplies prompted the government to develop a Gas Utilization Policy and to go back to administrative control over prices (Govt. of India introduced a price formula for all discoveries under the first six New Exploration Licensing Policy (NELP) rounds) and over volumes to be allocated to end-consumers. In case of imported gas, the marketers are free to import LNG and sell the RLNG to customers.

Infrastructure

Natural Gas Infrastructure consists of R-LNG terminals, Gas Pipelines and City Gas Distribution (CGD) networks.

- **Natural Gas Pipeline:**

At present, the country has a gas pipeline network length of 14,987 Km having capacity of 401 MMSCMD spread over 15 States & UTs. There is a strong regional imbalance within the country with regard to access natural gas. Few states like Gujarat, Maharashtra and UP together consume more than 65% of the available gas, while a large number of states have no access to gas. This regional imbalance is mainly on account of lack of pipeline infrastructure in many states like West Bengal, Bihar, Jharkhand, Odisha and Chhattisgarh. In order to take the benefits associated with natural gas to all states across the nation, it is essential that the pipeline network is expanded to all regions of the country. Ministry is contemplating development of a National Gas Grid having multiple points of injection and multiple points of withdrawal.

- **R-LNG Terminals:**

Natural Gas demand far exceeds domestic supply and this shortage is likely to prevail in the near future. Additional demand is catered through imported R-LNG. However, the demand for RLNG is price sensitive.

Existing Operational R-LNG Terminals Capacity

| Location | Owner | Terminals Capacity (In MMTPA) | | |
|---------------------------------|------------|-------------------------------|---------|---------|
| | | 2014-15 | 2015-16 | 2016-17 |
| Dahej | PLL | 10 | 10 | 15 |
| Hazira | Hazira LNG | 5 | 5 | 7.5 |
| Kochi | PLL | 5 | 5 | 5 |
| Dhabol | GAIL | 2 | 5 | 5 |
| Total Existing Capacity (MMTPA) | | 22 | 25 | 32.5 |
| Total (MMSCMD) | | 79.2 | 90 | 117 |

Besides the above terminals, regasification terminals of about 35.5- 36.5 MMTPA are being planned on the eastern and western coasts of India by different entities. Development of these projects would depend on techno-commercial feasibility.

- **City Gas Distribution (CGD) Infrastructure:**

The CGD sector comprises of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) customers. With increased availability of gas in the country, the CGD network has been enlarged to cover various cities supplying gas for domestic consumers, public transport, and commercial/ industrial entities. there are a number of entities operating in 47 geographical areas (GAs) and currently 18 GAs are under bidding process by PNGRB. The PNGRB has envisaged a rollout plan of CGD network development through competitive bidding in more than 300 possible GAs in a phased manner depending upon the availability of natural gas and pipeline connectivity.

Facts of Oil & Gas Sector in India

Oil

- India held nearly 635 MMT (Million Metric Tonnes) of proven oil reserves at the beginning of 2015
- 230.066 MMTPA (Million Metric Tonnes Per Annum) refining capacity with a surplus of 15%, making it second largest refiner in Asia after China.
- Domestic refineries import of crude oil increased 9.1 % year-on-year to around 18.81 million metric tons during August 2016
- Imports constitutes about 81% of India's total domestic oil consumption in 2015-16
- It is the 3rd largest consumer of oil in the world in 2015, after the United States and China
- Total Fuel consumption is expected to grow around 5-6% in FY 2016-17
- Oil and Gas contributes about 34.4% to primary energy consumption.

Gas






- 54 Trillion cubic feet of proven natural gas reserves at the beginning of 2015
- It is fourth largest LNG importer in 2015 and accounted for 6.4% of global imports
- Natural Gas Pipeline network is spread over 14760.6 KM in 2016
- Completion of gas grid by construction of another 15,000 KM of gas pipeline network, which is currently under various stages of implementation.
- Domestic LNG demand is expected to grow at a CAGR of 16.89 % to 306.54 MMSCMD (Million Metric Standard Cubic Meter Per Day) by 2021 from 64 MMSCMD in 2015
- Consumption of gasoline is expected to grow around 9-10% over the medium term, supported by robust passenger vehicle sales amid low crude oil prices.
- The country's gas production is expected to touch 90 Billion Cubic Meters (BCM) in 2040 from 35 BCM in 2013.

Key Players – Oil & Gas

Upstream Companies Market Cap Wise




| Name of the Company | Market Cap as on Oct'16 (Rs. In Cr) |
|--|-------------------------------------|
| ONGC  | Rs. 2,38,398.73 |
| Cairn India  | Rs. 42,494.12 |
| OIL  | Rs. 24,826.81 |
| Hindustan Oil Exploration Co Ltd  | Rs. 822.11 |

Mid & Down Stream Companies Market Cap Wise




| Name of the Company | Market Cap as on Oct'16 (Rs. In Cr) |
|---|-------------------------------------|
| Indian Oil Corporation Ltd  | Rs. 1,58,739.53 |
| Bharat Petroleum Corporation Ltd  | Rs. 95,490.51 |
| Hindustan Petroleum Corporation Ltd  | Rs. 45,140.71 |
| Cairn India  | Rs. 42,494.12 |
| GSPL  | Rs. 8,905.59 |

Gas Sector

Upstream Companies Market Cap wise

| Name of the Company | Market Cap as on Oct'16 (Rs. In Cr) |
|--|-------------------------------------|
| ONGC  | Rs. 2,38,398.73 |
| GAIL  GAIL (India) Limited | Rs. 51,914.15 |
| Petronet LNG  | Rs. 28,725.00 |

Mid & Down Stream Companies Market Cap Wise

| Name of the Company | Market Cap as on Oct'16 (Rs. In Cr) |
|---|-------------------------------------|
| Indraprastha Gas Ltd  INDRAPRASTHA GAS LIMITED | Rs. 11,925.91 |
| Gujarat Gas Limited  GUJARAT GAS | Rs. 8,151.92 |
| Mahanagar Gas Limited  MAHANAGAR GAS | Rs. 7,516.50 |

Scenario of Oil & Gas

With rising global energy demand, the oil and gas industry has a wide range of challenges and opportunities across the upstream, midstream, downstream and oilfield services sectors. Due to several reasons like increase in crude prices, global slowdown in economy, increase imports of crude oil, off late crude oils becomes unfavorable for many industries and government. Additionally our PM Mr. Narendra Modi has also set a target of reducing oil imports by 10% up to 2022. It's not only to reduce import of oil but also to address other environmental issue like Greenhouse Gas Emission, pollution of water and health, Emission of Harmful Substances like Sulfur Dioxide, Carbon Monoxide, Acid Rain etc. It will also have a major impact on global terrorism activity due to its underlying economic considerations.

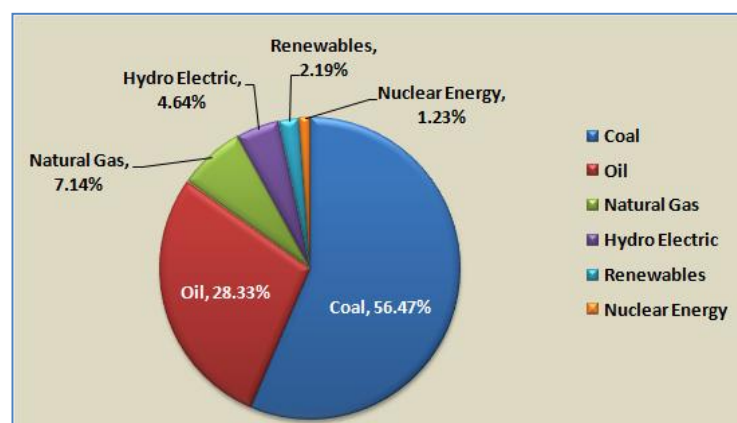
Following are the graphs showing pattern of Oil & Gas and Energy Consumption.

Oil Production-Imports-Consumption Pattern

| Year | Consumption (MBPD) | Imports (MBPD) | Production (MBPD) |
|----------|--------------------|----------------|-------------------|
| 2010 | 3.32 | 3.2 | 0.7 |
| 2011 | 3.49 | 3.29 | 0.8 |
| 2012 | 3.69 | 3.45 | 0.8 |
| 2013 | 3.73 | 3.71 | 1 |
| 2014 | 3.85 | 3.8 | 1 |
| 2015 | 4 | 3.8 | 1 |
| 2016 (E) | 4.5 | 3.5 | 1 |
| 2017 (E) | 4.8 | 3.8 | 1 |

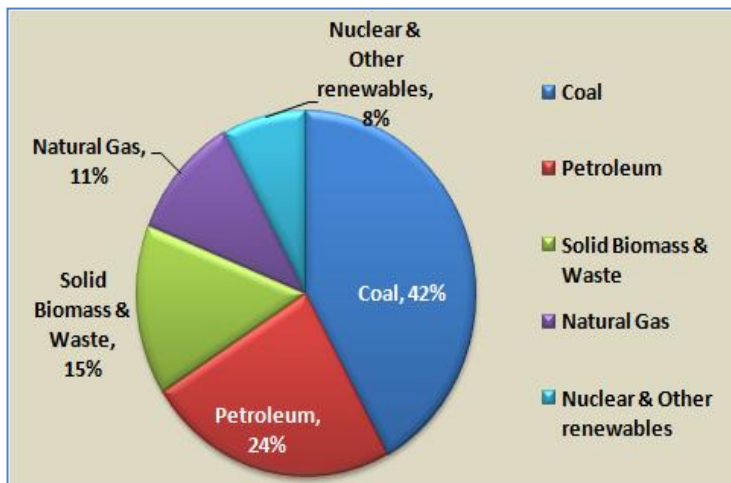
It can be observed from above table that import of oil increases at a CAGR of 2.17% where as production is increasing more than CAGR 4 %. This will lead to savings of huge forex reserves.

Energy Consumption pattern in 2014



- Energy demand in Asia-Pacific region is expected to reach 5,627 Million tone of Oil Equivalent (Mtoe) by 2020 and 6,861 Mtoe by 2035
- India's energy demand is projected to double to 48.7 quadrillion British Thermal Unit (Btu) by 2035

Energy Consumption pattern in 2035



- The govt aims to quadruple India's nuclear power generation capacity to 20 GW by 2020; currently, seven nuclear power reactors of 4,930 MWe capacity are under construction.
- Over the next few years, dependence on gas, hydro power and nuclear power is expected to increase relative to Oil and coal.

Government has projected that in next two decades energy consumption pattern will take paradigm shift from coal, oil to natural gas, biomass & waste, natural gas and other renewable energy sources. Current demand for imported coal, oil and natural gas is significantly outpacing domestic production, and the country is being forced to spend forex to procure additional energy resources. Investing in domestic oil and natural gas exploration is a long-term solution that will help quench India's growing energy demands, smartly.

Investments in Oil & Gas Sector

According to data released by the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural gas sector attracted FDI worth US\$ 6.67 billion between April 2000 and March 2016. Following are the few investments in O&G sector which boosts them to the next level of production.

- Investments in India's oil and gas sector will likely touch Rs 2.5-3 trillion (US\$ 37.28-44.73 billion) over the next few years, which will help raise the share of gas in the country's primary energy mix to 15 per cent by 2030, as per British multinational oil and gas company BP Group.
- The Oil and Natural Gas Corporation (ONGC) has launched a start-up fund of Rs 100 crore (US\$ 14.91 million) on its Diamond Jubilee year to encourage and promote new ideas related to oil and gas sector, thereby giving a fillip to Government's Startup India initiative.
- Yara International ASA, a Norwegian chemical company, plans to acquire Tata Chemicals Limited's Babrala urea plant and distribution business in Uttar Pradesh for about Rs 2,670 crore (US\$ 398.13 million), on a debt and cash free basis.
- Royal Dutch Shell Plc, which has already invested US\$ 1 billion in India, has planned further investments in upstream and downstream segments of oil and gas sector, and is also doubling its employee base at its Shell Technology Centre Bangalore (STCB).
- State-run Indian Oil Corporation Ltd (IOCL) plans to invest Rs 34,000 crore (US\$ 5.07 billion) on a petrochemical complex at Paradeep in the state of Odisha, which is expected to be commissioned by 2021.
- Petrogas Pvt Ltd, a joint venture of Isomeric Holdings bhd of Malaysia and LEPL Venture Pvt Ltd of India, will collaborate with Krishnapatnam Port Co Ltd and the Government of Andhra Pradesh, to set up a Liquefied Natural Gas (LNG) regassification and floating storage terminal at Krishnapatnam Port in Nellore district with an investment of around Rs 3,000 crore (US\$ 447.34 million).
- ONGC Videsh Ltd (OVL), the foreign arm of state-owned petroleum explorer Oil and Natural Gas Corporation (ONGC), has planned to acquire up to 15 per cent stake in CSJC Vankorneft, which owns Russia's second-largest oil and gas field.
- CDP Bharat Forge GmbH acquired 100 per cent equity shares of Mécanique Générale Langroise (MGL) for € 11.8 million (US\$ 12.91 million) to consolidate Bharat Forge's position in the oil and gas sector by enhancing service offerings and geographical reach.
- Technip won a € 100 million (US\$ 109.37 million) contract from ONGC to build an onshore oil and gas terminal in Andhra Pradesh.

Government Initiatives:

- The Government has allowed 100% FDI in upstream and private sector refining projects. In addition, FDI limit for public sector refining projects has been raised to 49%
- Indian Government has enacted various policies such as New Exploration Licensing Policy (NELP), coal bed methane (CBM), shale gas and Petroleum, Chemicals and Petrochemical Investment Regions (PCPIR) policy to encourage investments across the industry's value chain.

Apart from the above investments in O&G sector following are the PE and M&A deals:

| Summary of PE Deals in Oil & Gas Sector for 2004-2014 | | | | | | |
|---|--------------------|------------|------------|------------|-------------|--------------|
| Rs. In Cr | | | | | | |
| Year Zone | | 0-50 | 51-100 | 101-500 | >500 | Total |
| 2010-2014 | PE Deals | 179 | 183 | 403 | 0 | 765 |
| | No of Deals | 5 | 2 | 3 | 0 | 10 |
| 2007-2009 | PE Deals | 29 | 250 | 320 | 0 | 599 |
| | No of Deals | 1 | 3 | 2 | 0 | 6 |
| 2004-2006 | PE Deals | 30 | 157 | 275 | 2,713 | 3,175 |
| | No of Deals | 1 | 2 | 1 | 1 | 5 |
| Total | PE Deals | 238 | 590 | 998 | 2713 | 4,539 |
| | No of Deals | 7 | 7 | 6 | 1 | 21 |

Top 5 PE Transactions in Oil & Gas Sector

| Year | Date | Name of the Company | PE/VC Investor | Amount (Rs. In Cr) | % of Stake | Valuation (Rs. In Cr) |
|------|------------|--|---|--------------------|------------|-----------------------|
| 2014 | 10-09-2014 | Dolphin Offshore Enterprises India Ltd | Clearwater Capital Partners LLC | Rs. 14.76 | 6.53% | Rs. 225.96 |
| 2013 | 23-09-2013 | Asian Oilfield Services Ltd | Samara Capital | Rs. 15.73 | 31.36% | Rs. 50.16 |
| 2010 | 12-01-2010 | Gujarat State Petroleum Corporation Ltd | IFCI Limited Gujarat State Fertilizers & Chemicals Limited Gujarat Industrial Investment Corporation Limited Gujarat State Investment Limited Gujarat Industrial Development Corporation Limited Gujarat Mineral Development Corporation Limited Gujarat Narmada Valley Fertilizers and Chemicals Limited IDBI Bank Limited SBI Capital Markets Limited | Rs. 990 | 5.78% | Rs. 17,128.03 |
| 2010 | 23-12-2010 | Bhavnagar Gas Ltd | International Finance Corporation | Rs. 162.50 | - | - |
| 2010 | 02-02-2010 | Shiv Vani Oil & Gas Exploration Services Limited | Templeton Strategic Emerging Markets Fund | Rs. 92.50 | 5.30% | Rs. 1,745.28 |

| M&A Deals in Upstream Segment of Oil & Gas Sector for 2007-2014 | | | | | | |
|--|----------------------|--------------|-----------------|------------------|------------------|---------------|
| Rs. In Cr | | | | | | |
| Year | | 0-500 | 501-1000 | 1000-5000 | > 5000 | Total |
| 2014 | M&A Deals | 465 | 553 | 0 | 0 | 1,018 |
| | No of Deals | 1 | 1 | 0 | 0 | 2 |
| 2013 | M&A Deals | 0 | 0 | 0 | 13,885 | 13,885 |
| | No of Deals | 0 | 0 | 0 | 1 | 1 |
| 2012 | M&A Deals | 432 | 0 | 0 | 5,545 | 5,977 |
| | No of Deals | 1 | 0 | 0 | 1 | 2 |
| 2011 | M&A Deals | 465 | 0 | 2,762 | 51,480 | 54,707 |
| | No of Deals | 1 | 0 | 1 | 4 | 6 |
| 2010 | M&A Deals | 573 | 0 | 2,548 | 0 | 3,121 |
| | No of Deals | 3 | 0 | 1 | 0 | 4 |
| 2009 | M&A Deals | 15 | 0 | 4,391 | 0 | 4,406 |
| | No of Deals | 1 | 0 | 3 | 0 | 4 |
| 2007 | M&A Deals | 98 | 0 | 0 | 0 | 98 |
| | No of Deals | 1 | 0 | 0 | 0 | 1 |
| Total | M&A Deals | 2,048 | 553 | 9,701 | 70,909 | 83,211 |
| | No of Deals | 8 | 1 | 5 | 6 | 20 |

Top M&A Deals for Last 5 Years in Upstream Segment of Oil & Gas Sector

| Year | Date | Seller | Buyer | Amount (Rs. In Cr) | % of Stake | Valuation (Rs. In Cr) |
|-------------|-------------|---|---|---------------------------|-------------------|------------------------------|
| 2014 | 29-01-2014 | AWE (Australian Company) | Prize Petroleum Company Limited | 465 | 9.75% | 4,769 |
| 2012 | 11-09-2012 | Hess Corporation | ONGC Videsh Limited | 5,545 | 2.72% | 2,03,860 |
| 2011 | 22-02-2011 | RIL (Oil & Gas Blocks) | British Petroleum Global | 32,544 | 30.00% | 1,08,480 |
| 2011 | 19-04-2011 | Petronas International Corporation Limited | Vedanta Resources plc | 6,620 | 10.51% | 62,988 |
| 2011 | 13-07-2011 | Cairn Energy Plc | Vedanta Limited (Sesa Sterlite Limited) | 6,813 | 10.00% | 68,132 |

| Summary of M&A Deals in Mid & Down Stream segment of Oil & Gas for 2005-2015 | | | | | | |
|--|----------------------|------------|--------------|---------------|---------------|---------------|
| | | | | | | Rs. In Cr |
| Year Zone | | 0-100 | 101-1000 | 1001-5000 | >5000 | Total |
| 2013-2015 | M&A Deals | 124 | 115 | - | 24,053 | 24,291 |
| | No of Deals | 3 | 1 | - | 2 | 6 |
| 2010-2012 | M&A Deals | 26 | 1,642 | 4,969 | - | 6,637 |
| | No of Deals | 1 | 2 | 2 | - | 5 |
| 2005-2009 | M&A Deals | 122 | 461 | 5,597 | - | 6,180 |
| | No of Deals | 3 | 2 | 3 | - | 8 |
| Total | M&A Deals | 272 | 2,218 | 10,566 | 24,053 | 37,108 |
| | No of Deals | 7 | 5 | 5 | 2 | 19 |

Top M&A Deals for Last 5 Years in Mid & Downstream Segment of Oil & Gas Sector

| Year | Date | Seller | Buyer | Amount (Rs. In Cr) | % of Stake | Valuation (Rs. In Cr) |
|------|------------|---|---|--------------------|------------|-----------------------|
| 2015 | 02-06-2015 | RIL (EFS Midstream LLC) | Enterprise Products Partners L.P. | 6,975 | 49.90% | 13,977 |
| 2014 | 23-09-2014 | Aegis Logistics Limited | Itochu Petroleum Co (Singapore) Pte Ltd | 38 | 40.00% | 95 |
| 2013 | 26-08-2013 | Anadarko Petroleum Corporation (Rovuma-1) | ONGC Videsh Limited | 17,078 | 10.00% | 1,70,782 |
| 2012 | 04-10-2012 | BG Asia Pacific Holdings Pte Limited | GSPC Distribution Networks Limited | 3,081 | 65.12% | 4,731 |
| 2011 | 15-03-2011 | Hardt Group GmbH | Cals Refineries Limited | 1,888 | - | - |

Summary:

Given the rise in demand for Oil and Gas, gap between its demand and supply will rise over years. Thus Indian Oil and Gas companies are investing across the value chain to bridge the rising gap. During FY 2015-17 Oil and Gas companies planned to Invest INR 2.8 trillion out of which Upstream segment accounts for ~60% of the Investments and remaining 40% are planned by the downstream segment. ONGC accounts for approximately 35 % of this total Investments followed by RIL for about 28%.

The share of Oil in the country's primary energy mix (~30%) is almost at par with that of Global average (~32%). However the share of Natural Gas in India (~7%) is significantly lower than the global average (~24%), primarily due to Supply side constraints. Inadequate transmission and distribution infrastructure are the main constraints for supplying natural gas within the country. Since the demand of Natural Gas is increasing significantly not only in from Power and Fertilizer sector which holds for approximately 60% of the gas consumption but there is a rising demand in city gas distribution and Industrial sector because of its Environment friendly nature and growing emphasis on sustainable development. The Government of India (GOI) is encouraging Investments to expand gas transmission and distribution network.

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About NRUPS

Nrups Consultants LLP was established in 1993 by Mr. Nrupesh Shah, Chartered Accountant. It is providing a complete range of Investment Banking and financial services to mid size companies and has executed 400 plus assignments valuing in excess of Rs. 6000 Cr.

We are a team of professionals delivering 'Client Centric' solutions in Investment Banking domain. Mid Corporate being our focused segment, we provide a comprehensive package of services and create a unique value proposition for our clients. Our firm possesses the best skill set, experience and expertise to cater to the client's needs in the I-banking and corporate finance. Our bouquet of services includes PE, JV, Debt Syndication/Swap, and expertise in M&A, Business Valuation, and Corporate Advisory etc.

Investment Banking Services:

- Private Equity Advisory
- Venture Capital / Seed Funding
- JV/SPV
- Merger & Acquisition (M&A) Advisory

Funding Solutions:

- Debt Funding
 - Working Capital Loan
 - Term Loan
 - Non fund based facilities
 - External Commercial borrowings
- Debt Restructuring
 - Debt restructuring and debt swapping for better leverage and to optimize cost of funding

Lending Solutions:

- Structured Finance
- Loan Syndication
- Mezzanine funding
- NBFC

Corporate Advisory Services:

Investment banking & Debt Syndication, Business modelling and structuring, Divestiture Services, Fairness Opinion Advisory, Capital Restructuring Advisory, Strategic & Corporate issues, Business valuation, MIS budgeting and system review.