



Hindustan Oil Exploration Company Limited

'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600 018. INDIA.

☎ : 91 (044) 66229000 • Fax: 91 (044) 66229011 / 66229012

E-mail: contact@hoec.com • Website: www.hoec.com CIN: L11100GJ1996PLC029880

September 08, 2020

By Online

The Listing Department The National Stock Exchange of India Ltd., "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Stock Code: HINDOILEXP	The Corporate Relationship Department BSE Limited, 1st Floor, P. Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Stock Code: 500186
--	---

Dear Sirs,

Sub: Investor Presentation

In connection with the Earnings Call scheduled on September 08, 2020, please find attached the Investor 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[®]

EARNINGS PRESENTATION | Q1-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



Capex plans through internal accruals and cost reduction



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

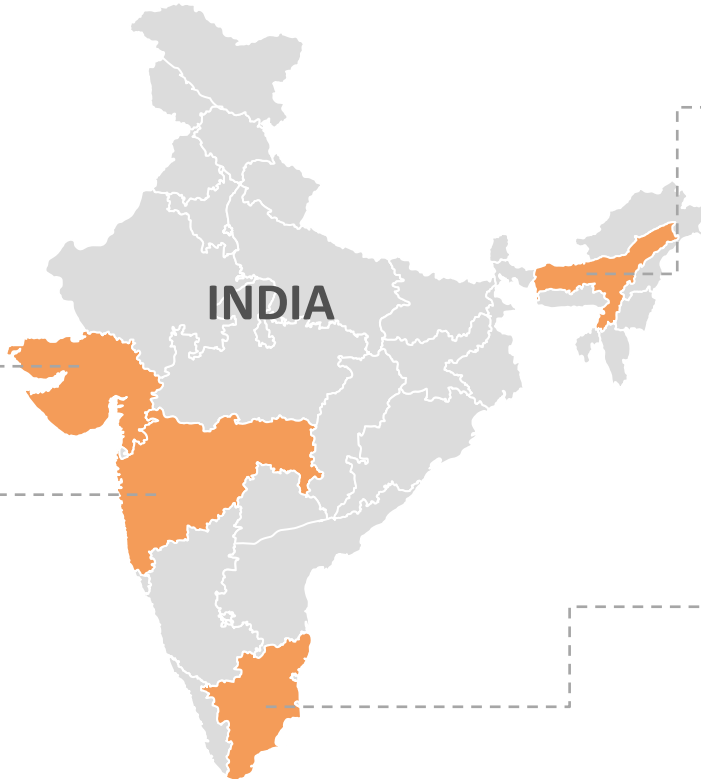


Legend

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

Asjol
Cambay
North Balol
Palej






Mumbai High
B-80



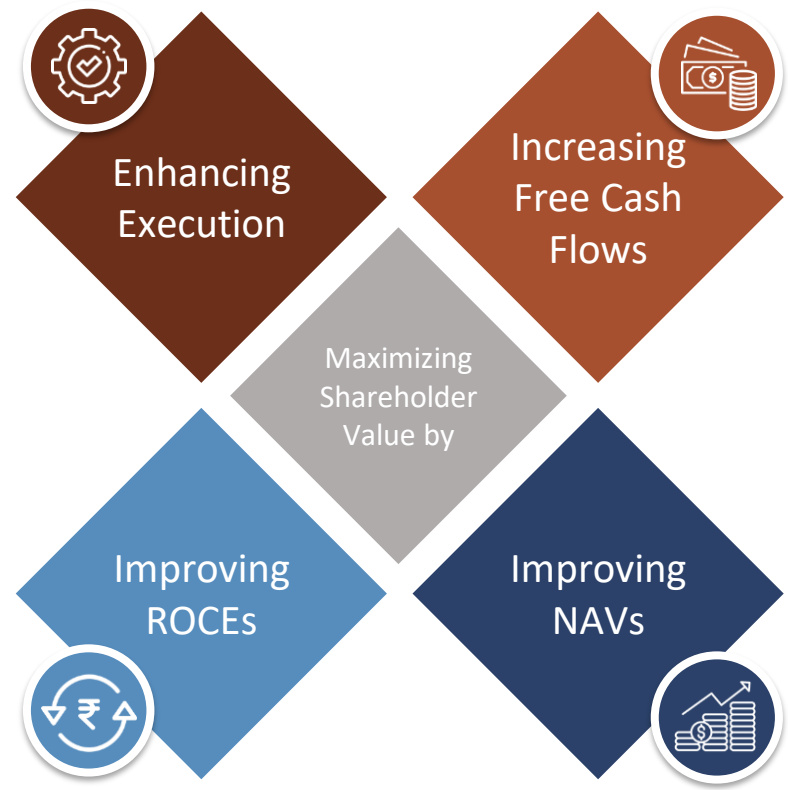
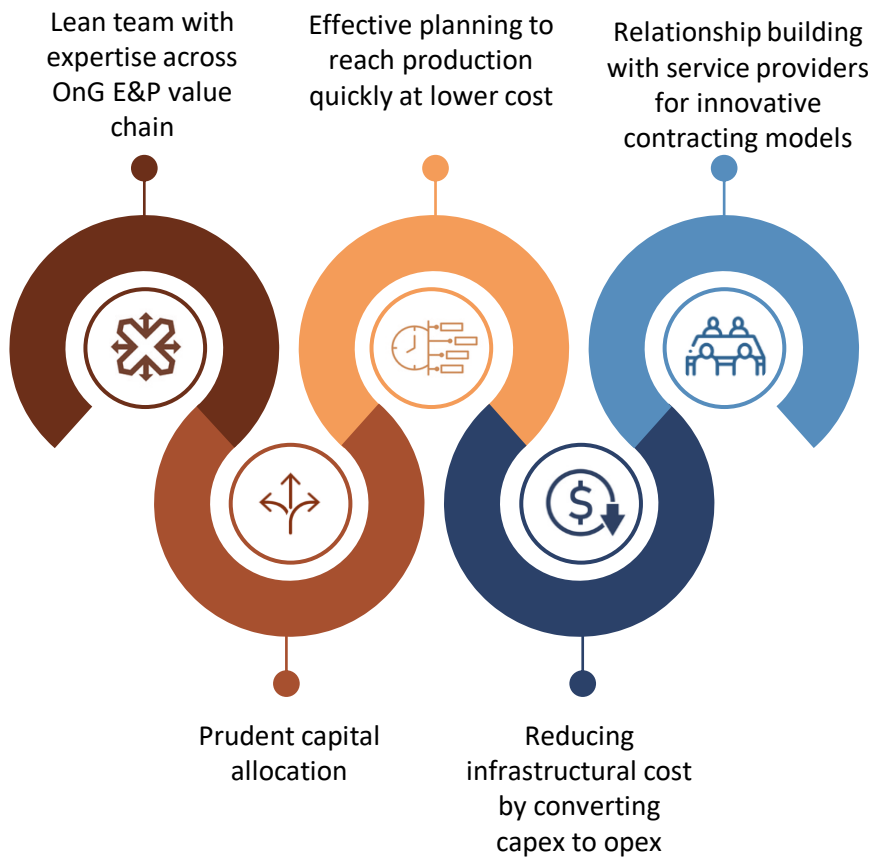
Assam Arakan
Umatara
Dirok
Greater Dirok
Kherem
Kharsang

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 Delivered 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</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



Q1-FY21 Financial Highlights



Gross Production (BOEPD)

Q1 FY21 : 7,142
FY20: 7,869

Net Production (BOEPD)

Q1 FY21 : 2,118
FY20: 3163

Gross Production - PY-1 (BOEPD)

Q1 FY21 : 276
FY20: 736

Gross Production - Dirok (BOEPD)

Q1 FY21 : 6,153
FY20: 6,351

Although Production during early part of Q1 FY21 was less than normal due to consumer downtime & COVID lockdowns, Dirok has returned to normalcy and is currently at full capacity (1 mmscmd). Production from PY-1 at reduced rate due to prolonged consumer shutdowns and consequent impact on well performance.

For B-80, X-mas trees are installed and wells are ready for hookup once MOPU is mobilised & installed at site. Gas pipeline to ONGC, oil export pipelines to FSO, calm buoy mooring system to be installed post monsoon.

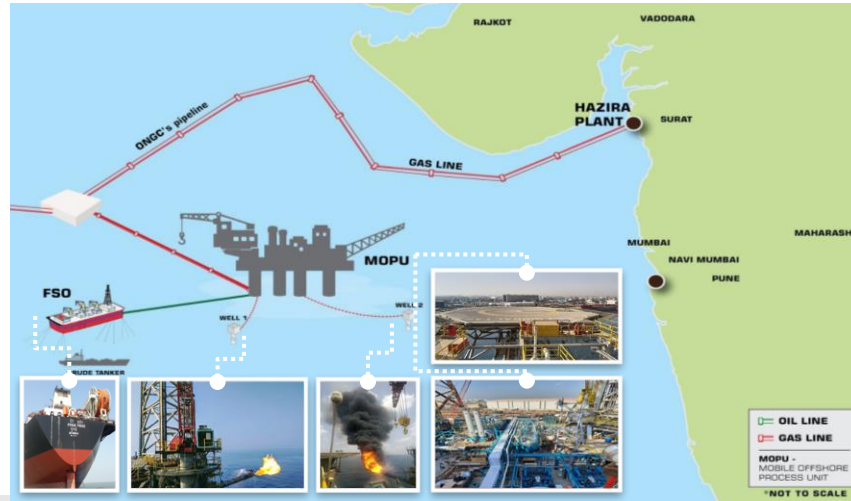
Plans for executing a coordinated cost-effective drilling campaign in Cambay block being formulated. Pending for execution of R2 PSC in Palej and approval of FDP in North Balol.

Operations restarted at PY-1 after 10 days of temporary suspension in July 2020 as a precautionary measure. Operations continuing in all blocks with first priority to personnel & facility safety.

B-80: Project Update

Plan for execution of project work during the monsoon window (Nov – Apr)

- Optimise operating costs through in-house MOPU and FSO for evacuation
- Project planning is underway to commence execution in fair weather window starting from Nov 2020
- Flexible pipes for well flowlines & Calm buoy mooring system are being sourced
- Gas to be delivered to Gujarat Gas Market by tapping into an existing gas pipeline system of ONGC



Project of firsts

- Conversion of Mobile Offshore Production Unit (MOPU) completed in record-time of 7 months 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

- PY-3 field is located in Cauvery Basin, offshore east coast of India
- HOEC operates PY-1 Gas field with an offshore platform and onshore processing facilities close to PY-3 field
- PSC signed with GOI on 30th Dec 1994
- Hardy Exploration & Production (India) Inc (HEPI) – 18%; HOEC – 21%; Tata Petrodyne Limited – 21%; ONGC (Licensee) – 40%
- ‘First Oil’ was achieved in 1997 and field continued producing upto 2011
- Field was shut-in on 31st Jul 2011 due to expiry of facility contract and class certification. Field was producing 3000+ bopd with no subsurface issues
- Arbitrations between JV partners and HEPI were initiated about costs incurred after shut-in which included vendor payments, G&A expenses & manpower costs
- PSC was extended till 2030
- One of the arbitration award was given in favor of the applicant by a three-member arbitration tribunal. The award was 2:1 against the company and other co-respondents
- Estimated amount of award involved (HOEC share) – US \$1.65 million (approx. INR 12.37 crores) and the award amount included other ancillary awards subject to reconciliations of cash call payments and other credits
- The company has filed an appeal to set aside the award with the high court of Malaysia

Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q1-FY21	Q4-FY20	FY20	FY19
INCOME				
Revenue from operations	21.72	28.45	179.84	236.89
Other income	5.38	6.99	21.58	10.06
Total revenue	27.10	35.44	201.42	246.95
EXPENSES				
Expenses from producing oil and gas blocks	5.59	6.26	26.00	28.23
Royalty, Cess and NCCD	2.79	3.27	20.64	19.69
Decrease / (Increase) in stock of crude oil and condensate	(0.52)	(0.67)	(0.12)	3.92
Employee benefits expense	0.11	0.90	5.18	3.96
Finance costs – unwinding of discount on decommissioning liability	1.39	1.30	5.18	1.40
Depreciation, depletion and amortization	4.13	3.93	23.92	35.06
Other expenses	0.85	1.62	6.00	7.11
Total expenses	14.34	16.61	86.80	99.37
Profit before tax and exceptional items	12.76	18.83	114.62	147.58
Exceptional items - Income	-	-	26.21	2.31
Profit before tax	12.76	18.83	140.83	149.89
Net tax expenses	-	-	-	0.93
Net profit for the period	12.76	18.83	140.83	148.96
Other comprehensive income	0.04	0.28	0.16	(0.16)
Total comprehensive income	12.80	19.11	140.99	148.80
Earnings per equity share of Rs 10 each - Basic	0.97	1.43	10.71	11.42
- Diluted	0.97	1.43	10.71	11.32

Standalone Statement of Assets & Liabilities



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

Consolidated Statement of Profit or Loss



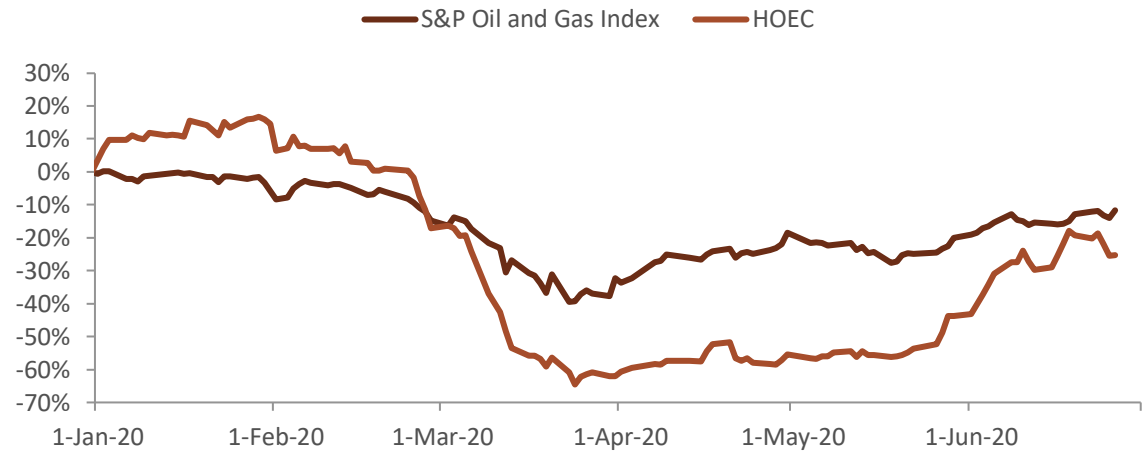
PARTICULARS (INR Cr)	Q1-FY21	Q4-FY20	FY20	FY19
INCOME				
Revenue from operations	24.04	33.50	202.05	265.14
Other income	5.10	6.97	21.76	11.19
Total revenue	29.14	40.47	223.81	276.33
EXPENSES				
Expenses from producing oil and gas blocks	7.19	9.11	35.34	37.21
Royalty, Cess and NCCD	3.11	3.56	21.82	20.84
Decrease / (Increase) in stock of crude oil and condensate	(0.59)	0.70	0.43	4.18
Employee benefits expense	0.13	0.93	5.56	5.32
Finance costs - unwinding of discount on decommissioning liability	1.44	1.32	5.36	1.57
- Others	-	1.02	1.04	0.10
Depreciation, depletion and amortization	5.34	5.24	29.38	43.80
Other expenses	1.13	8.23	14.31	10.48
Total expenses	17.75	30.11	113.24	123.50
Profit before share of profit of associate, exceptional items and tax	11.39	10.36	110.57	152.83
Share of profit from associate	0.03	(0.35)	0.52	1.42
Exceptional items - Income	-	-	26.21	2.62
Profit before tax	11.42	10.01	137.30	156.87
Net tax expenses	(0.70)	(1.57)	(0.26)	0.13
Net profit for the period	12.12	11.58	137.56	156.74
Other comprehensive income	0.04	0.28	0.16	(0.16)
Total comprehensive income	12.16	11.86	137.72	156.58
Earnings per equity share of Rs 10 each - Basic	0.92	0.88	10.46	12.01
- Diluted	0.92	0.88	10.46	11.91

Consolidated Statement of Assets & Liabilities



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

Capital Market Data



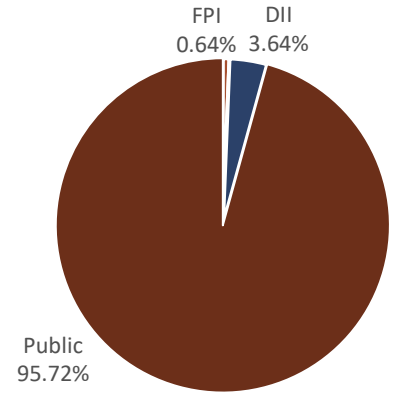
Price Data (30th June, 2020)

CMP (INR)	65.65
52 Week H/L (INR)	130.5/30.55
Avg. Net Turnover (INR Mn)	24.85
Market Cap (INR Mn)	8,681.77
Equity Shares Outstanding (Mn)	132.24

Marquee Investors % Holding

Housing Development Finance Corporation Ltd (HDFC)	10.65%
Kotak Small Cap Fund	2.69%

Shareholding Pattern (30th June, 2020)



No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management Hindustan Oil Exploration Company Limited ("Company" or "HOEC") which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.



For further information please contact our Investor Relations Representatives:

Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903-9500

Email: hoec@valoremadvisors.com

Investor Kit Link: <http://www.valoremadvisors.com/hoec/>



THANK YOU