

## Session IV

### Investment and Development Opportunities in Africa

JOINT VENTURES , EQUITY  
PARTICIPATION AND M&A  
SCENARIO IN HYDROCARBON  
SECTOR

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ONGC

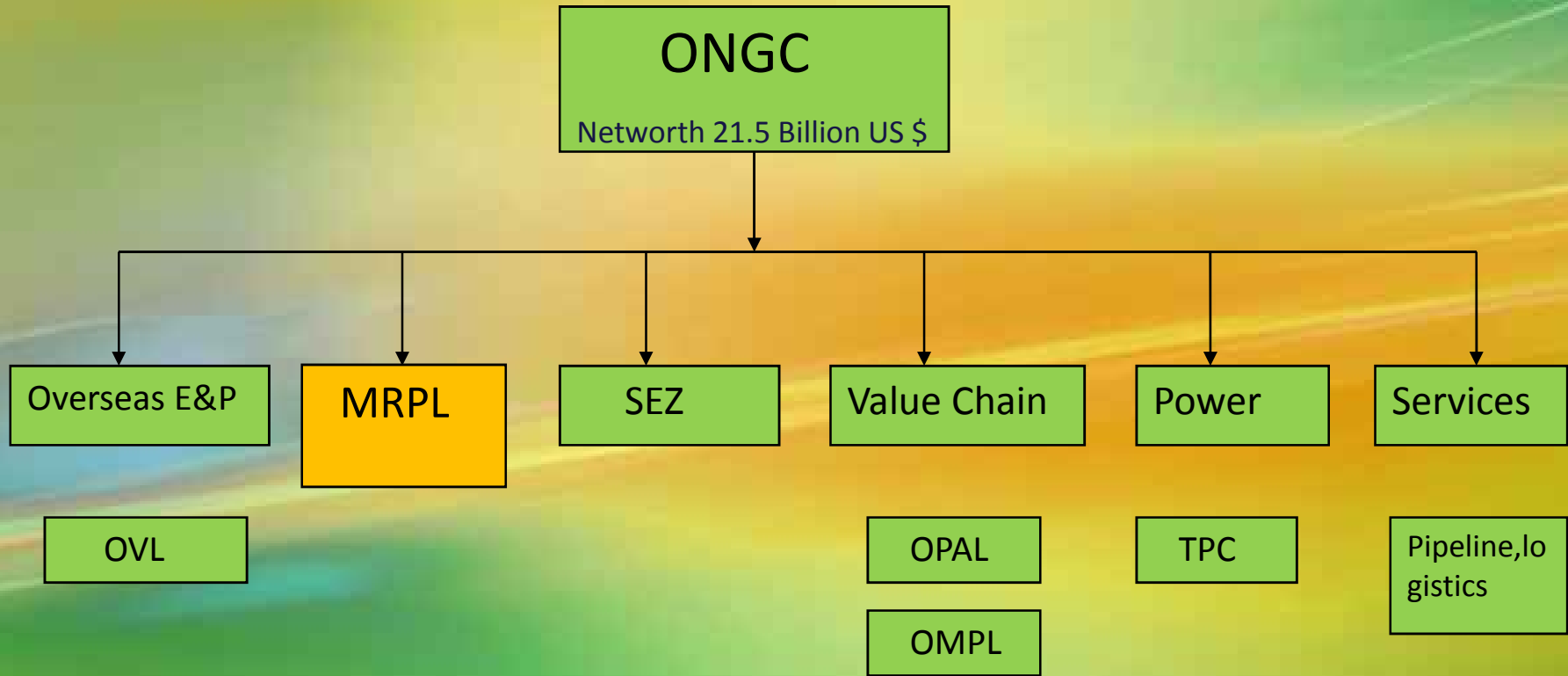


एमआरपीएल  
MRPL

**Mangalore Refinery and Petrochemicals Ltd.**



# MRPL - Subsidiary of ONGC, A Maharatna Company & No.1 E&P Company in the World





# MRPL : An Overview

**FIRST EVER PRIVATE SECTOR COMPANY TO BE CONVERTED TO PUBLIC SECTOR COMPANY**

**ONGC MAHARATNA COMPANY HOLDS 71.63% SHARES**

**LOCATION**

**STRATEGICALLY LOCATED ON THE WESTERN COAST**

**OPERATION**

**CONSISTENTLY ACHIEVED HIGHER EFFICIENCY IN PERFORMANCE AND SAFE OPERATION**

**RICH HERITAGE**

**LEADERSHIP AND MANAGEMENT HAS A BLEND OF PRIVATE AND PUBLIC SECTOR HERITAGE**

***STRONG PRIVATE SECTOR WORKING CULTURE***

**STRONG FINACIALS**

**REVENUE : 9.73 Billion US \$ (2010-11)**

**PAT : 261 Million US \$ (2010-11)**

**MARKET CAP : 2.48 Billion US \$**

**CREDIT RATING : ICRA – “Ir AAA, CRISIL – “Cr AAA”.**

**India’s most safe Refinery engaged in refining and Marketing of Petroleum products**

Mangalore Refinery and Petrochemicals Limited

## MRPL Performance 2010-11

SI No	Item	Figure
1)	Crude Throughput, MMT	12.64 (107%)
2)	Distillate Yield, % wt	72.67
3)	Gross Turnover, Rs Crore	9.73 Billion USD
4)	Export Revenue , Rs Crore	3.24 Billion USD
5)	Net worth, Rs Crore	1.45 Billion USD
6)	Profit Before Tax, Rs Crore	386 Million USD
7)	GRM, \$/bbl	5.96
8)	Debt-Equity Ratio	0.19:1



# MRPL: Broad Business Activity

- Refining of Crude Oil.
- Production of Petroleum & Petrochemicals
- Marketing in domestic Market.
- Exports . (40-45 % of Total products)
- Marketing of Products through JV company
- Building Oil Terminal/Depot/Retail Outlets.
- Building Refinery and Petrochemical Complex.

# Product Range

## Products

- **LPG (C3-C4)**
- **Naphtha**
  - Open spec
  - LAN
  - HAN
- **MS**
  - BS-II/Euro-III /IV
  - MS 92 / MS 95
  - Mauritius Grade MS
- **Reformate**
- **Mixed Xylene**
- **ATF (Domestic)**
- **Jet Fuel**
- **Kerosene**
- **HSD**
  - BS II
  - BS III / IV
  - 0.5% S & 66 Flash
  - 0.25 % S & 66 Flash
- **HSFO (180 CST)**
- **Bunker Fuel (380 CST)**
- **Bitumen**
  - 60/70
  - 80/100, VG 30
  - CRMB
- **Sulphur (99.99% purity)**

**MRPL's Current expansion envisage production and supply of Polypropylene, Euro-V grade Auto fuel and Petroleum Coke.**

## Projects Under Implementation and Status

Projects	Approved Capex, USD Million	Commissioning Plan
Phase-3 Project	2702	Progressively from February to June 2012
Polypropylene	401	Oct-2012
SPM	232	Jun-2012
CDU-1 Revamp	40	Oct-2011
GOHDS Revamp	23.3	Apr-2010

ONGC



# Photographs on Expansion Projects



Mangalore Refinery and Petrochemicals Limited

# Photographs on Expansion Projects



Mangalore Refinery and Petrochemicals Limited

# Joint Ventures

## OMPL :

A separate company has been promoted by ONGC and MRPL in the name of **ONGC-Mangalore Petrochemicals Ltd** ,for implementing and Aromatic project at and estimated cost of USD 1.28 Billion to produce value added products Paraxylene and Benzene.

## SHELL MRPL :

The company has entered into Joint Venture with Shell B.V Netherlands namely, **Shell MRPL Aviation Fuels and services Pvt ltd** , for marketing of Jet Fuel (ATF) to both domestic and International Airlines in Indian Airports.

## Business with Mauritius

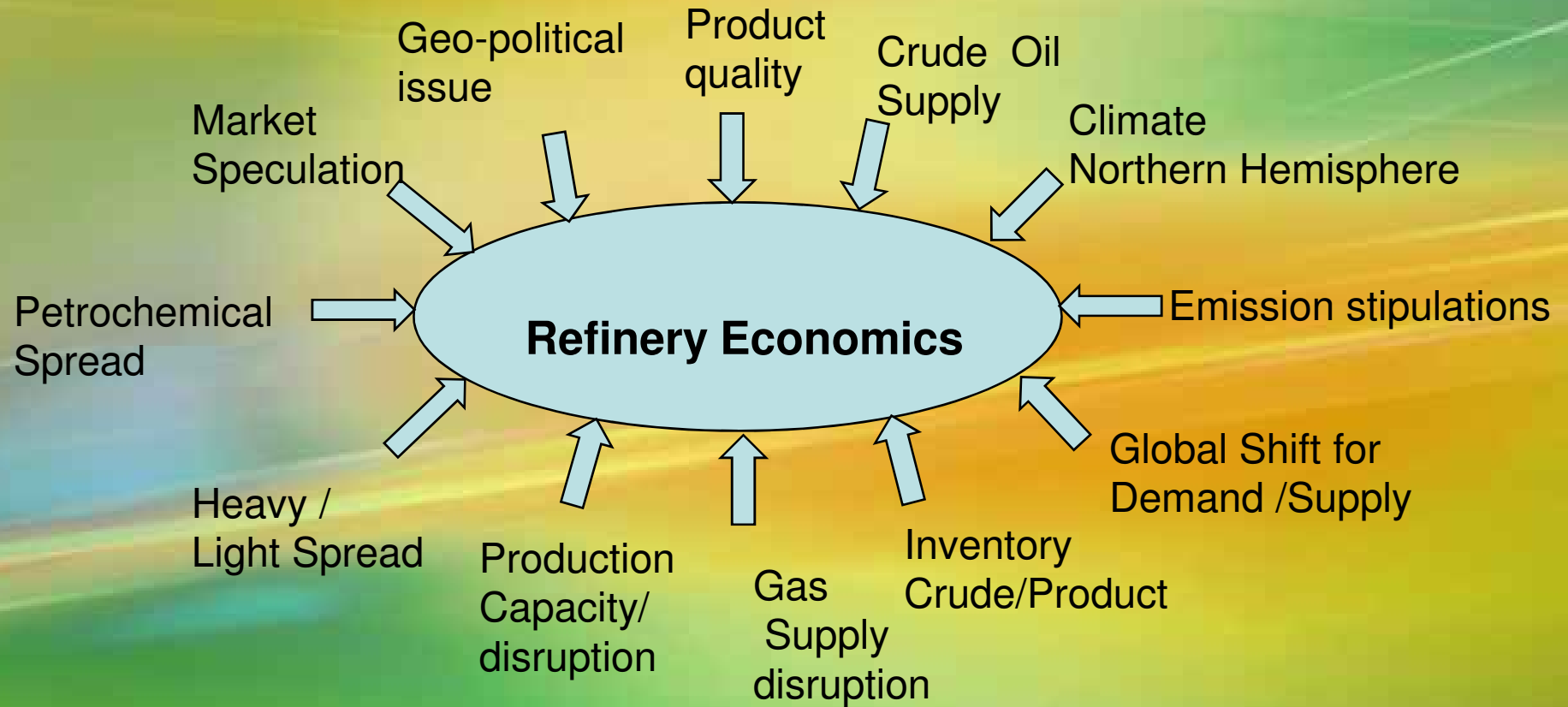
- Supplying 100% product demand of the Mauritius Country.
- Entered into an agreement with State Trading Corporation, Mauritius on 1<sup>st</sup> July, 2010 for supply of 1.1 MMT per annum valued 2 Billion dollars for a period of 3 years.
- Products are Tailor made to meet the Country's product specification demand.
- Inventories maintained to avoid product dry out as Mauritius doesn't have adequate storage capacity.

## Business with Mauritius

- MRPL has made EOI to Govt of Mauritius for setting up of a 150000 MT Oil terminal in Mauritius .This facility will be utilized for exports to African countries.
- MRPL also indicated feasibility of installation of an export oriented Refinery at Mauritius.

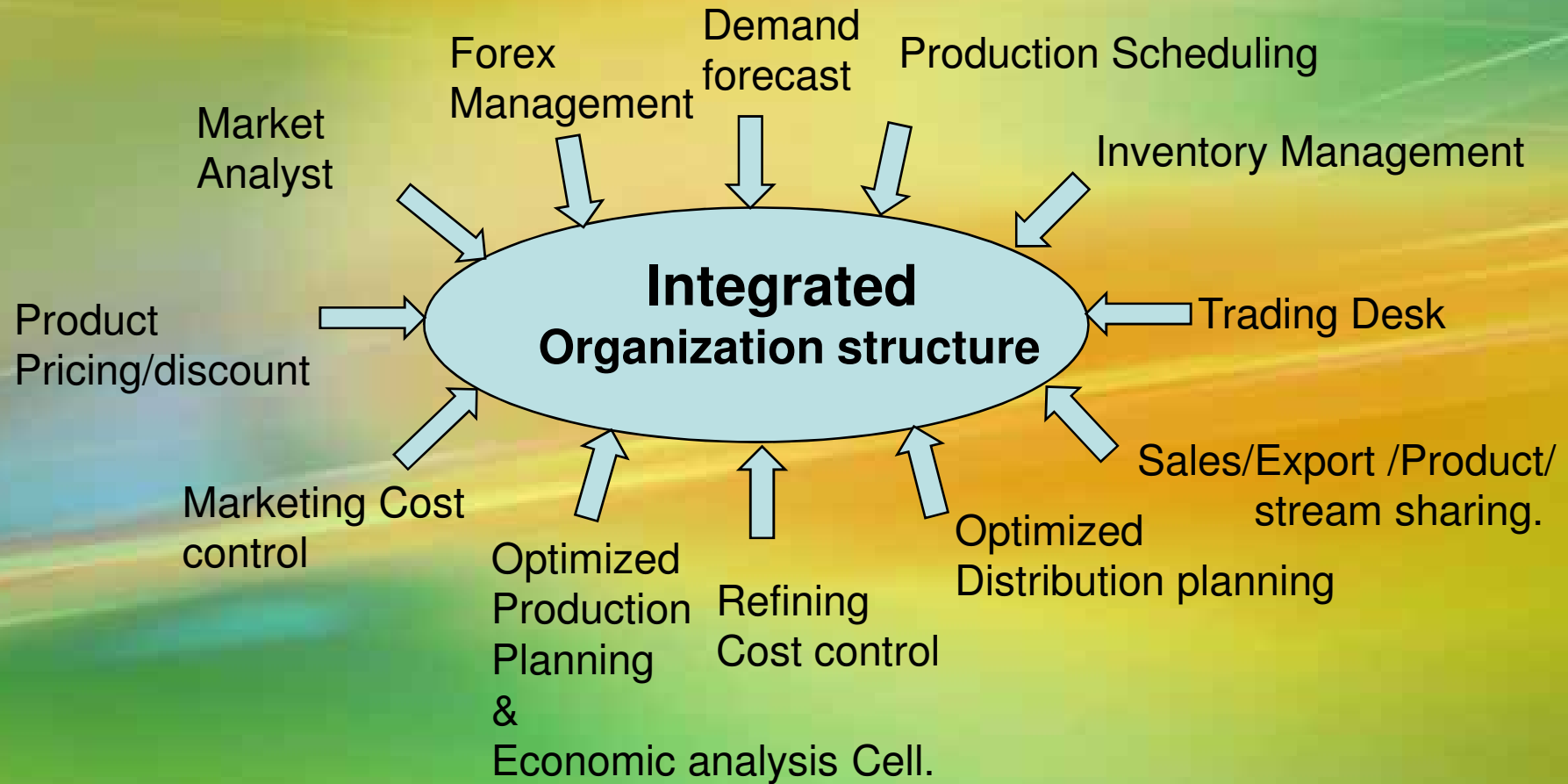
# Refining Business

Unstable Refining Margins Globally



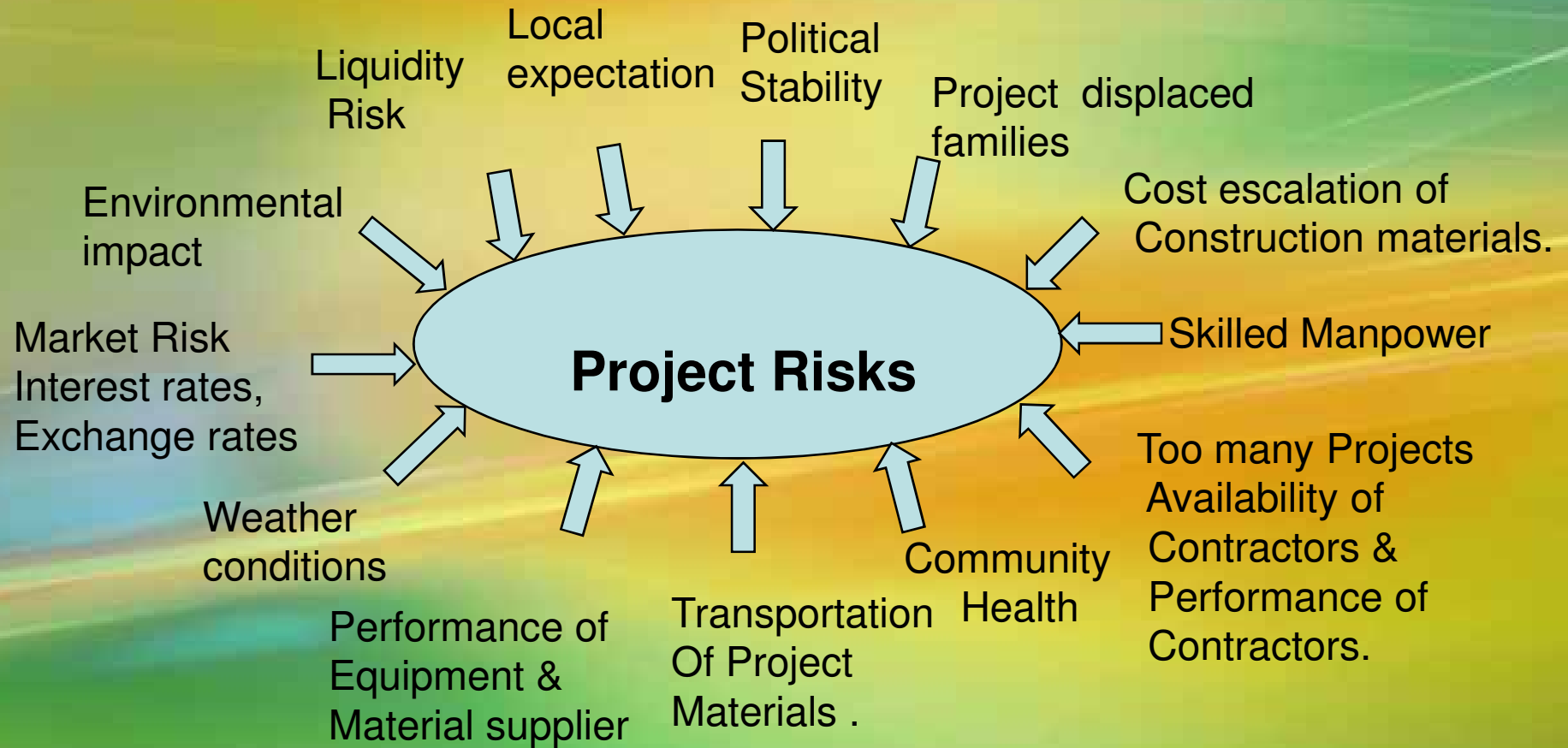
Government support is must for initial 10-15 years through various fiscal incentives for growth of Refining and Petrochemical Industry.

# Refining Business



Approach towards Integrated Business Process Optimizations

# Refining Business



## Requirement of Refineries in Africa

- Generating Oil security and Self Reliance in Petroleum Products.
- There is synergy and scope for value addition, integrating Oil and Gas exploration , Refining and petrochemical Business.
- Immense opportunities for Employment Generation .
- Socio-Economic development of the Region.
- Revenue generation through Export of products to near by countries .

## Socio-Economic development of the Region.

- A Refinery project with outlay of 3- 5 Billion USD is bound to create vibrant economic activity not only in project area but entire region .
- The spin off effects of such a large project would be multi pronged and make a paradigm shift in the socio- economic condition of the region.
- In addition to the contribution to the socio economic development of the region, the project would contribute considerably to the exchequer of the government through taxes ,levies and savings in the foreign exchange.

## Socio-Economic development of the Region.

Associated Industry which gets automatically developed along with the Refinery Industry are broadly:

- Aromatics Complex for production of LAB, Para-Xylene , Benzene , Phenol etc.
- Olefin complex for production of Polypropylene ,HDPE , LDPE,LLDPE etc
- Multi-product industries like Textiles, Apparels, Auto parts, IT/ITES ,etc.
- LNG terminal with C1/C2/C3 separation unit and a gas based power plant / Fertilizer /Petrochemical plant.
- Potential downstream Ancillary industries .
- Industries supplying Equipments and providing Services for building the above Industries.
- Auxiliary Services/ Support facilities.

## Socio-Economic development of the Region.

The employment to be generated by these projects and downstream industries both direct and indirect require facilities for housing, transportation, communication, education, entertainment, banking, security, health and so on .

### Revenue Accruals to the State exchequer and Employment generation :

Implementation Stage		Operation Stage		
Employment	Revenue one time	Employment		Revenue recurrence
Nos	Million USD	Direct	Indirect	Million USD/Year
25000 - 40,000	200 - 400	20000 to 30000	10000 to 20000	500-1000



## Value Added Partnership with MRPL

- Equity Participation/JV in the African Refineries.
- Product Sourcing meeting country's product specification requirements.
- Integration of Local and MRPL experts for development of Refinery Business.
- Deployment of MRPL's Strong Project team for assistance in Execution of new projects .
- Integration of Local and MRPL experts in Up gradation and maintenance of existing Refineries.
- Training of Technical and Managerial personnel to reach towards self reliance .



# Thank You