



## Hindustan Oil Exploration Company Limited

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November 11, 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, Dalal Street, Mumbai – 400 001 Stock Code: 500186
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Dear Sirs,

### Sub: Earnings Presentation

In connection with the Earnings Call scheduled on November 12, 2020, please find attached the Earnings Presentation.

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**

Encl.: a/a

**HINDUSTAN OIL  
EXPLORATION COMPANY LTD.**



**HOEC<sup>®</sup>**

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

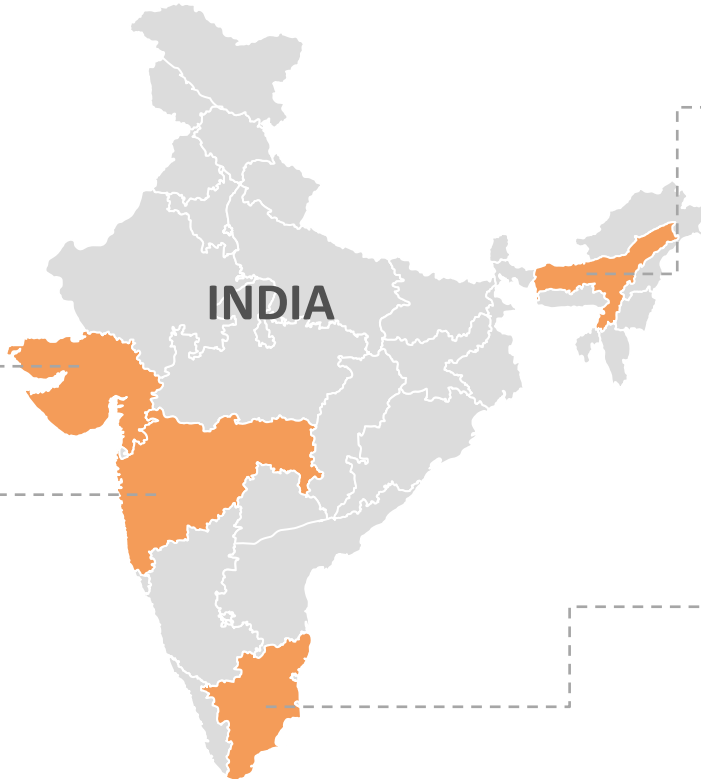


**Legend**

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

Asjol  
Cambay  
North Balol  
Palej






Mumbai High  
B-80



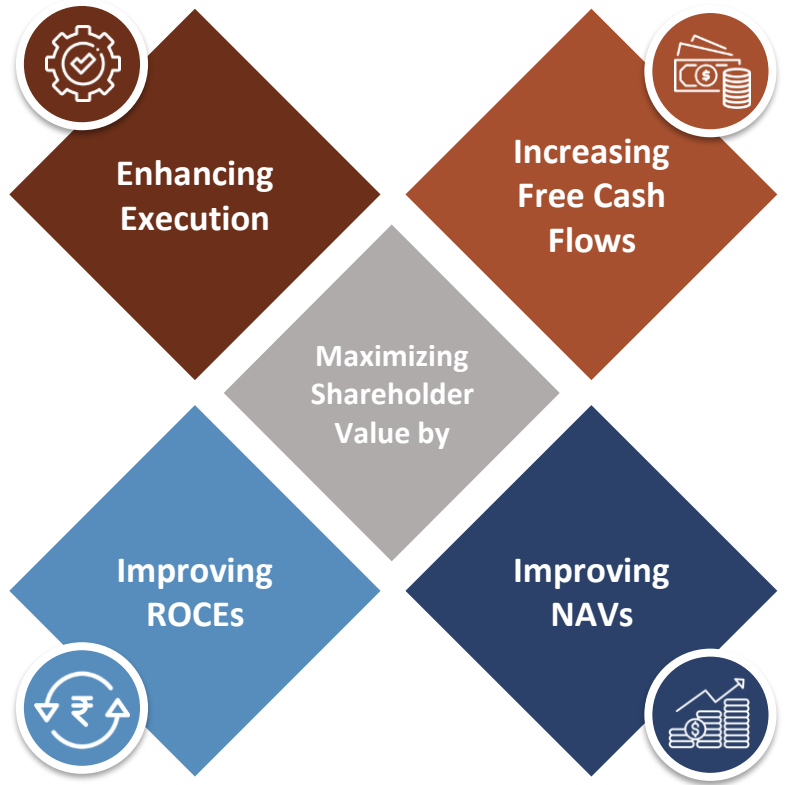
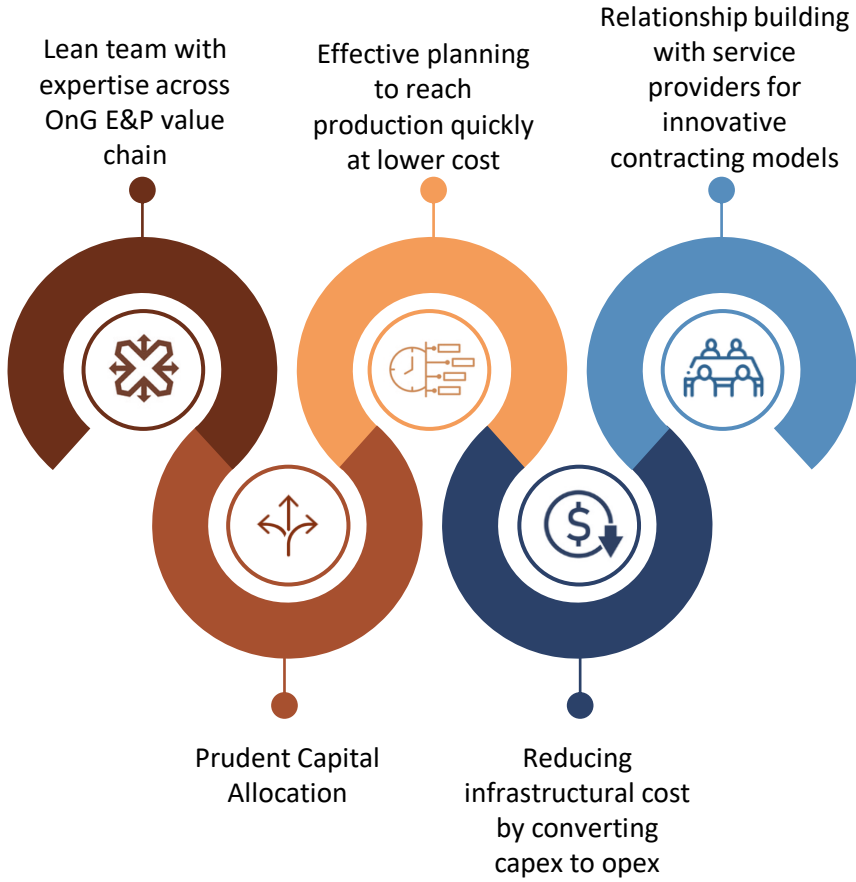
Umatara  
Assam Arakan  
Dirok  
Greater Dirok  
Kherem  
Kharsang

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

<b>Focus on Discovered Resources</b> 	<b>Light Asset Model</b> 	<b>Low cost operating model</b> 	<b>Growing responsibly</b> 	<b>Growth strategy</b> 
<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

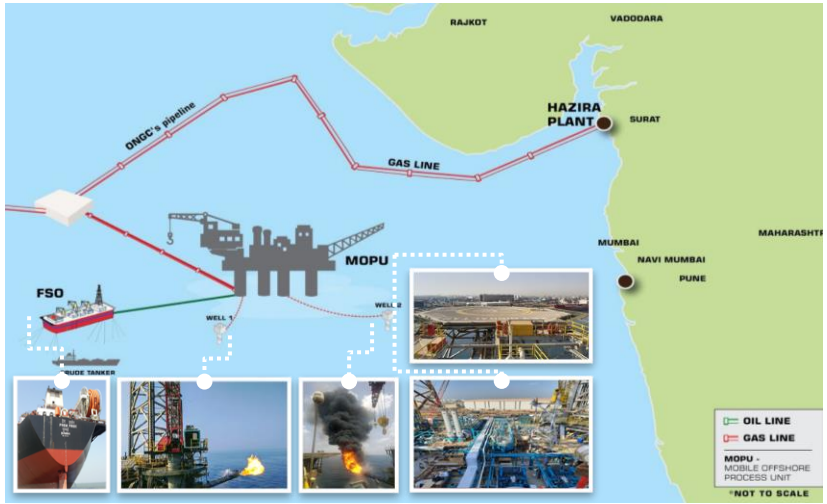
Installation of oil and gas pipelines and export facilities target to be completed in Q4 FY21 during the west coast weather window

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

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

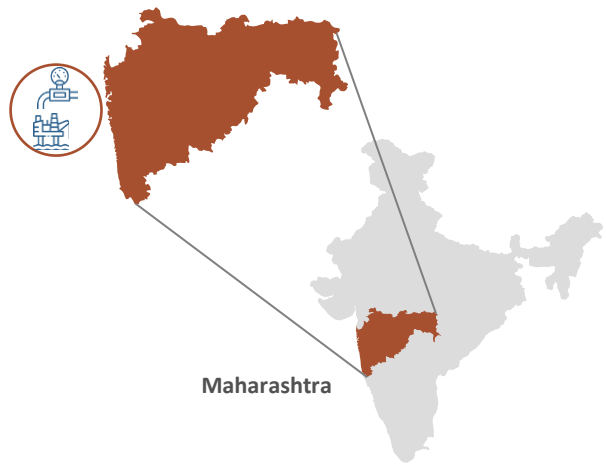


# B-80: Positioned for Final leg of Project Execution – 50% PI



**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

# B-80: Project Update

## 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
<b>INCOME</b>				
Revenue from operations	30.16	21.72	179.84	236.89
Other income	3.09	5.38	21.58	10.06
<b>Total revenue</b>	<b>33.25</b>	<b>27.10</b>	<b>201.42</b>	<b>246.95</b>
<b>EXPENSES</b>				
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
<b>Total expenses</b>	<b>22.92</b>	<b>14.34</b>	<b>86.80</b>	<b>99.37</b>
Profit before tax and exceptional items	10.33	12.76	114.62	147.58
Exceptional items - Income	-	-	26.21	2.31
Profit before tax	<b>10.33</b>	<b>12.76</b>	<b>140.83</b>	<b>149.89</b>
Net tax expenses	-	-	-	0.93
<b>Net profit for the period</b>	<b>10.33</b>	<b>12.76</b>	<b>140.83</b>	<b>148.96</b>
Other comprehensive income	0.04	0.04	0.16	(0.16)
<b>Total comprehensive income</b>	<b>10.37</b>	<b>12.80</b>	<b>140.99</b>	<b>148.80</b>
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
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>	<b>688.25</b>	<b>665.08</b>	<b>522.34</b>	<b>Non-Current Asset</b>	<b>585.69</b>	<b>584.44</b>	<b>463.61</b>
(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
<b>Non-Current Liabilities</b>	<b>106.36</b>	<b>103.73</b>	<b>120.80</b>	(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
<b>Current Liabilities</b>	<b>87.10</b>	<b>132.48</b>	<b>41.33</b>	<b>Current Assets</b>	<b>296.02</b>	<b>316.85</b>	<b>220.86</b>
(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
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>881.71</b>	<b>901.29</b>	<b>684.47</b>	<b>GRAND TOTAL - ASSETS</b>	<b>881.71</b>	<b>901.29</b>	<b>684.47</b>

# Consolidated Statement of Profit or Loss



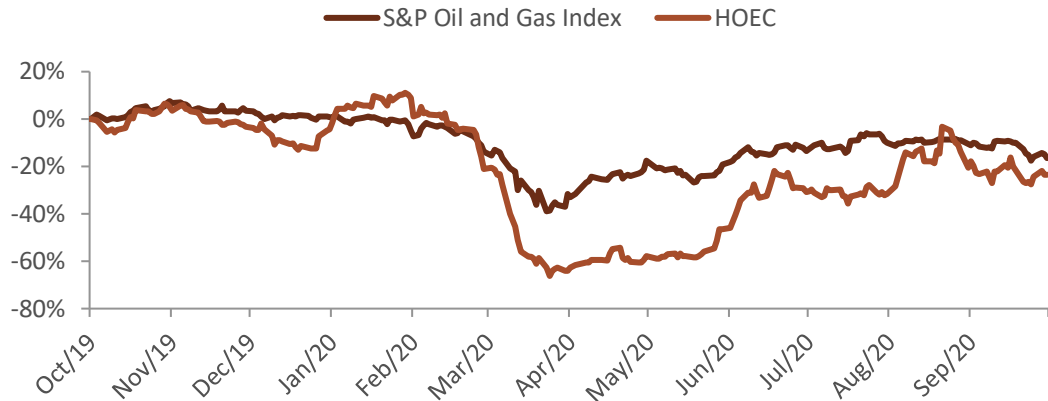
PARTICULARS (INR Cr)	Q2-FY21	Q1-FY21	FY20	FY19
<b>INCOME</b>				
Revenue from operations	33.18	24.04	202.05	265.14
Other income	2.67	5.10	21.76	11.19
<b>Total revenue</b>	<b>35.85</b>	<b>29.14</b>	<b>223.81</b>	<b>276.33</b>
<b>EXPENSES</b>				
Expenses from producing oil and gas blocks	7.45	7.19	35.34	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
<b>Total expenses</b>	<b>24.42</b>	<b>17.75</b>	<b>113.24</b>	<b>123.50</b>
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
<b>Profit before tax</b>	<b>11.80</b>	<b>11.42</b>	<b>137.30</b>	<b>156.87</b>
Net tax expenses	0.10	(0.70)	(0.26)	0.13
<b>Net profit for the period</b>	<b>11.70</b>	<b>12.12</b>	<b>137.56</b>	<b>156.74</b>
Other comprehensive income	0.04	0.04	0.16	(0.16)
<b>Total comprehensive income</b>	<b>11.74</b>	<b>12.16</b>	<b>137.72</b>	<b>156.58</b>
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
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>	<b>703.61</b>	<b>679.71</b>	<b>540.24</b>	<b>Non-Current Asset</b>	<b>781.80</b>	<b>769.13</b>	<b>489.00</b>
(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
<b>Non-Current Liabilities</b>	<b>152.93</b>	<b>142.07</b>	<b>128.11</b>	(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
<b>Current Liabilities</b>	<b>152.04</b>	<b>214.06</b>	<b>65.80</b>	<b>Current Assets</b>	<b>226.78</b>	<b>266.71</b>	<b>245.15</b>
(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
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>1,008.58</b>	<b>1,035.84</b>	<b>734.15</b>	<b>GRAND TOTAL - ASSETS</b>	<b>1,008.58</b>	<b>1,035.84</b>	<b>734.15</b>

# Capital Market Data

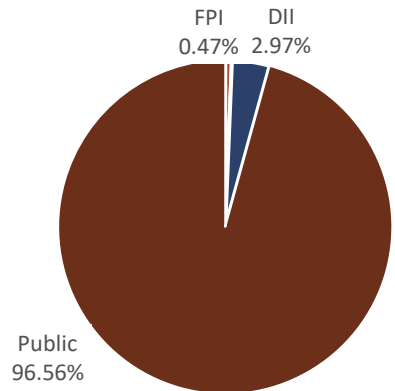


## Price Data (30<sup>th</sup> September, 2020)

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 (30<sup>th</sup> September, 2020)



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THANK YOU