

ONGC Videsh (OVL) enters into MOU with M/s Sistema for hydrocarbon interests

Dated: 08th December, 2009

Pursuant to protracted discussions with M/s Sistema, a leading diversified industrial group of Russia having investments in India, OVL entered into a Non-Exclusive Memorandum of Understanding to explore the possibilities of jointly studying, and if mutually agreed, to participate in attractive oil and gas assets in Russia and third countries. The MOU was signed at the Indo-Russian CEOs Business Council meeting held in Moscow on 8th December, 2009 on the conclusion of the visit of the Indian Prime Minister to Russia.

OVL entered the Russian hydrocarbon sector in 2001 with the acquisition of participating interest in Sakhalin-1 project. It acquired Imperial Energy in Tomsk Region, Western Siberia early this year. The Company has strong relationship with the Rosneft and Gazprom, the NOCs of Russia and proposes to continue and expand its joint works with them.

Sistema entered India into Mobile Telephony services in India in 2008 and launched its MTS Mobile Telecom Services earlier this year. Sistema, proposes to diversify into the hydrocarbon sector and develop a mutually beneficial relationship with ONGC group of companies.

Both the Companies would carry out joint studies for prospective assets in Russia and third countries.

Mr. R S Sharma, CMD, ONGC, observed that the understanding with Sistema, having significant investment interests in India is a step forward in jointly studying and pursuing interest in the prolific and hydrocarbon rich regions of Russia and CIS countries.

Mr. Evtushenkov, Chairman, Sistema stated that he was happy to enter into an understanding with ONGC, the premier NOC of India, present in over a dozen countries having rich experience in oil and gas sector. He added that ONGC's expertise and presence in Russia and various other countries will bring valuable dimensions to the pursuit of ONGC and Sistema to acquire and develop attractive hydrocarbon assets in Russia and third countries.