



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

January 22, 2018

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 Tuesday, January 23, 2018, 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, 23 January 2018

INDIA'S FIRST PRIVATE OIL AND GAS COMPANY



Transforming Through Talent And Technology

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

This presentation and the accompanying slides (the “Presentation”), which have been prepared by HOEC (the “Company”), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but 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.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

1

Q3 FY 17-18 Highlights

2

Company Overview

3

Growth Strategy

4

Key Strengths

Q3 FY 2018 Highlights & Plans



Strong financials

- ❑ Debt free balance Sheet & self funding for organic growth.
- ❑ Gross working capital ₹ 190 Crores includes ₹ 136 Crores cash and cash equivalent.

Dirok Gas production ramp up on track

- ❑ Dirok gas sales ramped upto 10 mmscmd (restricted by 4" pipeline capacity)
- ❑ Modular Gas Processing Plant and all facilities to be commissioned before 31 March 2018
- ❑ Production expected to be 36mmscfd of gas and 1000 barrels of condensate from 6 wells by 1 April 2018
- ❑ Gas price by 1 Apr 2018 expected to be above \$ 3/mmbtu

Targeting new production from offshore

- ❑ PY-1 re-entry campaign on track to spud in April 2018 – Rig secured and all contracts are awarded
- ❑ Gas production from PY-1 expected to be 10 mmscfd from current level of 2.5 mmscfd by Q2 FY 18-19
- ❑ B80 (Mumbai offshore) Development plan approved by MC on 27 Dec 2017; First Oil target is Q1 FY 20-21

Growth opportunities

- ❑ Open Acreage Licensing (OAL) & Discovered Small Field (DSF) bid round 2 announced by the Government
- ❑ HOEC participated for one block in Assam under OALP and evaluating other blocks
- ❑ Several inorganic opportunities may also spur growth

Strong portfolio of Discovered Resources

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

Diverse Investors with **Professional Board**
Debt free balance sheet with funds for **Organic Growth**

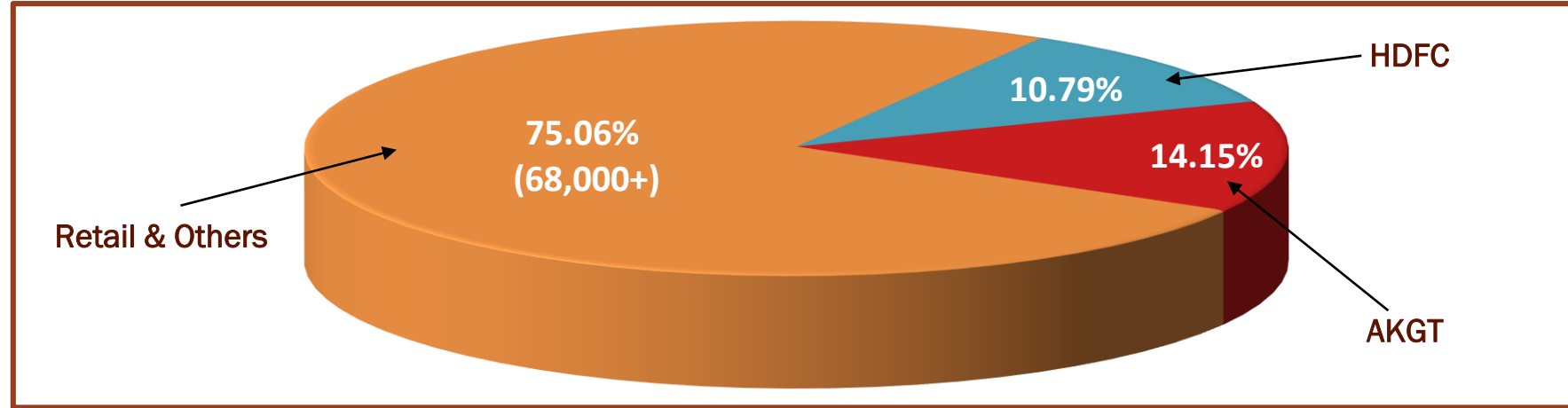
Portfolio of 9 Blocks with **discovered resources**
5 Onshore (2 North East, 3 Gujarat) **4 offshore**
(2 West Coast & 2 East Coast),

Presence in **4 of 7 Producing Basins** in India
(**Mumbai offshore, 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

Strong Business Foundation

Experienced Management Team

Discovered Resource Portfolio for Growth
with Low Risk

Developed Infrastructure in Assam,
Cambay and PY-1

Debt – free balance sheet

Strengthened Financial Position for organic
growth

Driving Growth

Delivered first Gas from Dirok (Assam) field
in a record 27 months

Projects are with investment cycle to cash
12-18 months

HELP and DSF -2 present opportunities to
grow the portfolio

Ability to raise funds for inorganic growth

Focus on North East

- Ramp-up production to 36 mmscfd of gas & 1000 bopd condensate by 1 April 18
- Re-assessment of Dirok recoverable reserves on-going
- Target for upside potential in Dirok
- Early production from Kherem on securing PML

Revive Offshore

- PY-1 Re-entry campaign to start in April 2018
- Fast track development of B-80 to deliver First Oil from Q1 2020-21
- PY-3 extension application for PSC extension being submitted by the operator

Enhance Cambay

- PSC to be signed for R2 area consisting of 90 sq.KM
- Acquire additional acreage through OALP and HELP bidding rounds



Assam (AAP-ON-94/1): Step-up Production





Assam : Growing Volume and Margins

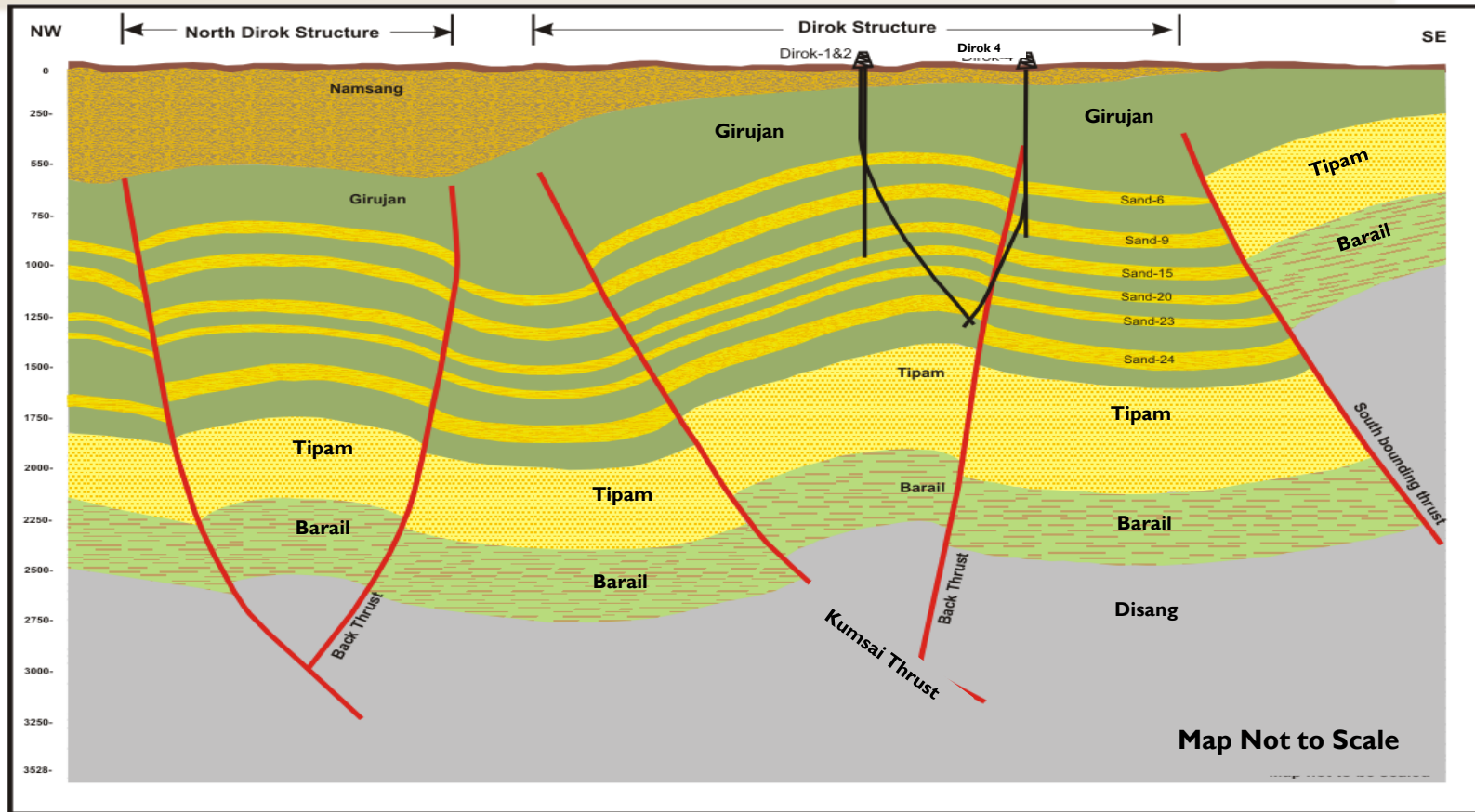


**Attractive
Payout**

- Past Cost (Exploration & Appraisal) carry of \$100 Million, HOEC entitled to higher revenue share in initial years
- Cess and Royalty is paid by the licensee Oil India Limited
- No profit petroleum during initial years
- OIL & IOC to buy all the produced gas and condensate through the constructed pipeline
- Condensate to get International Naphtha Price and Gas price to be revised every 6 months
- Field operating cost is below \$ 0.50 /mmbtu



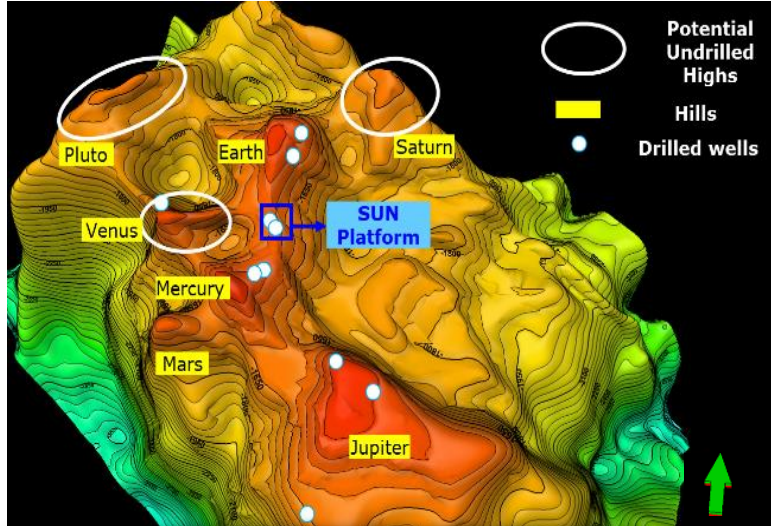
Growth Opportunity: Prolific Dirok



- Dirok field is endowed with Girujan, Tipam and Barail Formation
- Potential exist for both increasing reserves and improving recovery factor on well performance
- Reserves to be recast based on performance of all 6 wells
- Field Development Plan needs revision to target Dirok upside potential



Next Focus: Increasing Production from PY-1



Significant Resource Base

Significant resources exist in this fractured granite basement reservoir

Existing Facilities

Being re-entry from existing wells, production ramp-up from Q2 FY 18-19

Existing facilities can handle increase in production without additional cost

Planned Activities & Opportunities

- Re-entry of wells targeting Mercury hill and Earth tertiary sand to start in Q1 FY 18-19 to enhance production
- Rig secured and all key contracts awarded
- Capital costs for wells are marginal
- Potential up-side from Jupiter, Pluto, Saturn & Venus to be drilled subsequently



Focus 'First Oil' B-80 (Mumbai High-DSF block)



Discovered Resource Base

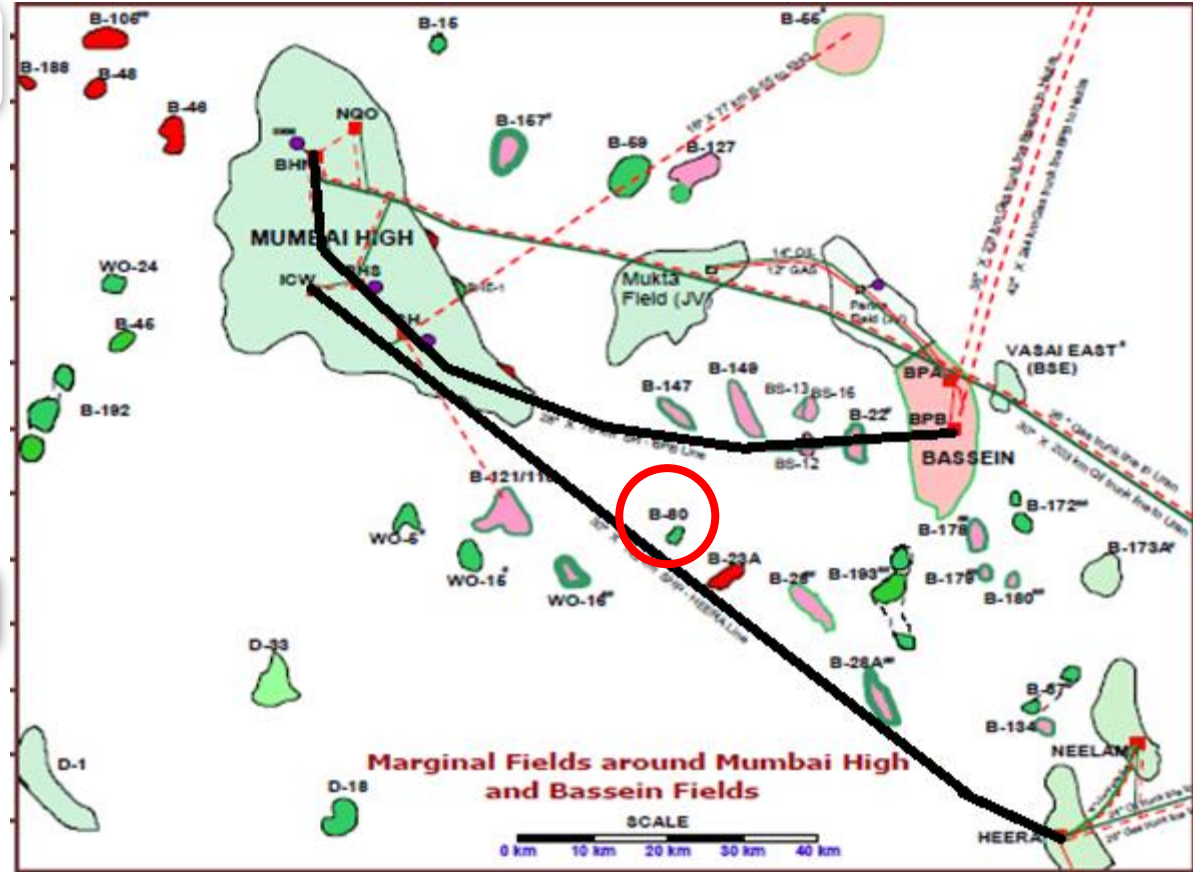
- Estimated STOIP of 40 million barrels & GIIP of 44 bcf
- Field Development plan (FDP) approved on 27 Dec 2017
- Field to produce about 5000 bopd of oil and 15 mmscfd of gas under Phase -1
- First oil expected to be in Q1 2020-21

Planned Activities under Phase -1 of FDP

- Drill two new development wells
- Install a Mobile Offshore Processing Unit (MoPU)
- Evacuation through existing pipelines of ONGC

Project status

- EC application process initiated and TOR approved on 21-Dec-2017
- Rig and tangibles are planned to be procured
- Market being scanned for a suitable MOPU

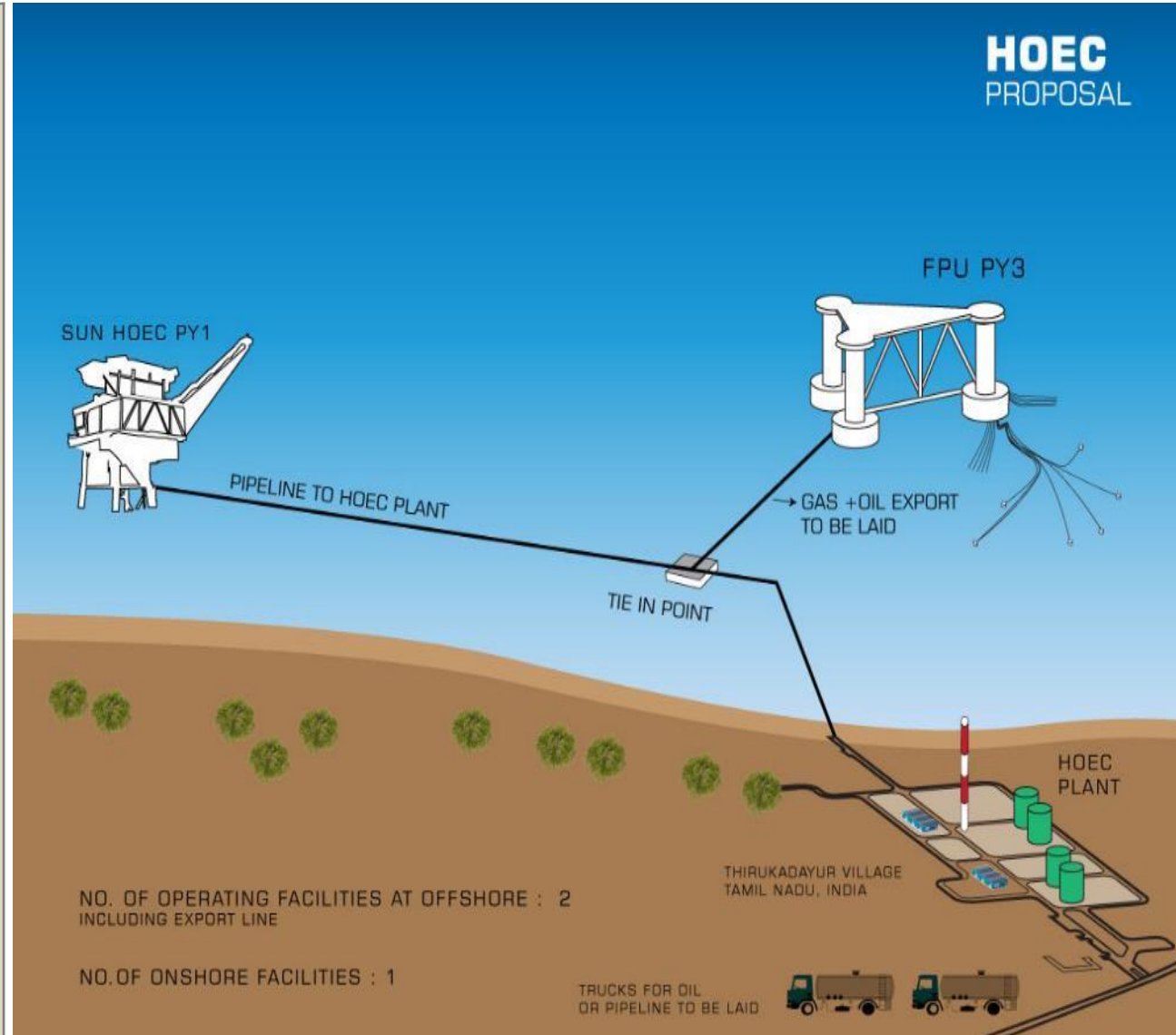




PY3 - Status



- ❑ PY-3 field was shut-in on 31 July 2011 when it was producing 3000+ bopd without any sub-surface issues.
- ❑ HOEC has 21% stake in PY-3 operates PY-1 Gas field with an offshore platform and onshore processing facilities 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 to revive production from PY-3.
- ❑ Alternate Integrated Field Development Plan (AIFDP) for PY-3 was submitted to stakeholders.
- ❑ Application being submitted for PSC extension by Operator





Cambay Marginal Fields



North Balol
(PI: 25%)

Wells: **2 wells under Production**
Reservoir : Balol, Babaguru & Kand Sands
Prod. Q3 FY 17-18 (100%): **37.6 mmscf**

Reserves : 2P (100%): **6.79 BCF**
Potential for additional wells

Asjol
(PI : 50%)

Wells : **2 wells under Production**
Reservoir : Upper Suraj Pay Sandstone
Prod. Q3 FY 17-18 (100%) : **1510 barrels**

Reserves : 2P (100%): **0.6 mmbbls**
Potential for additional wells

CB-ON-7
(PI : 35%)

Wells : **3 wells under Production**
Reservoir : Hazad Sands of Ankleshwar
Prod. Q3 FY 17-18 (100%): **8675 barrels**

Reserves : 2P (100%): **0.359 mmbbls**
Potential for additional wells

New Blocks: Kherem (Arunachal Pradesh)

❑ **Block Area:** 16.45 Sq. Km.

❑ **Drilled Wells:** 3

❑ **Tested Production:**

- Oil 402 bopd
- Gas not measured

❑ **Discovered Resources:**

Resources	DSF Data Million BBLs	HOEC Internal Million BBLs
STOIP	3	10.27
GIIP (BCF)	17	54.19

❑ **Reservoir Properties:**

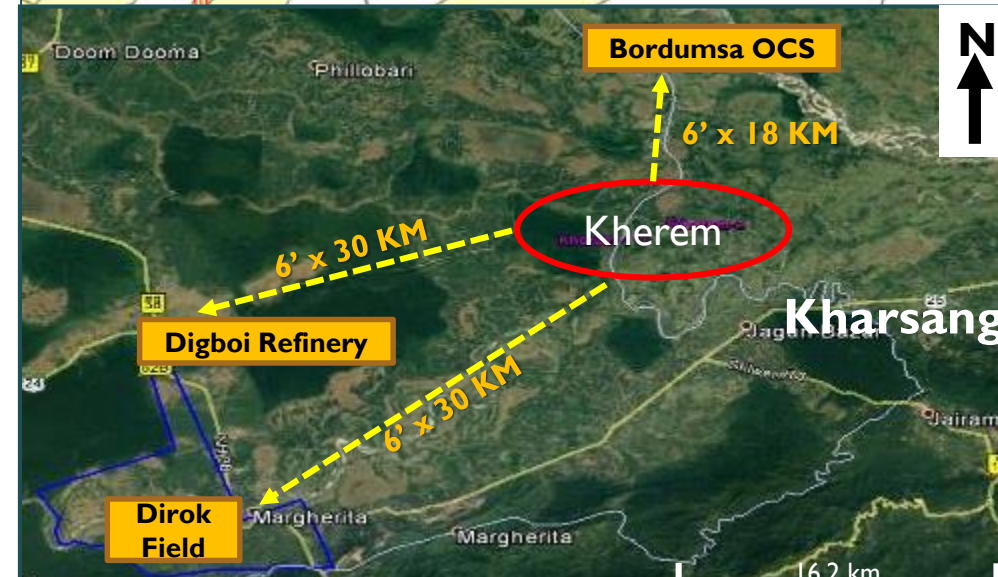
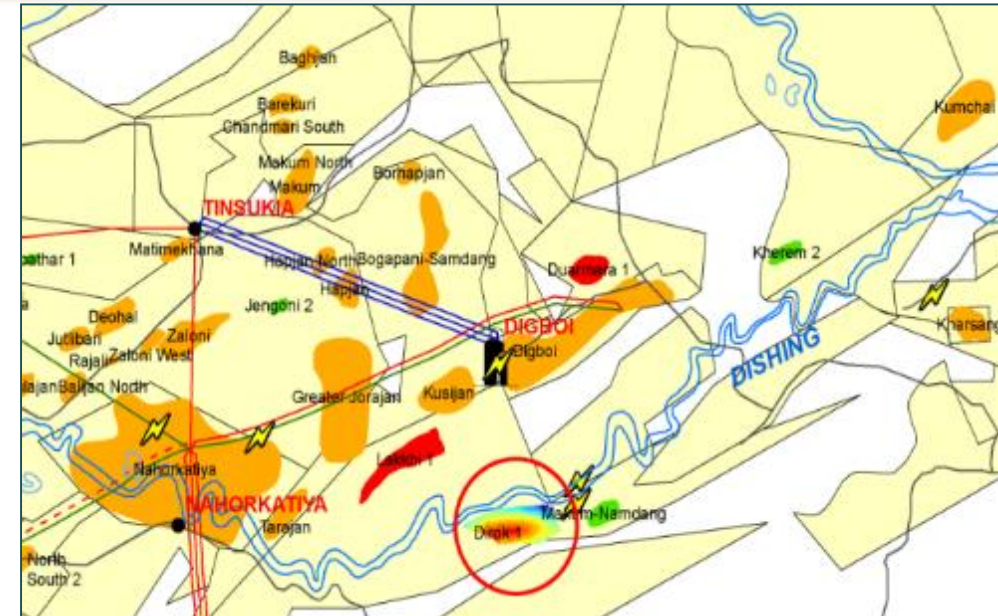
- Two pay zones Girujan pay -1 & pay - 2
- Light oil – 38.7°API

❑ **Nearest facilities :**

- ❑ Bordumasa Oil collecting Station via 6" pipeline 18kms
- ❑ Digboi Refinery, via 6" pipeline 30 kms

❑ Petroleum Mining Lease transfer/(PML) still awaited

❑ Effective Date Starts from the date of PML transfer



Key Strengths



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

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

Debt free balance sheet & Investment cycle to cash 12-18 months . Ability to raise capital for inorganic growth.

All 9 blocks (5 onshore and 4 offshore) have discovered resources with potential up side.

Delivered First Gas from Dirok (Assam) Field in a record 27 months



ANNEXURE



Statement of profit & loss Q3 FY 2018



Particulars	For the quarter		
	Oct to Dec 2017	July to Sep 2017	Oct to Dec 2016
	₹ millions	₹ millions	₹ millions
INCOME			
Revenue from operations	134	84	55
Other income	13	33	42
Total revenue	147	117	97
EXPENSES			
Share of Expenses from producing oil and gas blocks	37	30	29
Decrease / (Increase) in stock of crude oil and condensate	(40)	(32)	1
Employee benefits expense	2	3	3
Finance costs - unwinding of discount on decommissioning liability	12	12	-
Depreciation, depletion and amortization	46	37	18
Other expenses	6	11	4
Write-off of obsolete inventories	-	-	-
Total expenses	63	61	55
Profit/(loss) before tax and exceptional Items	84	56	42
Exceptional Items – Income / (expenses)- net	45	-	-
Profit before tax	129	56	42
Net tax expenses –prior year tax adjustment	-	-	-
Net profit for the year	129	56	42
Other comprehensive income	-	-	-
Total comprehensive income	129	56	42
Earnings per equity share of ₹ 10 each - Basic & diluted	₹ 0.99	₹ 0.43	₹ 0.32

Statement of Assets and Liabilities Un-Audited



ASSETS	As at	As at	EQUITY AND LIABILITIES	As at	As at
	Dec 31 2017	Mar 31, 2017		Dec 31, 2017	Mar 31, 2017
	₹ millions	₹ millions		₹ millions	₹ millions
Non-current assets			Shareholders' funds		
(a) Property, Plant and Equipment			(a) Equity share capital	1,305	1,305
(i) Oil and gas assets	2,556	2,220	(b) Other equity	2,222	2,009
(ii) Others	75	77	Total equity	3,527	3,314
(b) Capital work-in-progress	131	61	Non-current liabilities		
(c) Intangible assets	16	20	(a) Financial liabilities		
(d) Financial Assets			(i) Trade payables	221	221
(i) Investments in subsidiary	5	5	(b) Provision for site restoration	973	937
(ii) Site restoration deposit	542	514	(c) Other non-current liabilities	2	2
(e) Other non-current assets	-	-	Total non-current liabilities	1,196	1,160
Total non-current assets	3,325	2,897			
Current assets			Current liabilities		
(a) Inventories	287	247	(a) Financial liabilities		
(b) Financial assets			(i) Trade payables	169	178
(i) Investments	974	1,510	(ii) Other financial liabilities	325	492
(ii) Trade receivables	108	47	(b) Other current liabilities	7	7
(iii) Cash and bank balances	158	284			
(iv) Other bank balances	226	59			
(v) Other financial assets	54	9			
(c) Income tax assets	83	93			
(d) Other current assets	9	5			
Total current assets	1,899	2,254	Total current liabilities	501	677
TOTAL	5,224	5,151	TOTAL	5,224	5,151

Investment Multiples



Block	AAP-ON-94/1	PY-1	PY-3	N. Balol	Asjol	CB-ON-7
Royalty & Cess	Nil (Licensee)	10%	Nil (Licensee)	10%	Nil (Licensee)	Nil (Licensee)
Cost Recovery limit	80%	100%	100%	80%	100%	60%
Investment Multiple						
<1	0%	0%	0%	20%	0%	0%
1<1.5	10%	5%	5%	20%	10%	25%
1.5<2	25%	5%	5%	30%	20%	30%
2<2.5	35%	50%	50%	50%	30%	35%
2.5<3	45%	50%	50%	50%	40%	40%
3<3.5	50%	50%	50%	50%	50%	45%
>3.5	50%	50%	50%	50%	50%	50%



Development Cost Optimized Through Innovation



- 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
 - ✓ Results in swapping of capital costs.
 - ✓ Reduction in Project lead time
 - ✓ State of Art technology

- M-GPP contract on build, maintenance and operate (BMO) model by Expro, UK under execution
- Facilities to be commissioned by April 2018



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 finalists 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



Gopal Panigrahy
Resident Head – Operations Assam



Indreshwar Bharali
Advisor (Infrastructure)



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



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

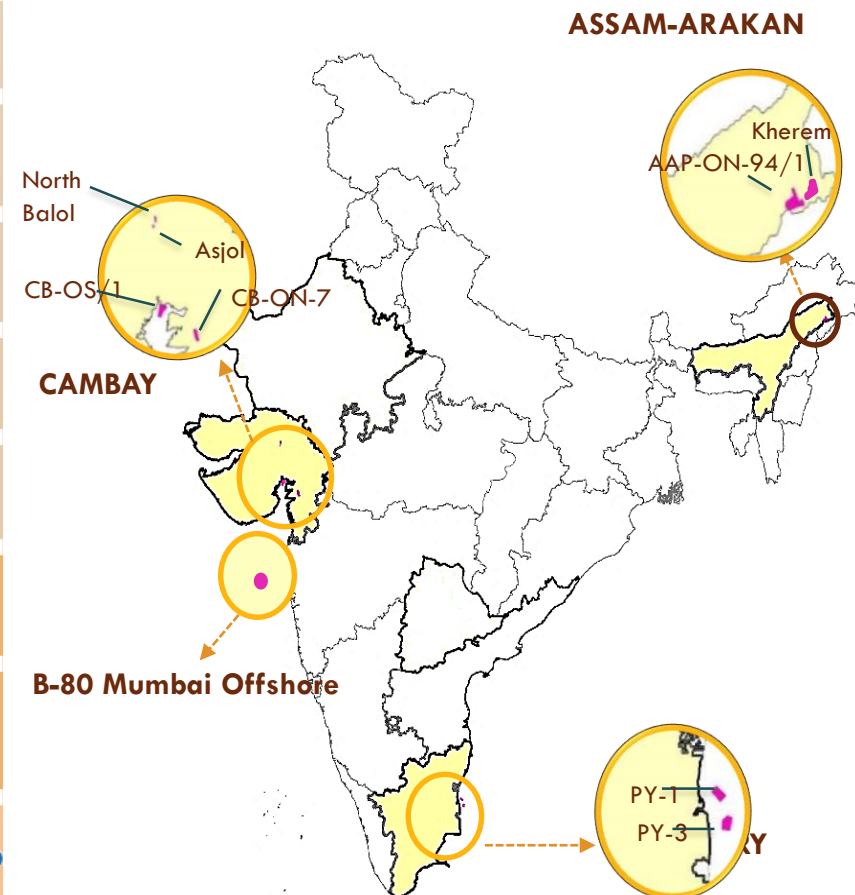


D. S. Mohan
Senior Advisor (Part time)
Geology

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
Asjol	HOEC	Onshore	Oil	50%	GSPC
Dirok	HOEC	Onshore	Gas	27%	Oil India Limited, IndianOil
B-80	HOEC	Offshore	Oil & Gas	50%	Adbhoot
Kherem	HOEC	Onshore	Oil & Gas	40%	Oil India Limited, Prize Petroleum
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
 Development Deferred
 PI = Participating Interest

For further information, please contact:

Company :	Investor Relations Advisors :
<p>Hindustan Oil Exploration Company Ltd. CIN: L11100GJ1996PLC029880</p> <p>G. Josephin Daisy jdaisy@hoec.com</p> <p>www.hoec.com</p>	<p>Stellar IR Advisors Pvt. Ltd. CIN: U74900MH2014PTC259212</p> <p>Gaurang Vasani/ Vikash Verma vgaurang@stellar-ir.com/ vikash.verma@stellar-ir.com</p> <p>www.stellar-ir.com</p>

Glossary



2P	-	Proved + Probable reserves
BCF	-	Billion Cubic Feet of Gas
GGG	-	Gas Gathering Station
M-GPP	-	Modular Gas Processing Plant
MMbbls	-	Million Barrels of Oil
MMSCFD	-	Million Standard Cubic Feet per Day
MMSCMD	-	Million Standard Cubic Meter per Day
STOIIP	-	Stock Tank Oil Initially In Place
GIIP	-	Gas Initially In Place
PI	-	Participating Interest
PSC	-	Production Sharing Contract
EC	-	Environmental Clearance