



Hindustan Oil Exploration Company Limited

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Email / Online

The Listing Department

The National Stock Exchange of India Ltd.,

“EXCHANGE PLAZA”, Bandra Kurla Complex

Bandra (East), MUMBAI – 400 051

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The Corporate Relationship Department

BSE Limited

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SUBJECT: STATUS UPDATE ON PY-1

Dear Sir,

This is further to the disclosures made on a quarterly basis as part of the Financial Results with the most recent one being July 26, 2014, wherein it has been stated that the Company, as Operator, has commissioned an independent third party for conducting PY-1 Reservoir Study including *inter alia* review of geological, petrophysical, seismic, well test and production data and to reconstruct Static and Dynamic Model and the Report was awaited. The Company has now received the Reservoir Report wherein the Reserves distribution in PY-1 Field are summarised as below:

All Figures are in BCF

Category	Proved (1P)	Proved +Probable (2P)	Proved + Probable + Possible (3P)
Reserves	45.5	62.1	121.1
Production as of March 31, 2014	28.4	28.4	28.4
Balance Reserves	17.1	33.7	92.7

As against previous Competent Person Report 2013 which certified Proved Developed and Undeveloped Reserves of 120 bcf, the total Reserves under Proved, Probable and Possible Category are 121 bcf as per the latest Report. Vis-à-vis previous assessments, the Reserves in the latest Report are thus notably downgraded from Proved Category to Probable & Possible Category. The Reservoir Report is subject to approval by the E&P regulatory authority and the Management Committee pursuant to the Production Sharing Contract, however it is apparent that the Reserves distribution would have material impact on the carrying value of PY-1 Asset, which as of June 30, 2014 was approximately INR 115,350 lacs. Accordingly, consistent with the Accounting Standards, Listing Agreement, Acts and Regulations, as may be applicable, the Company shall assess and adjust the carrying value of the asset at the forthcoming quarterly financial reporting date.

Kindly take this on record and circulate the same amongst your members.

Yours faithfully,

For Hindustan Oil Exploration Company Limited


Mihesh Bhatt

Assistant Company Secretary