



Hindustan Oil Exploration Company Limited

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18.01.2017

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 Invite scheduled on Thursday, January 19, 2017, 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



INVESTOR PRESENTATION, 18 JANUARY 2017

INDIA'S FIRST
PRIVATE OIL AND GAS COMPANY



Transforming Through Talent And Technology

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Company Overview

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Key Strengths

Q3 FY 2016-17 Highlights



Strong financials

- ❑ Debt Free Balance Sheet & Self Funding for Assam Project.
- ❑ Gross working capital ₹ 254 Crore includes ₹ 204 Crore cash and cash equivalent

Dirok development on course

- ❑ Dirok-1, Dirok-2 & Dirok-4 completed and tested for flow of gas.
- ❑ Well Dirok-3 spudded on 3 December 2016, drilling is in progress.
- ❑ Surface facilities completed and laying of Forest Pipeline to commence.

Offshore revival plan

- ❑ Optimized cost proposal submitted to stakeholders to revive production from PY-3
- ❑ Review of G & G model by the Technical Advisory Group is in progress for PY-1

Focus on growth

- ❑ Company has participated in DSF 2016 bid round, results are awaited.

Strong portfolio of Onshore and Offshore Fields
in India with a judicious mix of development and production assets

Founded as the very **First Oil and Gas Company** in private sector by the late **Shri. H. T. Parekh**

Diverse Investors with Professional Board

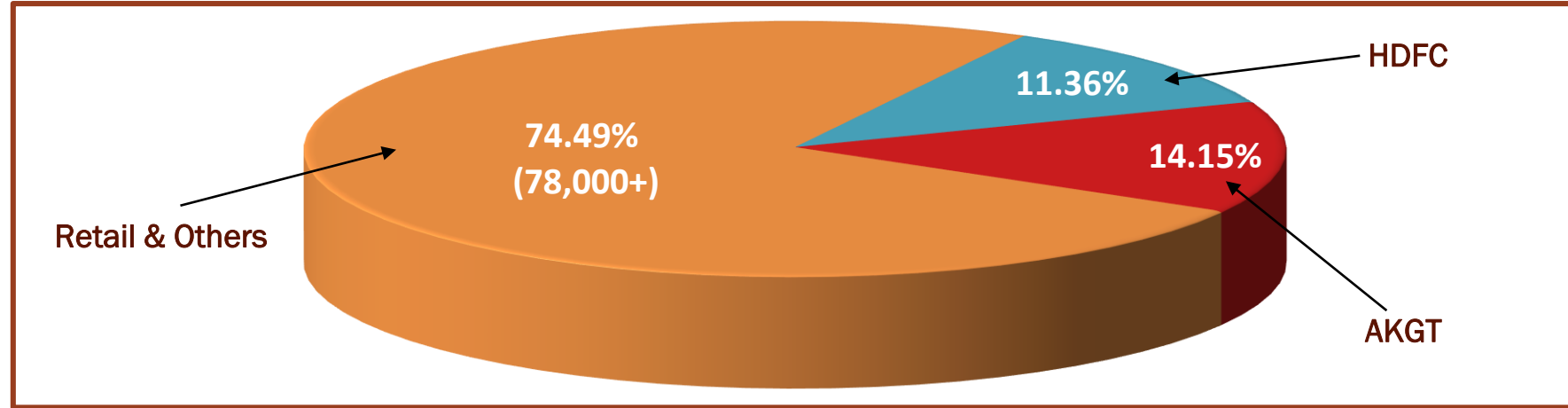
Currently 7 blocks – 4 Producing (Gujarat & Tamil Nadu), 1 in Development (Assam), and Development deferred on 2

Presence in 3 of the 6 Producing Basins in India (**Cauvery, Cambay & Assam-Arakan,**)

HOEC Shareholding Pattern & Board Members



Shareholding Pattern (more than 10 %)



Board of Directors



Sunil Behari Mathur
Chairman



P.K. Borthakur
Director



Sharmila Amin
Director



P. Elango
Managing Director



R. Jeevanandam
Director & CFO

Short term growth strategy



Focus on Assam

Develop Dirok and Deliver
First Gas Q4 16-17

Evaluate Additional
Potential in the Block

Enhance Cambay

Improve Recovery

Evaluate R2 Area under
new PSC

Revive Offshore Assets (PY1 and PY3)

Access Undeveloped
Resources

Explore Synergies
between the Two Fields

Build Portfolio

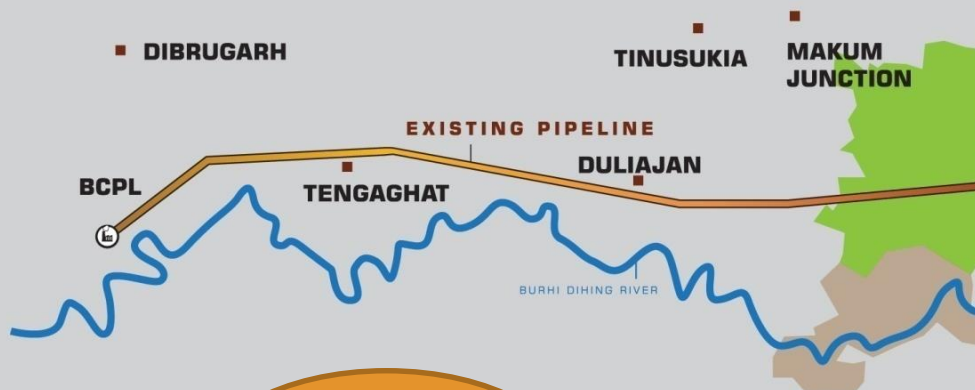
Participated in
(DSF) 2016 Bidding Round

Leverage Expertise in Marginal
Fields

Continuous scouting for
inorganic opportunities



Project Summary: AAP-ON-94/1



First Gas
Q4 FY 16-17

H2 FY 2017

- Well Driok-3 spudded on 3 December 2016
- Complete pipeline
- Finalise Gas & Condensate Sales Contracts
- Modular Gas Processing Plant
- Deliver First Gas and Condensate ; Q4 FY 16-17





Assam : Attractive project specifics...



**Cost
carry of
\$100 Million**

- HOEC entitled to higher share of revenue in initial years
- Viable even low gas prices due to low Operating cost

**Attractive
Payout**

- Well Dirok-3 spudded on 3 Dec 2016, drilling is in progress
- No Cess and Royalty payable by Companies
- Profit Petroleum share with the Government for the initial years is minimal due to carried Cost

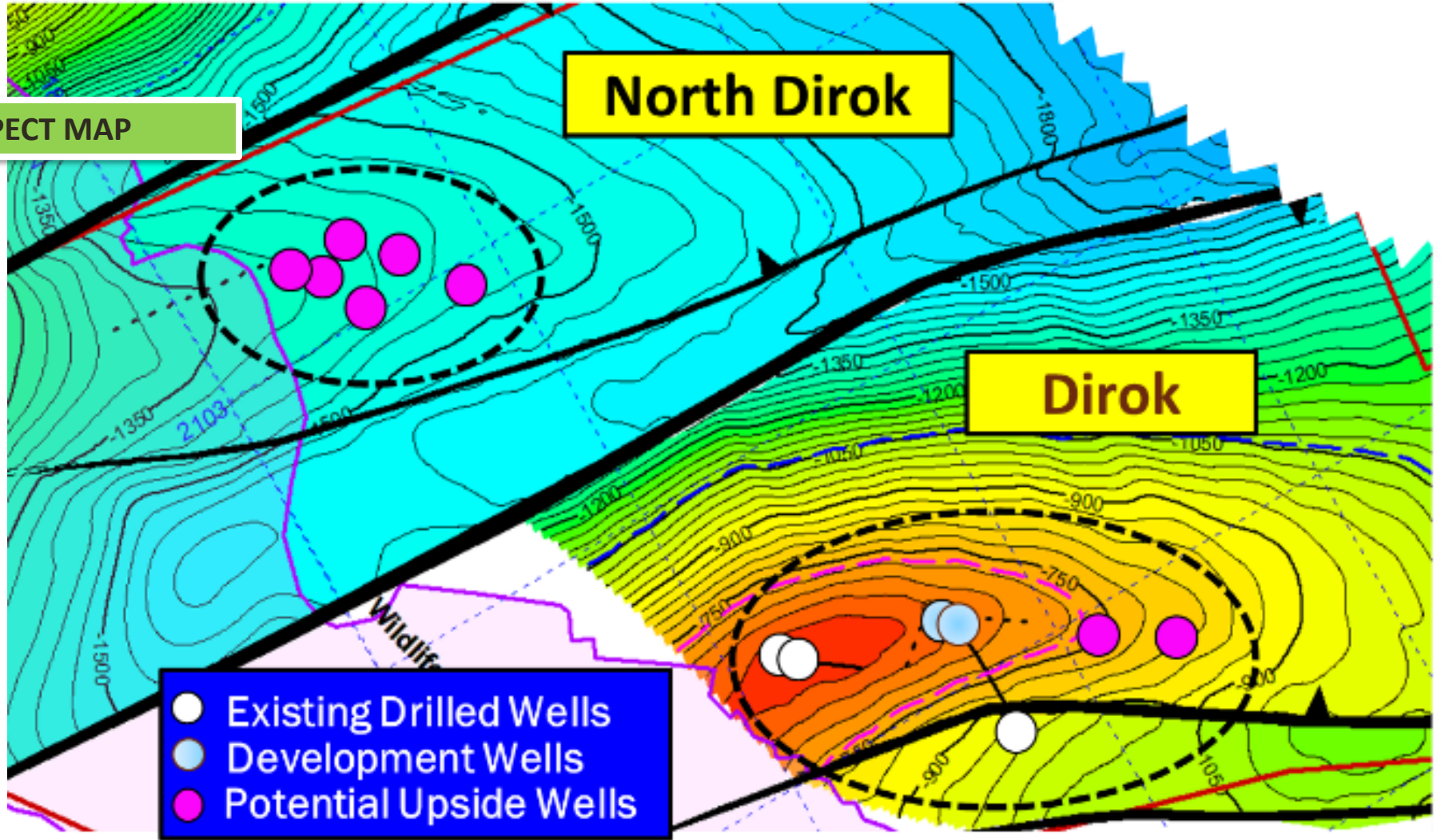
**Early
Monetization**

- Easy access to market and sustained gas demand due to commissioning of BCPL plant
- Gas Sales Agreement with Oil India Ltd. Finalized & under execution
- Early monetization through OIL India facility



Growth Opportunity: Tipam & North Dirok

PROSPECT MAP



The Prolific Deeper Tipam & Barail Formation and North Dirok Structures falling in the development area



PY-1 – Undeveloped Resources to be Accessed



Significant resource base

- Significant potential resources exists for development
- Techno-commercial risks are being evaluated

Synergies with PY-3 field

- Study on synergy with adjoining PY-3 block to optimize the operating cost to the benefit for all stakeholders is completed
- Proposal submitted by HOEC to all stakeholders

Planned Activities

- Technical Advisory Committee of experts constituted to review the G & G models

Upsides

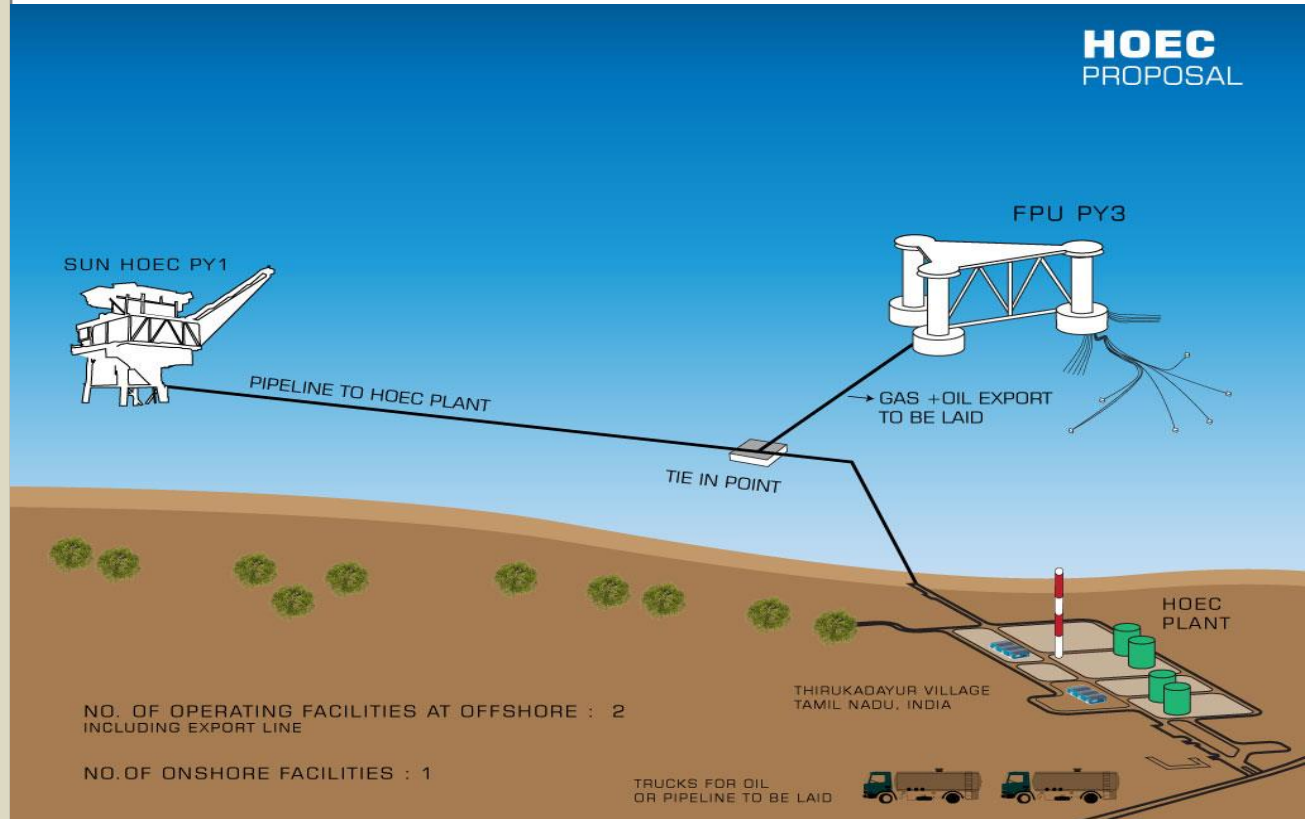
- Substantial cost carry to support incremental investments
- Additional development of marginal resources with current infrastructure at minimum costs
- Option for partial farm-out to share risks, being 100% PI
- New wells to target undrilled prospects at the right time



PY3 & PY1 Integration



- ❑ PY-3 field shutdown since July 2011, when producing 3000+ bopd without any sub-surface issues.
- ❑ Full field potential of PY-3 needs a relook to enhance the EUR without gas flaring
- ❑ HOEC has 21% stake in PY-3 & operates PY-1 Gas field with an offshore platform and onshore process plant close to PY-3 field
- ❑ Integration of PY-1 and PY-3 facilities through a 6 Km offshore pipeline is feasible and most cost effective
- ❑ The integration will facilitate recovery of remaining proven oil reserves of about 14.6 mmstb to the benefit of all stakeholders by optimizing the Capex and Opex
- ❑ HOEC has submitted a proposal to stakeholders for review





Cambay Marginal Fields



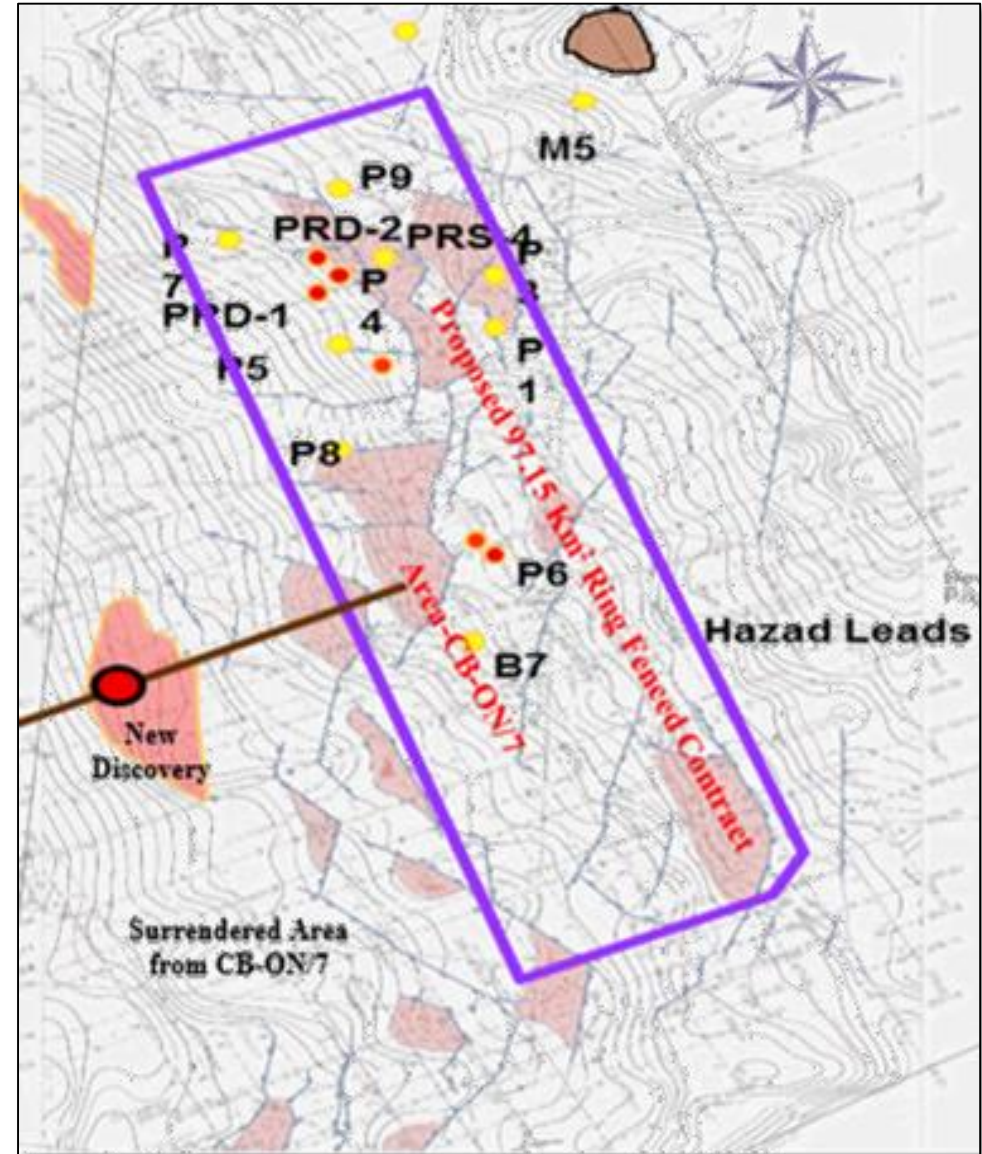
North Balol (HOEC PI : 25%) Cost Recovery 80%	<ul style="list-style-type: none">• Wells : 9 wells (2 Producing)• Reservoir : Balol, Babaguru & Kand Sands• Avg Prod. Q3 FY 16-17 (100%): 0.38 mmscfd• Q3 FY 16-17 Net Revenue : ₹ 2.6 mn• Q3 FY 16-17 Opex : ₹ 3.4 mn• Reserves : 2P (100%) : 6.92 BCF
Asjol (HOEC PI : 50%) Cost Recovery 100%	<ul style="list-style-type: none">• Wells : 6 wells (2 Producing)• Reservoir : Upper Suraj Pay Sandstone• Avg. Prod. Q3 FY 16-17(100%) : 16 bopd• Q3 FY 16-17 Net Revenue : ₹ 2.4 mn• Q3 FY 16-17 Opex : ₹ 1.5 mn• Reserves : 2P (100%) : 0.61 mmbbls
CB-ON-7 (HOEC PI : 35%) Cost Recovery 60%	<ul style="list-style-type: none">• Wells : 6 wells (3 Producing)• Reservoir : Hazad Sands of Ankleshwar• Avg. Prod. Q3 FY 16-17 (100%): 102 bopd• Q3 FY 16-17 Net Revenue : ₹ 7.5 mn• Q3 FY 16-17 Opex : ₹ 2 Mn• Reserves : 2P (100%) : 0.40 mmbbls

Competitive edge in the Discovered Small Fields (DSF)



CB-ON-7 R2 Area

- ❑ Government is likely to grant 97.15 Sq. km of ring-fenced R2 area to JV of HOEC and GSPC through New PSC
- ❑ Recent discovery by private operator in June 2015 on the surrendered area of this Block enhances prospect of the area
- ❑ Proposed PSC envisages minimum commitment of 3D seismic acquisition and drilling of 2 wells.
- ❑ PSC likely to be executed by Q4 FY 16-17



Key Strengths



Proven development and operating experience in both onshore and offshore assets with multiple JV partners

Professional management & competent technical team with rich oil and gas experience

Debt free balance sheet, track record of safe and low cost operations with fast track development

Offshore and onshore infrastructure and resource base with substantial upside

Competence in marginal field



ANNEXURE



Statement of Profit & Loss



Particulars	Q3 FY 16-17 ₹ millions	Q2 FY 16-17 ₹ millions	Q3 FY 15-16 ₹ millions
INCOME			
Revenue from operations	55	56	61
Other income	42	61	21
Total revenue	97	117	82
EXPENSES			
Operating expenses	29	25	20
Decrease in stock of crude oil	1	-8	-6
Employee benefits expense	3	3	5
Depreciation, depletion and amortization	18	33	28
Provision of Inventories	—	10	—
Exploration costs	—	—	—
Other expenses	4	35	3
Total expenses	55	98	50
Profit/(loss) before tax and exceptional Items	42	19	32
Exceptional Items – Income	—	116	—
Profit before tax	42	135	32
Net tax expenses –Prior year tax adjustment	—	4	—
Net profit for the year	42	131	32
Other comprehensive income	—	—	—
Total comprehensive income	42	131	32
Earnings per equity share of ₹ 10 each -Basic & diluted	₹ 0.32	₹ 1.00	₹ 0.25

Statement of Assets and Liabilities unaudited



ASSETS	As at	As at	EQUITY AND LIABILITIES	As at	As at
	Dec 31, 2016	Mar 31, 2016		Dec 31, 2016	Mar 31, 2016
	₹ Millions	₹ Millions		₹ Millions	₹ Millions
Non-current assets			Equity		
(a) Property, Plant and Equipment	569	677	(a) Equity share capital	1,305	1,305
(b) Development work in progress	1,686	1,301	(b) Other equity	1,957	1,692
(c) Intangible assets	22	-		3,262	2,997
(d) Financial Assets			Non-current liabilities		
(i) Investments in subsidiary	5	5	(a) Financial liabilities		
(ii) Other financial assets	8	13	(i) Trade and other payables	101	101
(e) Other non-current assets	507	481	(ii) Other financial liabilities	120	162
	2,797	2,477	(b) Employee benefit obligation	2	2
			(c) Provision for site restoration	914	914
Current assets				1,137	1,179
(a) Inventories	247	224	Current liabilities		
(b) Financial assets			(a) Financial liabilities		
(i) Investments	1,615	662	(i) Trade and other payables	19	20
(ii) Trade receivables	27	22	(b) Employee benefit obligation	1	1
(iii) Cash and bank balances	371	480	(b) Other current liabilities	919	585
(iv) Bank balances other than (iii) above	52	47		939	606
(v) Other financial assets	12	8			
(c) Income tax assets	215	857			
(d) Other current assets	2	5			
	2,541	2,305			
TOTAL	5,338	4,782	TOTAL	5,338	4,782



Development Cost Optimized Through Innovation



Logbaba EPF- Camerroun Built by Expro



- Early Monetisation through a 4" parallel pipeline to connect to OIL India Gas Process facility at Kusijian

- Adoption of Modular Gas Processing (M-GPP) on Opex Model results in
 - ✓ Reduction in capitals costs.
 - ✓ Reduction in Project lead time

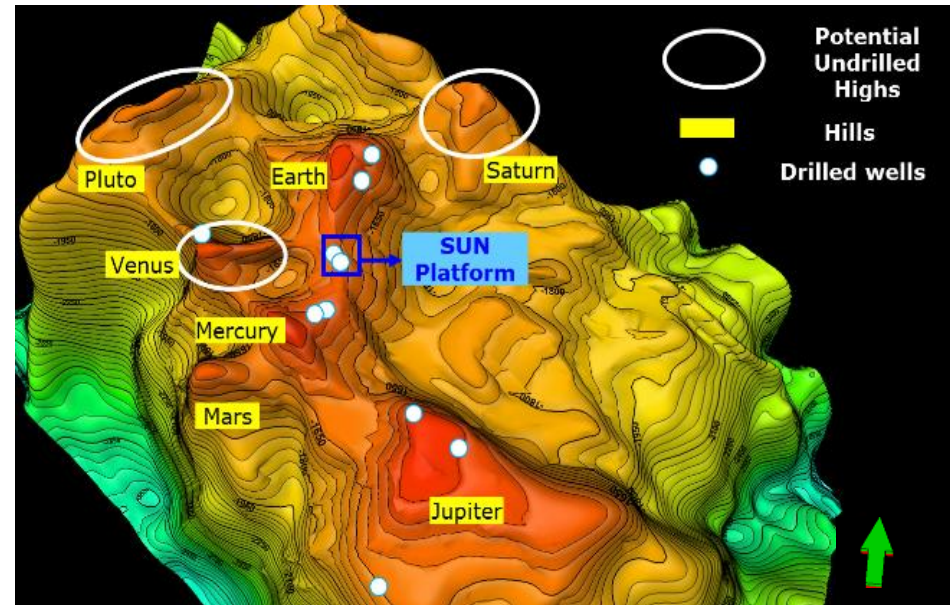
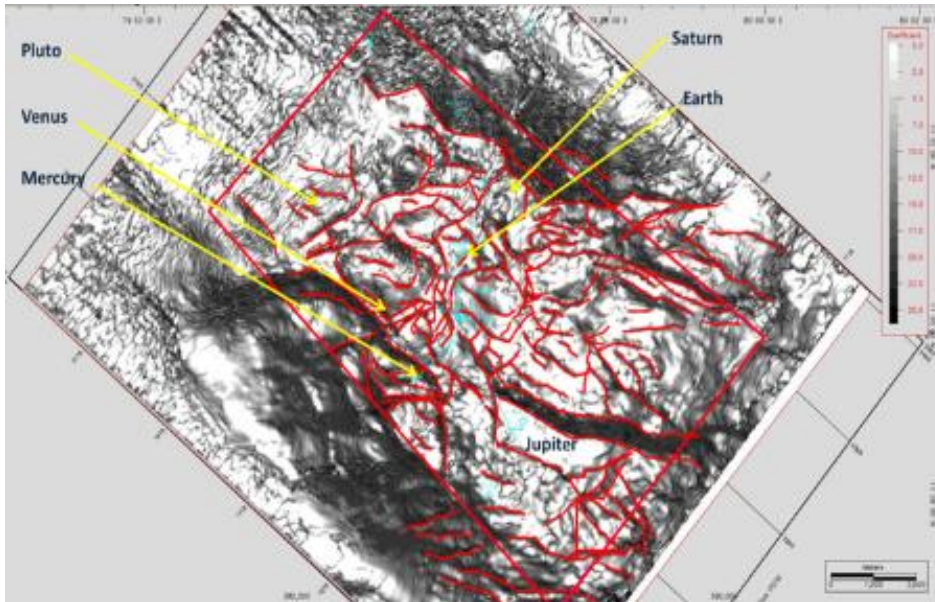
- M-GPP contract on build, maintenance and operate (BMO) model awarded to Expro, UK
- Off-Site Work on M-GPP Commenced



Technical Advisory Committee of Experts Constituted - Focus Areas

- Reprocess 3D with “Controlled Beam. Migration”
- Identify type of fractures, flow of HC & water, to ascertain their production potential.
- Re-evaluate reserves
- Relook into the resources of undrilled prospects
- Map the Cretaceous shallower reservoirs
- Potential Drilling and intervention of existing wells post G & G review

Fracture Intensity Map at Basement Top





P ELANGO

Managing Director

- Over 28 years of experience in Upstream Oil & Gas Sector
- Held several leadership roles in different areas of the business and is a recognized leader in the Indian industry
- Earlier CEO of Cairn India, played a key role in building Cairn into a leading Oil & Gas company operating over 30% of the crude oil production in India
- Started career with ONGC
- One of the five finalist for Platts' first-ever Asia CEO of the Year award 2013
- Holds Masters degree in Business Administration



Ramasamy Jeevanandam

CFO & Director

- Over 30 years of experience in Upstream Oil & Gas Sector
- Earlier Vice President at Aban Offshore and CFO at Hardy Exploration & Production (India) Inc
- Started career with ONGC
- Certified Public Accountant, USA, Chartered Global Management Accountant, USA, Qualified Cost Accountant, Chartered Financial Analyst, and Company Secretary with a Bachelor's Degree in Law

Strong Technical Capabilities



B. C. Gariya
Exploration Manager &
Head Technical HOEC



Sagar N. Mehta
Head-Cambay Business Unit



P R Krishna
Asset Manager (Assam) &
Head – Contracts & Procurement



Debabrata Panda
Head – Drilling & Completions



Indreshwar Bharali
Advisor (Infrastructure)



P. B. Raju
Senior Advisor (Part Time)
Petrophysist



S. S. Josyula
Chief Technical Advisor
(Part Time)



D. S. Mohan
Senior Advisor (Part time)
Geology

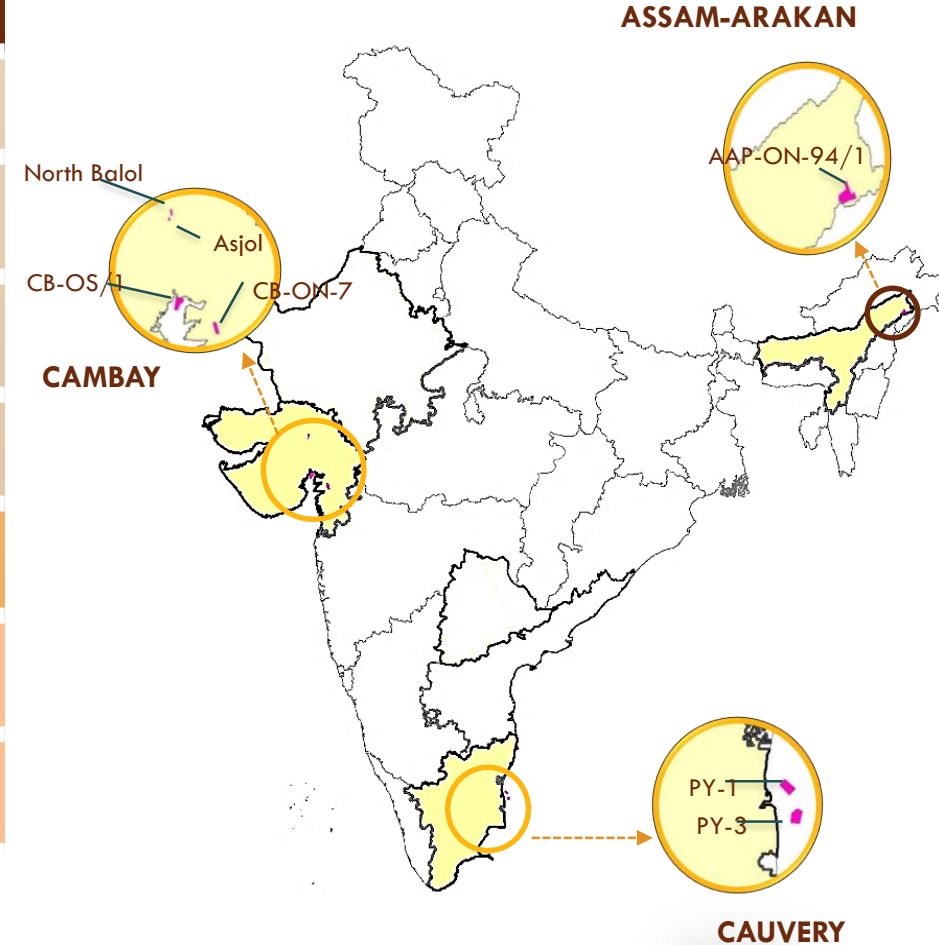


Rajan Kumar
Senior Advisor (Part Time)
Petroleum Development

Asset Portfolio (Production / Development)



Block Name	Operator	Location	Oil/Gas	PI	Partner(s)
PY-1	HOEC	Offshore	Gas	100%	Nil
CB-ON-7	HOEC	Onshore	Oil	35%	GSPC, ONGC
North Balol	HOEC	Onshore	Gas	25%	GSPC, GNRL Oil & Gas Ltd.
Asjol	HOEC	Onshore	Oil	50%	GSPC
AAP-ON-94/1	HOEC	Onshore	Gas	27%	Oil India Limited, IndianOil
CB-OS/1	ONGC	Offshore	Oil	38%	ONGC, TATA PETRODYNE LIMITED
PY-3	HEPI	Offshore	Oil	21%	TATA PETRODYNE LIMITED, Hardy Oil and Gas plc, ONGC



Producing

Development Deferred

Development

PI = Participating Interest

GNRL Oil & Gas Ltd.

Formely Known as Heramec Ltd

For further information, please contact:

Company :	Investor Relations Advisors :
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2P	-	Proved + Probable reserves
BCF	-	Billion Cubic Feet of Gas
GGG	-	Gas Gathering Station
GPP	-	Gas Processing Plant
MMbbls	-	Million Barrels of Oil
PI	-	Participating Interest
PSC	-	Production Sharing Contract
EC	-	Environmental Clearance