

**HINDUSTAN OIL
EXPLORATION COMPANY LTD.**



HOEC[®]

EARNINGS PRESENTATION | H1 / Q2-FY21



First private company in India to enter the field of oil and gas exploration



Proved and Probable (P+P) reserves on working interest basis stood at 26.65 MMBOE as on FY20



Low Cost and Fast Track execution capabilities that differentiates it from other players



HOEC has 10 blocks with discoveries producing or ready to be developed and 1 exploratory block in its portfolio



Strong management team with experienced industry professionals



Able to fund capex from inner accruals and raise funds as needed for growth



Gross production stood at 7,869 boepd and Net Production stood at 3,163 boepd for FY20



Presence in 4 out of 7 sedimentary basins in India



Awarded the Oil & Gas production & development company of the year in 2018-19 (Small Category) from FIPI

Geographical Presence

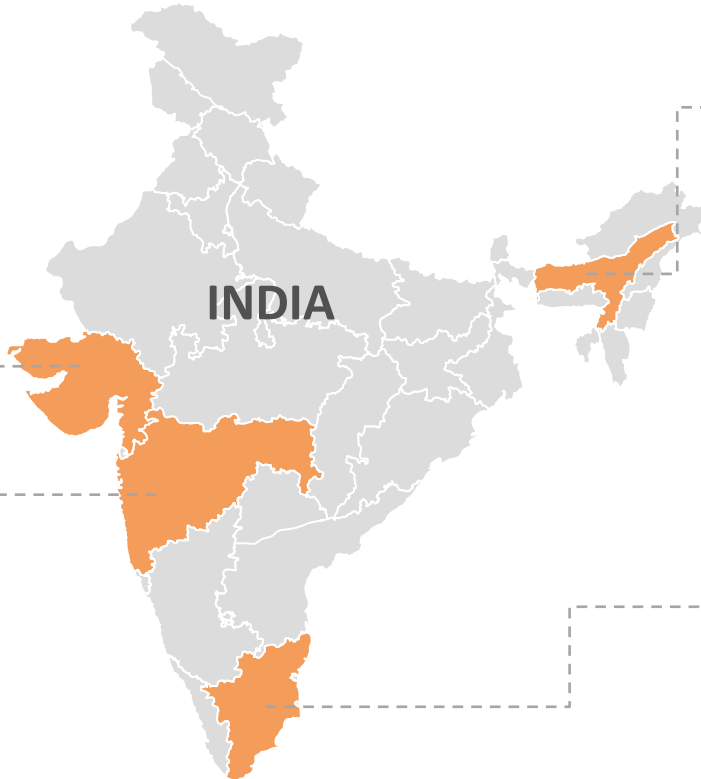


Legend

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

Asjol
Cambay
North Balol
Palej






Mumbai High
B-80



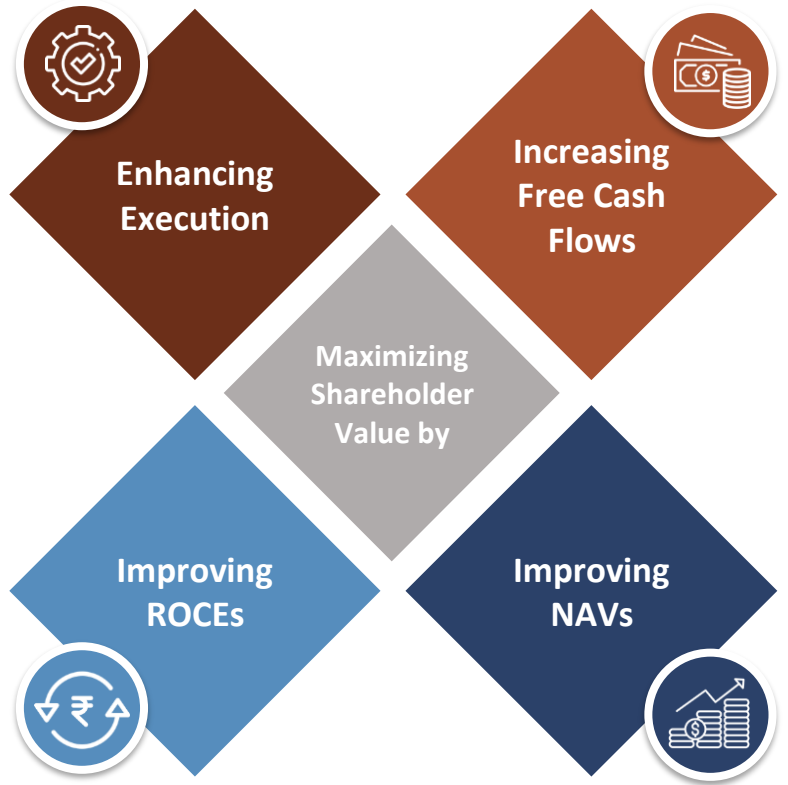
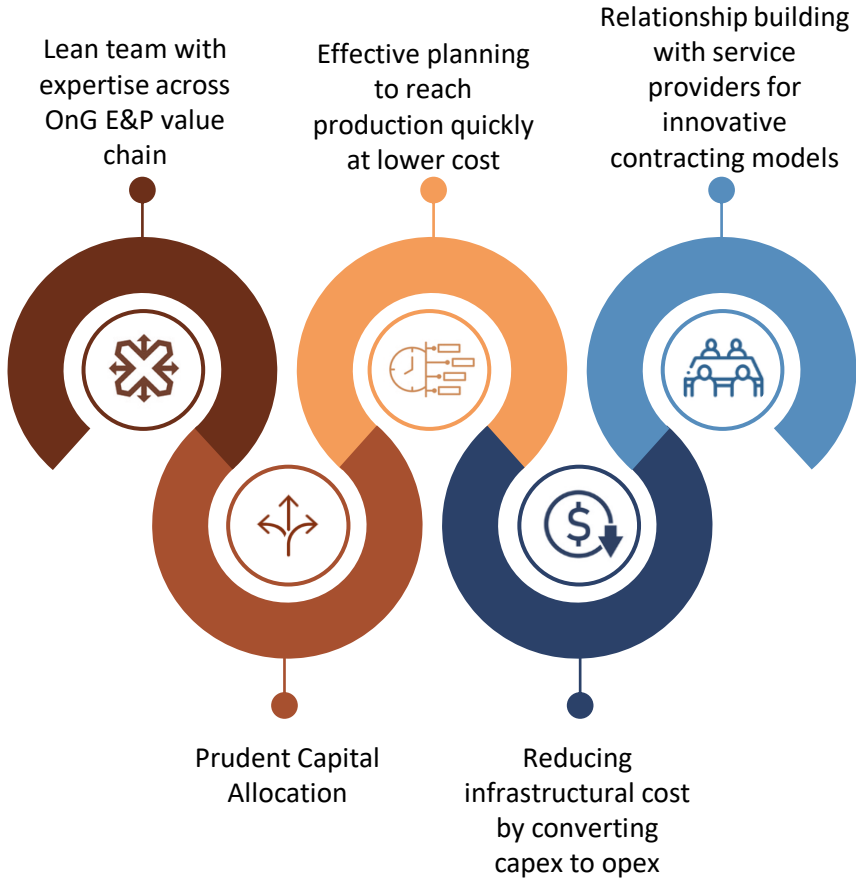
Umatara
Assam Arakan
Dirok
Greater Dirok
Kherem
Kharsang

Cauvery
PY-1
PY-3

Uniquely placed with a strong organization and a quality asset portfolio. HOEC will take advantage of its position to deliver superior returns and value to all stakeholders, through a 5-pronged strategy

Focus on Discovered Resources 	Light Asset Model 	Low cost operating model 	Growing responsibly 	Growth strategy 
<p>Focus on discovered oil and gas resources to reduce the risk involved in exploration</p> <p>Fast track execution to bring resources to monetization at the earliest</p>	<p>Follow light-asset model in an otherwise capital-intensive industry</p> <p>Focus on our core operations (Drilling for Oil/Gas) and outsource other associated tasks to expert partners</p>	<p>Follow a low-cost operating model</p> <p>Self-funding company with sustainable cash flows from its key producing assets. Ability to raise growth capital</p>	<p>Create long-term stakeholder value while ensuring that we 'Grow Responsibly'</p> <p>Continue to build its portfolio with a focus on respect and care for individuals, the community and the environment</p>	<p>Focus on the North-East region while also focusing on its offshore resource base</p> <p>Take advantage of existing infrastructure, and add attractive assets with synergies to its current asset portfolio</p>

Clear strategy to lower costs and maximize value





H1 / Q2-FY21 Operational Highlights

Gross Production (BOEPD)

Q2 FY21 : 9,630
FY20: 7,869

Net Production (BOEPD)

Q2 FY21 : 2,715
FY20: 3163

Gross Production - PY-1 (BOEPD)

Q2 FY21 : 215
FY20: 736

Gross Production - Dirok (BOEPD)

Q2 FY21 : 8,695
FY20: 6,351

Dirok is consistently producing at its capacity through Q2 FY21

Production from PY-1 wells declined due to prolonged consumer shutdowns – Rig based well intervention required

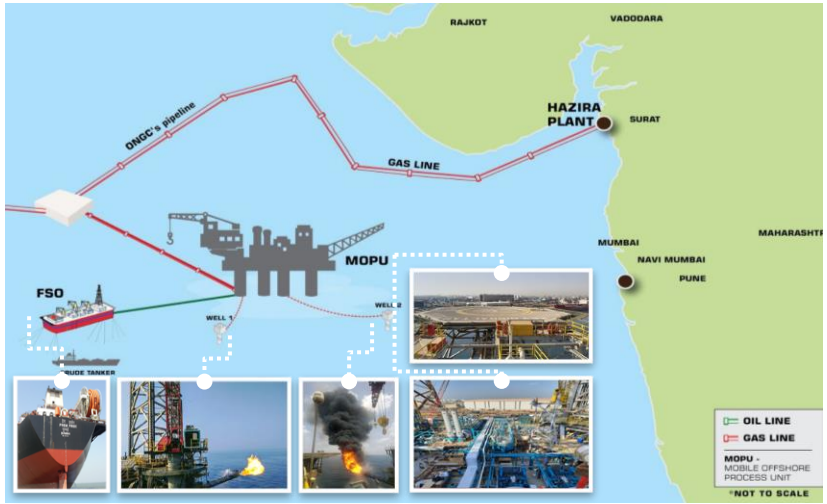
B-80 : Two wells are ready for hookup & flow, MOPU is being mobilized in December for installation at site

Installation of oil and gas pipelines and export facilities target to be completed in Q4 FY21 during the west coast weather window

Project on track for 'First Oil' post installation of export facilities

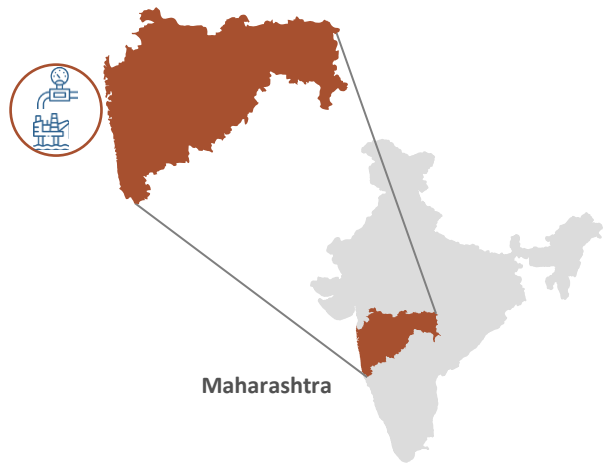
Public hearing for Phase-2 development of Dirok Field conducted successfully in Tinsukia

B-80: Positioned for Final leg of Project Execution – 50% PI



8,000 boepd
(Barrel of oil equivalent per day)
Expected Total Production
(Phase I)

13% to 30%
Share of Oil to increase in production mix



B-80 Development – Top Priority

- Two subsea development wells are drilled, completed and ready to flow
- Based on production tests both the wells are capable of producing 8,000 boepd
- Processing system planned to be mobilised by early December 2020 and installation of export facilities is to be completed in Q4 FY21 during the west coast weather window

Project is on track for 'First Oil' post installation of export facilities

New Lead

- New lead in Deccan Trap formation of a 6m interval
- This interval can potentially produce oil and gas which needs to be tested
- The new lead can potentially increase the value of the block. This is to be taken up in the subsequent drilling program

Positioned for Final leg of Project Execution by Q4 FY21

- ✓ MOPU will be mobilised from Sharjah to site by early Dec 2020
- ✓ Contract for flexible pipeline awarded and is to be mobilised from USA. Umbilicals ready and to be transported from Brazil to site
- ✓ Calm buoy mooring system sourced in Batam
- ✓ For gas export through ONGC pipeline, execution of engineering works being firmed in consultation with ONGC for execution
- ✓ For oil export, dry docking scheduled for FSO and will be ready by Q4 FY21
- ✓ Final discussions ongoing with installation contractor to execute



Project of firsts

- Conversion of Mobile Offshore Production Unit (MOPU) completed in record-time at Lamprell shipyard, Sharjah
- Wells drilled and completed with a Subsea Wellhead and X-Mas Trees using a Jack-up Drilling Rig – pioneering feat in Indian Offshore
- B-80 is the first DSF field to finish drilling & the first offshore DSF field FDP to be approved

Project Update

Completed

- MOPU ready to sail-out.
- Drilling & completion of 2 subsea wells
- Successful testing of two wells with potential to produce > 8000 boepd
- Procured FSO 'Prem Pride' with storage capacity of 900,000 barrels

To be Completed

- Flexible pipelines for oil from MOPU to FSO
- Gas export systems connecting to ONGC pipelines
- Installation of all facilities
- 'First Oil' from B80

Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q2-FY21	Q1-FY21	FY20	FY19
INCOME				
Revenue from operations	30.16	21.72	179.84	236.89
Other income	3.09	5.38	21.58	10.06
Total revenue	33.25	27.10	201.42	246.95
EXPENSES				
Expenses from producing oil and gas blocks	5.83	5.59	26.00	28.23
Royalty, Cess and NCCD	7.40	2.79	20.64	19.69
Decrease / (Increase) in stock of crude oil and condensate	0.09	(0.52)	(0.12)	3.92
Employee benefits expense	0.12	0.11	5.18	3.96
Finance costs – unwinding of discount on decommissioning liability	1.40	1.39	5.18	1.40
Depreciation, depletion and amortization	5.14	4.13	23.92	35.06
Other expenses	2.94	0.85	6.00	7.11
Total expenses	22.92	14.34	86.80	99.37
Profit before tax and exceptional items	10.33	12.76	114.62	147.58
Exceptional items - Income	-	-	26.21	2.31
Profit before tax	10.33	12.76	140.83	149.89
Net tax expenses	-	-	-	0.93
Net profit for the period	10.33	12.76	140.83	148.96
Other comprehensive income	0.04	0.04	0.16	(0.16)
Total comprehensive income	10.37	12.80	140.99	148.80
Earnings per equity share of Rs 10 each - Basic	0.78	0.97	10.71	11.42
- Diluted	0.78	0.97	10.71	11.32

Standalone Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY21	FY20	FY19	PARTICULARS (INR Cr)	H1-FY21	FY20	FY19
EQUITY AND LIABILITIES				ASSETS			
Equity	688.25	665.08	522.34	Non-Current Asset	585.69	584.44	463.61
(a) Equity share capital	132.26	132.26	130.51	(a) Property, Plant and Equipment			
(b) Other equity	555.99	532.82	391.83	(i) Oil & gas assets	297.27	305.04	325.52
Non-Current Liabilities	106.36	103.73	120.80	(ii) Others	2.83	2.86	2.81
(a) Financial liabilities				(b) Capital work-in-progress	148.13	139.24	2.13
(i) Trade payables	-	-	22.11	(c) Investment property	4.05	4.15	4.36
(ii) Other financial liabilities	0.13	0.31	0.31	(d) Intangible assets	9.60	9.82	10.27
(b) Provisions	106.23	103.42	98.28	(e) Financial assets			
(c) Other non-current liabilities	-	-	0.10	(i) Investments in subsidiary	59.46	59.46	59.46
				(ii) Deposits under site restoration fund	64.23	62.41	58.98
		-	-	(f) Other non-current assets	0.12	1.46	0.08
Current Liabilities	87.10	132.48	41.33	Current Assets	296.02	316.85	220.86
(a) Financial liabilities				(a) Inventories	28.17	22.02	22.71
(i) Trade payables	10.97	12.69	10.76	(b) Financial assets			
(ii) Other financial liabilities	72.01	117.39	27.76	(i) Investments	59.15	91.89	111.29
(b) Provisions	0.14	0.14	0.10	(ii) Trade receivables	35.79	35.21	39.09
(c) Other current liabilities	3.98	2.26	2.71	(iii) Cash & bank balances	27.05	48.71	17.40
				(iv) Other bank balances	15.46	15.25	7.79
				(v) Loan to subsidiary	83.02	65.96	12.11
				(vi) Other financial assets	12.23	4.19	5.22
				Income tax assets (net)	4.24	4.35	4.51
				Other current assets	30.91	29.27	0.74
GRAND TOTAL - EQUITIES & LIABILITIES	881.71	901.29	684.47	GRAND TOTAL - ASSETS	881.71	901.29	684.47

Consolidated Statement of Profit or Loss



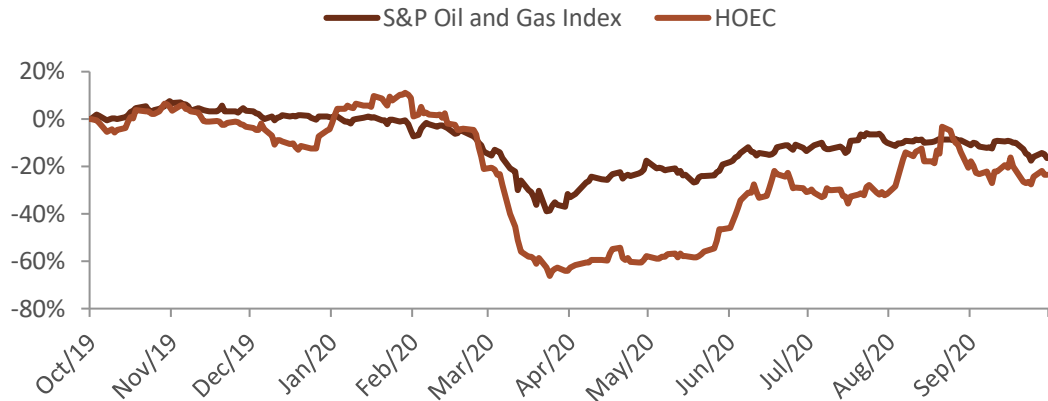
PARTICULARS (INR Cr)	Q2-FY21	Q1-FY21	FY20	FY19
INCOME				
Revenue from operations	33.18	24.04	202.05	265.14
Other income	2.67	5.10	21.76	11.19
Total revenue	35.85	29.14	223.81	276.33
EXPENSES				
Expenses from producing oil and gas blocks	7.45	7.19	35.34	37.21
Royalty, Cess and NCCD	8.57	3.11	21.82	20.84
Decrease / (Increase) in stock of crude oil and condensate	(1.13)	(0.59)	0.43	4.18
Employee benefits expense	0.13	0.13	5.56	5.32
Finance costs - unwinding of discount on decommissioning liability	1.44	1.44	5.36	1.57
- Others	-	-	1.04	0.10
Depreciation, depletion and amortization	6.32	5.34	29.38	43.80
Other expenses	1.64	1.13	14.31	10.48
Total expenses	24.42	17.75	113.24	123.50
Profit before tax and exceptional items	11.43	11.39	110.57	152.83
Share of profit from associate	0.37	0.03	0.52	1.42
Exceptional items - Income	-	-	26.21	2.62
Profit before tax	11.80	11.42	137.30	156.87
Net tax expenses	0.10	(0.70)	(0.26)	0.13
Net profit for the period	11.70	12.12	137.56	156.74
Other comprehensive income	0.04	0.04	0.16	(0.16)
Total comprehensive income	11.74	12.16	137.72	156.58
Earnings per equity share of Rs 10 each - Basic	0.88	0.92	10.46	12.01
- Diluted	0.88	0.92	10.46	11.91

Consolidated Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY21	FY20	FY19	PARTICULARS (INR Cr)	H1-FY21	FY20	FY19
EQUITY AND LIABILITIES				ASSETS			
Equity	703.61	679.71	540.24	Non-Current Asset	781.80	769.13	489.00
(a) Equity share capital	132.26	132.26	130.51	(a) Property, Plant and Equipment			
(b) Other equity	571.35	547.45	409.73	(i) Oil & gas assets	322.43	331.78	355.71
Non-Current Liabilities	152.93	142.07	128.11	(ii) Others	10.74	11.57	13.52
(a) Financial liabilities				(b) Capital work in progress	349.48	327.37	26.18
(i) Long term borrowings	41.17	31.97	0.18	(c) Investment property	4.04	4.15	4.36
(b) Trade payables	-	-	22.11	(d) Intangible assets	9.72	9.82	10.27
(c) Other financial liabilities	0.14	0.31	0.31	(e) Financial assets			
Provisions	109.66	106.77	101.46	(i) Investments in associate	18.14	17.73	17.22
Other non-current Liabilities	-	-	0.10	(ii) Deposits under site restoration fund	67.08	65.18	61.60
Deferred tax liability	1.96	3.02	3.95	(iii) Other financial assets	0.05	0.07	0.06
				(f) Other non-current assets	0.12	1.46	0.08
Current Liabilities	152.04	214.06	65.80	Current Assets	226.78	266.71	245.15
(a) Financial liabilities				(a) Inventories	34.02	26.59	27.83
(i) Short term borrowings	29.15	12.82	11.76	(b) Financial assets			
(ii) Trade payables	32.30	65.89	16.28	(i) Investments	59.16	100.48	119.74
(ii) Other financial liabilities	72.22	117.58	27.95	(ii) Trade receivables	37.39	36.36	40.93
(b) Provisions	13.20	13.47	6.81	(iii) Cash & bank balances	50.48	70.60	27.64
(c) Other Current liabilities	5.17	4.30	3.00	(iv) Other bank balances	23.99	15.24	7.79
				(v) Other financial assets	10.79	3.47	10.55
				Income tax assets (net)	6.79	9.88	9.68
				Other Current Assets	4.16	4.09	0.99
GRAND TOTAL - EQUITIES & LIABILITIES	1,008.58	1,035.84	734.15	GRAND TOTAL - ASSETS	1,008.58	1,035.84	734.15

Capital Market Data

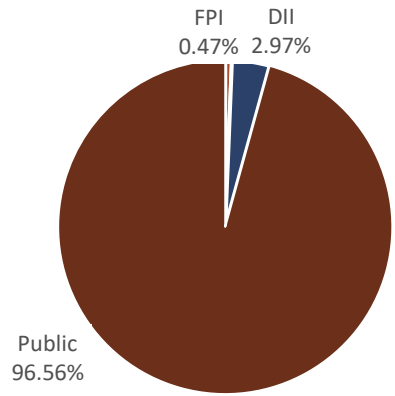


Price Data (30th September, 2020)

CMP (INR)	72.45
52 Week H/L (INR)	109.4/30.55
Avg. Net Turnover (INR Mn)	28.60
Market Cap (INR Mn)	9,581.0
Equity Shares Outstanding (Mn)	132.24

Marquee Investors	% Holding
Housing Development Finance Corporation Ltd (HDFC)	10.65%
Kotak Small Cap Fund	2.57%

Shareholding Pattern (30th September, 2020)



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For further information please contact our Investor Relations Representatives:

Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903-9500

Email: hoec@valoremadvisors.com

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