

Operator: Welcome to the ONGC Limited Q3 FY26 earnings conference call. Please stay connected; your conference will begin shortly. Welcome to ONGC Limited. Proper morning ladies and gentlemen, I am Aarti, the moderator for this conference call. Welcome to ONGC's earnings conference call for the quarter ended December 31, 2025. We have with us today Shri Vivek Songaonkar, Director of Finance, ONGC, and his team who will interact with investors and analysts to discuss Q3 earnings. As a reminder, all participants will be in a listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand over the floor to Shri Vivek Songaonkar for his opening remarks.

Management: Good morning, ladies and gentlemen. I am Vivek Songaonkar, Director of Finance at ONGC. I welcome you all to this ONGC earnings call for Q3 FY26. Thank you for joining us. I am accompanied today by my colleagues from ONGC: Mr. Satish Kumar Dwivedi, Chief of Joint Venture and Business Development; Mr. Ajay Kumar Singh, President of Planning and Transformation; Mr. Prakash Joshi from Investor Relations; and Mr. Shekhar Mohanty from Corporate Accounts. We also have our colleagues from ONGC Videsh Limited, Mr. Bishma Dev Mandal and Mr. Basant Pasari.

ONGC has compiled its financial results for the quarter and nine months ended December 31, 2025. The results were released on February 12, 2026, through a press note and shared with the stock exchanges and analysts. I will now present the highlights of our performance.

ONGC's standalone crude oil production continued to show growth momentum. During Q3 FY26, production stood at 4.592 million metric tons, while the cumulative output for nine months of FY26 reached 13.907 million metric tons. This reflects a modest increase of 0.35% over the nine months of FY25. Standalone natural gas production in Q3 FY26 registered an upward trend on a year-on-year basis. This highlights ONGC's operational results. This improvement comes alongside the company arresting the earlier trend of degrowth, with cumulative output for the nine months of FY26 remaining steady, thereby reinforcing stability in the gas portfolio.

During this nine-month period of FY26, revenue from new well gas crossed 5,000 crores. This delivered an additional 944 crores compared to the APM gas price, reflecting the premium eligibility of new well gas. Notably, new well gas now contributes over 18% of ONGC's total gas sales revenue, underscoring its growing significance in the company's portfolio. ONGC is actively working towards boosting performance from new gas wells.

The ONGC board has declared a second interim dividend of 125%, amounting to Rs 6.25 per equity share of Rs 5 face value. This translates into a payout of 7,863 crores, on top of the first interim dividend of Rs 6 per share at 120% announced in November 2025. With these two payouts, ONGC has achieved a historic milestone. This is its highest-ever cumulative interim dividend of 15,411 crores in a single financial year, underscoring our commitment to shareholder value.

With regard to KG-98/2, as you are aware, all 26 wells have been drilled so far. I am happy to share that as per the latest update, the subsea umbilical, risers, and flow lines (SURF) and the subsea

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production system (SPS) works are nearing completion. The central processing platform, together with the bridge-connected living quarters and utility platform, have been fully installed. In January 2026, the main support frame of the living quarter module was successfully pinned down on the LQP jacket, followed by the installation of the living quarter unit helideck and associated structures in February 2026. This series of completions represents a decisive push forward, reinforcing our confidence in unlocking the full potential of this strategic asset.

Coming to the Mumbai High field, the TSP 1 is already showing encouraging production gains. Additionally, the Daman Upside Development Project in western offshore is also on track to be monetized soon, with a peak gas output expected at 4–5 MMSCM. ONGC also has a robust pipeline of over 20 major development, redevelopment, and infrastructure revamp projects under execution with a total combined capex of about 77,000 crores. These projects are designed to augment production and sharpen operational efficiency to ensure sustained growth. Importantly, four key infrastructure and revamp projects are slated for near-term completion.

Recognizing the volatility in global crude prices and the need to sustain profitability in a competitive environment, ONGC has already adopted a structured enterprise-wide approach to efficiency and value creation. A dedicated cost council has identified multiple areas where structural improvements can deliver long-term benefits. Key focus areas showing progress include inventory rationalization, fuel efficiency, logistics optimization, manpower restructuring, and the integration of renewable energy into operations.

We now come to financials. At the consolidated level, net profit grew by 23% both on a quarterly and nine-month basis. It was 11,946 crores in Q3 FY26, up from 9,747 crores in Q3 FY25. For the nine months of FY26, the figure was 36,115 crores compared to 29,364 crores for the previous year's nine months. This increase in profit can mainly be attributed to our subsidiaries, HPCL and MRPL.

Standalone net profit for Q3 FY26 was 8,372 crores, up 1.6% compared to 8,240 crores in Q3 FY25. For the nine months of FY26, standalone net profit was 26,244 crores against 29,162 crores in the same period of the previous year. The increase in net profit during Q3 FY26 is on account of contribution from gas revenue, higher other income, and lower statutory levies. It is important to note that despite the decline in crude oil prices, ONGC's net profit at both the standalone and consolidated levels has trended upwards.

Sales revenue in Q3 FY26 declined primarily due to a 2,145 crore drop in crude oil revenue and a 710 crore reduction in value-added products, which was partly offset by an increase of 505 crores in natural gas revenue compared to the same quarter last year. Crude oil prices declined to \$61.63 per barrel in Q3 FY26 from \$72.57 per barrel in Q3 FY25, which adversely impacted our revenues. Crude oil and value-added product revenues declined due to lower price realizations, which was offset by an increase in natural gas quantity and price, resulting in a net decrease. The rise in gas revenue was driven by incremental revenue of 294 crores from new well gas sales during Q3 FY26 and incremental revenue of 944 crores for the nine-month period.

During Q3 FY26, statutory levies stood at 5,975 crores, down from 6,630 crores in Q3 FY25, which was a reduction of 655 crores or 9.9%. This decline is primarily attributable to lower royalty and cess driven by the decreased crude oil price. Operating expenditure in Q3 FY26 stood at 7,151

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crores compared to 6,563 crores in the same quarter last year, an increase of 9%. This rise is primarily attributable to our Dahej plant, where LNG consumption grew significantly from 7.68 million MMBTU in Q3 FY25 to 11.331 million MMBTU in Q3 FY26. Also, there has been an increase in GST on oil services from 12% to 18%, and we have worked diligently to keep our operational costs flat through disciplined cost management even in this challenging fiscal environment.

There is a decrease of 168 crores or 2.5% in DD&A costs, which went from 6,778 crores in Q3 FY25 to 6,610 crores in Q3 FY26. This is mainly on account of impairment reversal of 224 crores during the quarter compared to a small impairment loss of 4 crores in Q3 FY25. With this strong operational execution, strategic progress, and resilient financial performance, ONGC continues to reinforce its contribution to India's energy sector by working towards production growth. With this, I conclude my briefing on the Q3 results for FY26. We are now happy to take questions. Thank you.

Operator: Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. First question comes from Probal Sen from ICICI Securities. Please go ahead.

Probal Sen – ICICI Securities: Very good morning, sir. Thank you for the opportunity. On KG-98/2, thank you for updating us on the progress of the associated infrastructure. I wanted to understand how we are looking at FY27 in terms of gas production ramp-up. Can you share numbers on where we expect production to be at the exit of FY27, or what kind of average output we expect for the year?

Management: For KG-98/2, as I mentioned, we have already installed all the outstanding modules that were pending and had held up the production of gas until now. The installation of those modules is completed. We are currently in the process of hooking them up, and commissioning will take place. Subsequently, the wells will be hooked up to these platforms and will start to flow. We expect that the gas flow from these wells should start from the next quarter, which is April to June, and the gas would be ramped up. Toward the end of FY27, we expect that this gas quantum should increase to 5–6 MMSCMD.

Probal Sen – ICICI Securities: Got it. And does the peak guidance continue to remain at around 7–8 MMSCMD?

Management: Yes, it continues to remain in that range.

Probal Sen – ICICI Securities: Okay. And oil production is already at around 25,000–30,000 barrels as of now?

Management: It is around those levels. Once all these works are completed, we expect that the oil production should stabilize and we should have additional production coming up.

Probal Sen – ICICI Securities: And the peak there was guided to around 40,000 barrels, is that correct?

Management: Yes, we had mentioned 35,000–40,000.

Probal Sen – ICICI Securities: Okay. The second question was regarding OPaL. Can you share some numbers in terms of how OPaL's performance has been in this quarter and any guidance going

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forward?

Management: For OPaL, operations have stabilized and are going well. They have been operating at more than 90% capacity. The average capacity utilization for the nine-month period was 92%.

Probal Sen – ICICI Securities: Any EBITDA numbers?

Management: The revenue from operations was 9,790 crores for the nine-month period, and the EBITDA was 353 crores for the same period.

Probal Sen – ICICI Securities: After all the cleanup that has happened in terms of the debt and conversion to equity, what is the net debt sitting on OPaL's books as of now?

Management: It is around 23,000–24,000 crores.

Probal Sen – ICICI Securities: Are there any other measures you are looking to do, or do we expect that profitability is good enough to service the interest cost?

Management: As far as profitability is concerned, we expect it to increase because capacity utilization should move up. Now that everything has stabilized and petrochemical prices have started to move up, we expect FY27 performance to be more positive than this current year. We are not expecting to infuse any more capital as of now.

Probal Sen – ICICI Securities: One last housekeeping question. Can you share the capex and production guidance for FY27 overall?

Management: ONGC will continue to have a capex of 32,000–33,000 crores. The focus remains on exploration and production. For FY27, we are targeting a standalone production of 42.5 million metric tons of oil and oil equivalent.

Operator: Thank you. The next question comes from Varadarajan Shivashankaran from ANTIC Limited. Please go ahead.

Varadarajan Shivashankaran – ANTIC Limited: Could you give us an idea about the discoveries during the nine months and any reserve accretion numbers?

Management: We provide reserve accretion figures on an annual basis. Regarding the number of discoveries during this nine-month period, Prakash can provide that list to you separately.

Varadarajan Shivashankaran – ANTIC Limited: Any update on OVL, especially Venezuela, Sakhalin-1, and Mozambique?

Management: On Mozambique, the force majeure has been lifted and work has started on the ground. It is on track to start LNG production from 2028 onwards. Capex remains the same with no further increase. Regarding Venezuela, we understand that the US government is progressively lifting sanctions. We are awaiting those instructions but the movement is positive. We hope to restart operations once sanctions are lifted. Our dues from Venezuela are approximately \$550 million.

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For Sakhalin-1, we continue to move ahead with the support of the Russian and Indian governments. Our share of equity has been secured, which is a positive step. We are hopeful that during this coming year, we should be in a position to receive our share of held-up dividends. Operations and production continue to happen there. Our shareholding remains at 20%.

Varadarajan Shivashankaran – ANTIC Limited: If you can give us a breakup of oil and gas targets separately for FY28 onwards as well.

Management: We are planning to produce approximately 21 million metric tons of oil and 21.5 million metric tons of gas, totaling 42.5 million metric tons. We plan to increase production further beyond FY27.

Operator: Thank you. The next question comes from Mayank Maheshwari from Morgan Stanley. Please go ahead.

Mayank Maheshwari – Morgan Stanley: On the production side, can you give details on the rest of the blocks apart from KG, including the JV side where we've seen challenges?

Management: In the Mumbai High field, we have engaged a technical support provider, BP. They have started giving advice and we have planned a number of wells to be drilled as jointly identified. We are seeing positive output from that area, which is providing stability. For Neelam, Heera, and B127 assets, oil production is more or less steady. Similarly, for onshore assets like Ankleshwar, Ahmedabad, and Mehsana, we are drilling the targeted number of wells and production is stabilized. We are confident of achieving targets for this year and FY27.

Additionally, the Daman Upside Development Project is on track. We are confident that gas will start flowing from that project starting in March. The DSF project is also on track for the last quarter of next year.

Mayank Maheshwari – Morgan Stanley: On the BP technical support, how much have you been able to arrest the decline?

Management: It might be too early to say it is fully arrested, but we have seen an uptick. The production we are getting from the Mumbai High field where BP is working with us is about 7% higher than what we were expecting earlier for Q3. It has been a positive development.

Mayank Maheshwari – Morgan Stanley: Regarding costs, how much of your cost-control targets have been achieved?

Management: We are on track. We have reduced our inventories and taken structural steps to reduce costs in the long run. We started Pipavav port operations, which reduces logistics costs for the northern part of Mumbai High. We have optimized diesel consumption and reduced manpower security costs. These results will be reflected in the annual figures. We are also transitioning to renewable energy, which will reduce our power bills. Despite crude prices dropping, we have been able to report positive results due to these measures.

Operator: Next question comes from Sabri Hazarika from MK Capital. Please go ahead.

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Sabri Hazarika – MK Capital: There has been a decline in the share of new well gas from 21% to 18% as per your press release. Can you provide more color on that?

Management: The 21% figure was on a six-month basis. On a nine-month basis, new well gas revenue is 18%. This is based on revenue, not quantity. While there have been changes in gas prices, the quantity is still significant. For the nine-month period, new well gas revenue was 5,000 crores against total gas sales of 24,000 crores. It is more of a statistical variance in revenue share than a drop in performance.

Sabri Hazarika – MK Capital: The Director of Production mentioned a figure of 4,000 barrels per day of incremental production from the TSP. Could you clarify this?

Management: As mentioned, we have seen positive results in Mumbai High for both oil and gas due to the TSP. Final quantification will be provided during the annual results.

Sabri Hazarika – MK Capital: What is the nine-month capex spend?

Management: We have spent around 24,400 crores.

Sabri Hazarika – MK Capital: On the OIDA amendment, there was mention of fiscal stability, but the government raised the GST sharply. Can the company seek relief?

Management: We do not think it would be possible to get relief under the OIDA Act for GST because GST applies to all goods, not just the oil and gas sector. However, the ad hoc subsidies and windfall taxes that were occurring earlier are not expected to continue under the new framework.

Operator: Thank you. The next question comes from Gagan Dixon from LR Securities. Please go ahead.

Gagan Dixon – LR Securities: What is the expected gas contribution from the Daman Upside Development Project in FY27?

Management: We expect 4-5 MMSCMD. The project is on schedule, drilling is done, and gas should start flowing from March.

Operator: Thank you. The next question comes from Vivekanand Subbaraman from Ambit Capital. Please go ahead.

Vivekanand Subbaraman – Ambit Capital: Could you provide an update on your target of 10 gigawatts of renewables by 2030 and the capex commitment for FY27 and FY28?

Management: Our target of 10 gigawatts by 2030 remains in place. We are currently executing existing wind and solar projects and looking for acquisition opportunities. We are also setting up a 300-megawatt solar project as a greenfield project. Capex is not a constraint for us; we will deploy it as opportunities arise.

Vivekanand Subbaraman – Ambit Capital: Any concrete plans for the greenfield refinery and petrochemical project in Prayagraj?

Management: We are working on various projects and contemplating partners, but no concrete plan has been declared yet. There is a land parcel available with BPCL in Prayagraj, and we are in talks with BPCL and the UP government. Techno-economics are being worked out, but there is no firm plan as of now.

Operator: The next question comes from Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor – Kapoor & Company: Regarding capex for pipes and rigs, we have seen softness in prices. Has this impacted your ordering?

Management: Our capex program is on track. We maintain our capex target of 32,000–33,000 crores. Our ordering process is meeting our internal schedules.

Operator: The next question comes from Vikas Jain from CLSA India. Please go ahead.

Vikas Jain – CLSA India: For KG-98/2, you mentioned incremental gas of 5–6 MMSCMD reaching by the fourth quarter of FY27. Is that correct?

Management: Yes, we expect it to ramp up to that level by Q4 FY27. For Daman, it should ramp up to peak levels within a quarter after starting in March. Collectively, including the technical support provider's contribution, we are positive about the trajectory.

Vikas Jain – CLSA India: On the Mumbai High field, when you say the decline has been arrested, does that mean the decline rate has reduced or it has actually turned positive compared to previous years?

Management: It means the decline has been arrested and there has been an addition to production. BP has committed to giving us 10 million metric tons of additional production over a 10-year period. We are seeing the early gains from this in Q4 FY26.

Vikas Jain – CLSA India: For new well gas, what do you expect its share of output to be from April 1?

Management: We expect the percentage of new well gas to increase to around 24% as we work over existing wells and bring new ones online.

Vikas Jain – CLSA India: Will Daman gas be priced at the New Well Gas price?

Management: Yes, it will be at the New Well Gas price.

Operator: The next question comes from Ketan Mehta from Baroda BNP Paribas. Please go ahead.

Ketan Mehta – BNP Paribas: In your target of 42.5 million metric tons for FY27, what are we assuming for the Mumbai High field regarding decline?

Management: For the 42.5 million metric tons target, we have not factored in the upside from the technical support provider project. That would be an additional gain.

Ketan Mehta – BNP Paribas: Can you give details on your cost-control targets for FY27?

Management: We are targeting a cost reduction of around 1,000 crores through the various measures we have undertaken.

Operator: The next question comes from Ramesh, an individual investor. Please go ahead.

Ramesh – Individual Investor: For new well gas, you mentioned the share going to 24%. Are you referring to a 20% premium over the APM price?

Management: Yes, new well gas receives a price that is 20% higher than the APM price, capped at 12% of the Indian crude basket. From April 1, the ceiling for APM gas will also go up by 25 cents to \$7.

Ramesh – Individual Investor: When do you expect the petrochemical segment to turn positive?

Management: We are already EBITDA positive. With petrochemical prices moving up and our cost measures in place, we are hopeful of turning the corner in the next year.

Ramesh – Individual Investor: Regarding sourcing for OPaL, how will you manage the 40% ethane feedstock?

Management: We are in the process of fixing the sourcing for 40% ethane beyond 2028. Terminal and shipping arrangements are made. The quantity is approximately 600 KTPA. We will declare pricing terms at a later date.

Operator: The next follow-up question is from Saket Kapoor. Please go ahead.

Saket Kapoor – Kapoor & Company: How are the exploration activities for the two new discoveries, Suryamani and Vajramani, and also the Mahanadi basin?

Management: I will answer your second question about the BP partnership first. We are already seeing results, which we will quantify at the end of the year. For Suryamani and Vajramani, these are marginal fields in the western offshore. We are evaluating technical options, including new ways of installing platforms to make them viable. For the Mahanadi basin, the discoveries are in the preliminary development planning stage. We need to drill appraisal wells before final development plans and capex are finalized.

Operator: Thank you. There are no further questions. I now hand the floor to Shri Vivek Songaonkar for closing comments.

Management: Thank you to all participants for joining us. I would like to reiterate that we are seeing positive results from the TSP in Q4 FY26, which we will quantify soon. The KG-98/2 project is back on track with all modules installed, and gas flow is expected to begin shortly. The Daman Upside project is also on track for gas flow in March.

The board has declared an interim dividend of Rs 6.25, bringing the total for the year to Rs 12.25. This is the highest cumulative interim dividend in ONGC's history, signaling our positive outlook and commitment to shareholder returns. We will continue to work toward rewarding our stakeholders. Thank you very much.

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Operator: Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation. You may disconnect your lines now. Have a blessed day.

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