



NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Hindustan Oil Exploration Company Limited will be held on Wednesday, the 25th day of September, 2013 at 10:30 a.m. at "Chandarva Hall", WelcomHotel Vadodara, R.C. Dutt Road, Vadodara-390 007 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, together with Notes, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sunil Behari Mathur, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Luigi Ciarrocchi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint S. R. Batliboi & Associates LLP, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix Auditors' remuneration and out-of-pocket expenses, either by itself or by authorizing the Managing Director in this regard.

SPECIAL BUSINESS:

5. Appointment of Mr. Guido Papetti as Director.
To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Guido Papetti who was appointed as an Additional Director by the Board of Directors with effect from May 30, 2013 pursuant to Section 260 of the Companies Act, 1956 read with Article 111 of the Articles of Association of the Company, shall hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. Appointment of Mr. Paolo Ceddia as Director.
To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Paolo Ceddia who was appointed as an Additional Director by the Board of Directors with effect from May 30, 2013 pursuant to Section 260 of the Companies Act, 1956 read with Article 111 of the Articles of Association of the Company, shall hold office upto the date of this Annual General Meeting and in respect of whom

the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. Approval of remuneration paid to Mr. Manish Maheshwari, Managing Director.

To consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, and subject to approval of the Central Government, if applicable, the remuneration of INR 15,391,035 paid to Mr. Manish Maheshwari, Managing Director, for the period from April 01, 2012 to March 31, 2013, in his capacity as the Managing Director of the Company, being in excess of the limits specified in Schedule XIII, be and is hereby ratified and approved."

By Order of the Board of Directors

Place : Chennai

Minesh Bhatt

Date : July 22, 2013

Assistant Company Secretary

Registered Office:

'HOEC House', Tandalja Road
Vadodara-390 020.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN TWENTY-FOUR HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on its behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 09, 2013 to Monday, August 12, 2013 (both days inclusive).

5. Members/Beneficial Owners are requested to quote their Ledger Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. Members are also requested to quote their e-mail address, telephone, mobile and fax numbers for prompt reply to their communication.
6. Members holding shares in physical form are requested to promptly inform the Company/Registrar and Share Transfer Agent regarding change in their address, pin code, bank account details, nomination, power of attorney and e-mail address etc., if any.
7. Beneficial Owners of share in demat form are requested to send their instructions regarding change of address, pin code, bank account details, nomination, power of attorney and e-mail address etc., directly to their DP as the same is maintained by the DPs.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Secretarial Department in advance, so that the information required by the members can be made available at the Meeting.
9. The Company's equity shares are under compulsory demat trading by all investors. Members are requested to convert their shares from physical form to dematerialised form, if not already done, so as to avoid inconvenience in future.
10. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their e-mail addresses and changes therein, from time to time, with the respective Depository Participants (DP) where the shares are held in dematerialised form. Shareholders holding shares in physical form can send their e-mail address for registration to the Company's Registrar and Share Transfer Agent (RTA) M/s. Link Intime India Pvt. Ltd., (Unit: Hindustan Oil Exploration Company Limited) B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank Limited, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020, Gujarat, (India) quoting Ledger Folio Number.
11. Members who have not encashed their dividend warrants for the financial years 2005-2006, 2007-2008 and 2010-2011 are requested to write to the Company, mentioning the relevant folio number(s) or DP & Client ID number(s) for issuance of new payment instrument against the unencashed dividend warrant(s).

Further, Members who have not encashed their Rights Issue Application Money Refund Orders are requested to write to the Company, mentioning the relevant folio number(s) or DP & Client ID number(s) for issuance of new payment instrument against the unencashed Rights Issue Application Money Refund Orders.

Members are also hereby informed that Dividend Warrants and Rights Issue Application Money Refund Orders which remain unclaimed/un-encashed over a period of 7 years from the date they became due for payment have to be transferred by the Company to Investor Education and Protection Fund (IEPF) constituted by the Central Government under Section 205C of the Companies Act, 1956. Further, under the provisions of Section 205B of the Companies Act, 1956, no claim shall be tenable for the unclaimed Dividend Warrants and Rights Issue Application Money Refund Orders amounts transferred to IEPF.

Information in respect of such unclaimed dividend amounts due for transfer to IEPF is given below:

Financial Year ended	Date of Declaration of dividend	Date of transfer to Unpaid Dividend Account	Due date for transfer to IEPF
March 31, 2006	September 28, 2006	October 28, 2006	October 28, 2013
March 31, 2008	September 30, 2008	October 30, 2008	October 30, 2015
March 31, 2011	August 12, 2010	September 12, 2010	September 12, 2017

Information in respect of such unclaimed Rights Issues Application Money Refund Orders amounts due for transfer to IEPF is given below:

Particulars	Date of Refund Order	Date of transfer to Unpaid Rights Issues Application Money Refund Account	Due date for transfer to IEPF
Rights Issue 2006	October 31, 2006	November 30, 2006	October 31, 2013
Rights Issue 2007	January 28, 2008	February 28, 2008	January 28, 2015

12. M/s. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited), the Company's Registrar and Share Transfer Agent (RTA), has an office at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank Limited, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Telephone: 0265-2356573, 2356794 Fax No. 0265 - 2356791, E-mail ID: vadodara@linkintime.co.in. Further, documents shall also be accepted at the Registrar's Mumbai office as well as the Company's Vadodara and Chennai offices.

13. The Securities & Exchange Board of India (SEBI) vide its circulars Nos. MRD/DoP/Cir-05/2007 dated April 27, 2007 and CIR/MRD/DP/22/2010 dated July 29, 2010 respectively made submission/verification of Permanent Account Number (PAN) mandatory in all the transactions. Further in order to ensure better compliance with the Know Your Client (KYC) norms, SEBI has decided that with effect from August 16, 2010 such PAN noncompliant demat accounts shall be “suspended for credit” other than the credits arising out of automatic corporate actions. It is clarified that other credits including credits from IPO/FPO/Rights issue, off-market transactions or any secondary market transactions shall not be allowed into such accounts. Therefore the Members are advised to submit their PAN to their Depository Participant (DP) in order to avoid suspension of their demat accounts and other related inconvenience.
14. Information as required under Clause 49 of the Listing Agreement in respect of Directors being re-appointed/appointed:

Mr. Sunil Behari Mathur
Non-Executive Independent Director

Mr. Sunil Behari Mathur, 69 years, is a Chartered Accountant. He has more than 46 years of experience in insurance and housing finance sector. He was the Chairman of Life Insurance Corporation of India. He has been sponsored by United States Agency for International Development (“USAID”) for a training program on housing finance at the Wharton Business School of the University of Pennsylvania.

He also holds membership, advisory/administrative roles on various Government bodies, authorities and corporations.

Mr. Sunil Behari Mathur is on the Board of the following Companies / Institutions as on the date of this Notice:

Name of the Company	Position	Name of Committee & Position
IDFC Trustee Company Limited	Chairman & Non-Executive Director	—
Cholamandalam MS General Insurance Company Limited	Chairman & Non-Executive Director	Audit Committee: Member
National Stock Exchange of India Limited	Chairman & Non-Executive Director	—
National Collateral Management Services Limited	Non-Executive Director	—
Havells India Limited	Non-Executive Director	Audit Committee: Member

Name of the Company	Position	Name of Committee & Position
DCM Sriram Industries Limited	Non-Executive Director	Audit Committee: Member
Infrastructure Leasing & Financial Services Limited	Non-Executive Director	—
Housing Development Infrastructure Limited	Non-Executive Director	—
Ultra Tech Cement Limited	Non-Executive Director	—
Axis Bank Limited	Non-Executive Director	Audit Committee: Chairman Investor Grievance Committee: Member
Minda Corporation Limited	Non-Executive Director	Audit Committee: Member
ITC Limited	Non-Executive Director	Audit Committee: Chairman
Tube Investment of India Limited	Non-Executive Director	—
National Investment Fund	Advisor	—
Insurance Regulatory and Development Authority	Member	—

Mr. Sunil Behari Mathur holds 8,215 equity shares of the Company following the exercise of stock options granted as per the terms of ESOS Scheme of the Company.

Mr. Luigi Ciarrocchi
Non-Executive Director

Mr. Luigi Ciarrocchi, 52 years, holds a degree in Petroleum Engineering from the Politecnico of Turin and has pursued an international career, spanning 26 years in hydrocarbon E&P sector, in Europe, Africa and Middle East countries. He has held important managerial positions in Eni including District Manager in Italy, Managing Director of Agip in Croatia and Managing Director of Eni Pakistan. He is currently Chairman of Burren Shakti Limited, Burren Energy plc., Eni China B.V., Eni South China Sea Limited, Sarl, Eni Australia B.V., Eni Australia Limited, Eni Bulungan B.V., Eni Muara Bakau and others.

Mr. Guido Papetti
Non-Executive Director

Please refer Item No. 5 in the Annexure to the Notice.

Mr. Paolo Ceddia
Non-Executive Director

Please refer Item No. 6 in the Annexure to the Notice.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act, 1956 for Item No. 5 to 7.

Item No. 5

Mr. Guido Papetti

Non-Executive Director

Mr. Guido Papetti, 52 years, doctorate in Geological Sciences from University of Milan, has around 25 years of technical and operational experience in E&P industry. He has held various positions while working with Eni in Europe, UK, Kazakhstan, Africa and Middle East countries. Currently he is the Managing Director of Eni India Limited.

Effective May 30, 2013, Mr. Guido Papetti has been appointed as Additional Director by the Board of Directors of the Company at their meeting held on May 29, 2013. Mr. Guido Papetti shall hold his office as director till the conclusion of the 29th Annual General Meeting of the Company. Company has received a valid notice and requisite deposit from a member proposing the candidature of Mr. Guido Papetti for the office of the Director. Mr. Guido Papetti is eligible for appointment to hold office of the Director of the Company.

None of the other Directors and the Assistant Company Secretary are interested in the above resolution except Mr. Guido Papetti. However, Mr. Luigi Ciarrocchi, Mr. Paolo Carmosino and Mr. Paolo Ceddia, Directors, may be regarded interested in the appointment of Mr. Guido Papetti, as all of them are related to the Promoter Group.

The Board commends the resolution to the members for their approval.

Item No. 6

Mr. Paolo Ceddia

Non-Executive Director

Mr Paolo Ceddia, 52 years, graduated in Business Administration from Bocconi University in Milan, has 27 years of planning and control experience in telecommunication and oil & gas companies. He joined Eni in 1994, where he held several assignments in planning and control area in exploration & production division at Eni SpA. He dealt with important projects in scope of management reporting, adoption of IFRS and US GAAP. He is responsible for Eni's Business program and support of Central Asia, Far East and Pacific Area.

Effective May 30, 2013, Mr. Paolo Ceddia has been appointed as Additional Director by the Board of Directors of the Company at their meeting held on May 29, 2013. Mr. Paolo Ceddia shall hold his office as director till the conclusion of the 29th Annual General Meeting of the Company. Company has received a valid notice and requisite deposit from a member proposing the candidature of Mr. Paolo Ceddia for the office of the Director. Mr. Paolo Ceddia is eligible for appointment to hold office of the Director of the Company.

None of the other Directors and the Assistant Company Secretary are interested in the above resolution except Mr. Paolo Ceddia. However, Mr. Luigi Ciarrocchi, Mr. Paolo Carmosino and Mr. Guido Papetti, Directors, may be regarded interested in the appointment of Mr. Paolo Ceddia, as all of them are related to the Promoter Group.

The Board commends the resolution to the members for their approval.

Item No. 7

Mr. Manish Maheshwari

Managing Director

Mr. Manish Maheshwari was appointed as the Managing Director at the 27th Annual General Meeting of the Company held on September 28, 2011. His appointment including remuneration and other terms and conditions of appointment were approved by the members at the aforesaid Annual General Meeting. During the year under review, he held the office of the Managing Director from April 01, 2012 to March 31, 2013.

In view of the inadequacy of the profits of the Company for the year following the revision in estimate of PY-1 Reserves and consequential recognition of impairment loss as per Accounting Standard (AS) 28, the said remuneration has been rendered in excess of the limits specified under the Companies Act, 1956. Accordingly, in terms of the provisions of Schedule XIII Part II Section II Clause 1 of the Companies Act, 1956, the said remuneration is required to be approved by the members vide Special Resolution.

The information as required by Schedule XIII Part II Section II Clause 1 sub-clause C is as under:

I. GENERAL INFORMATION

- (1) Nature of Industry:
The Company belongs to the Exploration & Production (E&P) industry in the oil and gas sector.
- (2) Due or expected date of commencement of commercial production:
The Company is in production phase.
- (3) Financial performance based on given indicators:
The financial performance of the Company based on the indicators is detailed in the Annual Report sent along with this Notice. The same is not repeated here for the sake of brevity. Further, the Company has not made any default in payment of debt or interest payable thereon.
- (4) Export Performance and net foreign exchange collaborations:
The Company contributes to the domestic production of oil & gas and thus substitutes import, and reduces dependency on foreign sources of hydrocarbons.
- (5) Foreign investments or collaborators, if any: Eni Group, a major integrated multinational energy company, is the promoter of the Company.



II. INFORMATION ABOUT THE APPOINTEE

(1) Background Details:

Mr. Manish Maheshwari, 45 years, holds Bachelor (Hons.) degree in Chemical Engineering and Masters in Business Administration from Strathclyde University, U.K. and received the Danida Fellowship. He has business experience of more than 25 years. Prior to his appointment as the Managing Director of the Company, he held the office of the Chief Financial Officer of the Company. Mr. Manish Maheshwari is also the Chairman of HOEC Bardahl India Limited, the wholly owned subsidiary of the Company.

(2) Past Remuneration:

The remuneration drawn by Mr. Manish Maheshwari during the previous year i.e. April 01, 2011 to March 31, 2012 was INR 24,685,792.

(3) Job Profile and his suitability:

Mr. Manish Maheshwari holds B.E. (Hons.) in Chemical Engineering, and Masters in Business Administration from Strathclyde University, U.K. Prior to Hindustan Oil Exploration Company Limited, he has worked with a Danish Development Financial Institution and Tata Group including upstream oil and gas venture. Based on his performance, he was appointed as the Joint Managing Director of the Company w.e.f. August 01, 2006 vide Shareholders' Special Resolution dated September 28, 2006 and appointed as the Managing Director vide Shareholders' Special Resolution passed at the 27th Annual General Meeting held on September 28, 2011. The appointment is from the conclusion of 27th Annual General Meeting until the conclusion of 30th Annual General Meeting.

(4) Remuneration proposed to be approved:

Remuneration of INR 15,391,035 paid for the period April 01, 2012 to March 31, 2013 being in excess of the limits specified is proposed to be approved by the members as per provisions of the Companies Act, 1956.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Comparative remuneration profile for the Exploration and Production (E&P) industry in the oil and gas sector is summarised as below:

A. Remuneration of Whole-time Director of Selan Exploration Technology Limited for FY 2012-2013 was INR 36,500,000 per annum plus other statutory benefits like contributions to provident fund, gratuity etc.

(Source: Annual Report of Selan Exploration Technology Limited for FY 2012-2013).

B. Hardy Exploration and Production (India) Inc. paid an amount of equivalent to INR 21,589,512 to its Chief Executive Officer during calendar year 2012.

(Source: Hardy Oil & Gas – Annual Report and Accounts for 2012).

C. Chief Executive Officer of Jubilant Energy received remuneration of INR 25,300,004 and grant of 4,798,712 ESOPs during the year March 31, 2012.

(Source: Jubilant Energy – Annual Report and Accounts for 2012).

The above E&P companies are comparable to HOEC in terms of size and profile.

(6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except for his remuneration, Mr. Manish Maheshwari has no pecuniary relationship directly or indirectly with the Company. He is not related to any managerial personnel or Director.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

HOEC Management commissioned a third party reserve certification to assess the potential of PY-1 Field, a unique 'fractured granitic' reservoir, subsequent to drilling of Surya Well in October 2012. Based on the said Report, there has been a reduction in the assessment of Total Proved (Developed and Undeveloped) Reserves and the same are now estimated to be 120 bcf from the original estimate of 185 bcf. The Report recognizes the complexity of this fractured basement granitic reservoir and recommends to 'prepare a fresh dynamic simulation model incorporating the suggestion of many studies that would decide future production profile'.

In view of the reduction in estimates of Proved Reserves in PY-1 Field, the Company carried out an impairment test as at December 31, 2012, based on procedures consistent with Accounting Standard 28 (AS-28) and recognised an exceptional loss of INR 5,719.7 million comprising of impairment loss of INR 4,593.9 million and depletion of INR 1,125.8 million for the production upto the date of assessment of impairment. The aforesaid recognition of exceptional item resulted in the Company reporting loss/inadequate profits for the FY 2012-2013.

2. Steps taken or proposed to be taken for improvement:

The assessment to reduce the estimates of recoverable reserves is premised on the unexpected reservoir response noticed in PY-1 (a geologically complex granitic reservoir) marked by water breakthrough and accelerated depletion.

To address the situation, a series of actions covering technical dimensions as also contractual solution have been defined with the objective to improve production performance of PY-1 Field.

To mitigate the risk of frequent production interruptions on account of non-evacuation of gas by a single end user, GAIL, the buyer of PY-1 gas, was prevailed upon to enter into gas supply contracts in July 2013 with alternate consumers connected to its existing low pressure pipeline network in the State of Tamil Nadu. This is a positive development as the arrangement enables GAIL to divert the gas to alternate consumers if the existing end user is unable to use the gas, and thus ensuring continuous production and evacuation of gas from PY-1 Field.

As part of the technical initiative, the Company debottlenecked the onshore compressor operations in November 2012 by allowing reduction of inlet pressure of the compressors to 60 psig from an earlier pressure regime of 100 psig. The positive effect of this initiative is realizable over the life of the Field as the same would help in lowering the Field abandonment pressure and consequently improving the ultimate recoverable reserves.

As recommended in the Independent Reserve Report, based on the body of knowledge acquired over a period of time in terms of reservoir parameters and response to the surface and sub-surface actions, a comprehensive geological and reservoir study has been commissioned with the objective to define technical solutions for maximizing the recovery. Given the multi-disciplinary approach required to accomplish this task, it is expected that the results of the aforesaid study shall be available by end of 2013. The recommendations of the aforesaid study, consequent to approval by the DGH, shall be implemented to monetize the PY-1 gas reserves in the most economical manner and thereby improve the contribution to the profitability of the Company.

3. Expected increase in productivity and profits in measurable terms:
Please refer statement in Section III.2 above.

IV. DISCLOSURES

Remuneration package of the managerial person:

The remuneration of the Managing Director for the period April 01, 2012 to March 31, 2013 as approved by the Remuneration Committee and the Board is:

	INR
Basic Salary	672,750
Perquisites/Allowances	1,009,836
Total monthly remuneration	1,682,586
Total annual remuneration*	20,191,035

* including contribution to Provident Fund and Superannuation.

All elements of the remuneration package such as basic salary, perquisites, allowances, bonus (if any), stock options (if any) have been disclosed in the Directors' Report and the Report on Corporate Governance.

None of the Directors and the Assistant Company Secretary of the Company are interested in the said resolution except Mr. Manish Maheshwari.

The Board commends the resolution to the members for their approval.

By Order of the Board of Directors

Place : Chennai
Date : July 22, 2013

Minesh Bhatt
Assistant Company Secretary

Registered Office:
'HOEC House', Tandalja Road
Vadodara-390 020.



HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Regd. Office: 'HOEC House', Tandalja Road, Vadodara - 390 020

ATTENDANCE SLIP

[To be presented at the entrance]

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company held on Wednesday, September 25, 2013 at 10:30 A.M. at "Chandarva Hall", WelcomHotel Vadodara, R.C. Dutt Road, Vadodara-390 007.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Shareholder/Proxy : _____

No. of Shares : _____

Date: September 25, 2013

Signature of the Shareholder/Proxy

TEAR HERE



HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Regd. Office: 'HOEC House', Tandalja Road, Vadodara - 390 020

PROXY FORM

Folio No. _____ DP ID No. _____ Client ID No. _____

No. of Shares : _____

I/We _____ of _____ in the district

of _____ being a Member(s) of Hindustan Oil Exploration Company Limited hereby

appoint _____ of _____ or failing him/her

_____ of _____ as my/our proxy to

attend and vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Wednesday, September 25, 2013 at 10:30 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix
Revenue
Stamp
(.....Signature.....)

Note: The Proxy Form must be deposited at the Registered Office of the Company not less than 24 hours before the commencement of the Meeting.

