



# Corporate Presentation

“Creating Value through Growth & Excellence”

## **JINDAL DRILLING & INDUSTRIES LTD**

**NOVEMBER 2009**

**JINDAL**  
LTD. JINDAL GROUP

**JINDAL**  
DRILLING & INDUSTRIES LTD.

## **FORWARD LOOKING & DISCLAIMER STATEMENT**

**This presentation contains “forward-looking statements” about our business, financial performance, skills and prospects. Statements about our plans, intentions, expectations, beliefs, estimates, prediction or similar expression for the future are forward-looking statements.**

**Forward looking statement should be viewed in the context of many risk issues, and events that could cause our actual performance to be different from that contemplated in this presentation, including but not limited to, the impact of changes in Hydrocarbon sector, Offshore Exploration & Drilling activities, economic & political conditions - worldwide & domestic. We can not assure that outcome of this forward-looking statements will be realized.**

**The Company disclaims any duty to update the information presented here. The material presented can not be used for any other purpose in any form without our express written consent.**

## PRESENTATION LAYOUT

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➡ **Market & Industry Overview**

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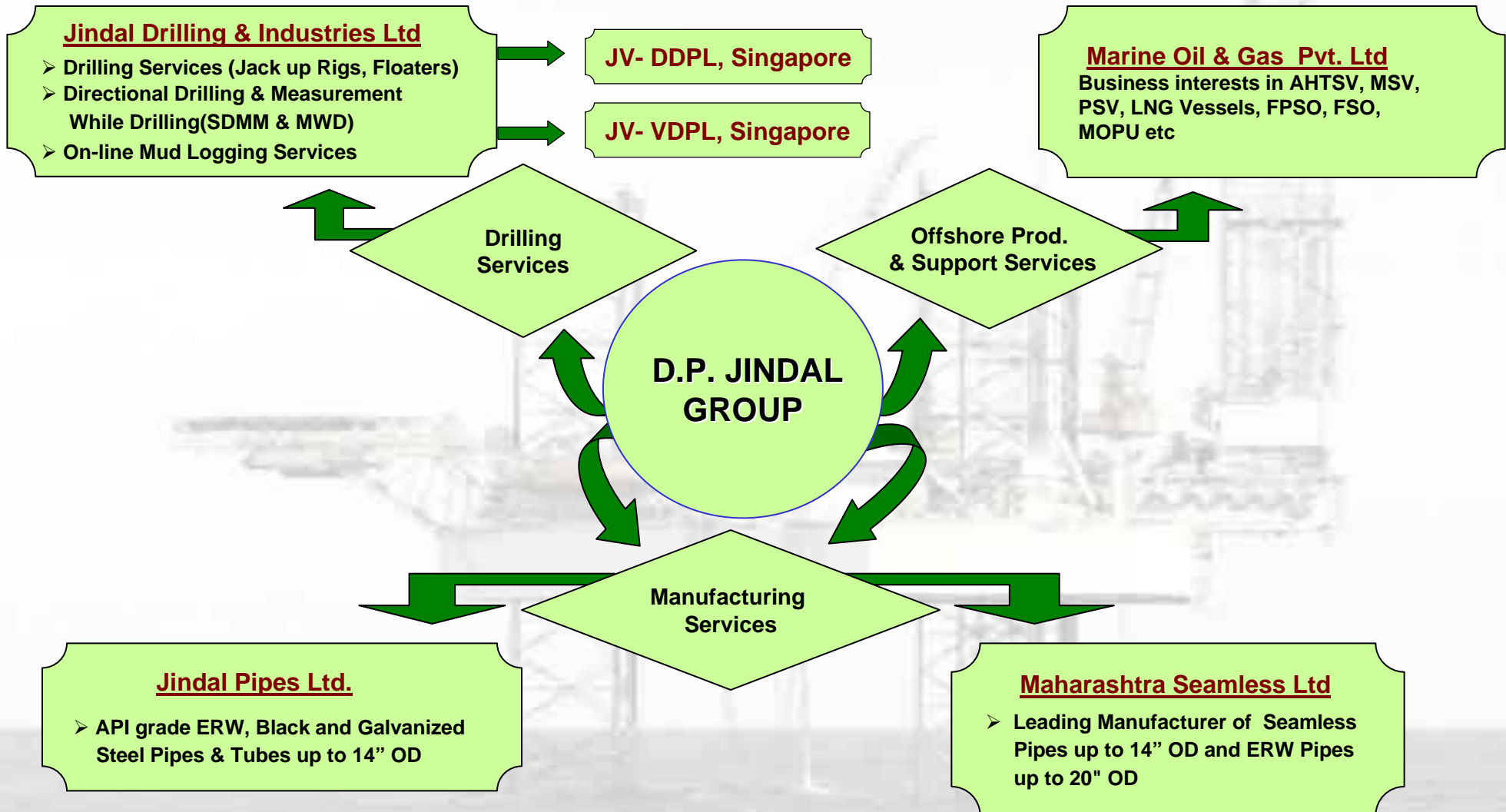
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# D. P. JINDAL GROUP IN OIL & GAS SECTOR



☞ Having a Group Employee Base of over 3000 people.

## A BRIEF ABOUT JDIL

- One of the largest & reputed Operator of Jackup Drilling Rigs & related Services Provider in Indian Offshore Oil & Gas Sector.
- Operating Alliance (for India) with Noble Drilling Corporation, USA (since 1988), the world 2<sup>nd</sup> largest Drilling contractor.
- Successfully operating Offshore Rigs since 1989 with over 40 Rig years experience.
- Providing Directional Drilling since 2001 (SDMM & MWD) Services.
- Providing Integrated On-line Mud Logging Services since 1993
- Won prestigious contracts and awards for both safety and excellence in services including “Without Lost Time Accident Award”
- Two “350 ft. Jackup Cantilever B Class” Rigs, one owned by DDPL (JVC of JDIL) & another owned by VDPL (JVC of JDIL), both constructed by Keppel Fels, Singapore has commenced operations successfully in west coast of India on 15th October 2008 and 17th January 2009 respectively under ONGC Contract.
- JDIL is acting as ONGC Contractor for both these Rigs.

## BOARD OF DIRECTORS

- **Mr. D. P. Jindal** Chairman
- **Mr. Naresh Kumar** Managing Director
- **Mr. Raghav Jindal** Director
- **Mr. Marc Desaedeleer** Director
- **Mr. K. K. Khandelwal** Director
- **Mr. S. D. Sharma** Director
- **Mr. I. N. Chatterjee** Director
- **Mr. Vijay Kaushik** Director

## BRIEF ON CURRENT OPERATIONS

- Presently operates Five Jack - Up Rigs “Noble Ed Holt” , “Noble Charlie Yester” “Discovery I”, “ Virtue I”, and “Noble George Mcleod”.
- All these Rigs have 3 to 5 years contract with ONGC, completing terms in October 2009, January 2010, October 2011, January 2014 and January 2012 respectively.
- Rigs are engaged in drilling hi-tech Horizontal, Multilateral and ERD wells.
- Time Tested Safety Systems and Highly experienced Operational / Management Team.
- Strong In-house technical team having experience of constructing as well as operating the Rigs.
- Having impressive Order Book for firm contracts aggregating to approx. INR 2800 Crores.

# CURRENT FLEETS OF JDIL

## OFFSHORE DRILLING

**Five Jack up Rigs under operation**

**Two Rigs** owned by DDPL & VDPL (Joint Venture Companies of JDIL) **and Three Rigs** owned by Noble Drilling are currently operating at Mumbai Offshore (west coast of India) under 3 & 5 years firm contracts with ONGC

## DIRECTIONAL DRILLING

**Currently Executing 5 contracts**

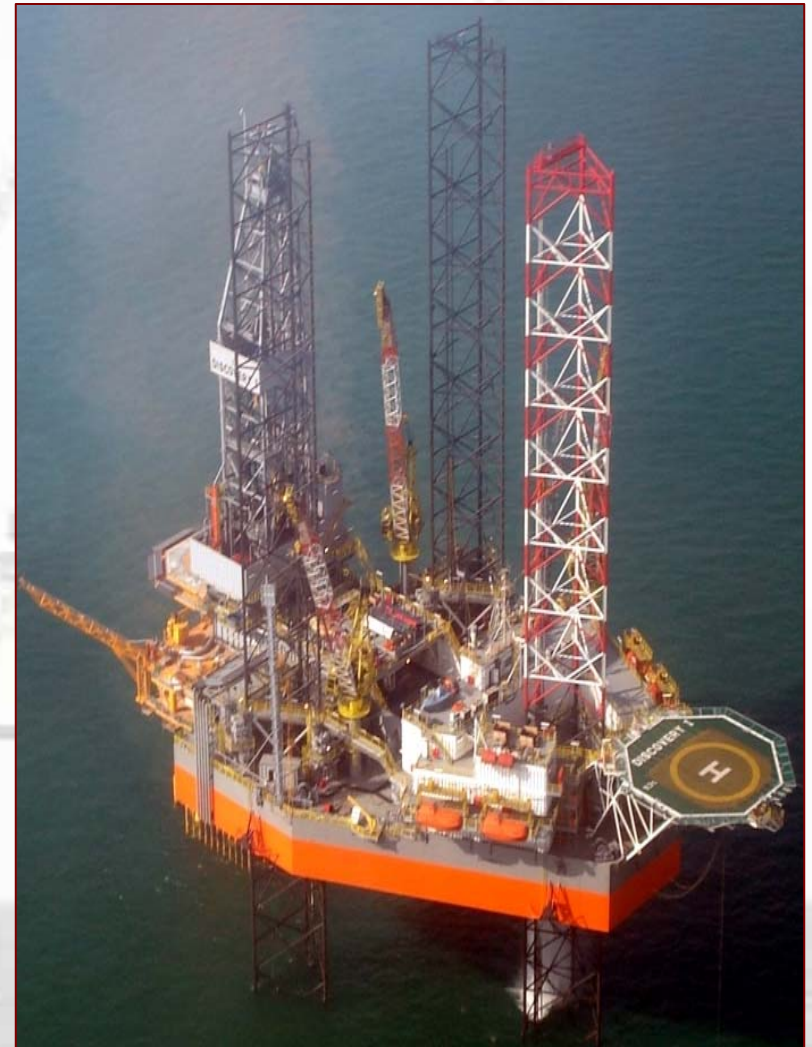
**MWD : 8 Sets (Measurement While Drilling)**

**SDMM: 8 Sets (Steerable Downhole Mud Motors)**

## MUD LOGGING

**Currently Executing 1 Contract**

**MLU : 4 UNITS**



## DETAILS OF NEW BUILT RIGS (OWNED BY OFFSHORE JVCs OF JDIL)

Particulars	Rig 1	Rig 2
<b>Name of the Rig</b>	Discovery I	Virtue I
<b>Owner</b>	Discovery Drilling Pte. Ltd. (Offshore JVC)	Virtue Drilling Pte. Ltd. (Offshore JVC)
<b>Builder</b>	Keppel FELS, Singapore	Keppel FELS, Singapore
<b>Flag of Rig</b>	Singapore	Singapore
<b>Class of Rig</b>	ABS Maltese Cross 1	ABS Maltese Cross 1
<b>Design of Rig</b>	KFELS "B" Class Design 350 Ft. Jack-up	KFELS "B" Class Design 350 Ft. Jack-up
<b>Current Status of Operation</b>	Commenced operations in October 2008 under 3 year firm Contract	Commenced operations in January 2009 under 5 year firm Contract
<b>Contractor of Rig</b>	Jindal Drilling & Industries Ltd.	Jindal Drilling & Industries Ltd.
<b>Operator of Rig</b>	ONGC	ONGC

## CONTRACTS IN HAND

S. No	Name of the Operator	Equipment	Period	Period Up to	Status
1	ONGCL, Mumbai	Jack Up Rig (EDHOLT)	3 Years firm	Oct-09	Under Operation
2	ONGCL, Mumbai	Jack Up Rig (Noble Charlie Yester)	3 Years firm	Jan-10	Under Operation
3	ONGCL, Mumbai	Jack Up Rig (Virtue I)	5 Years firm	Jan-14	Under Operation
4	ONGCL, Mumbai	Jack Up Rig (Discovery I)	3 Years firm	Oct-11	Under Operation
5	ONGCL, Mumbai	Jack Up Rig (Noble George Mcleod)	3 Years firm	Jan- 12	Under Operation
6	ONGCL, Mumbai	SDMM (4 Sets) MWD (4 Sets)	3 Years	Jan-11	Under Operation
7	ONGCL, Assam	MWD (2 Sets) SDMM (2 Sets)	3 Years	Aug-11	Under Operation
8	G S P C	MWD, SDMM (1 set each)	1+1 Year extension	May-11	Under Operation
9	GeoEnpro	MWD, SDMM (1 Set)	14 Wells	Well contract	Under Operation
10	Heramac	MWD,SDMM (1Set each)	5 Wells	Well Contract	Under Operation
11	Oil India	MLU (4 No.)	2 + 1 Year Opt.	Mar-10/ 1 Unit extended for 1 more year	Under Operation

## AWARDS

➤ SAFETY AWARD



➤ INDUSTRIAL EXCELLENCE AWARD



➤ BHARAT GAURAV EXCELLENCE AWARD



➤ INTERNATIONAL AWARD FOR EXCELLENCE



## AFFILIATION

➤ **International Association of Drilling Contractors(IADC), Houston, USA**

\* Founder Member of IADC- South Central Asia Chapter, Mumbai, India

\* Mr. Naresh Kumar (MD-JDIL) is a member Executive Committee IADC, Houston Texas

➤ **Founder Member and SCM of PETROTECH, one of the largest International Oil & Gas show in India**

➤ **Confederation of Indian Industries (CII)- Oil & Gas Services Division**

➤ **Federation of Indian Chambers of Commerce & Industry**

➤ **Associated Chambers of Commerce & Industry of India**

➤ **Federation of Indian Industries**



# INDUSTRY SCENARIO - INDIAN MARKET

## Status Of Total Rigs Deployed In Indian Markets

Rig Manager	No of Rigs	E&P Operator
ONGC's own Rigs	10	ONGC
Transocean	12	ONGC (9) / RIL (3)
Aban Lloyd	5	ONGC
Jindal Drilling	5	ONGC
Greatship*	2	ONGC
Jet Drilling	1	ONGC
Great Offshore	2	ONGC
Jagson	1	ONGC
ESSAR	1	GSPC
ENSCO	1	BG
Nabors Offshore	2	ONGC (modular)
Pride International	2	ONGC
Precision Drilling	1	Niko
Premium Drilling	1	HOEC(1)
Hercules Offshore	2	ONGC
<b>Total</b>	<b>48</b>	

Note : In addition, following Rigs contracted but yet to be deployed

2 Floater to be deployed in ONGC

3 Floater to be deployed in RIL

\* 1 Jackup of Greatship started operations on 7<sup>th</sup> November 2009

## INDUSTRY SCENARIO - INDIAN MARKET CONTD....1

### - India sub-continental

### Existing Rigs in Operations

1. ONGC	41 Nos.
2. GSPC	1 Nos.
3. BG Exploration	1 Nos.
4. Reliance	3 Nos.
5. Niko Resources	1 Nos.
6. HOEC	1 Nos.
<b>TOTAL</b>	<b>48 Nos.</b>

Note : \* 2 Rigs to be mobilized for ONGC - contracts already awarded

\* 3 Rigs to be mobilized for RIL - contracts already awarded

\* A tender for 7 IC Jackup + 2 Mat-supported Jackup is expected soon as contracts for 9 jackup rigs are expiring between Jan-Nov 2010

### - Expected Requirements during 2009-10

### Additional Requirement

1. ONGC	4 Nos.
2. GSPC	3 Nos.
3. Reliance	4 Nos.
4. Hardy	1 No.
5. Cairn Energy	1 No.
<b>TOTAL</b>	<b>13 Nos.</b>

## INDUSTRY SCENARIO - INDIAN MARKET CONTD....2

- While ONGC remains dominant player, several other Private (domestic & International) players have also entered the Indian E&P market as follows: -

British Gas	Hardy Oil
Cairn Energy	Jubilant Enpro
Gujarat State Petroleum	Niko Resources
Gazprom	Reliance Industries Ltd
ENI	BHP Billiton
HOEC	

- The private players have reported several successes in Indian waters; notable are recent gas discoveries by Reliance & GSPC in the KG Basin and Cairn Energy in Rajasthan.
- The above discoveries have only further added to heightened interest by private players in undertaking E&P activities in India.

## INDUSTRY SCENARIO - INDIAN MARKET CONTD....3

### Offshore Drilling Market

- India's crude oil demand has been growing at a 10-year CAGR of 4%, as against the world CAGR of 1.4%.
- Supply in India has, however, stagnated and India remains a net importer of Oil & OEG around 75% of total demand.
- Detailed seismic surveys by DGH reveal that the total hydrocarbon resources, are estimated at around 28 Billion tonnes in India, thus offering tremendous scope for E&P activity/future discoveries.
- India has seen significant E&P Activity driven by proactive government policy.
- In its effort to reduce dependence on imports, GOI has awarded 234 blocks to E& players (like ONGC, Reliance, etc.) through international competitive bidding process under seven rounds of New Exploration Licensing Programmes (NELP) & Pre-NELP (28 Blocks).
- In India, E&P activity levels are set to further increase with 36 Blocks awarded (Provisional Results) in NELP VIII.
- In India ONGC's targeted E & P investment between FY07-FY12 is in the range of USD 18 Bn., which is 56% higher than previous budget.
- ONGC is the dominant E&P player in India. Majority of rigs (40 rigs) in India are deployed with this player. ONGC itself has its own fleet of 10 Rigs.

## INDUSTRY SCENARIO - WORLD WIDE

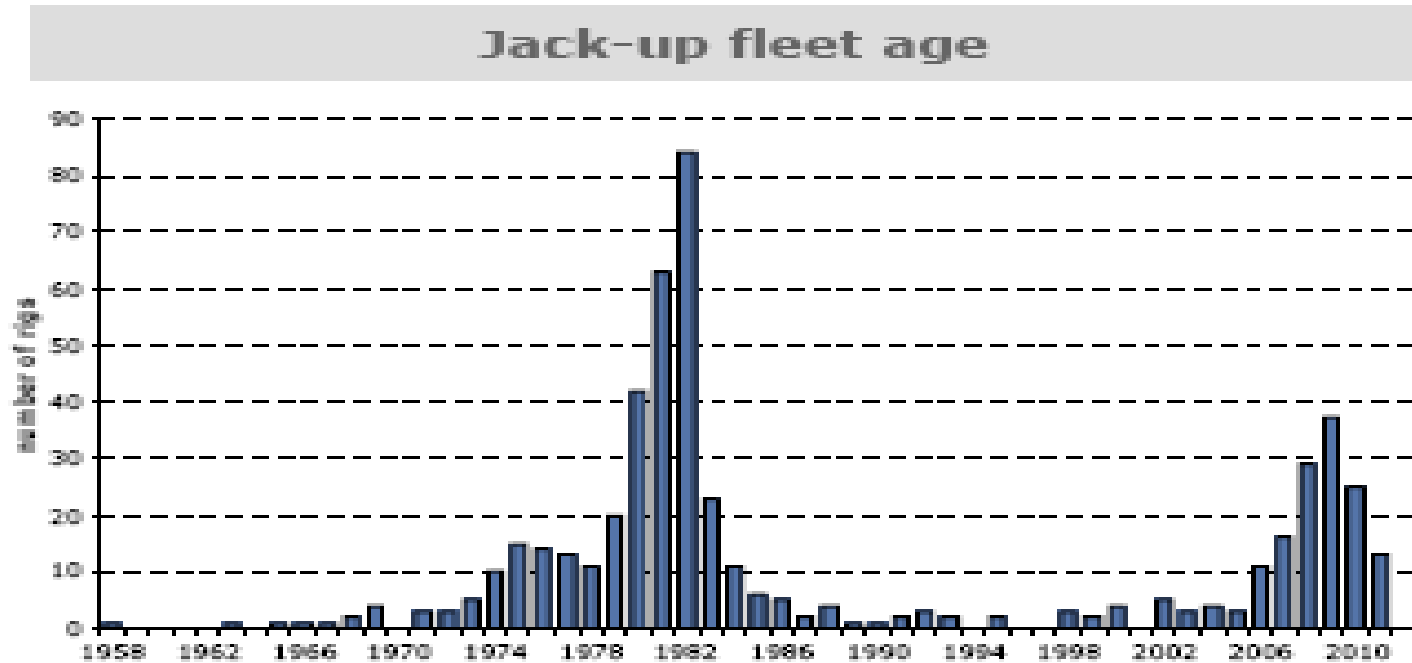
**With Total Rig fleet increasing Rig Utilization is under stress marginally But Deepwater and Premium class Jack Up rigs have still better utilization/ demand**

	Today	Last Week	Last Month	1 Year Ago	2 Years Ago
<b>Rigs Under Contract</b>	531	532	528	593	557
<b>Rigs Not under Contract</b>	209	206	207	104	117
<b>Total</b>	740	738	735	697	674
<b>Utilization</b>	71.8%	72.1%	71.8%	85.1%	82.6%

Source: Rig Logix 26 Oct '09

# INDUSTRY SCENARIO – WORLD WIDE CONTD...1

## Age Analysis of World Wide Jack Up Rigs



The Estimated Life of a Rig is about 25-30 Years. This implies that around 316 Rigs (67%) out of total of 472 World Wide current existing Jack-up Rigs are due for replacement in a phased manner.

## INDUSTRY SCENARIO – WORLD WIDE CONTD...2

### Offshore Drilling Market

Financial Crunch has slowed down the E&P Activities worldwide but Major E&P company's announced plans for E&P expenditure still holds some prospects

- ❖ Chevron's E&P budget of US\$22.8 billion for 2009 is unchanged.
- ❖ Petrobras target to spend US\$174bn in 2009-13 which is 56% more than the budget.
- ❖ EXXON will increase the spending by 20% for the year 2009.
- ❖ TOTAL will increase the spending by 15% for 2009.
- ❖ PEMEX is also targeting to increase E&P spending for 2009.

With the Crude oil Price is hovering around \$80/bbl demand for drilling rigs will improve

**Increasing Crude Prices and Expenditure by major Oil Companies is expected to accelerate the Drilling Program and could improve the utilization rate**

# FINANCIAL POSITION

## PROFIT & LOSS ACCOUNT EXTRACT

(Rs. in Million)

Description	FY07 Audited	FY08 Audited	FY09 Audited	H1 FY 10 Unaudited
Net Sales	3045	4128	7778	6710
Other Income	23	38	60	25
Total Income	3068	4166	7838	6736
<b>PBIDT</b>	<b>434</b>	<b>411</b>	<b>728</b>	<b>638</b>
Operating Profit (EBIDTA)	411	373	669	613
Intrest & Financial Charges	41	33	27	12
Depreciation	100	90	128	61
Tax	93	67	148	185
Deferred Tax	20	37	52	8
<b>Profit After Tax (PAT)</b>	<b>180</b>	<b>184</b>	<b>373</b>	<b>372</b>
Cash Profit	300	311	553	440
Equity Share Capital	103	115	115	115
<b>Net Worth</b>	<b>703</b>	<b>2362</b>	<b>2703</b>	<b>3075</b>
Ratios				
<b>EBIDTA as % of Sales</b>	<b>13.5</b>	<b>9.0</b>	<b>8.6</b>	<b>9.1</b>
PAT as % of Sales	5.9	4.4	4.8	5.5
ROCE (%)	17.8	11.4	11.5	20.8
RONW (%)	25.6	16.05	13.8	24.2
<b>Basic EPS (Annualised) *</b>	<b>8.75</b>	<b>8.76</b>	<b>16.28</b>	<b>32.42</b>
Gross Block of Fixed Assets	564	1023	1275	1281

\*Computed on the face value of Rs. 5/- per share.

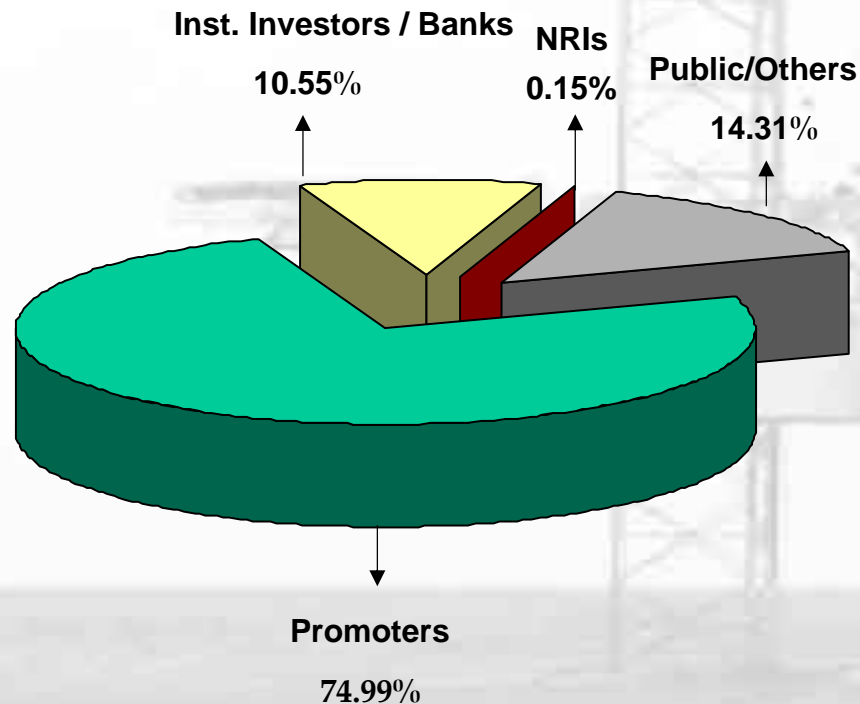
## MARKET SUMMARY

❖ IPO	1984
❖ Rights Issue	1994
❖ Bonus Issue	2004
❖ Pref. Placement with CVC	2008
❖ Stock Split	2008
❖ Market Cap	Approx USD 283 Mn.
❖ Free Float	25%
❖ BSE Code	511034
❖ NSE Code	JINDRILL
❖ NSDL/CDSL-ISIN	INE742C01023
❖ Bloomberg Code	JDDL.IN
❖ Reuters Code	JNDR.BO
❖ Website	<a href="http://www.jindaldrilling.com">www.jindaldrilling.com</a>

# SHAREHOLDING & CAPITAL STRUCTURE

## The Equity Share Capital of Rs. 115 Million

### Share Holding Pattern as on 30/09/2009



### Highlights

- Shares listed in NSE & BSE
- High/Low at NSE – Rs.705 / 195  
(Adjusted to Rs.5/- per Share).
- Stock has been Split from Rs.10 to Rs.5  
in November 2008.
- Book Value per Equity Share (FV Rs. 5)  
INR 134.

## **FUTURE PLANS OF JDIL**

- **To expand the Directional Drilling & Mud Logging Business.**
- **Increase in fleet of Rigs by Charter-Hire & Acquisitions.**
- **To look forward for opportunities by the way of forming JV's in the related fields including Deepwater.**

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**THANK YOU!**

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