

**Hindustan Oil Exploration
Company Limited**



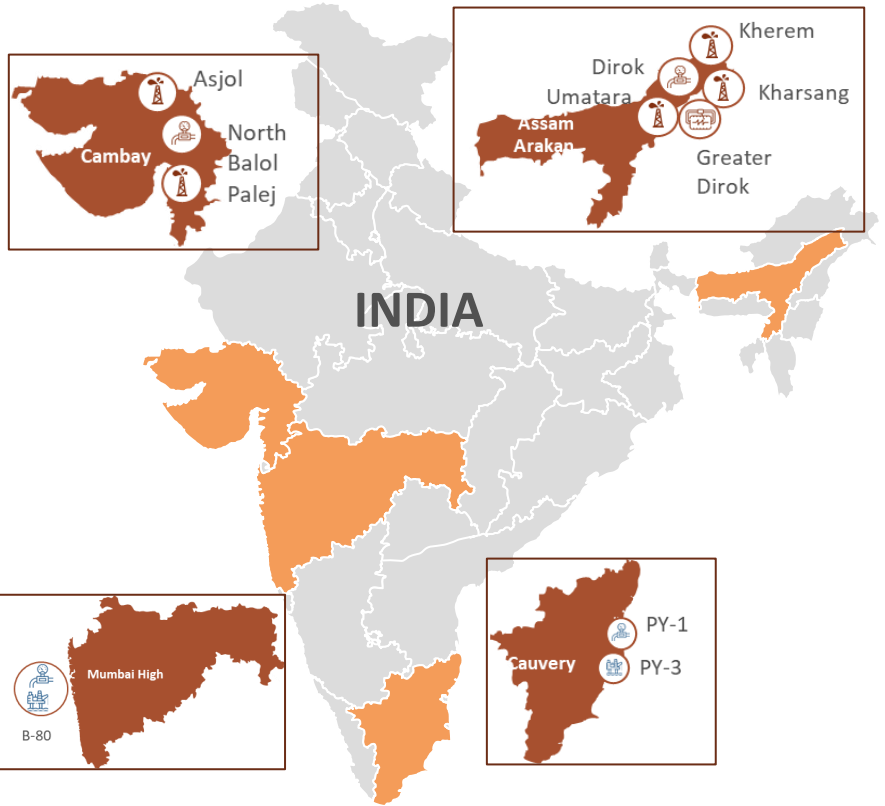
HOEC[®]

**EARNINGS PRESENTATION |
Q3/9M-FY23
FEBRUARY 2023**

Tailored Asset Portfolio with Broad Geographical Presence



- Onshore Oil Well
- Offshore Oil Well
- Onshore Gas
- Offshore Gas
- Onshore Exploration



- India Focused Asset Portfolio tailored to deliver our strategy of rapid development of discovered resources
- Strong offshore presence with anchor assets on both east and west coast
- Established industry leading footprint in most prospective areas – North-East and Cambay

10 Out of 11 blocks with discovered / producing resources

4 Out of 7 producing basins in India with HOEC presence

Uniquely placed with right organization and right asset portfolio to deliver superior value

Focus on Discovered Resources



- Focus on discovered oil and gas resources to reduce the risk involved in exploration
- Fast-track execution to bring resources to monetization quickly

Growth strategy



- Build on Offshore Operating Edge
- Seize growth opportunities in Offshore and North-East with established footprint
- Leverage Existing Infrastructure to add Attractive Assets with Synergies

Growing responsibly



- Create long-term stakeholder value & 'Grow Responsibly'
- Respect and Care for
 - Individuals
 - Community
 - Environment

Q3/9M-FY23 Operational Highlights



Gross Production (BOEPD)

Q3 FY23: 9,583
Q2 FY23: 8,374

Net Production (BOEPD)

Q3 FY23: 3,287
Q2 FY23: 2,476

Gross Production (BOEPD)

Dirok : 7,042
B-80 : 1,824
Kharsang : 439
PY-1 : 151
Cambay : 124

Dirok

- Q3 average production: Gas: 33 mmscfd & Condensate: 613 boepd
- Premium sales during Q3 FY 2022-23 constitute about 36% of total Dirok sales
- Average premium realized is > \$1/mmbtu over PPAC price of \$ 8.57/mmbtu
- Independent 18" pipeline construction in forest segment of Kusijan – Duliajan route commenced

B-80

- Gas export resumed on 4 Nov 2022
- Post rectification of connecting hoses, oil production from D1 well commenced on 8 Dec 2022. Average production : ~ 1697 bpd
- Q3 FY 22-23 average production: Gas: ~ 10.44mmscfd

PY-1

- Production Sharing Contract (PSC) for PY-1 block was extended by GOI for a further period of 10 years effective from October 6, 2022, vide the letter dated December 28, 2022. The addendum to the PSC is under execution with Government of India (GOI)
- EIA study completed for obtaining Environmental Clearance for drilling additional wells at PY1

- Both oil (D1) and gas (D2) wells are brought now on continuous production mode
- Oil well D1 was brought on production after arresting a leak in the SSSV line through a successful pumping of sealant in December 2022
- Produced oil is being transferred and stored at the Floating Storage and Offloading (FSO) vessel
- Gas is being transported through ONGC and GAIL pipeline system for offtake by GSPC
- Current flow rate of oil and gas of both D1 and D2 wells are about 1400 BOPD and about 11.5 MMSCFPD of gas though the wells have capacity to produce at higher rates
- Production is being restricted due to capacity limitation of the test separator through which the fluids are flowed now, since the High-Pressure Separator is still under repair

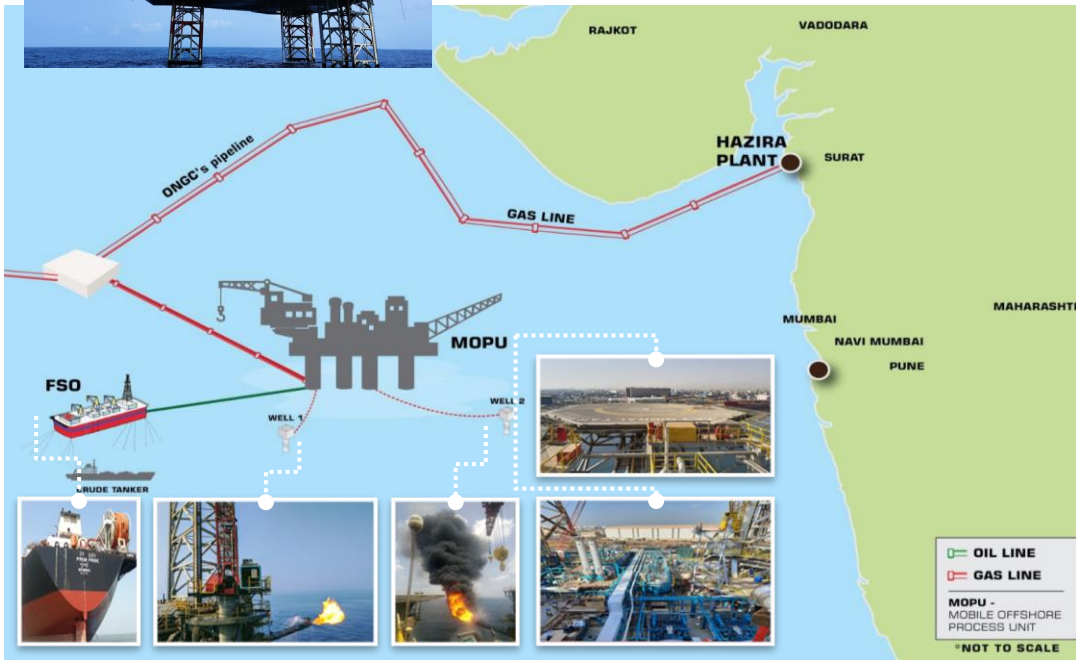


B-80: Key Milestones

- FDP Approved Dec 2017
- Drilling & completion – 2 subsea development wells April 2020
- Offshore Installation(OI) for collecting, separating and processing well fluids March 2021
- Hot-Tap of existing ONGC WO-16 Pipeline; Subsea production controls and flexible flowlines / export lines installation April 2021
- Installation of Oil evacuation using FSO moored with CALM buoy Dec 2021
- Full Offshore Systems installed and Integrated Jan 2022
- Process plant commissioned and gas production commenced May 2022
- Commercial Gas Sales to GSPC started June 2022



KGB- Offshore Installation at B-80 Site



Dirok: Production & Phase-II development

<p>33 mmscfd Gas Production (Q3-FY23)</p>	<p>613 bopd Condensate Production (Q3-FY23)</p>	<p>> 15% Assam Gas Production</p>
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- Premium sales during Q3 FY 2022-23 constitute about 36% of total Dirok sales
- Central PSU Indradhanush Gas Grid Limited (IGGL) is expected to complete North-East Gas Grid Phase 1 connecting Numaligarh to Guwahati by Q4 FY24.
- Feasibility studies and preliminary discussions initiated to transport & market Dirok Gas in Guwahati through NE Gas Grid.



Phase II – FDP Approved

- Laying of 35km pipeline to connect directly to Duliajan hub
- Drilling of 3 development wells to increase production from 35 mmscfd to 55 mmscfd

Project Progress

- Obtained Environmental Clearance
- Independent 18" pipeline construction in forest segment of Kusijan – Duliajan route commenced

Dirok is a successful fast-track development with an outsourced model for processing



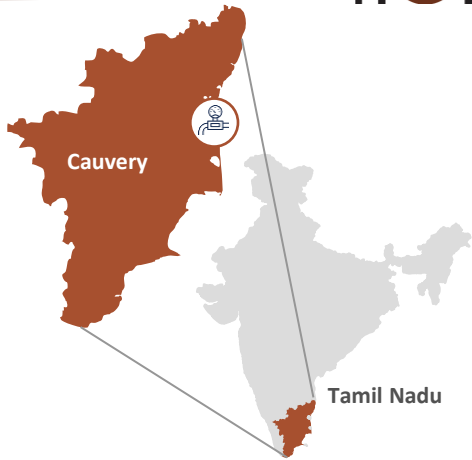
JV Partners

- ऑयल इंडिया लिमिटेड
Oil India Limited
- इंडियनऑयल
IndianOil
- HOEC
PI
27%

PY-1: Enhancing Production and Offtake Arrangements

<p>USD 3.67 Realised Price per MMBTU</p>	<p>55 mmscfd Processing Capacity</p>	<p>56 km Sub sea pipeline</p>
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- Production Sharing Contract (PSC) for PY-1 block was extended by GOI for a further period of 10 years effective from October 6, 2022. The addendum to the PSC is under execution with Government of India (GOI)
- Only offshore platform in Cauvery Basin with 8 slots and four wells drilled
- Unique, gas-bearing and the only offshore fractured granitic basement reservoir in India
- G&G studies completed and new well locations identified for the full field development; awaiting review
- EIA study completed for obtaining Environmental Clearance for drilling additional wells



GAIL is the sole buyer for the gas produced in this field

439 boepd
Oil Production
(Q3-FY23)

30%
Direct + Indirect PI

18
Number of
Wells to be drilled in near
future

Field Overview

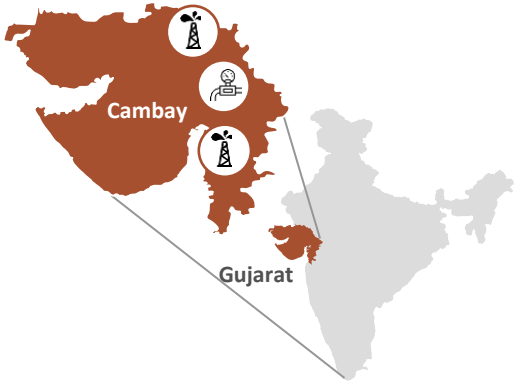
- HOEC acquired entire share capital of M/s Geopetrol International Inc in 2018 which has 30% stake - Direct and Indirect in Kharsang Oil field
- Kharsang oil field is located in the state of Arunachal Pradesh and 60 kms away from Dirok
- Post drilling of 18 wells, production expected to increase to 1800 boepd
- RFDP is approved & Mining lease granted till 15 June 2030
- It has been agreed all JV parties with GOI TO refer difference in computation of cost recovery to a Committee of Eminent External experts constituted by MoPNG.
- All issues for the extension of the block for a further period of 10 years from June 16, 2020 stand resolved & the addendum to the PSC is under execution with Government of India

Proposed drilling campaign will include appraisal of deeper prospects



Cambay: Developments

<p>64 boepd Oil Production (Q3-FY23)</p>	<p>0.347 mmscfd Total Gas Production (Q3-FY23)</p>	<p>Asjol, North Balol and Palej Marginal fields at Cambay</p>
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Approved FDP to be executed over the next two years:

- **Asjol:** 2 development wells & hook-up to EPS; public hearing completed
- **North Balol:** 2 development wells & hook-up to GCS, public hearing completed
- **Palej:** RFPSC (100 sq.km. 3D seismic & 2 exploration wells – JV signed RFPSC submitted to MOPNG through DGH)
- Small volume of Associated Natural Gas (ANG) sale commenced to achieve zero flaring

Asjol
JV Partner

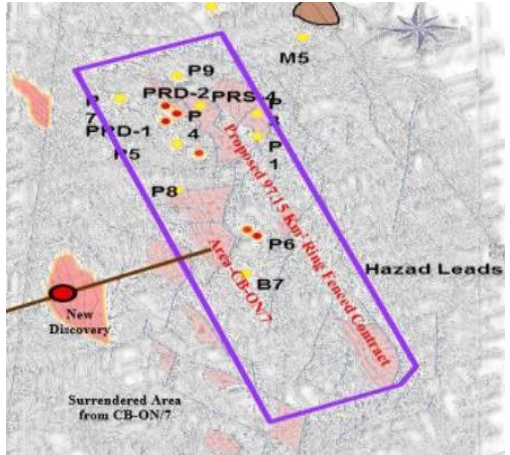
HOEC PI
50%

CB-ON/7 (Palej)
JV Partners

HOEC PI
35%

North Balol
JV Partners

HOEC PI
25%



Q3/9M-FY23 Financial Highlights



Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q3-FY23	Q2-FY23	FY22	FY21
INCOME				
Revenue from operations	101.34	75.84	130.51	99.44
Other income	5.03	5.85	16.80	11.82
Total revenue	106.37	81.69	147.31	111.26
EXPENSES				
Expenses from producing oil and gas blocks	60.34	47.21	22.25	22.96
Royalty, Cess and NCCD	17.70	10.16	22.95	19.69
Decrease / (Increase) in stock of crude oil and condensate	(16.60)	1.52	2.30	(1.97)
Employee benefits expense	0.13	0.14	0.63	0.61
Finance costs – banks and financial institutions	8.01	7.80	1.41	-
Finance costs – unwinding of discount on decommissioning liability	2.18	2.18	6.05	5.60
Depreciation, depletion and amortization	7.97	5.04	14.85	18.58
Other expenses	10.72	1.08	6.68	8.32
Total expenses	90.45	75.13	77.12	73.79
Profit before tax and exceptional items	15.92	6.56	70.19	37.47
Exceptional items	-	-	(34.36)	27.59
Profit before tax	15.92	6.56	35.83	65.06
Net tax expenses	-	-	-	-
Net profit for the period	15.92	6.56	35.83	65.06
Other comprehensive income	(0.01)	(0.01)	(0.04)	0.04
Total comprehensive income	15.91	6.55	35.79	65.10
Earnings per equity share of Rs 10 each - Basic	1.20	0.50	2.71	4.92
- Diluted	1.20	0.50	2.71	4.92

Standalone Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
EQUITY AND LIABILITIES			
Equity	806.72	765.97	730.18
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	674.46	633.71	597.92
Non-Current Liabilities	266.56	284.37	197.49
(a) Financial liabilities			
(i) Long-term borrowings	114.68	160.61	88.28
(ii) Other financial liabilities	9.97	8.66	0.13
(b) Provisions	141.91	115.10	109.08
Current Liabilities	283.62	225.00	107.60
(a) Financial liabilities			
(i) Borrowings	121.45	95.48	61.72
(ii) Trade payables	55.39	17.23	12.13
(iii) Other financial liabilities	69.37	101.46	28.18
(b) Provisions	0.20	0.20	0.18
(c) Other current liabilities	37.21	10.63	5.39
GRAND TOTAL - EQUITIES & LIABILITIES	1,356.90	1,275.34	1,035.27

PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
ASSETS			
Non-Current Asset	963.23	968.36	704.41
(a) Property, Plant and Equipment			
(i) Oil & gas assets	807.19	275.86	288.59
(ii) Others	3.34	3.37	2.82
(b) Capital work-in-progress	0.76	490.34	274.08
(c) Investment property	3.00	3.07	3.95
(d) Intangible assets	9.86	9.70	9.37
(e) Financial assets			
(i) Loan to subsidiary	8.12	56.88	-
(ii) Investments in subsidiary	59.46	59.46	59.46
(iii) Deposits under site restoration fund	71.29	69.47	65.59
(f) Other non-current assets	0.21	0.21	0.55
Current Assets	393.67	306.98	330.86
(a) Inventories	35.37	26.73	30.46
(b) Financial assets			
(i) Investments	0.30	0.34	30.35
(ii) Trade receivables	25.16	13.60	28.02
(iii) Cash & cash equivalents	5.81	12.94	30.10
(iv) Other bank balances	23.45	32.50	15.90
(v) Loan to subsidiary	229.93	173.57	97.39
(vi) Other financial assets	61.12	45.63	30.53
(c) Income tax assets (net)	0.84	0.64	4.39
(d) Other current assets	11.69	1.04	63.72
GRAND TOTAL - ASSETS	1,356.90	1,275.34	1,035.27

Consolidated Statement of Profit or Loss



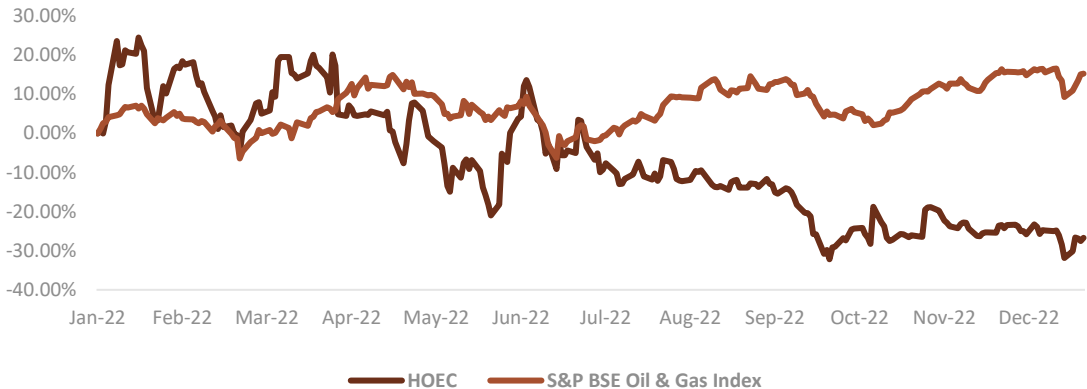
PARTICULARS (INR Cr)	Q3-FY23	Q2-FY23	FY22	FY21
INCOME				
Revenue from operations	169.83	124.58	155.73	113.86
Other income	1.73	1.21	11.46	11.32
Total revenue	171.56	125.79	167.19	125.18
EXPENSES				
Expenses from producing oil and gas blocks	61.82	48.71	28.23	29.54
Royalty, Cess and NCCD	20.41	13.23	32.35	24.45
Facility Operating Expenses	9.86	8.20	2.67	-
Decrease / (Increase) in stock of crude oil and condensate	(16.08)	1.09	3.79	(3.30)
Employee benefits expense	0.33	0.16	0.93	0.69
Finance costs - banks and financial institutions	9.95	9.62	3.01	0.01
Finance costs - unwinding of discount on decommissioning liability	2.22	2.22	6.21	5.78
Depreciation, depletion and amortization	21.79	15.79	26.21	23.37
Other expenses	13.86	6.70	8.85	8.34
Total expenses	124.16	105.72	112.24	88.88
Profit before tax and exceptional items	47.40	20.07	54.95	36.30
Share of profit from associate	0.75	(1.53)	(0.90)	1.54
Exceptional items	(12.22)	-	(34.37)	13.98
Profit before tax	35.93	18.54	19.68	51.82
Net tax expenses	(1.41)	0.83	(0.31)	(1.59)
Net profit for the period	37.34	17.71	19.99	53.42
Other comprehensive income	(0.01)	(0.01)	(0.04)	0.04
Total comprehensive income	37.33	17.70	19.95	53.46
Earnings per equity share of Rs 10 each - Basic	2.82	1.34	1.51	4.04
- Diluted	2.82	1.34	1.51	4.04

Consolidated Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
EQUITY AND LIABILITIES			
Equity	803.16	753.12	733.17
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	670.90	620.86	600.91
Non-Current Liabilities	393.66	425.23	273.23
(a) Financial liabilities			
(i) Long term borrowings	146.68	204.61	159.17
(ii) Other financial liabilities	100.48	100.86	0.14
(b) Provisions	145.67	118.78	112.59
(c) Deferred tax liability	0.83	0.98	1.33
Current Liabilities	430.49	348.89	178.75
(a) Financial liabilities			
(i) Short term borrowings	181.74	152.73	94.52
(ii) Trade payables	76.82	37.92	31.94
(ii) Other financial liabilities	110.84	133.27	33.48
(b) Provisions	16.13	14.05	13.19
(c) Other Current liabilities	44.96	10.92	5.62
GRAND TOTAL - EQUITIES & LIABILITIES	1,627.31	1,527.24	1,185.15

PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
ASSETS			
Non-Current Asset	1,393.14	1360.34	958.41
(a) Property, Plant and Equipment			
(i) Oil & gas assets	826.60	296.55	312.14
(ii) Others	458.08	201.13	9.94
(b) Capital work in progress	3.30	758.68	534.59
(c) Investment property	3.00	3.07	3.95
(d) Intangible assets	9.85	9.71	9.37
(e) Financial assets			
(i) Investments in associate	17.59	18.38	19.28
(ii) Deposits under site restoration fund	74.44	72.55	68.53
(iii) Other financial assets	0.06	0.06	0.06
(f) Other non-current assets	0.22	0.21	0.55
Current Assets	234.17	166.90	226.74
(a) Inventories	40.45	30.98	36.10
(b) Financial assets			
(i) Investments	0.30	0.34	45.38
(ii) Trade receivables	80.82	16.20	31.07
(iii) Cash & Cash Equivalents	26.19	29.12	46.89
(iv) Other bank balances	27.24	36.25	24.63
(v) Other financial assets	45.26	39.56	28.54
(c) Income tax assets (net)	2.60	3.76	7.36
(d) Other Current Assets	11.31	10.69	6.77
GRAND TOTAL - ASSETS	1,627.31	1,527.24	1,185.15

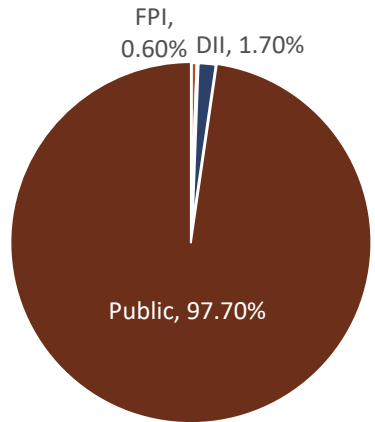


Price Data (As on 31st December 2022)

MP (INR)	137.40
52 Week H/L (INR)	245.15/125.70
Avg. Net Turnover (INR Mn)	178.59
Market Cap (INR Mn)	18,170.23
Equity Shares Outstanding (Mn)	132.24

Marquee Investors	% Holding
Housing Development Finance Corporation Ltd (HDFC)	6.40%
Kotak Small Cap Fund	1.70%

Shareholding Pattern (31st December 2022)



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