

**Hindustan Oil Exploration
Company Limited**



EARNINGS PRESENTATION | Q1-FY22



Right Resources

- Established player with proven track record
- Experienced and focused management
- Deep technical knowledge and experience in Indian Basins
- Asset Portfolio tailored to strategy



Right Strategy

- Short cycle projects with immediate production uptick
- Cost effective projects and operations delivery
- Disciplined capital allocation preserving financial flexibility



Right Environment

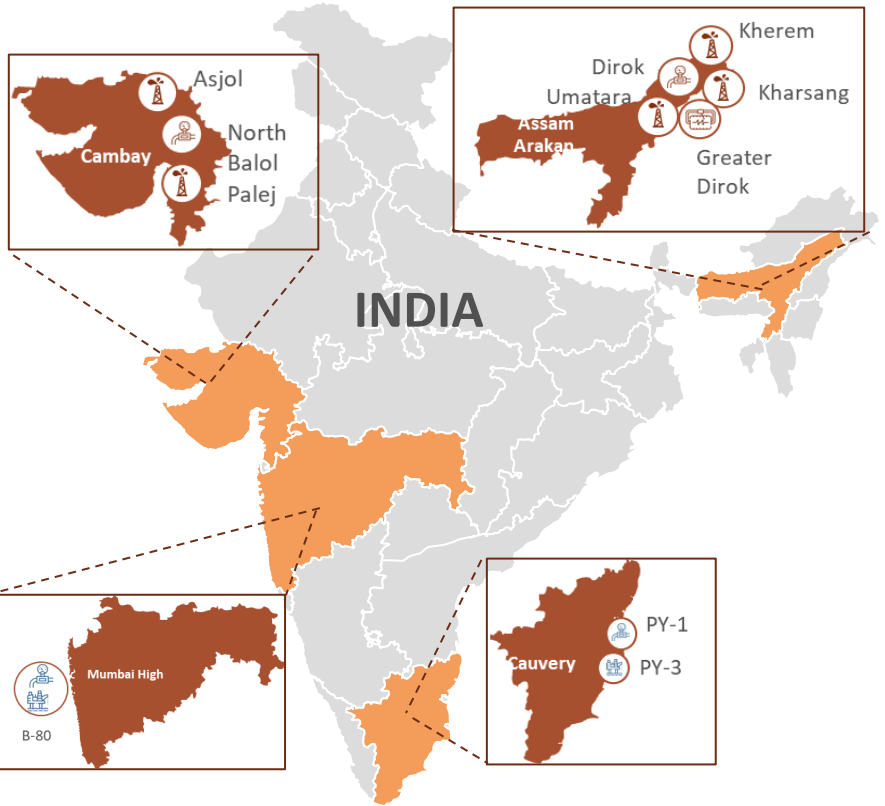
- Next level of revenue and cashflow generation from project delivery
- Crude oil and Natural gas prices recovering from lows
- Reforms in sector leading to multiple opportunities for growth

Superior and Sustainable Value Creation over the long term

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

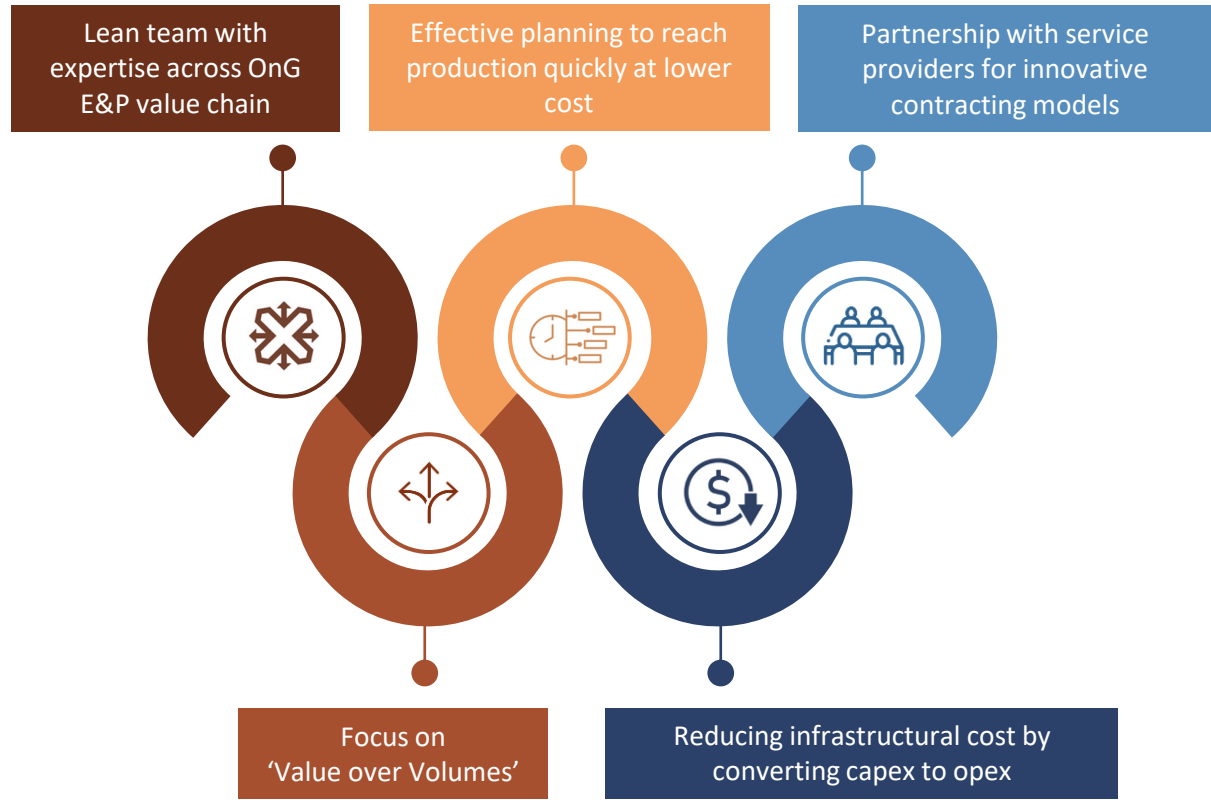
10 Out of 11 blocks with discovered / producing resources

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 	Light Asset Model 	Low cost operating model 	Growing responsibly 	Growth strategy 
<ul style="list-style-type: none">• Focus on discovered oil and gas resources to reduce the risk involved in exploration• Fast-track execution to bring resources to monetization quickly	<ul style="list-style-type: none">• Follow Light-Asset model• Focus on our core operations (G&G Drilling for Oil/Gas)• Outsource associated field tasks to expert partners• Insource at Group Corporate Level	<ul style="list-style-type: none">• Follow a low-cost operating model• Self-funding company with sustainable cash flows from its key producing assets.• Ability to raise growth capital	<ul style="list-style-type: none">• Create long-term stakeholder value & 'Grow Responsibly'• Respect and Care for<ul style="list-style-type: none">- Individuals- Community- Environment	<ul style="list-style-type: none">• 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

Clear Strategy Delivering Cost Efficiency



Q1-FY22 Operational Highlights



Gross Production* (BOEPD)

Q1 FY22: 7,681*
FY21: 8,590

Net Production* (BOEPD)

Q1 FY22: 2,402*
FY21: 2,460

Gross Production - PY-1 (BOEPD)

Q1 FY22: 74
FY21: 211

Gross Production - Dirok (BOEPD)

Q1 FY22: 6,906
FY21: 7,654

Dirok

- Dirok is consistently producing at full capacity through Q1 FY22. Average Production – 32.04 mmscfd Gas Production (in Q1 FY22)
- Environmental clearance obtained for Dirok Development Phase II
- Stage I - Forest clearance for 18” Pipeline is under progress

B-80

- Over 95% of the B-80 Project is completed

Scope for Completion Post – Monsoon

- Installation & Hook-up of CALM buoy
- Commissioning of Topsides connections on KGB OI
- First Oil in Q3-FY22

PY-1 & Cambay

- EC clearance process initiated & in-progress for future drilling campaigns in PY-1 & Cambay Assets

Other Blocks

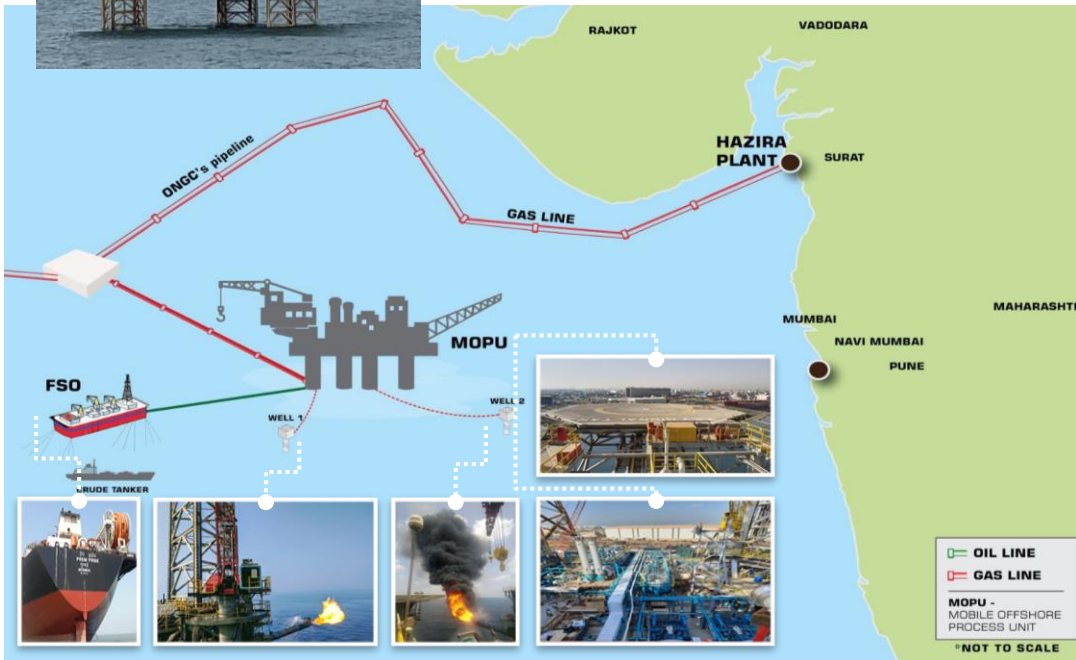
- Kherem Forest Clearance in final stages and PML in process

B-80: Ready for First Oil Post Monsoon– 60% PI*

- Drilling & completion – 2 subsea development wells
- Offshore Installation(OI) for collecting, separating and processing well fluids
- Subsea production controls and flexible flowlines / export lines
- Gas evacuation through tie-in into ONGC pipeline
- Oil evacuation using FSO moored with CALM buoy



KGB- Offshore Installation at B-80 Site



*- Increase of PI from 50% to 60% is awaiting Govt. approval



KGB - Offshore Installation (OI)

- Safety reviews and certifications completed
- Class & flag certifications completed
- KGB Offshore Installation ready for Hook-up with FSO

Scope for Completion Post – Monsoon

- Commissioning of Topsides connections on KGB OI



Flexibles & Umblicals

- Flexible pipelines & Umblicals installed & connected to KGB-OI
- Gas Pipeline Hot-Tapped to ONGC 14" WO 16 – BPB line for gas evacuation
- Oil Pipeline ready for connection to CALM Buoy & eventually to FSO



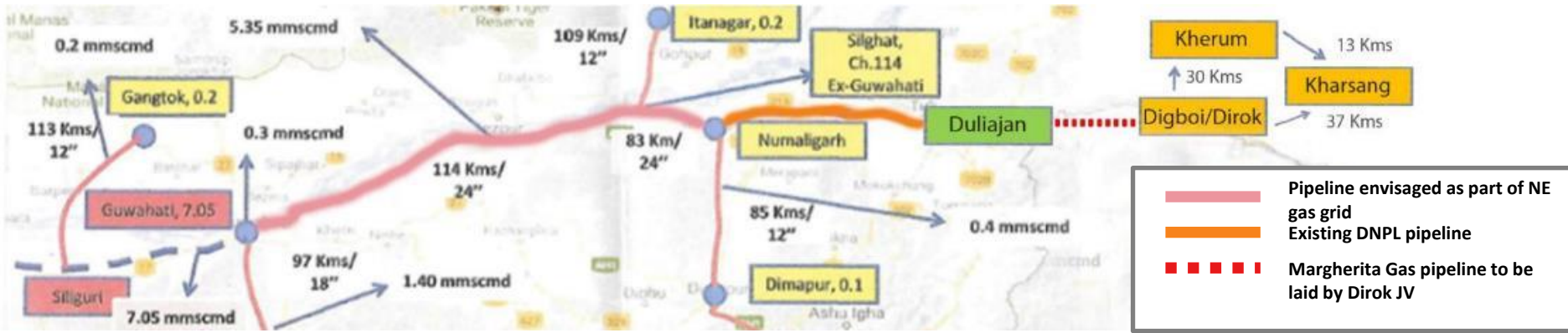
Calm buoy

- Safely docked at Das Offshore, Rohini Yard for the Monsoon Season

Scope for Completion Post – Monsoon

- Installation & Hook-up of CALM buoy
- First Oil in Q3-FY22

Dirok: E-auction for Dirok Gas Results



HIGHLIGHTS of E-Auction – 23rd & 24th June 2021

- **Quantity on Offer:** 1.25 mmscmd
- **Contract period :** 2 years
- **Price Basis:** PPAC Price+ Basic Fixed Premium of USD 1.0 per MMBTU + V-Variable Premium
- **Both firm & fallback options available to bid**
- **Total quantity bid for Firm – 0.3 mmscmd; Total quantity bid for fallback – 1.86 mmscmd**
- **Bids received from State and Central PSUs**
- **Highest premium received for Firm basis – \$1.15/mmbtu; For fallback basis: \$2/mmbtu**

Current Status on E-Auction

- Gas contracts in final stages of conclusion with Buyers
- Discussions are in progress with Oil India regarding measurement, calibration and other modalities
- Sales based on new gas sales contract expected to start in Q3 FY22

Q1-FY22 Financial Highlights



Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q1-FY22	Q4-FY21	FY21	FY20
INCOME				
Revenue from operations	24.97	23.36	99.44	179.84
Other income	2.59	0.83	11.82	21.58
Total revenue	27.56	24.19	111.26	201.42
EXPENSES				
Expenses from producing oil and gas blocks	5.58	5.85	22.96	26.00
Royalty, Cess and NCCD	4.39	4.18	19.69	20.64
Decrease / (Increase) in stock of crude oil and condensate	(0.60)	(0.96)	(1.97)	(0.12)
Employee benefits expense	0.19	0.23	0.61	5.18
Finance costs – unwinding of discount on decommissioning liability	1.51	1.40	5.60	5.18
Depreciation, depletion and amortization	3.72	4.34	18.58	23.92
Other expenses	1.06	2.56	8.32	6.00
Total expenses	15.85	17.60	73.79	86.80
Profit before tax and exceptional items	11.71	6.59	37.47	114.62
Exceptional items - Income	-	27.58	27.59	26.21
Profit before tax	11.71	34.17	65.06	140.83
Net tax expenses	-	-	-	-
Net profit for the period	11.71	34.17	65.06	140.83
Other comprehensive income	0.01	(0.07)	0.04	0.16
Total comprehensive income	11.72	34.10	65.10	140.99
Earnings per equity share of Rs 10 each - Basic	0.89	2.58	4.92	10.71
- Diluted	0.89	2.58	4.92	10.71

Standalone Statement of Assets & Liabilities



PARTICULARS (INR Cr)	FY21	FY20	FY19
EQUITY AND LIABILITIES			
Equity	730.18	665.08	522.34
(a) Equity share capital	132.26	132.26	130.51
(b) Other equity	597.92	532.82	391.83
Non-Current Liabilities	197.49	103.73	120.80
(a) Financial liabilities			
(i) Long-term borrowings	88.28	-	22.11
(ii) Other financial liabilities	0.13	0.31	0.31
(b) Provisions	109.08	103.42	98.28
(c) Other non-current liabilities	-	-	0.10
Current Liabilities	107.60	132.48	41.33
(a) Financial liabilities			
(i) Trade payables	12.13	12.69	10.76
(ii) Other financial liabilities	89.91	117.39	27.76
(b) Provisions	0.18	0.14	0.10
(c) Other current liabilities	5.38	2.26	2.71
GRAND TOTAL - EQUITIES & LIABILITIES	1,035.27	901.29	684.47

PARTICULARS (INR Cr)	FY21	FY20	FY19
ASSETS			
Non-Current Asset	704.41	584.44	463.61
(a) Property, Plant and Equipment			
(i) Oil & gas assets	288.59	305.04	325.52
(ii) Others	2.82	2.86	2.81
(b) Capital work-in-progress	274.08	139.24	2.13
(c) Investment property	3.95	4.15	4.36
(d) Intangible assets	9.37	9.82	10.27
(e) Financial assets			
(i) Investments in subsidiary	59.46	59.46	59.46
(ii) Deposits under site restoration fund	65.59	62.41	58.98
(f) Other non-current assets	0.55	1.46	0.08
Current Assets	330.86	316.85	220.86
(a) Inventories	30.46	22.02	22.71
(b) Financial assets			
(i) Investments	30.35	91.89	111.29
(ii) Trade receivables	28.02	35.21	39.09
(iii) Cash & cash equivalents	30.10	48.71	17.40
(iv) Other bank balances	15.90	15.25	7.79
(v) Loan to subsidiary	97.39	65.96	12.11
(vi) Other financial assets	30.53	4.19	5.22
Income tax assets (net)	4.39	4.35	4.51
Other current assets	63.72	29.27	0.74
GRAND TOTAL - ASSETS	1,035.27	901.29	684.47

Consolidated Statement of Profit or Loss



PARTICULARS (INR Cr)	Q1-FY22	Q4-FY21	FY21	FY20
INCOME				
Revenue from operations	30.48	28.82	113.86	202.05
Other income	1.31	0.86	11.32	21.76
Total revenue	31.79	29.68	125.18	223.81
EXPENSES				
Expenses from producing oil and gas blocks	6.96	7.71	29.54	35.34
Royalty, Cess and NCCD	6.44	6.12	24.45	21.82
Decrease / (Increase) in stock of crude oil and condensate	(0.83)	(0.97)	(3.30)	0.43
Employee benefits expense	0.21	0.26	0.69	5.56
Finance costs - unwinding of discount on decommissioning liability	1.55	1.45	5.78	5.36
- Others	-	0.01	0.01	1.04
Depreciation, depletion and amortization	4.80	5.53	23.37	29.38
Other expenses	1.73	4.03	8.34	14.31
Total expenses	20.86	24.14	88.88	113.24
Profit before tax and exceptional items	10.93	5.54	36.30	110.57
Share of profit from associate	0.43	0.90	1.54	0.52
Exceptional items - Income	-	13.99	13.98	26.21
Profit before tax	11.36	20.43	51.82	137.30
Net tax expenses	0.26	(0.77)	(1.59)	(0.26)
Net profit for the period	11.10	21.20	53.42	137.56
Other comprehensive income	0.01	(0.08)	0.04	0.16
Total comprehensive income	11.11	21.12	53.46	137.72
Earnings per equity share of Rs 10 each - Basic	0.84	1.60	4.04	10.46
- Diluted	0.84	1.60	4.04	10.46

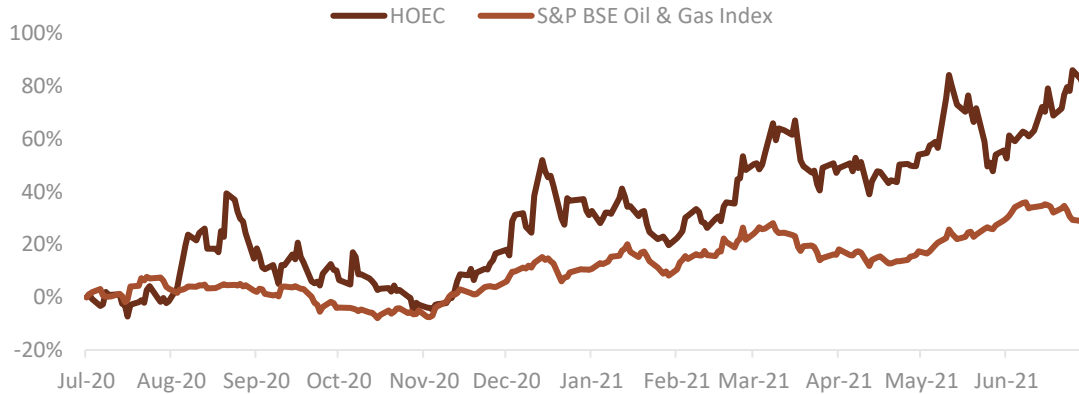
Consolidated Statement of Assets & Liabilities



PARTICULARS (INR Cr)	FY21	FY20	FY19
EQUITY AND LIABILITIES			
Equity	733.17	679.71	540.24
(a) Equity share capital	132.26	132.26	130.51
(b) Other equity	600.91	547.45	409.73
Non-Current Liabilities	273.23	142.07	128.11
(a) Financial liabilities			
(i) Long term borrowings	159.17	31.97	0.18
(b) Trade payables	-	-	22.11
(c) Other financial liabilities	0.14	0.31	0.31
Provisions	112.59	106.77	101.46
Other non-current Liabilities	-	-	0.10
Deferred tax liability	1.33	3.02	3.95
Current Liabilities	178.75	214.06	65.80
(a) Financial liabilities			
(i) Short term borrowings	-	-	11.76
(ii) Trade payables	36.24	65.89	16.28
(ii) Other financial liabilities	123.70	131.21	27.95
(b) Provisions	13.19	13.47	6.81
(c) Other Current liabilities	5.62	3.49	3.00
GRAND TOTAL - EQUITIES & LIABILITIES	1,185.15	1,035.84	734.15

PARTICULARS (INR Cr)	FY21	FY20	FY19
ASSETS			
Non-Current Asset	958.41	769.13	489.00
(a) Property, Plant and Equipment			
(i) Oil & gas assets	312.14	331.78	355.71
(ii) Others	9.94	11.57	13.52
(b) Capital work in progress	534.59	327.37	26.18
(c) Investment property	3.95	4.15	4.36
(d) Intangible assets	9.37	9.82	10.27
(e) Financial assets			
(i) Investments in associate	19.28	17.73	17.22
(ii) Deposits under site restoration fund	68.53	65.18	61.60
(iii) Other financial assets	0.06	0.07	0.06
(f) Other non-current assets	0.55	1.46	0.08
Current Assets	226.74	266.71	245.15
(a) Inventories	36.10	26.59	27.83
(b) Financial assets			
(i) Investments	45.38	100.48	119.74
(ii) Trade receivables	31.07	36.36	40.93
(iii) Cash & Cash Equivalents	46.89	70.60	27.64
(iv) Other bank balances	24.63	15.24	7.79
(v) Other financial assets	28.54	3.47	10.55
Income tax assets (net)	7.36	9.88	9.68
Other Current Assets	6.77	4.09	0.99
GRAND TOTAL - ASSETS	1,185.15	1,035.84	734.15

Capital Market Data



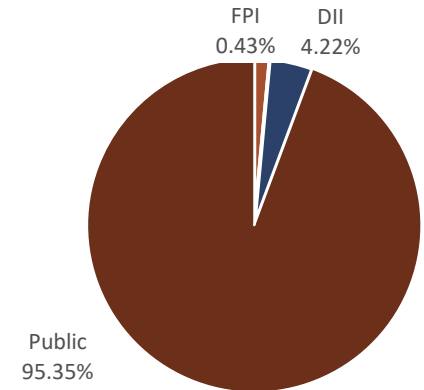
Price Data (30th June, 2021)

CMP (INR)	119.4
52 Week H/L (INR)	126/60.7
Avg. Net Turnover (INR Mn)	84.7
Market Cap (INR Mn)	15,778.1
Equity Shares Outstanding (Mn)	132.2

Marquee Investors

	% Holding
Housing Development Finance Corporation Ltd (HDFC)	10.32%
ICICI Prudential Commodities Fund	2.24%
Kotak Small Cap Fund	1.98%

Shareholding Pattern (30th June, 2021)



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