

## HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Registered Office: 'HOEC HOUSE' Tandalja Road, Off Old Padra Road, Vadodera 390 020

UNAUDITED (STANDALONE) FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED ON JUNE 30, 2010

Sr. No.	Particulars	Rupees in Lacs		
		Unaudited for the Quarter		Audited For the Previous Year
		Ended on 30.06.2010	Ended on 30.06.2009	Ended on 31.03.2010
1	a) Net Sales / Income from Operations (See Note 2)	8,343.47	1,502.27	14,005.60
	b) Other Operating Income	-	-	-
	c) Increase in Stock of Crude Oil, Condensate and Natural Gas (See Note 3)	601.06	423.38	497.18
2	Total Income	8,944.53	1,925.65	14,502.68
3	Expenditure and Charges			
	a) Field Operating Expenses (See Note 2)	2,068.77	1,130.63	3,909.13
	b) Corporate Expenses			
	- Staff Expenses	293.80	240.28	987.56
	- Other Expenses	265.43	185.61	846.93
	- Recovery of Expenses (See Note 4)	(393.68)	(342.58)	(1,888.01)
	c) Depreciation, Depletion and Amortisation (See Note 2)	3,360.36	330.31	4,719.50
	Total	5,584.68	1,344.25	8,577.11
4	Profit from Operations before Other Income, Interest and Exceptional Items ( 2-3 )	3,359.85	581.40	5,925.57
5	Other Income (Net)	91.20	1,350.48	1,388.32
6	Profit from Operations before Interest and Exceptional Items ( 4+5 )	3,451.05	1,931.88	7,311.89
7	Interest and Financing Charges	326.68	118.48	804.27
8	Profit from Operations after Interest but before Exceptional Items ( 6-7 )	3,124.37	1,815.40	6,507.62
9	Exceptional Items	-	-	-
10	Profit from Ordinary Activities before Tax ( 8-9 )	3,124.37	1,815.40	6,507.62
11	Tax Expenses			
	a) Provision for Current Income Tax	620.00	200.00	1,080.00
	b) Provision for Deferred Tax	1,030.00	560.00	2,310.00
	c) Provision for Wealth Tax	2.00	1.50	2.00
	d) Provision for Fringe Benefit Tax	-	5.00	-
	e) MAT Credit Entitlement (Net)	(620.00)	(200.00)	(1,043.62)
12	Net Profit from Ordinary Activities after Tax (10-11)	2,092.37	1,248.90	4,159.24
13	Extraordinary Items (net of tax expenses)	-	-	-
14	Net Profit for the Period (12-13)	2,092.37	1,248.90	4,159.24
15	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93
16	Reserves excluding Revaluation Reserve			97,114.76
17	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items	Rs. 1.60	Rs. 0.96	Rs. 3.19
18	Public Shareholding			
	Number of Shares	68,924,155	68,924,155	68,924,155
	Percentage of Shareholding	52.82%	52.82%	52.82%
19	Promoters and Promoter Group Shareholding (See Note 8)			
	a) Pledged / Encumbered			
	Number of shares	-	-	-
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	-	-
	Percentage of shareholding (as a % of the total share capital of the company)	-	-	-
	b) Non - encumbered			
	Number of shares	61,569,134	61,569,134	61,569,134
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	47.18%	47.18%

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- 1 The Company is primarily engaged in a single business segment of "Hydrocarbons and other incidental services". All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. Hence, there are no separate reportable segments as per AS-17 "Segmental Reporting".
- 2 The Company has commenced the production of Natural Gas and Condensate from PY-1 Field during November 2009. The Natural Gas from PY-1 Field is supplied to GAIL (India) Limited. Pursuant to the Production Sharing Contract for PY-1 Field, Chennai Petroleum Corporation Limited (CPCL), is designated as the Government nominee for purchasing the Condensate.
- 3 Closing stock of Crude Oil (including Condensate) and Natural Gas is valued at the estimated Net Realizable Value and the increase / (decrease) in stock of Crude Oil and Natural Gas is grouped under Total Income in line with the annual audited accounts of the Company.
- 4 Recovery of expenses includes expenditure incurred by the Company for the Unincorporated Joint Ventures where the Company is the Operator. Recovery of expense also includes parent company overhead recovered pursuant to the respective Production Sharing Contracts. Such costs have been recovered from the respective Unincorporated Joint Ventures as per the terms of the respective Production Sharing Contracts.
- 5 The Joint Venture partners of CB-ON-7 have requested the Government for retention of certain block area in accordance with the Government guidelines for further exploration. The related exploration expenses amounting to Rs. 536.32 Lacs as at June 30, 2010 will be appropriately dealt with based on outcome of regulatory decision in line with the Company's Accounting Policy.
- 6 The Operator has declared Commercial Discovery in CB-OS/1 Block and is pursuing with the authorities for necessary approvals. The related exploration expenses amounting to Rs. 1,846.43 Lacs as at June 30, 2010 will be appropriately dealt with based on final regulatory decision in line with the Company's Accounting Policy.
- 7 With reference to the observation made in the Auditors' Report for Financial Year 2009-2010 and the Limited Review Report for the quarter ended June 30, 2010 regarding accounting of cost of certain services included in the Development Expenditure, we have to state that the Company had entered into a Petroleum Service Agreement (PSA) with ENI India Limited "ENI" (one of the Promoter Group Companies). As per the terms of the PSA, ENI provided petroleum operation related services on "cost basis". Pursuant to the PSA, the Company had issued certain job orders for specific services. As per the Board's directive, the Company had accrued development expenditure amounting to Rs. 160,438,827 as at March 31, 2010 with no change as at June 30, 2010 based on ENI's Invoices. However, the payment shall be made upon receiving (a) ENI's statutory auditor's certificate for "at cost" charge out rates; and (b) Certified timesheets from ENI supporting the man-day efforts charged. The Company is in the process of receiving the requisite documentation from ENI to satisfy the above mentioned requirement. The Company expects that there should not be any material impact on the results for the quarter ended June 30, 2010 and for the year ended March 31, 2010 on account of the above.
- 8 The details of Promoters Shareholding is based on their declarations dated July 8, 2010 giving the status that no share has been pledged by the Promoters as of June 30, 2010.
- 9 Details of Investors' Complaints for the quarter ended on June 30, 2010
 

Unresolved at the beginning of the quarter	Nil
Received during the quarter	15
Replied / Resolved during the quarter	15
Unresolved at the end of the quarter	Nil
- 10 Figures for the previous period / year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
- 11 The Board has recommended an interim dividend of Rs. 0.50 per Equity Share of Rs. 10/- each.
- 12 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 12, 2010. The same has also been subjected to a limited review by the Auditors.

BY ORDER OF THE BOARD  
For Hindustan Oil Exploration Company Limited

*M. Manish*  
Manish Maheshwari  
Joint Managing Director

Place : New Delhi  
Date : August 12, 2010