



ALPHAGEO (INDIA) LTD.
INVESTOR PRESENTATION | FEBRUARY 2020

Company Snapshot



53

Projects completed till date



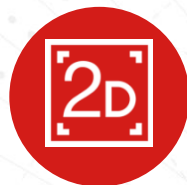
3

Countries in which they are present



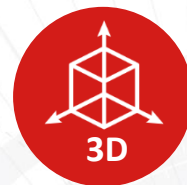
16

Years of experience in sedimentary basins



47,500 GLK

Of experience in 2D data



3D

7,000 Sq. Km

Of experience in 3D data



233

Team members as on 31st December, 2019



28

Years of Experience in Seismic Data Acquisition



66%

3 Years Revenue CAGR
FY19 – INR 4,102 Mn



60%

3 Years PAT CAGR
FY19 – INR 454 Mn



24.89%

FY19 ROCE



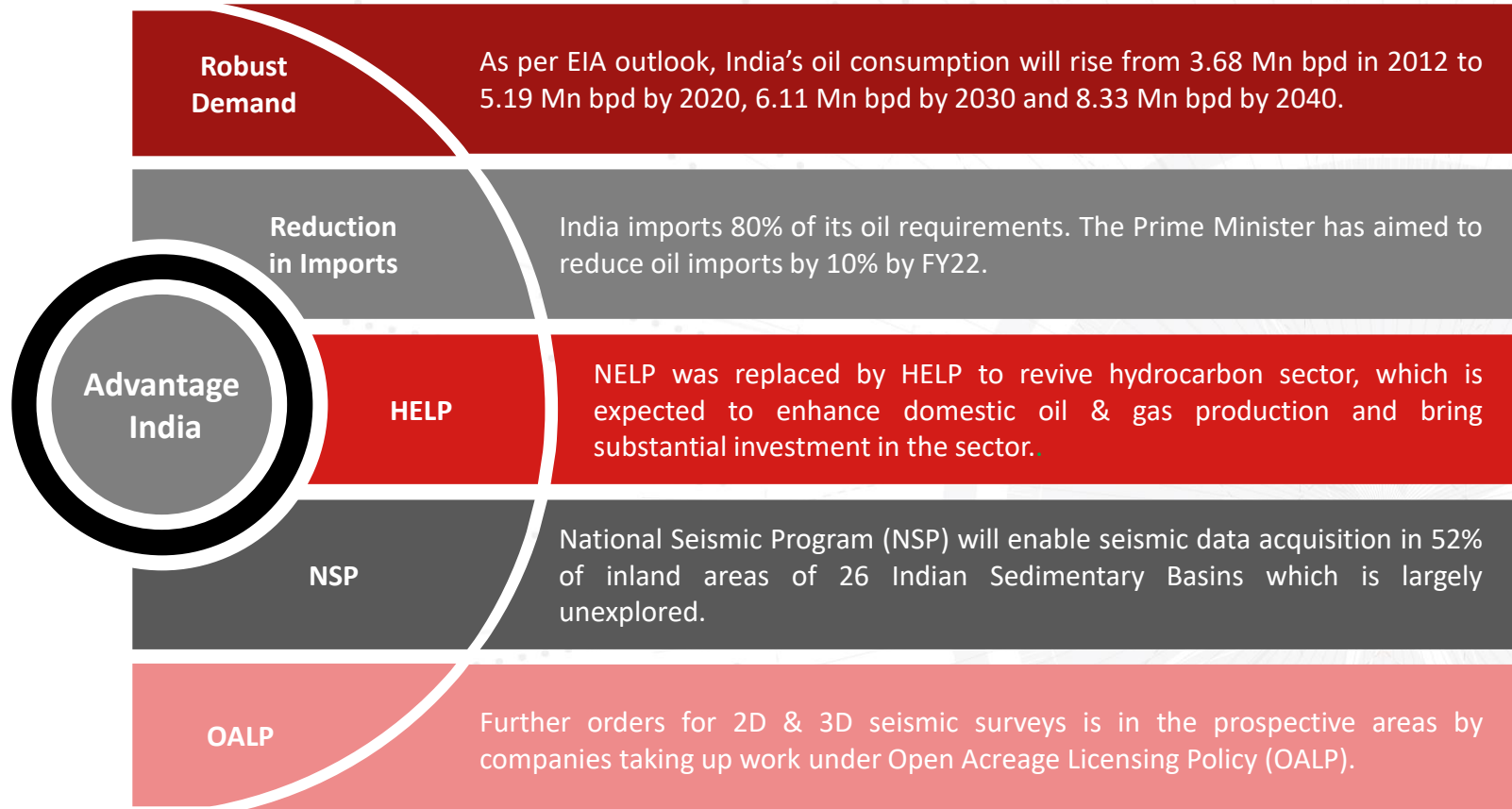
INR 2,765 Mn

Capital Employed (FY19)



INR 1,099 Mn

Of Market Capitalization as on 31st December, 2019



Executive Summary

COMPANY OVERVIEW



- Incorporated in 1987, Alphageo (India) Ltd. (Alphageo), is India's oldest and largest private sector provider of seismic data acquisition services.
- The Company provides a wide range of geophysical services to renowned national and international oil and gas exploration companies and research organizations to identify subterranean deposits of hydrocarbons and other minerals with accuracy.

FINANCIAL HIGHLIGHTS*
(9M FY20)

OPERATING REVENUE
INR 2,039 Mn

BUSINESS SEGMENTS

Seismic data acquisition in 2D/3D/3C

Seismic data processing of 2D/3D data

Seismic data interpretation

Airborne Surveys

Geophysical mapping services

Other Services

EBITDA
INR 259 Mn

KEY CLIENTS



ऑयल इंडिया लिमिटेड
Oil India Limited



PAT
INR 17 Mn

*Consolidated



Company Overview

Company Overview

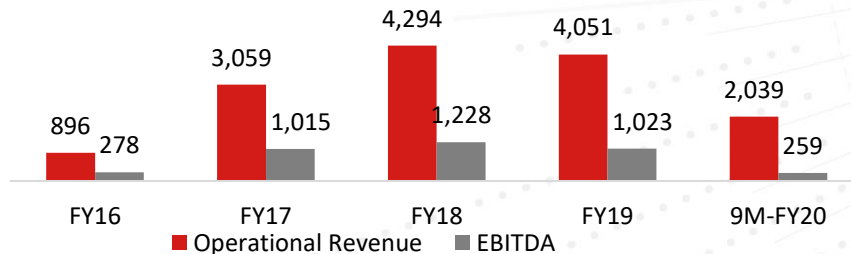


- Alphageo (India) Ltd. (Alphageo) is engaged in providing seismic data acquisition services to the oil exploration and production sector.
- Its services include design and pre-planning of 2D and 3D surveys, seismic data acquisition, data processing, data interpretation, generation, evaluation, and ranking of prospects, reservoir data acquisition and reservoir analysis.
- Until 2005, Alphageo offered only 2D acquisition services but its decision to start offering 3D was a game changer in the Indian Seismic Services Industry.
- It became the first Indian Company to offer 3D acquisition services for identifying subterranean deposits with accuracy.
- Alphageo operations are spread across North-East, Southern and

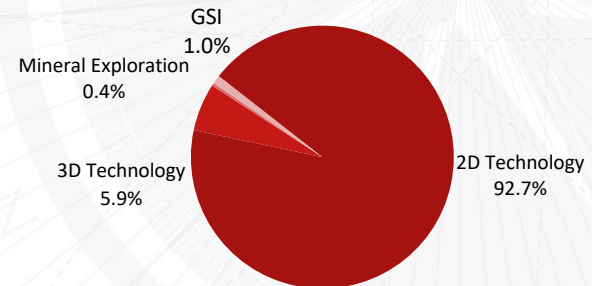
Western India.

- The Company's clients include large national and international oil majors like ONGC, Oil India Limited, GAIL (India), Petronas Carigali Inc. etc.
- Alphageo has acquired over 47,500 GLK, processed over 31,000 LKM, interpreted over 15,000 LKM of 2D seismic data and acquired over 7,000 Sq. Km of 3D seismic data in the last 6 years.
- The Company has operated 17 crews, it has also achieved a channel count in excess of 30,000 which is the highest in India.
- Diversifying into other forms of Geophysical services for mineral exploration.

Operational Revenue (INR Mn) and EBITDA (INR Mn)



Revenue Break-Up 9M- FY20



BOARD OF DIRECTORS

Mr. Dinesh Alla (Chairman and Managing Director)

He is a post graduate from BITS, Pilani and has very rich experience and deep knowledge in seismic / geophysical services for hydrocarbons and mineral exploration.

Mrs. Savita Alla (Joint Managing Director)

She is a post graduate in Management studies from BITS, Pilani. She served in various managerial positions in corporate sector.

Mr. Rajesh Alla (Non-Executive Director)

He is a post graduate engineer from Carnegie Mellon University, Pittsburgh, USA and has specialized in Image Processing, Computer Vision and Robotics

MANAGEMENT TEAM

Mr. Sesham Purushotham - Chief Financial Officer - Post-graduate in commerce. He has over 28 years of experience the areas of accounts, finance and taxation.

Ms. Deepa Dutta - Company Secretary - An Associate Member of Institute of Company Secretaries of India. She has completed her graduation in commerce from Patna University. She has around 4 years of experience.

Mr. Balaji Sundararajan - Sr. Vice President (SVP)-Operations - A graduate in Engineering and post-graduate in Mathematics from BITS Pilani. He has over 30 years of experience of which 18 years is in Seismic Industry.

Mr. Anthony Raymond Cheshire - Vice President (Technical Services) - An honours graduate with more than 40 years of experience in the geophysical exploration industry.

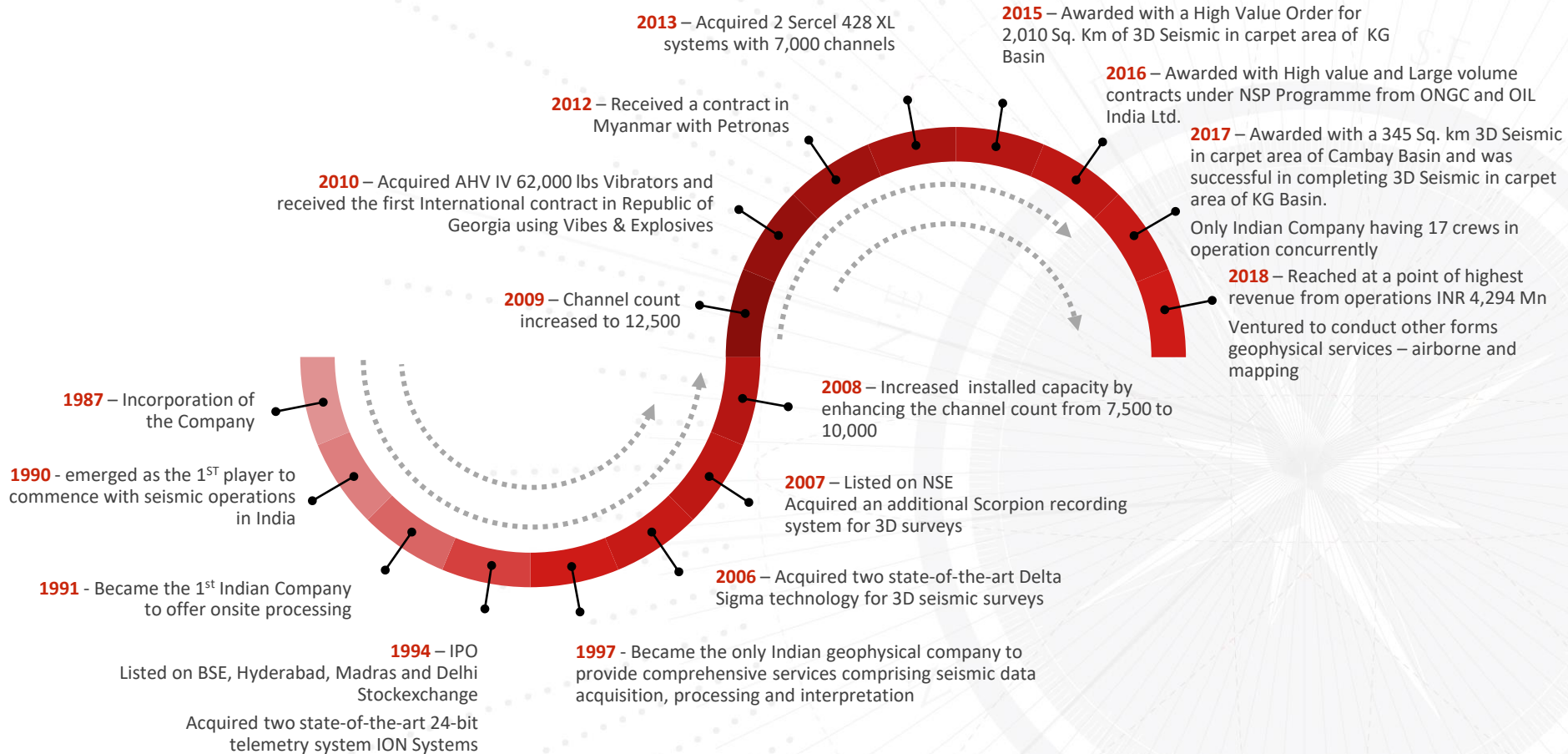
Mr. Yogendra Nath Singh - Vice President (Operations) - Holds a Master's Degree in Exploration Geophysics from Banaras Hindu University and has more than 35 years of experience in the seismic industry.

Dr. A.K Chaturvedi - Vice President (Airborne Surveys) - Holds Master's Degree from IIT Kanpur and PhD from Osmania University. He has more than 38 years of experience and specialises in Airborne Surveys, Remote Sensing and GIS based Projects

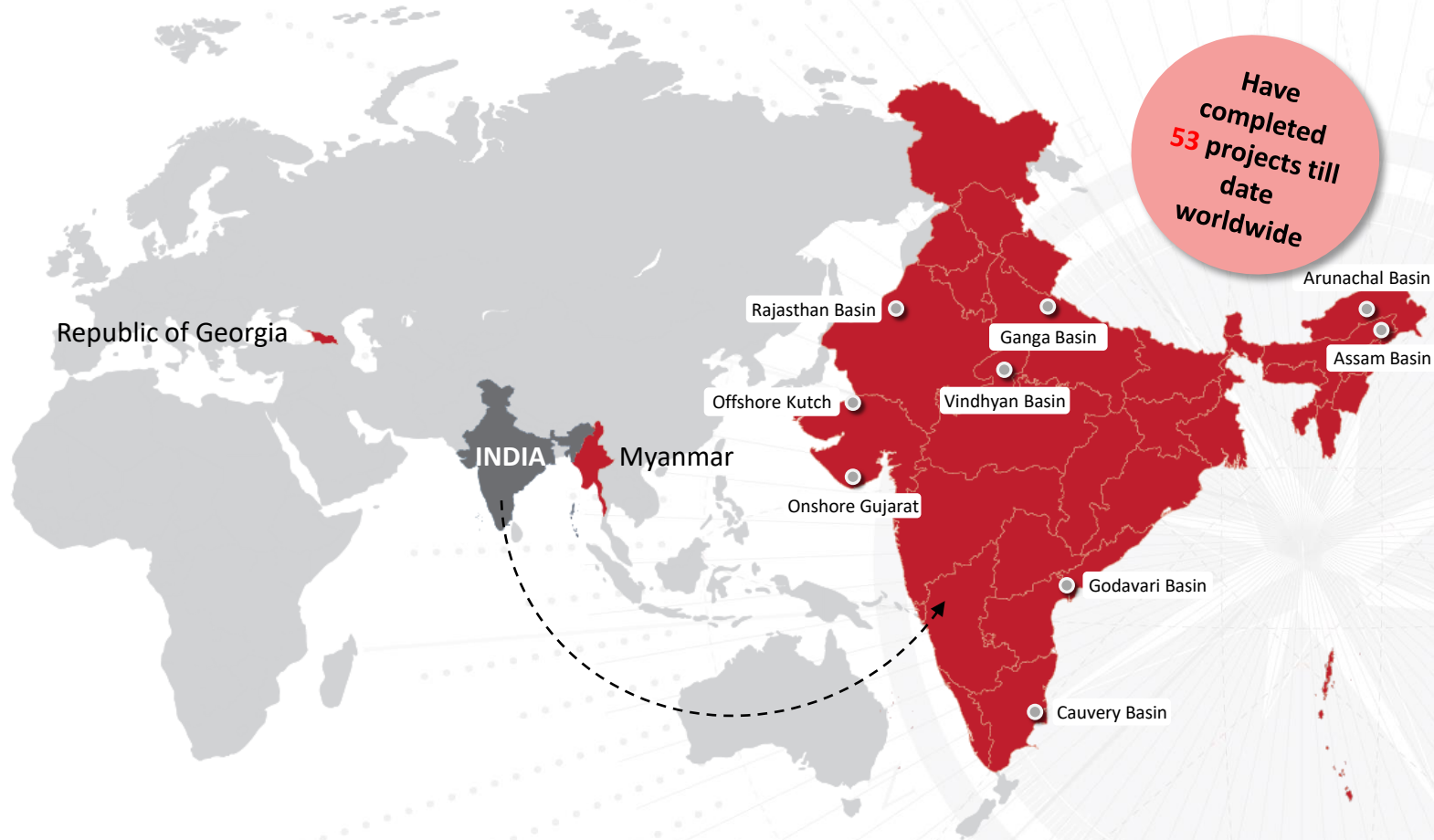
Mr. Thomas Ajewole - Chief Seismologist - Holds a Degree in Geophysics and has more than 22 years of experience in the seismic industry. He has held functional roles of Seismologist and Party Chief of 2D and 3D onshore data acquisition projects.

Mr. Suresh Rahul Bellap - General Manager (Contracts) - Holds a Bachelor's Degree in Engineering (Mechanical) and has more than 30 years of experience in different industries.

Key Milestones -2019



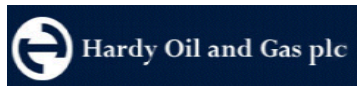
Geographical Presence



Key Clients



ऑयल इंडिया लिमिटेड
Oil India Limited



Awards & Accolades



12 Key Strengths

Clients

include all leading National & international Oil & Gas companies



Diverse Experience

in understanding of diverse topographies



Financials

boasts of Strong Metrics including low Debt-to-Equity Ratio



Technology

and Art Equipment are modern and state-of-the-art



Project Management

is carried out professionally across different regions



Execution

is timely & cost-effective

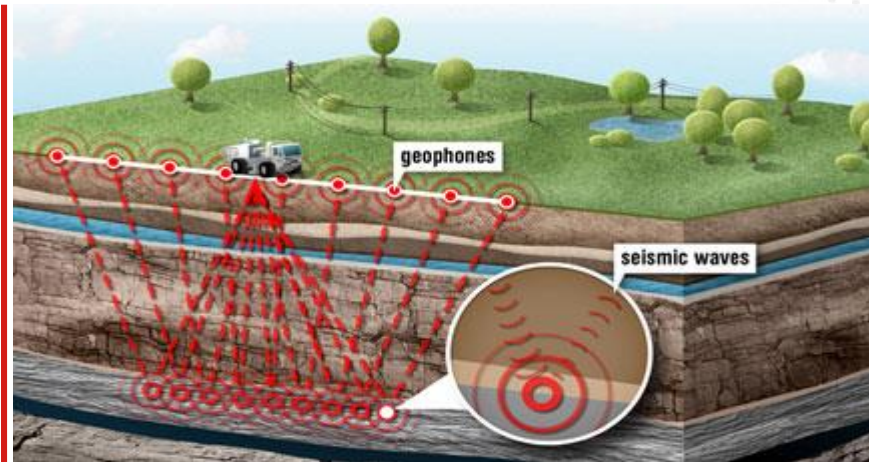




Business Overview

Why Seismic Surveys?

- Seismic surveys are primarily used for oil and gas exploration.
- Seismic surveys use reflected sound waves to produce a 'CAT scan' of the Earth's subsurface.
- Seismic images are produced by generating, recording, and analysing sound waves that travel through the Earth (such waves are also called seismic waves). Explosives or vibrating plates generate the waves and a line or grid of geophones records them.
- The seismic waves are created either by small explosive charges set off in shallow holes (shot holes) or by large vehicles equipped with heavy plates ('Vibroseis' trucks) that vibrate on the ground.
- By analysing the time it takes for the seismic waves to reflect off the subsurface formations and return to the surface, a geophysicist can map subsurface formations and anomalies and predict where oil or gas may be trapped in sufficient quantities for exploration activities.



Vibroseis Truck



Explosive



Geophone



2D Technology

- Until recently, seismic surveys were conducted along a single line on the ground, and their analysis created a two-dimensional picture akin to a slice through the earth beneath that line, showing the subsurface geology along that line.
- This is referred to as two-dimensional or 2D seismic data.

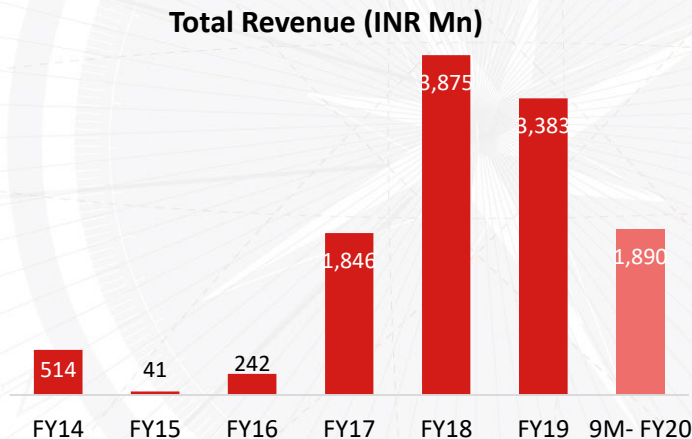
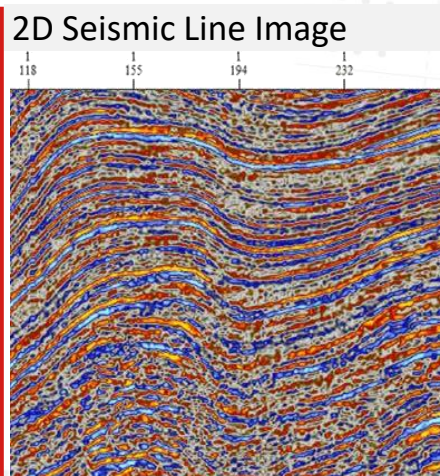
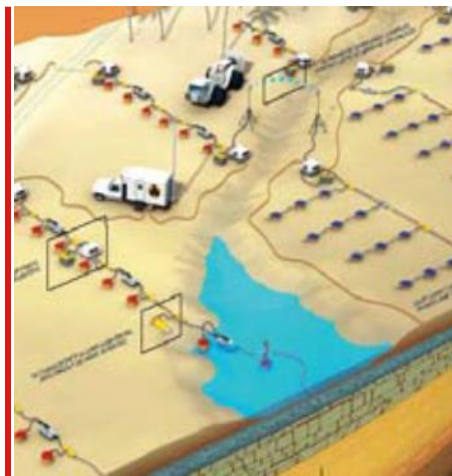
+ Easiest Survey Method

Relatively inexpensive method

Images are not of good quality

Anomalies are harder to map

Not effective in some locations



3D Technology

- The basic method of testing is the same as 2D, but instead of a single line of energy source points and receiver points, the source points and receiver points are laid out in a grid over the area to be surveyed.
- The receiver points – to record the reflected vibrations from the source points – are laid down in parallel lines (receiver lines), and the source points are laid out in parallel lines that are approximately perpendicular to the receiver lines.



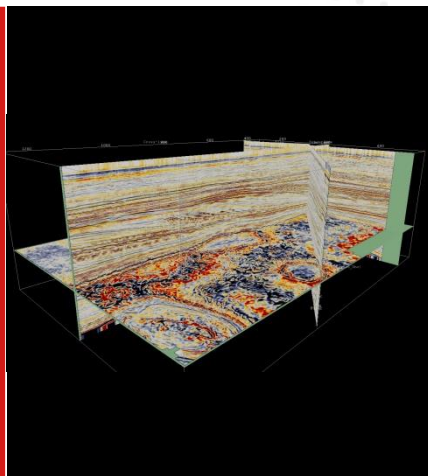
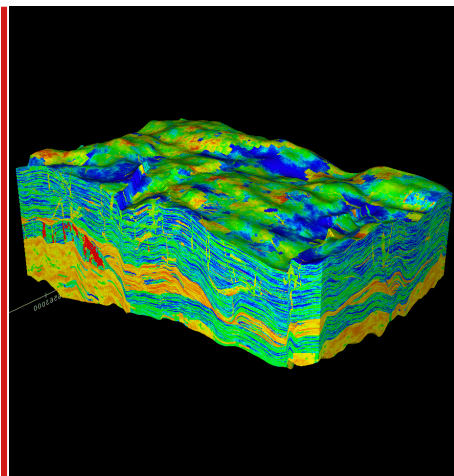
It is easy to recognize structure in almost every type of terrain.

It is accurate.

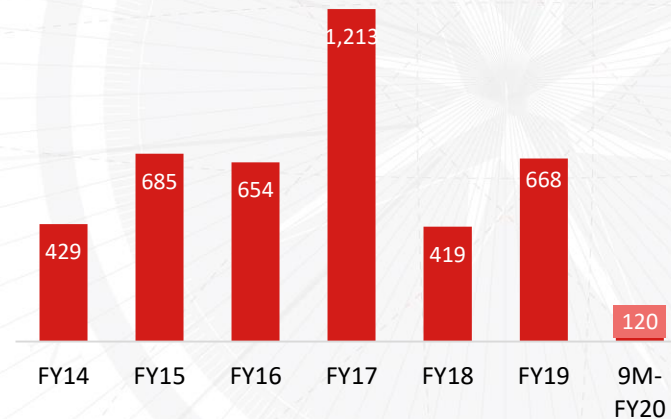
It enables detailed mapping of structures.

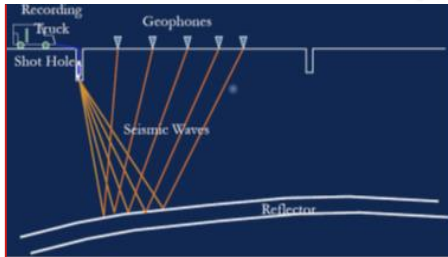
It is expensive.

Conversion of seismic data to acceptable format can be time consuming.



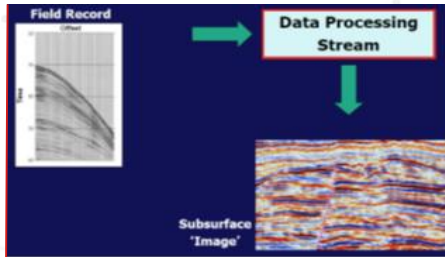
Total Revenue (INR Mn)





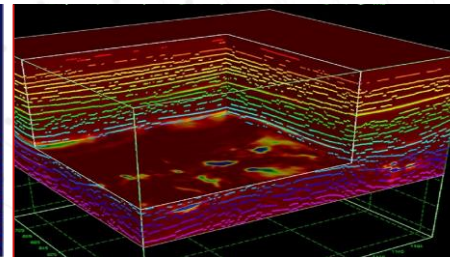
Data Acquisition

- Surveys are designed based on parameters and objectives defined in 2D, 3D and 3C surveys. Direction & layout of lines is also decided.
- Activities are pre-planned based on exclusion zones, inaccessible zones and methodology used to cover the area below exclusion and inaccessible zone is laid down.
- Accuracy and tolerance limit of topographic survey and other aspects of seismic survey is defined.
- Seismic data acquisition in 2D/3D/3C.



Data Processing

- The data recorded from a seismic survey is originally in its 'raw' form.
- Before it can be used, it must go through a series of computerized processes. These processes make the data useable and require powerful computers and sophisticated computer programs.
- Processing of data can be very expensive, depending on the size of the area surveyed and the amount of data acquired.



Data Interpretation

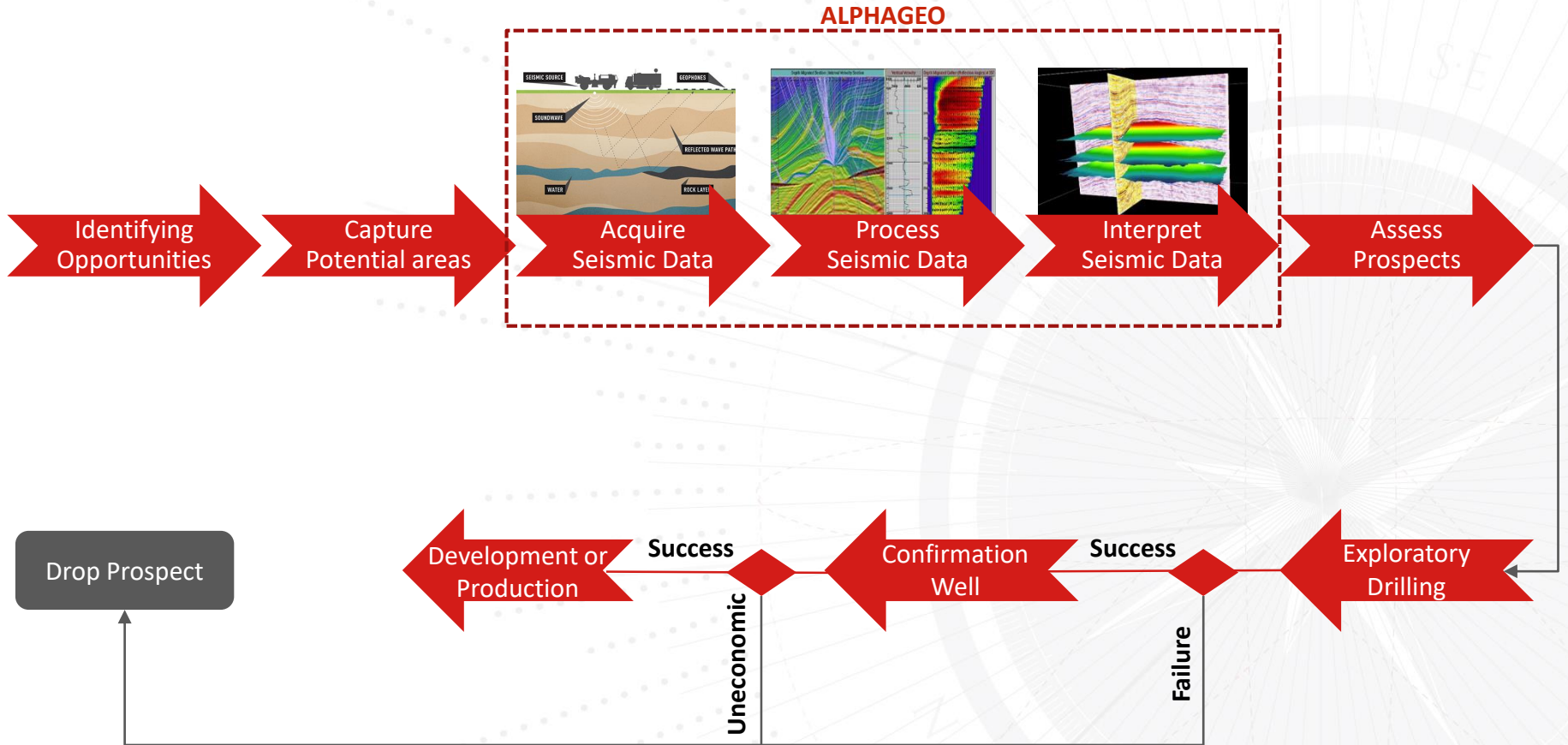
- Finally, the resulting processed data must be interpreted by the geophysicist or geologist.
- No two experts will interpret data identically.
- Geology is still a subjective science. The proper interpretation of 3D data is a critical step in the process.
- Data interpretation services include structural and stratigraphic interpretation, generation, evaluation and ranking of prospects and evaluation of blocks for exploration.



Other Services

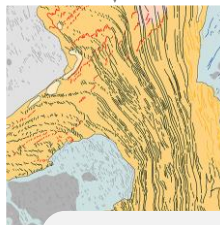
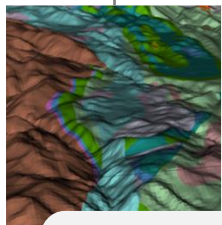
- Consultancy is provided in studying / analyzing the available data, identifying the need, pre-planning and laying down strategy for acquisition of these data and designing, delineation, development and extent of depletion of the field.
- EM & GM services of API.
- Topographic surveys with GPS and RTK.
- Reservoir data acquisition and Analysis.
- Airborne surveys for mineral exploration; Geophysical mapping surveys through gravity and magnetic methods for identification of potential areas from mineral prognostication point of view.

Typical Flowchart of Oil & Gas Exploration Companies



Detailed Services Flow Chart

Preparation



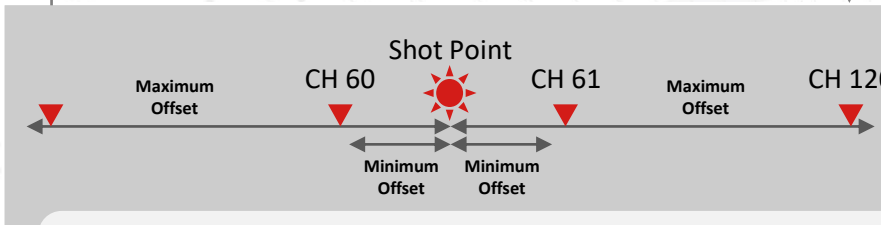
Geological Data

- Data is gathered through Topographic maps & Arial Photos to determine which basins hold sufficient potential.

Geophysical Data

- Data is then gathered to determine the characteristics and images of the subsurface.

Planning & Designing



Shot Points & Layout

- To image the subsurface, decision is made on the placement and layout of shot point (source) and geophones. It also involves the usage of dynamite, vibroseis trucks, hammer or weight drop as a source type.



Contd. On next slide

Detailed Services Flow Chart

Execution



1

GPS used by the Survey Crew for locating the Source & Receiver Points of the Seismic lines, carried on their shoulders.



Source Point



Receiver Point

2

After locating the points, the crew mark the places of source and receiver points finally marking a seismic line.



3

Drilling Crew uses Jackhammers for shallow holes.



4

After drilling shot holes, dynamite is loaded in them using dynamite sticks and detonators.



5

Other than dynamite, Vibroseis trucks are also used.



6

The crew lay out the Geophones on the seismic lines as a spread.



7

These geophones are connected to each other by the Takeout Cable.



8

Geophone Plantation is then done.



9

All the Geophones are connected to a recording truck through which all the information goes into it



10

Recording is then done in the recording truck.



11

The tape driver records all the data on the magnetic tapes or cartridges.



12

The data is recorded in Seismograph.

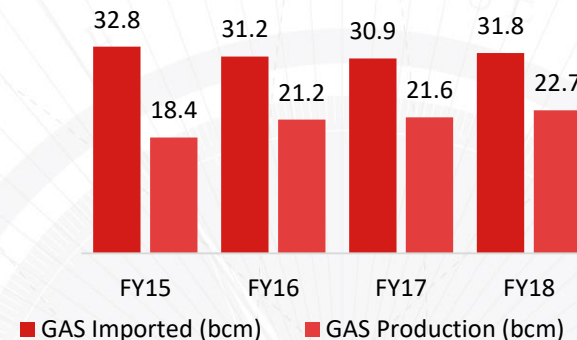


Industry Overview

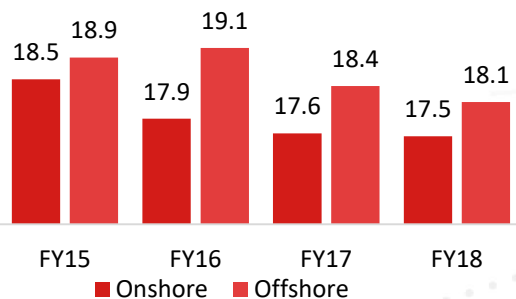
Oil & Gas Industry

- In India, the Oil and Natural Gas industry has huge potential and contributes over 15% to the India's GDP.
- Prime Minister Narendra Modi's envisions to reduce imports by at least 10% by 2022.
- There are three ways to operationally reduce import dependency of India for oil and natural gas:
 - Enhance production from the producing fields.
 - Reduce depletion rate in the producing fields which are ageing.
 - Discover new basins by appraising the unexplored areas.

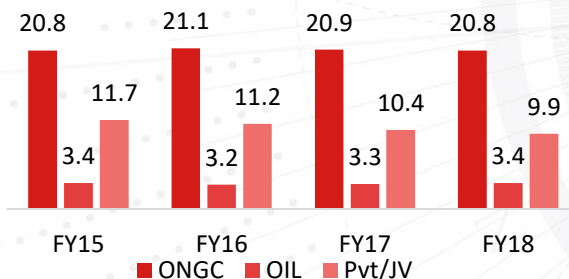
Domestic Gas Production and Imports (Bcm)



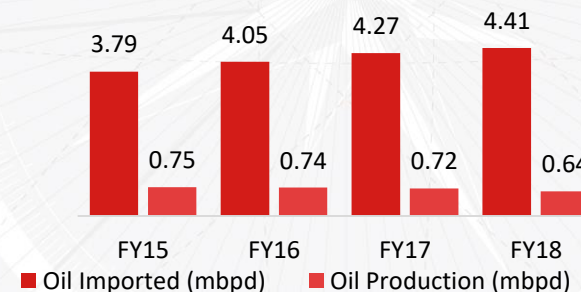
Annual crude oil production (in MMT)



Crude Oil Production (in MMT)



Domestic Oil Production and Imports (Mbpd)



Advantage India



Growing demand

India is the world's third largest energy consumer globally.

Demand for primary energy in India is expected to increase threefold by 2035 to 1,516 Mn tonnes of oil.



Rapid Expansion

The oil and gas industry is growing robustly and players are undertaking investments to cater to the burgeoning demand.

The industry is expected to attract USD 25 Bn investments in exploration and production by 2022.



Policy Support

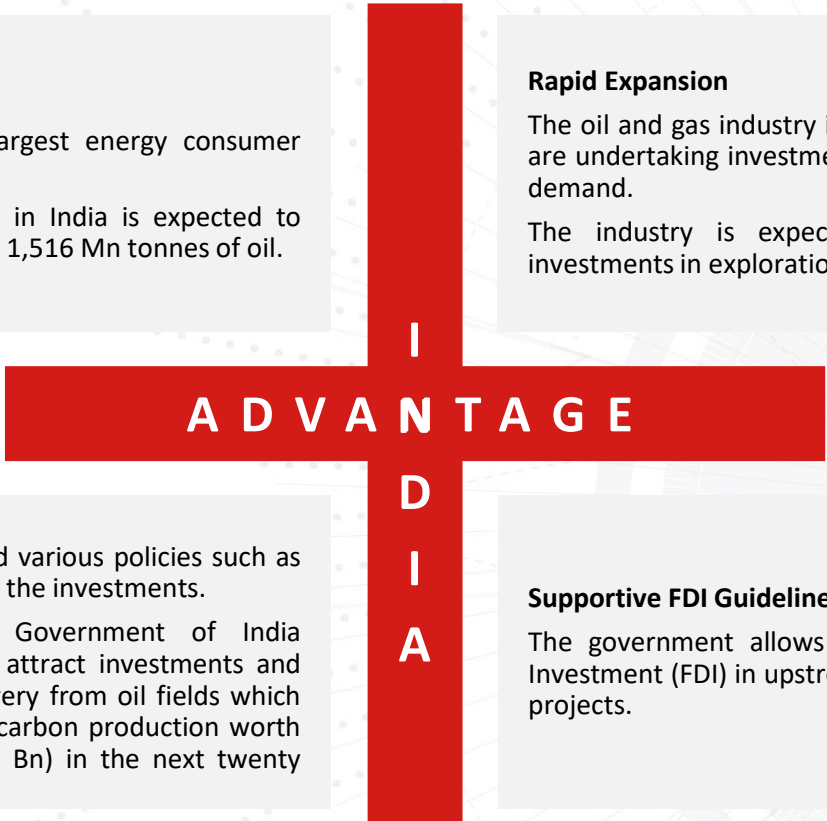
The Government has enacted various policies such as the OALP policy to encourage the investments.

In September 2018, the Government of India approved fiscal incentive to attract investments and technology to improve recovery from oil fields which is expected to lead to hydrocarbon production worth INR 50 lakh Cr (USD 745.82 Bn) in the next twenty years.



Supportive FDI Guidelines

The government allows 100 per cent Foreign Direct Investment (FDI) in upstream and private sector refining projects.





Government

Policy

Hydrocarbon Exploration and Licensing Policy (HELP) was introduced in 2016, in order to revamp the oil and gas sector and address various industry concerns in the New Exploration and Licensing Policy (NELP) regime.

Uniform License

Unlike the multiple license model under NELP, HELP brings in a uniform licensing model.

Open Acreage Policy

Companies can choose blocks of their choice from the designated area round the year without waiting for roadshows and auctions like in NELP.

Revenue Sharing Model

Lower Royalty

A graded system has been introduced Under HELP and lower royalty as compared to NELP has been provided to encourage exploration and production.

National Seismic Programme (NSP) was introduced in 2016, in order to generate seismic data for initiating E&P activities, which envisages 2D seismic surveys of all sedimentary basins of India.

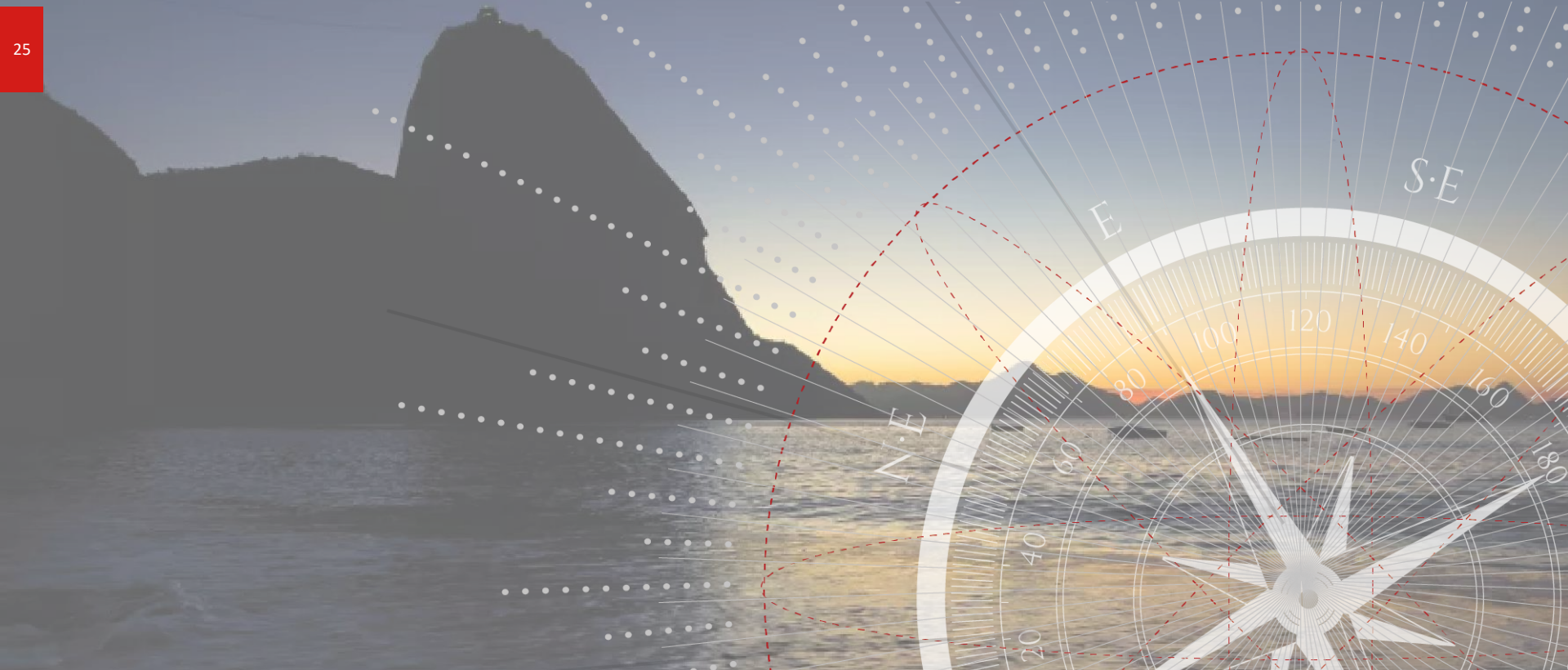
ONGC has been assigned to carry out the survey of **40,835 LKM** in 18 states.

OIL has been assigned to carry out 2D seismic API of 7,408 LKM in North Eastern states.

Discovered Small Fields was introduced in 2016, with a prime objective to bring Discovered Small Fields to production at the earliest so as to increase the domestic production.

No cess on the oil production and Customs duty exemptions.

Marketing and Pricing Freedom for Crude Oil and Natural Gas.



Financials

Historical Standalone Income Statement (IND-AS)

| INCOME STATEMENT (INR Mn) | FY16 | FY17 | FY18 | FY19 | 9M- FY20 |
|---|---------------|---------------|---------------|---------------|---------------|
| Operating Income | 686 | 2,966 | 4,294 | 4,051 | 2,039 |
| Total Expenses | 540 | 2,029 | 3,108 | 3,036 | 1,799 |
| EBITDA | 146 | 937 | 1,186 | 1,015 | 240 |
| EBITDA Margin (%) | 21.28% | 31.59% | 27.62% | 25.06% | 11.77% |
| Other Income | 16 | 13 | 17 | 51 | 31 |
| Depreciation | 52 | 180 | 280 | 268 | 203 |
| Finance Cost | 7 | 41 | 56 | 30 | 20 |
| PBT | 103 | 729 | 867 | 768 | 48 |
| Tax | 33 | 249 | 305 | 269 | 37 |
| Profit After Tax | 70 | 480 | 562 | 499 | 11 |
| PAT Margin (%) | 10.20% | 16.18% | 13.09% | 12.32% | 0.54% |
| Other Comprehensive Income (Net of Tax) | - | - | 1 | - | - |
| Total Comprehensive Income | 70 | 480 | 563 | 499 | 11 |
| Diluted EPS (INR) | 12.34 | 81.50 | 88.80 | 78.40 | 1.72 |

Standalone Balance Sheet (IND-AS)

| PARTICULARS (INR Mn) | FY18 | FY19 | H1 FY20 | PARTICULARS (INR Mn) | FY18 | FY19 | H1 FY20 |
|---|--------------|--------------|--------------|--|--------------|--------------|--------------|
| EQUITIES & LIABILITIES | | | | ASSETS | | | |
| Shareholder Funds | | | | Non-Current Assets | | | |
| a) Share Capital | 64 | 64 | 64 | a) Property, Plant & equipment | 940 | 765 | 653 |
| b) Reserves & Surplus | 1,995 | 2,432 | 2,314 | b) Capital work-in-progress | 10 | 10 | 10 |
| | | | | c) Intangible assets | 33 | 14 | 5 |
| Non-Current Liabilities | | | | d) Trade Receivables | - | - | - |
| a) Long-Term Borrowings | 1 | - | - | e) Deferred tax assets | 69 | 97 | 83 |
| b) Long-term Provisions | 12 | 11 | 8 | f) Other Non-current Assets (including investment) | 136 | 134 | 134 |
| c) Trade Payable | - | - | - | Current Assets | | | |
| | | | | a) Inventories | 5 | 5 | 14 |
| Current Liabilities | | | | b) Financial Assets | - | - | - |
| a) Short-term Borrowings | 461 | 278 | 90 | i) Trade Receivables | 1,960 | 1,639 | 385 |
| b) Trade Payables | 704 | 783 | 166 | ii) Cash & Cash Equivalents | 224 | 1,003 | 1,060 |
| c) Other Financial Liabilities | 129 | 107 | 100 | iii) Short-Term Loans & Advances | 4 | - | - |
| d) Other Current Liabilities | 95 | 68 | 3 | iv) Unbilled Receivables | - | - | 10 |
| e) Short-Term Provisions | 2 | 3 | 1 | c) Other Current Assets | 26 | 25 | 136 |
| f) Current Tax Liabilities | - | - | - | d) Current tax Asset | 56 | 54 | 256 |
| GRAND TOTAL - EQUITIES & LIABILITIES | 3,463 | 3,746 | 2,746 | GRAND TOTAL – ASSETS | 3,463 | 3,746 | 2,746 |

Historical Consolidated Income Statement (IND-AS)

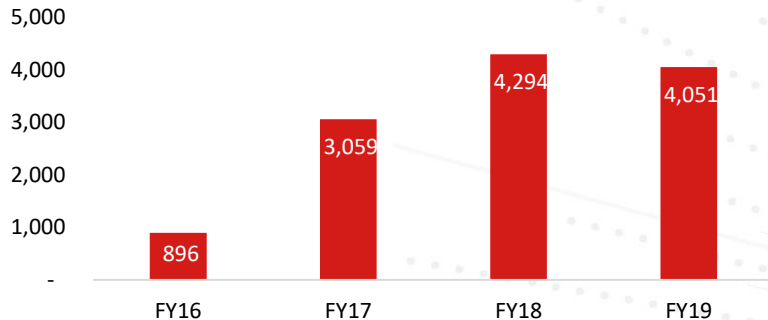
| INCOME STATEMENT (INR Mn) | FY16 | FY17 | FY18 | FY19 | 9M- FY20 |
|---|---------------|---------------|---------------|---------------|---------------|
| Operating Income | 896 | 3,059 | 4,294 | 4,051 | 2,039 |
| Expenses | 618 | 2,044 | 3,066 | 3,028 | 1,780 |
| EBITDA | 278 | 1,015 | 1,228 | 1,023 | 259 |
| EBITDA Margin (%) | 31.03% | 33.18% | 28.60% | 25.25% | 12.70% |
| Other Income | 9 | 22 | 20 | 51 | 31 |
| Depreciation | 123 | 237 | 339 | 320 | 214 |
| Finance Cost | 7 | 41 | 56 | 30 | 20 |
| PBT | 157 | 759 | 853 | 724 | 56 |
| Tax | 40 | 253 | 308 | 270 | 39 |
| Profit After Tax | 117 | 506 | 545 | 454 | 17 |
| PAT Margin (%) | 13.06% | 16.54% | 12.69% | 11.21% | 0.83% |
| Other Comprehensive Income | - | 11 | (15) | 25 | 12 |
| Total Profit including Comprehensive Income (Net of Tax) | 117 | 517 | 530 | 479 | 29 |
| Diluted EPS (INR) | 20.65 | 85.74 | 86.05 | 71.35 | 2.59 |

Consolidated Balance Sheet (IND-AS)

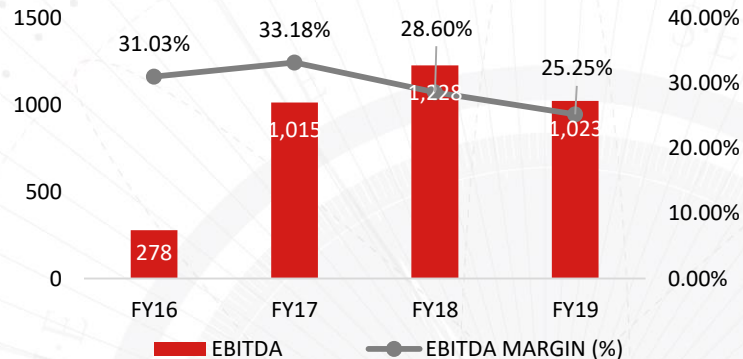
| PARTICULARS (INR Mn) | FY18 | FY19 | H1 FY20 | PARTICULARS (INR Mn) | FY18 | FY19 | H1 FY20 |
|---|--------------|--------------|--------------|--|--------------|--------------|--------------|
| EQUITIES & LIABILITIES | | | | ASSETS | | | |
| Shareholder Funds | | | | Non-Current Assets | | | |
| a) Share Capital | 64 | 64 | 64 | a) Property, Plant & equipment | 1,121 | 910 | 794 |
| b) Reserves & Surplus | 2,270 | 2,688 | 2,582 | b) Capital work-in-progress | 10 | 10 | 10 |
| | | | | c) Intangible assets | 38 | 16 | 5 |
| Non-Current Liabilities | | | | d) Trade Receivables | - | - | - |
| a) Long-Term Borrowings | 1 | - | - | e) Deferred tax assets | 69 | 97 | 83 |
| b) Long-Term Provisions | 13 | 11 | 8 | f) Other Non-Current Assets (including investment) | 4 | 1 | 1 |
| c) Trade Payable | - | - | - | Current Assets | | | |
| | | | | a) Inventories | 10 | 4 | 14 |
| Current Liabilities | | | | b) Financial assets | - | - | - |
| a) Short-Term Borrowings | 461 | 278 | 90 | i) Trade Receivables | 1,960 | 1,639 | 385 |
| b) Trade Payables | 704 | 776 | 166 | ii) Cash & Cash Equivalents | 389 | 1,237 | 1,319 |
| c) Other Financial Liabilities | 130 | 108 | 101 | iii) Short-Term Loans & Advances | 56 | - | - |
| d) Other Current Liabilities | 95 | 68 | 3 | iv) Unbilled Receivables | - | - | 10 |
| e) Short-Term Provisions | 2 | 2 | 1 | c) Other Current Assets | 27 | 25 | 138 |
| f) Current Tax Liabilities | - | - | - | d) Current tax Asset | 56 | 56 | 256 |
| GRAND TOTAL - EQUITIES & LIABILITIES | 3,740 | 3,995 | 3,015 | GRAND TOTAL – ASSETS | 3,740 | 3,995 | 3,015 |

Key Financial Highlights

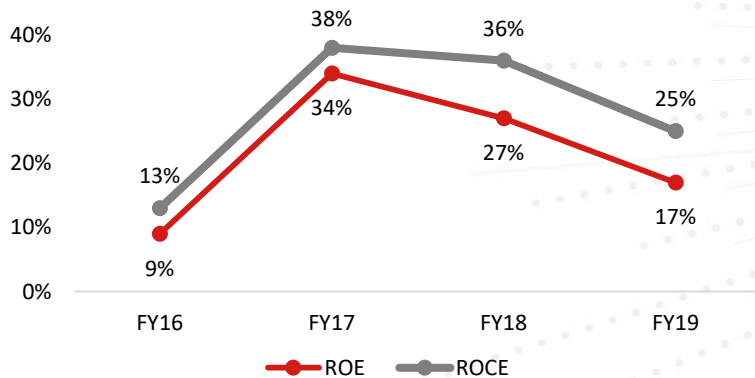
Operating Revenue (INR Mn)



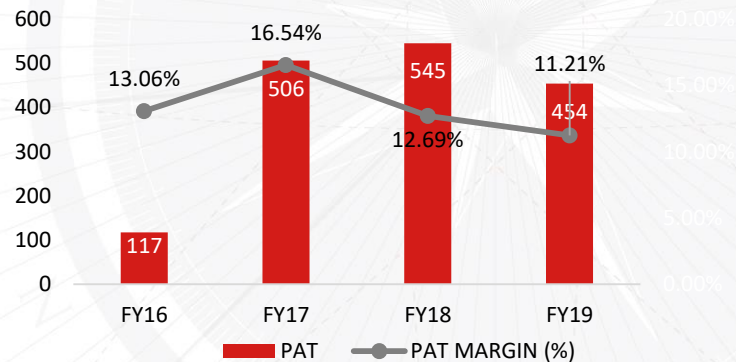
EBITDA (INR Mn) & EBITDA Margin (%)

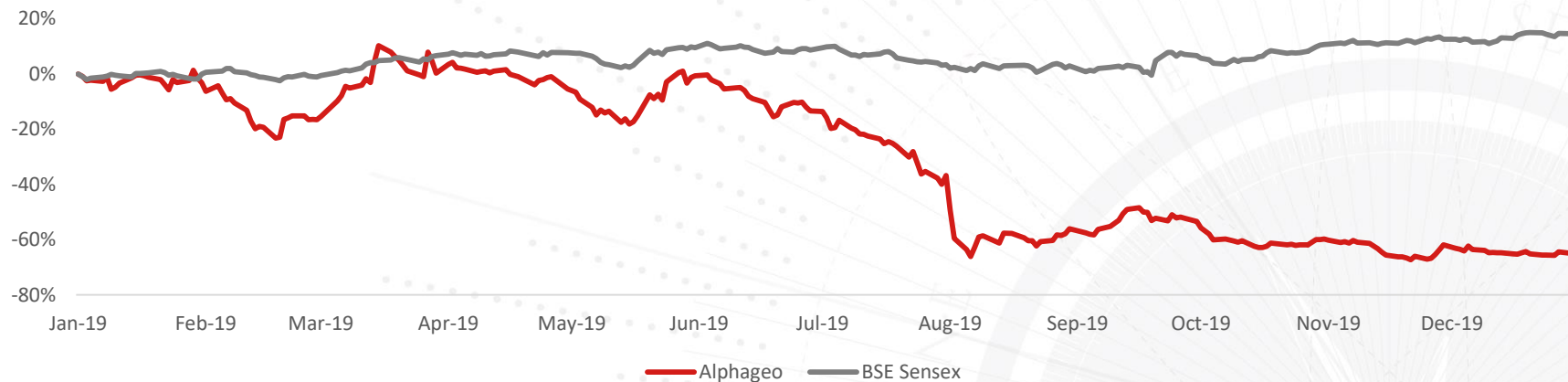


ROE(%) & ROCE (%)

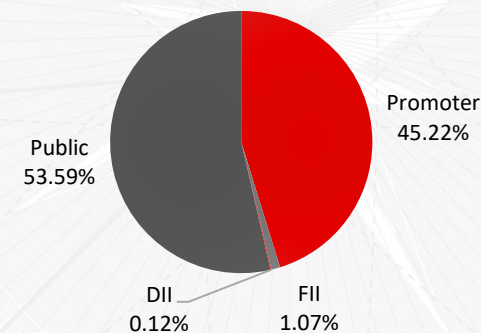


PAT (INR Mn) & PAT Margin (%)



Share Price Performance as on 31st December, 2019

| Price Data (31 st December, 2019) | INR Mn |
|--|-------------|
| Face Value | 10.0 |
| CMP | 172.6 |
| 52 Week H/L (INR) | 547.5/153.1 |
| Avg. Net Turnover | 4.0 |
| Market Cap (INR Mn) | 1,098.6 |
| Equity Shares Outstanding (Mn) | 6.4 |

Shareholding Pattern as on 31st December, 2019

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THANK YOU