

**Hindustan Oil Exploration
Company Limited**



HOEC[®]

EARNINGS PRESENTATION | Q4-FY22/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

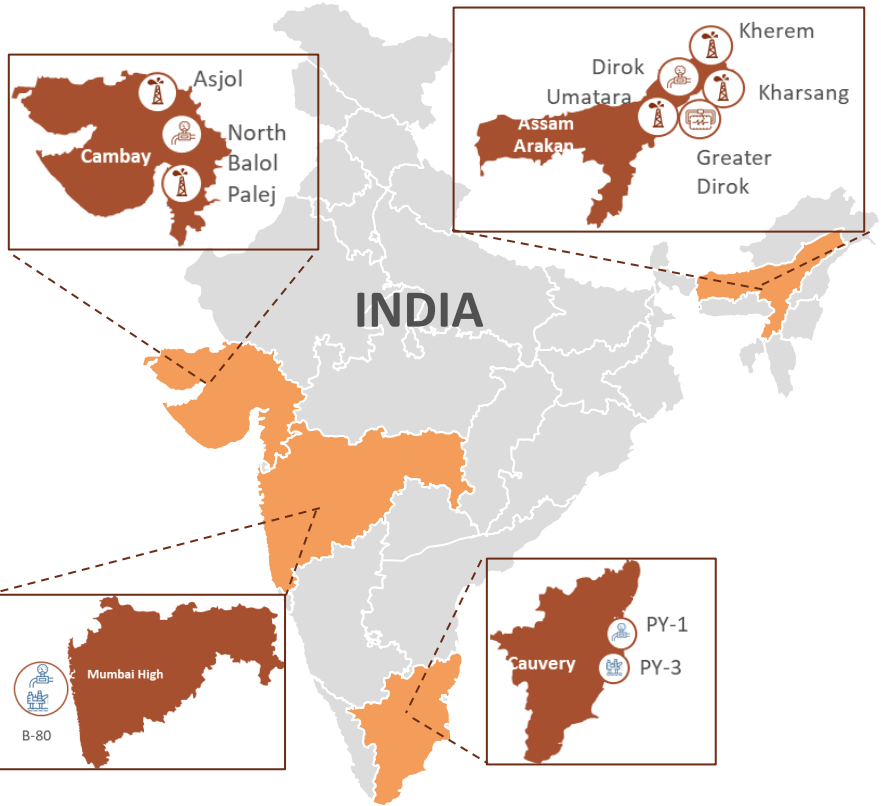
- Next level of revenue and cashflow generation from project delivery
- Crude oil and Natural gas prices at premium levels
- Reforms in sector leading to multiple opportunities for growth

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



Growth strategy



Growing responsibly



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

- Follow Light-Asset and low-cost operating model
- Focus on our core operations (G&G Drilling for Oil/Gas)
- Outsource associated field tasks to expert partners
- Insource at Group Corporate Level

- 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

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

Q4-FY22/ FY22 Operational Highlights



Gross Production (BOEPD)

Q4 FY22: 6,560
Q3 FY22: 7,684

Net Production (BOEPD)

Q4 FY22: 1,774
Q3 FY22: 2,071

Gross Production - PY-1 (BOEPD)

Q4 FY22: 20
Q3 FY22: 14

Gross Production - Dirok (BOEPD)

Q4 FY22: 5,923
Q3 FY22: 7,023

Dirok

- Q4 average production: Gas: 27.7 mmscfd ($\approx 72\%$) & Condensate : 572 boepd
- Low offtake due to low consumptions from downstream consumers
- Premium sales during Q4 FY 2021-22 constitute about 40% of total Dirok sales
- Average premium realized is $> \$1/\text{mmbtu}$

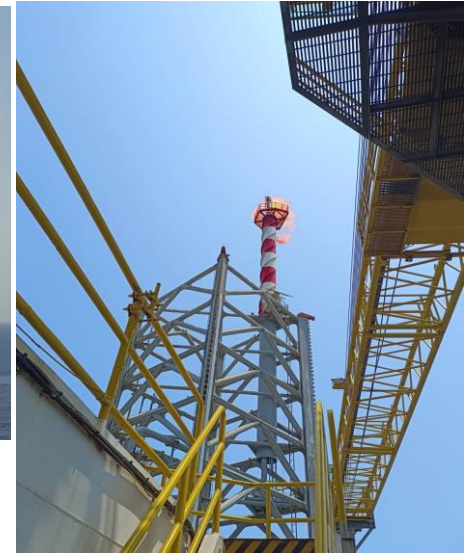
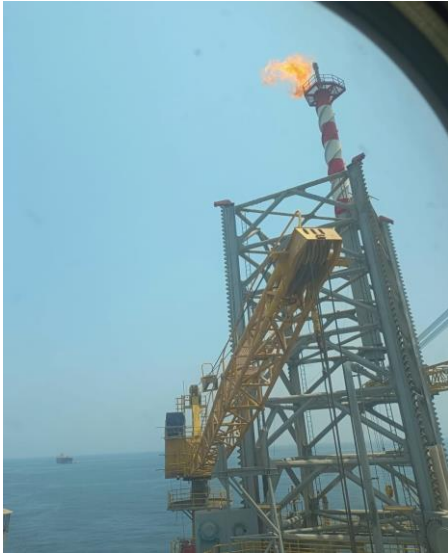
B-80

- First Gas from B-80 being packed into WO-16 to BPB (14"-56 km) pipeline of ONGC since 31 May 2022
- Completed E-auction as per DGH guidelines; GSPC emerged as winning bidder
- Committed gas volume to GSPC is 10 mmscfd of gas

PY-1 & Cambay

- EIA study completed for obtaining Environmental Clearance for drilling additional wells at PY1
- RFPSC (100 sq.km. 3D seismic & 2 exploration wells – JV signed RFPSC submitted to MOPNG through DGH) at Palej
- Public Hearing held on 18 January 2022 for Cambay; marginal Field Development to obtain Environmental Clearance

B-80: Production Commenced from Gas Well - D2



- First Gas from B-80 being packed into WO-16 to BPB (14"-56 km) pipeline of ONGC since **31 May 2022**
- D2 Gas well opened and gas process systems commissioned successfully
- Gas quality specification required by ONGC → Achieved prior to transportation
- Committed sales gas volume to GSPC is 10 mmscfd of gas

B-80: Production Start-up Status

Full Offshore Systems Installed and Integrated during Q4 FY22

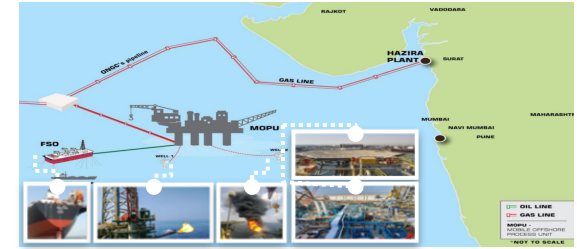
- SPM installation Completed & Tested ✓
- SPM to FSO connection completed and established readiness to receive Oil ✓

Top Sides Commissioning and RFSU Completed

- Process Equipment calibration, commissioning and Ready for Start-up completed ✓
- Statuary approvals including Consent to Operate (CTO) received ✓

Production Startup – Technical Challenges

- Initiated startup of both D1 & D2 wells as per plan post project completion
- Pre-commissioning activities taken more time than expected
- Pre-commissioning completed for D2 well and gas being packed into ONGC line since 31 May 2022
- D1 oil well subsea umbilical system issues are being addressed

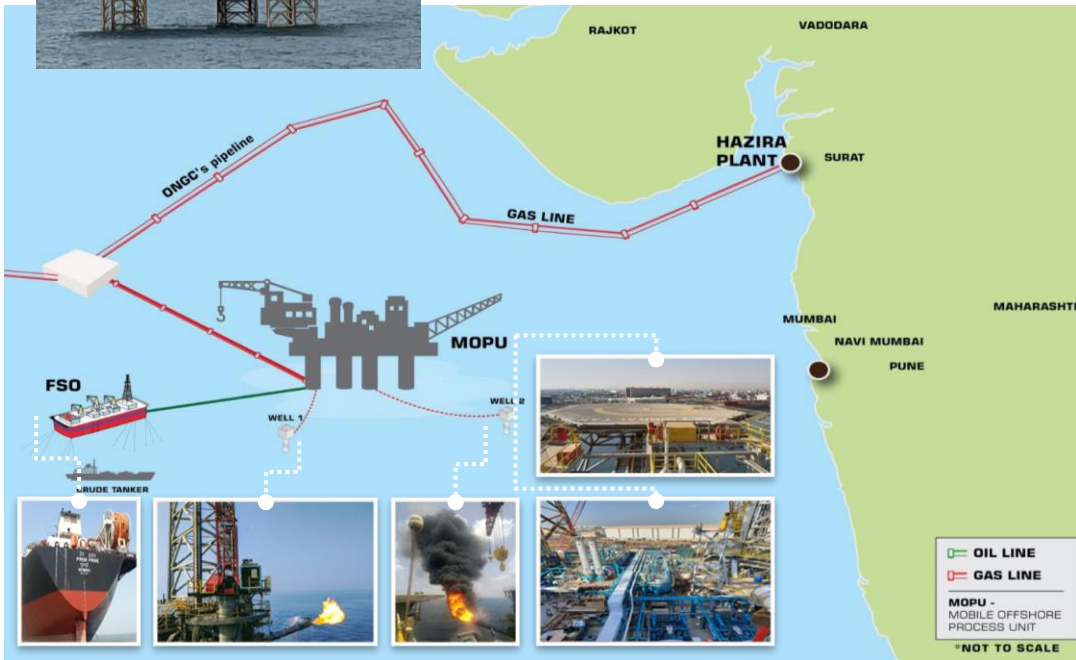


B-80: Key Milestones

- 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



KGB- Offshore Installation at B-80 Site



PY-1: Enhancing Production and Offtake Arrangements

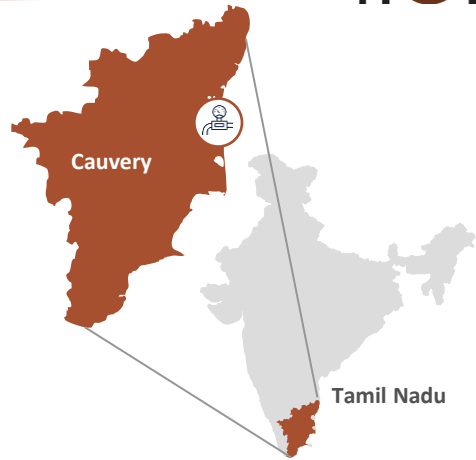
<p>USD 3.67 Realised Price per MMBTU</p>	<p>55 mmscfd Processing Capacity</p>	<p>56 km Sub sea pipeline</p>
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- Only offshore platform in Cauvery Basin with 8 slots and four wells drilled
- Unique, gas-bearing and the only offshore fractured granitic 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
- PY-1 Adhoc extension granted
- Settlement Agreement being finalized and being executed for grant of 10-year extension

Clients



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



476 boepd
Oil Production
(Q4-FY22)

30%
Direct + Indirect PI

18
Number of
Wells to be drilled in near
future

Field Overview

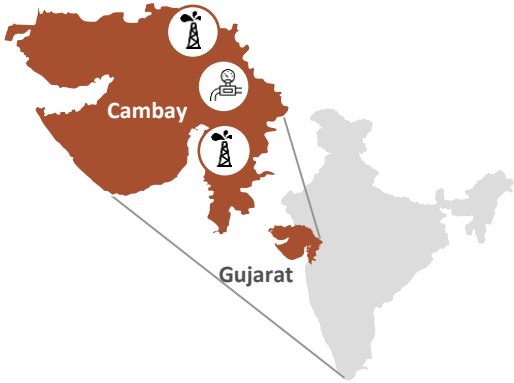
- HOEC acquired entire share capital of M/s Geopetrol International Inc in 2018 which has 30% stake - Direct and Indirect in Kharsang Oil field
- Kharsang oil field is located in the state of Arunachal Pradesh and 60 kms away from Dirok
- Post drilling of 18 wells, production expected to increase to 1800 boepd
- RFDP is approved & Mining lease granted till 15 June 2030
- Adhoc PSC extension granted
- Outstanding issues related to Cost Recovery Limits (CRL) to be referred to Dispute Resolution Committee (DRC)

Proposed drilling campaign will include appraisal of deeper prospects



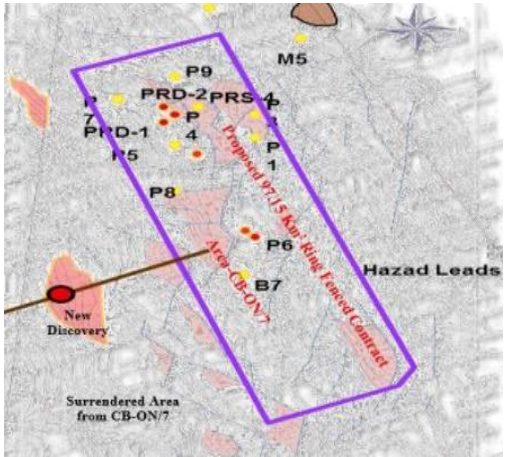
Cambay: Developments

<p>75 boepd Oil Production (Q4-FY22)</p>	<p>0.376 mmscfd Total Gas Production (Q4-FY22)</p>	<p>Asjol, North Balol and Palej Marginal fields at Cambay</p>
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Approved FDP to be executed over next two years:

- **Asjol:** 2 development wells & hook-up to EPS
- **North Balol:** 2 development wells & hook-up to GCS
- **Palej:** RFPSC (100 sq.km. 3D seismic & 2 exploration wells – JV signed RFPSC submitted to MOPNG through DGH)
- Public Hearing completed as part of Environment Clearance Process successfully on 18 Jan 2022 for future development campaigns in Asjol and North Balol
- 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

GNRL

HOEC PI
25%

Q4-FY22/ FY22 Financial Highlights



Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q4-FY22	Q3-FY22	FY22	FY21
INCOME				
Revenue from operations	38.24	36.24	130.50	99.44
Other income	6.08	1.95	16.80	11.82
Total revenue	44.32	38.19	147.31	111.26
EXPENSES				
Expenses from producing oil and gas blocks	5.46	5.81	22.25	22.96
Royalty, Cess and NCCD	6.59	6.04	22.95	19.69
Decrease / (Increase) in stock of crude oil and condensate	1.82	1.18	2.30	(1.97)
Employee benefits expense	0.04	0.19	0.63	0.61
Finance costs – unwinding of discount on decommissioning liability	1.51	1.51	6.05	5.60
Finance costs - others	1.41		1.41	
Depreciation, depletion and amortization	3.00	3.62	14.85	18.58
Other expenses	1.01	2.24	6.68	8.32
Total expenses	20.85	20.59	77.12	73.79
Profit before tax and exceptional items	23.47	17.60	70.19	37.47
Exceptional items - expenses	(34.37)	-	(34.37)	27.59
Profit before tax	(10.89)	17.60	35.83	65.06
Net tax expenses	-	-	-	-
Net profit for the period	(10.89)	17.60	35.83	65.06
Other comprehensive income	(0.07)	0.01	(0.04)	0.04
Total comprehensive income	(10.97)	17.61	35.78	65.10
Earnings per equity share of Rs 10 each - Basic	(0.82)	1.33	2.71	4.92
- Diluted	(0.82)	1.33	2.71	4.92

Standalone Statement of Assets & Liabilities



PARTICULARS (INR Cr)	FY22	FY21	FY20
EQUITY AND LIABILITIES			
Equity	765.97	730.18	665.08
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	633.71	597.92	532.82
Non-Current Liabilities	284.38	197.49	103.73
(a) Financial liabilities			
(i) Long-term borrowings	160.61	88.28	-
(ii) Other financial liabilities	8.66	0.13	0.31
(b) Provisions	115.10	109.08	103.42
(c) Other non-current liabilities	-	-	-
Current Liabilities	225.00	107.60	132.48
(a) Financial liabilities			
(i) Borrowings	95.48	61.72	-
(ii) Trade payables	17.23	12.13	12.69
(iii) Other financial liabilities	101.46	28.18	117.39
(b) Provisions	0.20	0.18	0.14
(c) Other current liabilities	10.63	5.39	2.26
GRAND TOTAL - EQUITIES & LIABILITIES	1,275.34	1,035.27	901.29

PARTICULARS (INR Cr)	FY22	FY21	FY20
ASSETS			
Non-Current Asset	968.37	704.41	584.44
(a) Property, Plant and Equipment			
(i) Oil & gas assets	275.86	288.59	305.04
(ii) Others	3.37	2.82	2.86
(b) Capital work-in-progress	490.34	274.08	139.24
(c) Investment property	3.07	3.95	4.15
(d) Intangible assets	9.71	9.37	9.82
(e) Financial assets			
(i) Loan to subsidiary	56.88	-	-
(ii) Investments in subsidiary	59.46	59.46	59.46
(iii) Deposits under site restoration fund	69.48	65.59	62.41
(f) Other non-current assets	0.21	0.55	1.46
Current Assets	306.98	330.86	316.85
(a) Inventories	26.73	30.46	22.02
(b) Financial assets			
(i) Investments	0.34	30.35	91.89
(ii) Trade receivables	13.60	28.02	35.21
(iii) Cash & cash equivalents	12.94	30.10	48.71
(iv) Other bank balances	32.50	15.90	15.25
(v) Loan to subsidiary	173.57	97.39	65.96
(vi) Other financial assets	45.63	30.53	4.19
Income tax assets (net)	0.64	4.39	4.35
Other current assets	1.04	63.72	29.27
GRAND TOTAL - ASSETS	1,275.34	1,035.27	901.29

Consolidated Statement of Profit or Loss



PARTICULARS (INR Cr)	Q4-FY22	Q3-FY22	FY22	FY21
INCOME				
Revenue from operations	42.21	43.94	155.73	113.86
Other income	1.42	2.70	11.46	11.32
Total revenue	43.63	46.64	167.19	125.18
EXPENSES				
Expenses from producing oil and gas blocks	7.17	7.28	28.23	29.54
Royalty, Cess and NCCD	8.96	8.41	32.35	24.45
Vessel Operating Expenses	2.67		2.67	
Decrease / (Increase) in stock of crude oil and condensate	1.79	1.24	3.79	(3.30)
Employee benefits expense	0.09	0.38	0.93	0.69
Finance costs - unwinding of discount on decommissioning liability	1.55	1.55	6.21	5.78
- Others	2.75	0.25	3.01	0.01
Depreciation, depletion and amortization	10.73	5.09	26.21	23.37
Other expenses	0.64	3.90	8.85	8.34
Total expenses	36.34	28.10	112.24	88.88
Profit before tax and exceptional items	7.29	18.54	54.95	36.30
Share of profit from associate	0.36	0.35	(0.90)	1.54
Exceptional items - expenses	(34.37)	-	(34.37)	13.98
Profit before tax	(26.72)	18.89	19.69	51.82
Net tax expenses	0.49	(0.26)	(0.31)	(1.59)
Net profit for the period	(27.21)	19.15	19.99	53.42
Other comprehensive income	(0.07)	0.01	(0.04)	0.04
Total comprehensive income	(27.28)	19.16	19.95	53.46
Earnings per equity share of Rs 10 each - Basic	(2.06)	1.45	1.51	4.04
- Diluted	(2.06)	1.45	1.51	4.04

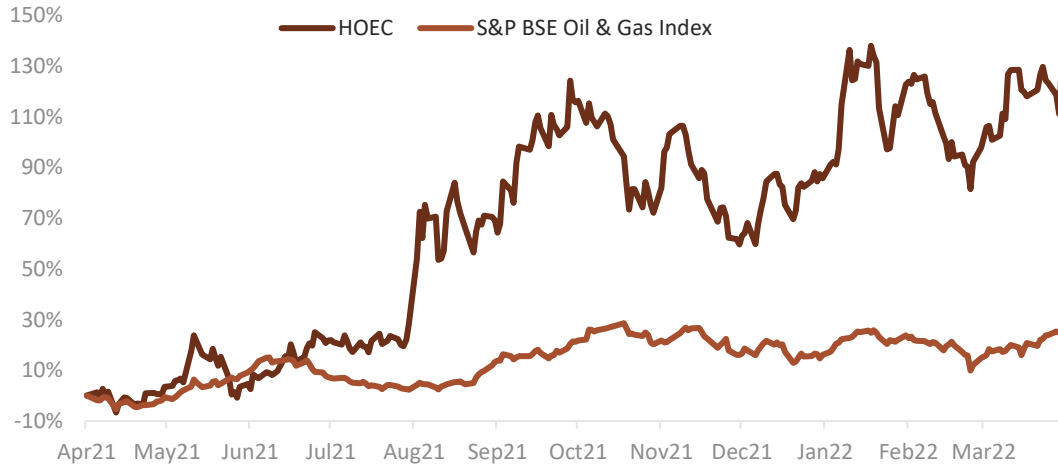
Consolidated Statement of Assets & Liabilities



PARTICULARS (INR Cr)	FY22	FY21	FY20
EQUITY AND LIABILITIES			
Equity	753.12	733.17	679.71
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	620.86	600.91	547.45
Non-Current Liabilities	425.23	273.23	142.07
(a) Financial liabilities			
(i) Long term borrowings	204.61	159.17	31.97
(b) Trade payables	-	-	-
(c) Other financial liabilities	100.86	0.14	0.31
Provisions	118.78	112.59	106.77
Other non-current Liabilities	-	-	-
Deferred tax liability	0.98	1.33	3.02
Current Liabilities	348.89	178.75	214.06
(a) Financial liabilities			
(i) Short term borrowings	152.73	94.52	-
(ii) Trade payables	37.92	31.94	65.89
(ii) Other financial liabilities	133.27	33.48	131.21
(b) Provisions	14.05	13.19	13.47
(c) Other Current liabilities	10.93	5.62	3.49
GRAND TOTAL - EQUITIES & LIABILITIES	1,527.24	1,185.15	1,035.84

PARTICULARS (INR Cr)	FY22	FY21	FY20
ASSETS			
Non-Current Asset	1360.34	958.41	769.13
(a) Property, Plant and Equipment			
(i) Oil & gas assets	296.55	312.14	331.78
(ii) Others	201.13	9.94	11.57
(b) Capital work in progress	758.68	534.59	327.37
(c) Investment property	3.07	3.95	4.15
(d) Intangible assets	9.71	9.37	9.82
(e) Financial assets			
(i) Investments in associate	18.38	19.28	17.73
(ii) Deposits under site restoration fund	72.56	68.53	65.18
(iii) Other financial assets	0.06	0.06	0.07
(f) Other non-current assets	0.21	0.55	1.46
Current Assets	166.90	226.74	266.71
(a) Inventories	30.98	36.10	26.59
(b) Financial assets			
(i) Investments	0.34	45.38	100.48
(ii) Trade receivables	16.20	31.07	36.36
(iii) Cash & Cash Equivalents	29.12	46.89	70.60
(iv) Other bank balances	36.25	24.63	15.24
(v) Other financial assets	39.56	28.54	3.47
Income tax assets (net)	3.76	7.36	9.88
Other Current Assets	10.68	6.77	4.09
GRAND TOTAL - ASSETS	1,527.24	1,185.15	1,035.84

Capital Market Data



Price Data (As on 31st March, 2022)

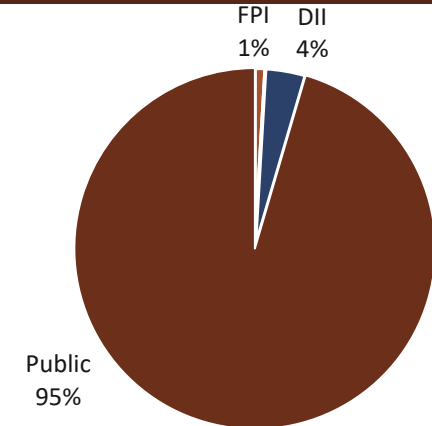
CMP (INR)	219.9
52 Week H/L (INR)	245.2/89.5
Avg. Net Turnover (INR Mn)	209.2
Market Cap (INR Mn)	29,064.2
Equity Shares Outstanding (Mn)	132.2

Marquee Investors

% Holding

Housing Development Finance Corporation Ltd (HDFC)	6.57%
Kotak Small Cap Fund	1.49%
Si Investments And Broking Private Limited	1.17%

Shareholding Pattern (31st March 2022)



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