



ऑयल इंडिया लिमिटेड
(भारत सरकार का उपक्रम) पंजीकृत कार्यालय : दुलियाजान, असम
Oil India Limited
[A Government of India Enterprise] Registered Office : Dulaijan, Assam

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OIL/45/1/10
 April 17, 2007

M/s J.M. Morgan Stanley Pvt. Ltd.
 Himalaya House, 11th Floor,
 23 K.G. Marg,
 New Delhi - 110 001.
FAX NO.41510401

Kind Attn. : Ms. Sanchita Chadha
Executive Director

Sub : OIL's IPO - Invitation for presentation

Dear Madam,

Oil India Limited (OIL), a Public Sector Undertaking under the administrative control of the Ministry of Petroleum and Natural Gas, is a pioneer Company in the Petroleum Industry in India. The Government of India (GOI) holds 98.13% of the equity capital of Rs.214 Crores and the balance of 1.87% is being held by employees and others. OIL has been in operation for over four & a half decades and is an efficiently managed company with a continuous record of excellent performance both in physical and financial terms. The Company's financial health is excellent with its net worth standing at Rs.5848 Crores as on 31st March, 2006.

OIL has recently created a vision to become Oil & Gas Company major over the next few years. It has also identified the strategies in achieving this vision, which are aggressively exploring in India, revitalizing its existing fields to achieve higher production and also acquiring prospective exploration acreage and producing properties overseas. OIL has also entered into a strategic alliance with Indian Oil Corporation Ltd. (IOC) in further strengthening its position in being able to attain the vision mainly with respect to acquisition of producing properties overseas.

OIL's capital base presently comprises of authorized capital of Rs.500 Crores and paid-up capital of Rs.214 Crores consisting of 21,40,04,400 equity shares of face value of Rs.10 each fully paid. OIL has proposed to the GOI to

make an IPO for 2,35,40,484 equity shares of Rs.10 each constituting 11% of the pre-issue paid-up capital of which 1% (or 1/11th) would be preferential issue to its employees.

We are in the process of short listing SEBI approved Merchant Bankers for the position of Lead Managers for the proposed IPO. In this regard, we request your organization to make a presentation (not exceeding 45 minutes) to our Committee of Directors. The presentation has been tentatively scheduled for 3rd week of May, 2007. We shall intimate you the exact date, time and venue in due course of time.

The presentation should primarily cover the following aspects and any other relevant issues as felt necessary:-

1. The details of the domestic IPO issues handled as Book Runners & Lead Managers during last 5 years along with particulars of number of mandates and the value of the issues. Also the details of domestic IPO issues and public transactions on hand. Please furnish full particulars in respect of the issues managed in the last 5 years for value more than Rs.100 Crores.
2. Issue strategy, covering strategy for free marketing, proposed road shows and optimal syndicate structure suggested to maximize quality and quantity of demand.
3. Marketing Strategy and distribution capabilities for wide penetration of the issue and after market support.
4. Media Strategy for wide publicity.
5. Strategy for employee participation.
6. Approach towards selection of intermediaries.
7. Understanding of Oil India Ltd.
8. Expertise and experience of Oil & Gas Sector.
9. Research capabilities, giving details of experience and background of the research team.
10. Organization structure indicating local and global presence.
11. The level and depth of involvement of manpower including senior officials and the team and their assistance and availability in the entire process of the issue. Also the underwriting capabilities should be highlighted.
12. Regulations applicable for OIL's IPO Issue.

13. A realistic time schedule for launching the issue with complete break-up of activities to be undertaken by various agencies involved in the issue.
14. Valuation methodology for oil and gas upstream sector.

You are also requested to furnish the following information about your organization:-

1. Full particulars of the constitution, ownership and main business activities.
2. Unabridged Annual Reports and audited financial accounts for the last 3 years.
3. Details of the pending litigations and contingent liabilities that could affect the performance of the bidder as also the details of any part conviction and any possible areas of conflicts of interest.
4. Also indicate any recent changes in organizational / ownership structures, if any.


The presenters are advised to refrain from discussing issue price and their fees etc at this stage of short listing.

OIL reserves the right to accept / reject any proposal of the Merchant Banker to act as Lead Manager to OIL's IPO Issue without assigning any reason.

An early confirmation shall be appreciated.

Thanking you,

Yours faithfully
OIL INDIA LIMITED


(P.S. Gopal)
Head (Finance)

For CHAIRMAN & MANAGING DIRECTOR

[Mobile : 9818374477, 23074286 (Direct)]