



## Hindustan Oil Exploration Company Limited

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April 29, 2020

By Online

<b>The Listing Department</b> <b>The National Stock Exchange of India Ltd.</b> "EXCHANGE PLAZA", Bandra Kurla Complex, Bandra (East), MUMBAI - 400 051 Stock Code: HINDOILEXP	<b>The Corporate Relationship Department</b> <b>BSE Limited,</b> 1st Floor, P. Jeejeebhoy Towers, Dalai Street, MUMBAI - 400 001 Stock Code: 500186
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Dear Sirs,

**Sub: Submission of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the announcement on successful drilling and completion of second well named D-1 in Block MB/OSDSF/B80/2016 located in Mumbai Offshore.

The above information is also available on the website of the Company — [www.hoec.com](http://www.hoec.com).

We request you to kindly take the same on records and disseminate to public.

Yours Sincerely,

**For Hindustan Oil Exploration Company Limited**

**G Josephin Daisy**  
**Company Secretary**

## Announcement

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**Chennai: April 29, 2020**

HOEC is proud to announce the successful drilling, completion and testing of its second sub-sea well through a jack-up rig, named well D-1, in Block MB/OSDSF/B80/2016, located in Mumbai Off-shore.



***Testing of well D-1 at DSF Block MB/OSDSF/B80/2016 in Mumbai Offshore***

We are delighted to report that in D-1 well production test was carried out over a period of 3 days. D-1 produced significantly more oil during the flow test, compared to first well D-2 test results announced by us on February 24, 2020.

We are pleased to inform that by keeping the tubing head pressure above 1100 psi, the well was flowing at 48/64' choke the peak of 6,048 barrels of oil with 5.7 million standard cubic feet of gas per day, which in terms of barrel of oil equivalent per day (BOEPD) is 6,998 barrels.

Even by opening the choke to 52/64 inch, the tubing head pressure is being maintained in excess of 1100 psi with a peak flow of oil 6,306 barrels and the gas 6.5 million per day, which is 7,389 BOE per day.

The two wells drilled and completed in the block B-80 have surpassed our expectation and the average production of oil and gas in oil equivalent terms should exceed 8,000 barrels per day.

Additionally, in the D1 well, we have made a new discovery in Deccan Trap formation of a 6m interval, which is potentially hydrocarbon-bearing as seen from the mud gas and logs. This interval can potentially produce oil and gas which needs to be tested. This discovery will be further appraised in the next well drilling and would add value to the block.

Successful execution of this drilling campaign, with both wells completed by Sub-sea well head & tree, installed through a Jack-up Rig, is a feat first time achieved in India by a private oil and gas producer. This adds a significant muscle to the capability of HOEC in offshore marginal field development.

Safe completion of second well, despite severe challenges posed by the lockdown, was possible due to the prompt support received from Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas, Government of India, Mumbai Police, Mumbai Port Authorities, State Government of Maharashtra, with excellent co-operation received from all our Oil Field Services Contractors and the determination of Team HOEC.

B-80 is a pioneering project for measuring the success of Discovered Small Fields (DSF) policy initiative taken by the Government of India, to enhance the domestic oil and gas production. Volumes tested by HOEC through both wells demonstrate commerciality of offshore production from a DSF block.

P. Elango, Managing Director said -

“Having secured the two subsea wells ready to flow, our next task is to optimize the total cost of evacuation of oil and to reduce the Break-Even Price (BEP) further down from our earlier guided level of \$35/Barrel with appropriate return to the investment. Industry has sought series of fiscal relief from Government of India to protect the domestic Upstream Oil and Gas Sector.

We plan to leverage the low price environment in Oil Field Services Sector to bring down the overall costs. We are determined to continue the momentum and complete the project to deliver the First Oil and Gas from both the wells as and when the current situation improves.

Our endeavor is to appraise the new discovery in deccan trap formation to increase the value of the block potential in the subsequent drilling program.

Overall, our plan is to remain focused on what we can control, which are costs and volumes, and make each of our Operating Assets profitable through our proven low cost and fast track operating model in this volatile price and uncertain environment.”

#### Block MB/OSDSF/B80/2016 Data :

Block MB/OSDSF/B80/2016 is spread over 56 Sq. Kms. area in Western Offshore and was awarded under the First Discovered Small Field Bid Round 2016 on March 27, 2017. HOEC is the Operator of this field with 50% Participating Interest.

The Field Development Plan consists of drilling of two subsea wells to produce Oil and Gas, which will be processed through a Mobile Off-shore Processing Unit (MOPU). The processed Oil will be exported through a Single Point Mooring with a Floating Storage & Offloading (FSO) unit having capacity to store about 900,000 barrels and the Gas will be delivered to Gujarat Gas Market by tapping into an existing gas pipeline system of ONGC.

MOPU project is completed and is ready for sail out from Middle East and has a capacity to handle 10,000 barrels of oil per day.

Under the terms of the Revenue Sharing Contract (RSC), the oil and gas produced from this Block enjoys marketing and pricing freedom and is expected to fetch a premium price in the growing gas market in Gujarat, partly being met by imported Liquefied Natural Gas (LNG).