

**Hindustan Oil Exploration
Company Limited**



**EARNINGS PRESENTATION |
Q2/H1-FY23
NOVEMBER 2022**



Right Resources

- Established player with proven track record
- Experienced and focused management
- Deep technical knowledge and experience in Indian Basins
- Asset Portfolio tailored to strategy



Right Strategy

- Short cycle projects with immediate production uptick
- Cost effective projects and operations delivery
- Disciplined capital allocation preserving financial flexibility

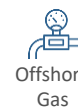


Right Environment

- Next level of revenue and cashflow generation from project delivery
- Crude oil and Natural gas prices at premium levels
- Reforms in sector leading to multiple opportunities for growth

Superior and Sustainable Value Creation over the long term

Tailored Asset Portfolio with Broad Geographical Presence



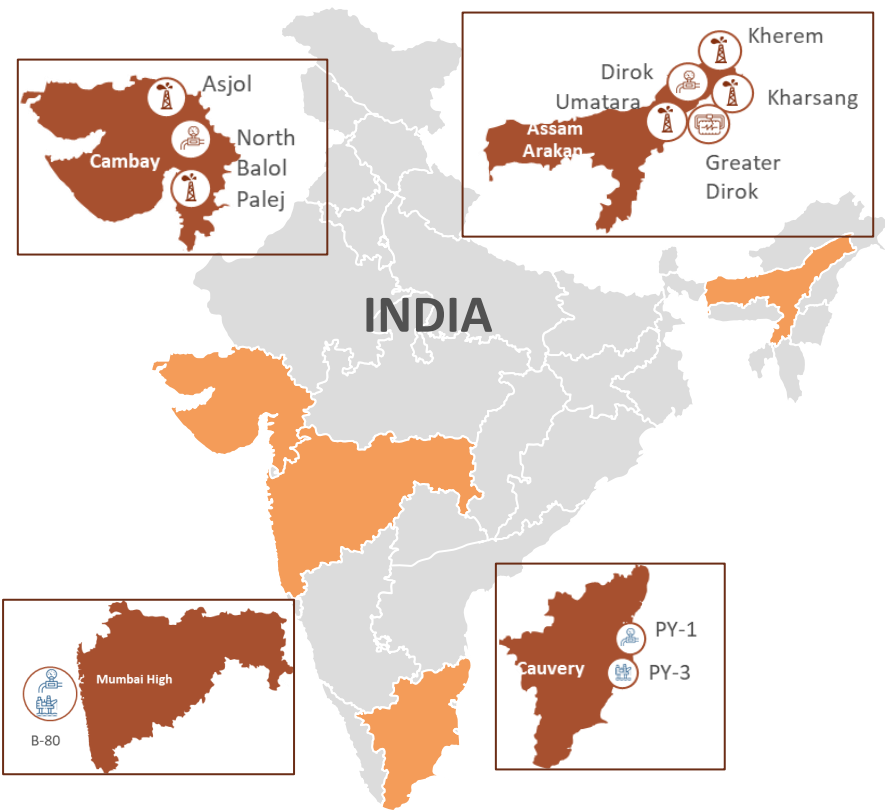
Onshore Oil Well

Offshore Oil Well

Onshore Gas

Offshore Gas

Onshore Exploration



- India Focused Asset Portfolio tailored to deliver our strategy of rapid development of discovered resources
- Strong offshore presence with anchor assets on both east and west coast
- Established industry leading footprint in most prospective areas – North-East and Cambay

10

Out of 11 blocks with discovered / producing resources

4

Out of 7 producing basins in India with HOEC presence

Uniquely placed with right organization and right asset portfolio to deliver superior value

Focus on Discovered Resources



- Focus on discovered oil and gas resources to reduce the risk involved in exploration
- Fast-track execution to bring resources to monetization quickly

Growth strategy



- Build on Offshore Operating Edge
- Seize growth opportunities in Offshore and North-East with established footprint
- Leverage Existing Infrastructure to add Attractive Assets with Synergies

Growing responsibly



- Create long-term stakeholder value & 'Grow Responsibly'
- Respect and Care for
 - Individuals
 - Community
 - Environment

Q2/H1-FY23 Operational Highlights



Gross Production (BOEPD)

Q2 FY23: 8,374
Q1 FY23: 6,619

Net Production (BOEPD)

Q2 FY23: 2,476
Q1 FY23: 1,774

Gross Production - PY-1 (BOEPD)

Q2 FY23: 173
Q1 FY23: 102

Gross Production - Dirok (BOEPD)

Q2 FY23: 7,302
Q1 FY23: 5,348

Dirok

- Q2 average production: Gas: 34 mmscfd & Condensate: 613 boepd
- Premium sales during Q2 FY 2022-23 constitute about 45% of total Dirok sales
- Average premium realized is > \$1/mmbtu
- Grading and Site clearing of ROW for laying of 18" line in forest segment initiated

B-80

- B-80 field shut-in for most of Q2 FY 23 due to operational issues caused by failure of marine Oil export system
- Gas export from D2 well was stopped on 14 July 2022 pending repair and rectification
- Gas export resumed on 4 Nov 2022

PY-1

- EIA study completed for obtaining Environmental Clearance for drilling additional wells at PY1
- Post commissioning of low cost GDU in May 2022, gas sales to GAIL recommenced and continuing

B-80: Production Start-up and Marine System Performance Challenges During Monsoon

- Post commissioning of integrated system, managed to flow both the wells D1 (Oil) & D2 (Gas) individually.
- D1 Oil well shut-in requiring rectification of actuator line issues.
- Commercial gas sales commenced on 4 June 22 from D2 gas well.
- Intensification of monsoon led to challenging marine system performance, disrupting production operations.
- Field shut-in during mid July 2022 to end October 2022.
- D2 well rectification and repairs completed, and gas sales resumed on 4 Nov 22.
- Focus is now on to rectify and restore Oil Production from well D1

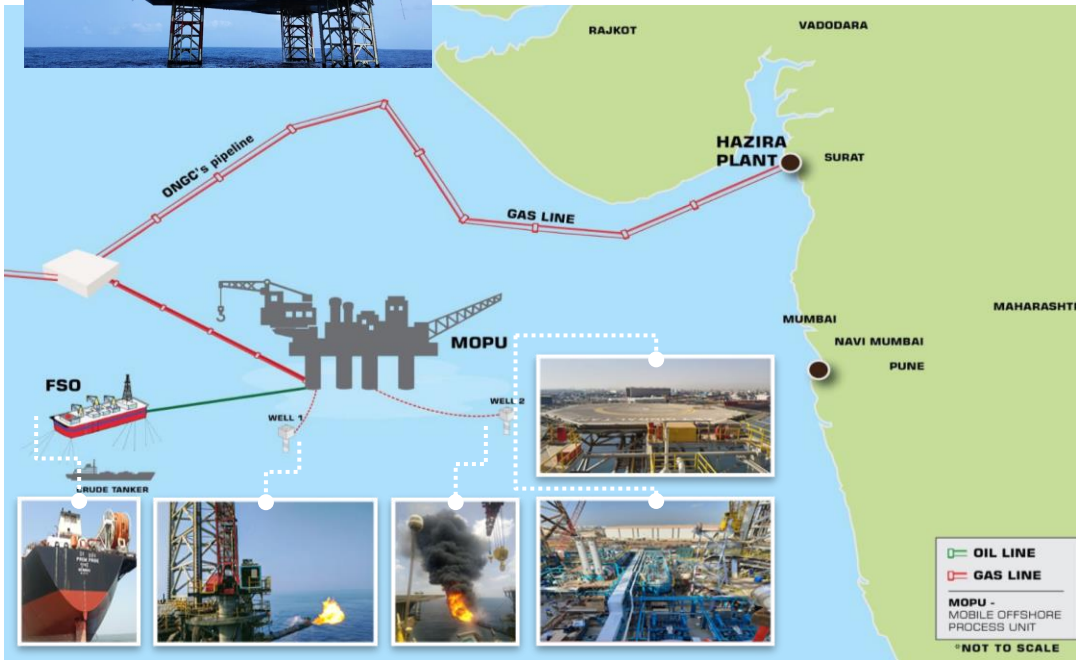


B-80: Key Milestones

- FDP Approved Dec 2017
- Drilling & completion – 2 subsea development wells April 2020
- Offshore Installation(OI) for collecting, separating and processing well fluids March 2021
- Hot-Tap of existing ONGC WO-16 Pipeline; Subsea production controls and flexible flowlines / export lines installation April 2021
- Installation of Oil evacuation using FSO moored with CALM buoy Dec 2021
- Full Offshore Systems installed and Integrated Jan 2022
- Process plant commissioned and gas production commenced May 2022
- Commercial Gas Sales to GSPC started June 2022



KGB- Offshore Installation at B-80 Site



Dirok: Production & Phase-II development

34 mmscfd Gas Production (Q2-FY23)	613 bopd Condensate Production (Q2-FY23)	> 15% Assam Gas Production
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- Premium sales during Q2 FY 2022-23 constitute about 45% of total Dirok sales
- Central PSU Indradhanush Gas Grid Limited (IGGL) is expected to complete North-East Gas Grid Phase 1 connecting Guwahati to Numaligarh by Q4 FY24.
- Feasibility studies and preliminary discussions initiated to transport & market Dirok Gas in Guwahati through NE Gas Grid.

Field Layout



Phase II – FDP Approved

- Laying of 35km pipeline to connect directly to Duliajan hub
- Drilling of 3 development wells to increase production from 35 mmscfd to 55 mmscfd

Project Progress

- Obtained Environmental Clearance
- Grading and Site Clearing of ROW for laying of 18" line in forest segment is initiated.

Dirok is a successful fast-track development with an outsourced model for processing

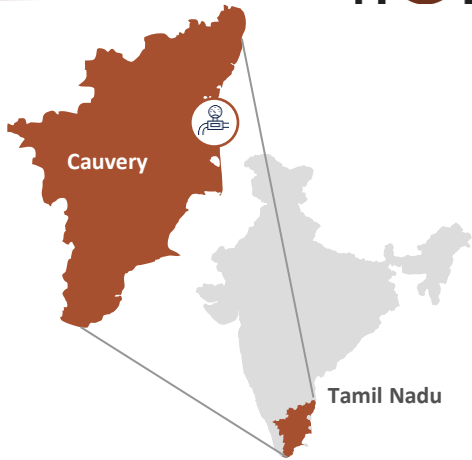


JV Partners

PY-1: Enhancing Production and Offtake Arrangements

<p>USD 3.67 Realised Price per MMBTU</p>	<p>55 mmscfd Processing Capacity</p>	<p>56 km Sub sea pipeline</p>
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- Only offshore platform in Cauvery Basin with 8 slots and four wells drilled
- Unique, gas-bearing and the only offshore fractured granitic basement reservoir in India
- G&G studies completed and new well locations identified for the full field development; awaiting review
- EIA study completed for obtaining Environmental Clearance for drilling additional wells
- PY-1 Adhoc extension granted
- Post commissioning of an indigenous low cost GDU in May 2022 gas sales to GAIL recommenced and continuing



GAIL is the sole buyer for the gas produced in this field

455 boepd
Oil Production
(Q2-FY23)

30%
Direct + Indirect PI

18
Number of
Wells to be drilled in near
future

Field Overview

- HOEC acquired entire share capital of M/s Geopetrol International Inc in 2018 which has 30% stake - Direct and Indirect in Kharsang Oil field
- Kharsang oil field is located in the state of Arunachal Pradesh and 60 kms away from Dirok
- Post drilling of 18 wells, production expected to increase to 1800 boepd
- RFDP is approved & Mining lease granted till 15 June 2030
- Adhoc PSC extension granted
- Outstanding issues related to Cost Recovery Limits (CRL) to be referred to Dispute Resolution Committee (DRC)

Proposed drilling campaign will include appraisal of deeper prospects

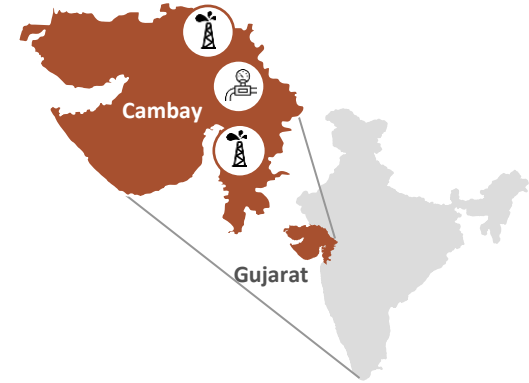


Cambay: Developments

74 boepd
Oil Production
(Q2-FY23)

0.361 mmscfd
Total Gas Production
(Q2-FY23)

**Asjol, North
Balol and Palej**
Marginal fields at Cambay



Approved FDP to be executed over the next two years:

- **Asjol:** 2 development wells & hook-up to EPS; public hearing completed
- **North Balol:** 2 development wells & hook-up to GCS, public hearing completed
- **Palej:** RFPSC (100 sq.km. 3D seismic & 2 exploration wells – JV signed RFPSC submitted to MOPNG through DGH)
- Small volume of Associated Natural Gas (ANG) sale commenced to achieve zero flaring

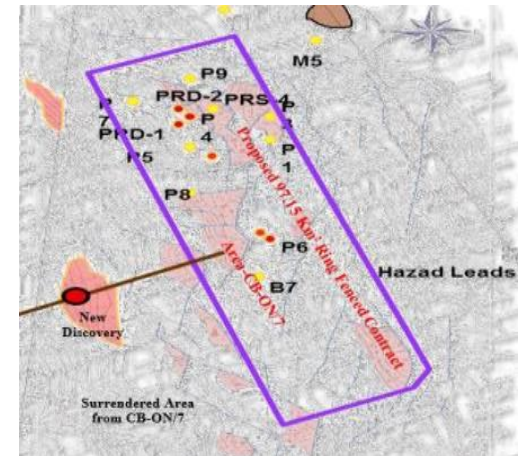
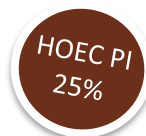
Asjol
JV Partner



CB-ON/7 (Palej)
JV Partners



North Balol
JV Partners



Q2/H1-FY23 Financial Highlights



Standalone Statement of Profit or Loss



PARTICULARS (INR Cr)	Q2-FY23	Q1-FY23	FY22	FY21
INCOME				
Revenue from operations	75.84	62.24	130.51	99.44
Other income	5.85	7.95	16.80	11.82
Total revenue	81.69	70.19	147.31	111.26
EXPENSES				
Expenses from producing oil and gas blocks	47.21	22.09	22.25	22.96
Royalty, Cess and NCCD	10.16	9.74	22.95	19.69
Decrease / (Increase) in stock of crude oil and condensate	1.52	(6.94)	2.30	(1.97)
Employee benefits expense	0.14	0.18	0.63	0.61
Finance costs – banks and financial institutions	7.80	3.52	1.41	-
Finance costs – unwinding of discount on decommissioning liability	2.18	1.63	6.05	5.60
Depreciation, depletion and amortization	5.04	4.19	14.85	18.58
Other expenses	1.08	1.57	6.68	8.32
Total expenses	75.13	35.98	77.12	73.79
Profit before tax and exceptional items	6.56	34.21	70.19	37.47
Exceptional items	-	-	(34.36)	27.59
Profit before tax	6.56	34.21	35.83	65.06
Net tax expenses	-	-	-	-
Net profit for the period	6.56	34.21	35.83	65.06
Other comprehensive income	(0.01)	(0.01)	(0.04)	0.04
Total comprehensive income	6.55	34.20	35.79	65.10
Earnings per equity share of Rs 10 each - Basic	0.50	2.59	2.71	4.92
- Diluted	0.50	2.59	2.71	4.92

Standalone Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
EQUITY AND LIABILITIES			
Equity	806.72	765.97	730.18
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	674.46	633.71	597.92
Non-Current Liabilities	266.56	284.38	197.49
(a) Financial liabilities			
(i) Long-term borrowings	114.68	160.61	88.28
(ii) Other financial liabilities	9.97	8.66	0.13
(b) Provisions	141.91	115.10	109.08
Current Liabilities	283.62	225.00	107.60
(a) Financial liabilities			
(i) Borrowings	121.45	95.48	61.72
(ii) Trade payables	55.39	17.23	12.13
(iii) Other financial liabilities	69.37	101.46	28.18
(b) Provisions	0.20	0.20	0.18
(c) Other current liabilities	37.21	10.63	5.39
GRAND TOTAL - EQUITIES & LIABILITIES	1356.90	1,275.34	1,035.27

PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
ASSETS			
Non-Current Asset	963.23	968.37	704.41
(a) Property, Plant and Equipment			
(i) Oil & gas assets	807.19	275.86	288.59
(ii) Others	3.34	3.37	2.82
(b) Capital work-in-progress	0.76	490.34	274.08
(c) Investment property	3.00	3.07	3.95
(d) Intangible assets	9.86	9.71	9.37
(e) Financial assets			
(i) Loan to subsidiary	8.12	56.88	-
(ii) Investments in subsidiary	59.46	59.46	59.46
(iii) Deposits under site restoration fund	71.29	69.48	65.59
(f) Other non-current assets	0.21	0.21	0.55
Current Assets	393.67	306.98	330.86
(a) Inventories	35.37	26.73	30.46
(b) Financial assets			
(i) Investments	0.30	0.34	30.35
(ii) Trade receivables	25.16	13.60	28.02
(iii) Cash & cash equivalents	5.81	12.94	30.10
(iv) Other bank balances	23.45	32.50	15.90
(v) Loan to subsidiary	229.93	173.57	97.39
(vi) Other financial assets	61.12	45.63	30.53
(c) Income tax assets (net)	0.84	0.64	4.39
(d) Other current assets	11.69	1.04	63.72
GRAND TOTAL - ASSETS	1,356.90	1,275.34	1,035.27

Consolidated Statement of Profit or Loss



PARTICULARS (INR Cr)	Q2-FY23	Q1-FY23	FY22	FY21
INCOME				
Revenue from operations	124.58	89.42	155.73	113.86
Other income	1.21	1.62	11.46	11.32
Total revenue	125.79	91.04	167.19	125.18
EXPENSES				
Expenses from producing oil and gas blocks	48.71	23.71	28.23	29.54
Royalty, Cess and NCCD	13.23	12.92	32.35	24.45
Facility Operating Expenses	8.20	2.60	2.67	-
Decrease / (Increase) in stock of crude oil and condensate	1.09	(7.44)	3.79	(3.30)
Employee benefits expense	0.16	0.20	0.93	0.69
Finance costs - banks and financial institutions	9.62	5.04	3.01	0.01
Finance costs - unwinding of discount on decommissioning liability	2.22	1.67	6.21	5.78
Depreciation, depletion and amortization	15.79	13.56	26.21	23.37
Other expenses	6.70	6.81	8.85	8.34
Total expenses	105.72	59.08	112.24	88.88
Profit before tax and exceptional items	20.07	31.96	54.95	36.30
Share of profit from associate	(1.53)	0.74	(0.90)	1.54
Exceptional items	-	-	(34.37)	13.98
Profit before tax	18.54	32.70	19.68	51.82
Net tax expenses	0.83	0.35	(0.31)	(1.59)
Net profit for the period	17.71	32.35	19.99	53.42
Other comprehensive income	(0.01)	(0.01)	(0.04)	0.04
Total comprehensive income	17.70	32.34	19.95	53.46
Earnings per equity share of Rs 10 each - Basic	1.34	2.45	1.51	4.04
- Diluted	1.34	2.45	1.51	4.04

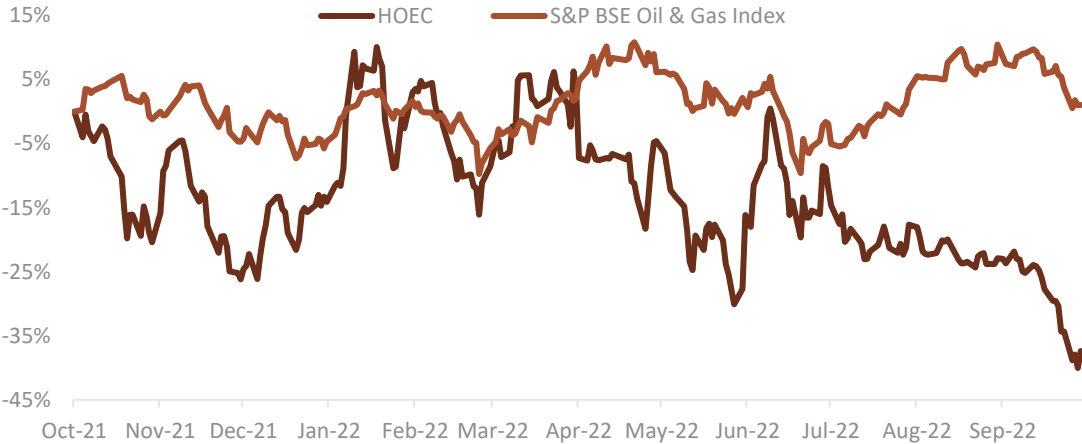
Consolidated Statement of Assets & Liabilities



PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
EQUITY AND LIABILITIES			
Equity	803.16	753.12	733.17
(a) Equity share capital	132.26	132.26	132.26
(b) Other equity	670.90	620.86	600.91
Non-Current Liabilities	393.66	425.23	273.23
(a) Financial liabilities			
(i) Long term borrowings	146.68	204.61	159.17
(ii) Other financial liabilities	100.48	100.86	0.14
(b) Provisions	145.67	118.78	112.59
(c) Deferred tax liability	0.83	0.98	1.33
Current Liabilities	430.49	348.89	178.75
(a) Financial liabilities			
(i) Short term borrowings	181.74	152.73	94.52
(ii) Trade payables	76.82	37.92	31.94
(ii) Other financial liabilities	110.84	133.27	33.48
(b) Provisions	16.13	14.05	13.19
(c) Other Current liabilities	44.96	10.93	5.62
GRAND TOTAL - EQUITIES & LIABILITIES	1,627.31	1,527.24	1,185.15

PARTICULARS (INR Cr)	H1-FY23	FY22	FY21
ASSETS			
Non-Current Asset	1,393.14	1360.34	958.41
(a) Property, Plant and Equipment			
(i) Oil & gas assets	826.60	296.55	312.14
(ii) Others	458.08	201.13	9.94
(b) Capital work in progress	3.30	758.68	534.59
(c) Investment property	3.00	3.07	3.95
(d) Intangible assets	9.85	9.71	9.37
(e) Financial assets			
(i) Investments in associate	17.59	18.38	19.28
(ii) Deposits under site restoration fund	74.44	72.56	68.53
(iii) Other financial assets	0.06	0.06	0.06
(f) Other non-current assets	0.22	0.21	0.55
Current Assets	234.17	166.90	226.74
(a) Inventories	40.45	30.98	36.10
(b) Financial assets			
(i) Investments	0.30	0.34	45.38
(ii) Trade receivables	80.82	16.20	31.07
(iii) Cash & Cash Equivalents	26.19	29.12	46.89
(iv) Other bank balances	27.24	36.25	24.63
(v) Other financial assets	45.26	39.56	28.54
(c) Income tax assets (net)	2.60	3.76	7.36
(d) Other Current Assets	11.31	10.68	6.77
GRAND TOTAL - ASSETS	1,627.31	1,527.24	1,185.15

Capital Market Data

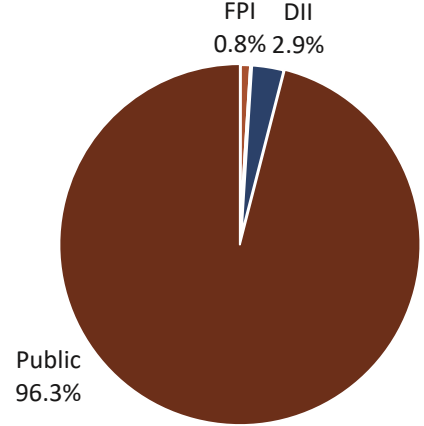


Price Data (As on 30th September 2022)

Market Price (INR)	133.2
52 Week H/L (INR)	245.2/125.7
Avg. Net Turnover (INR Mn)	183.4
Market Cap (INR Mn)	17,609.4
Equity Shares Outstanding (Mn)	132.2

Marquee Investors	% Holding
Housing Development Finance Corporation Ltd (HDFC)	6.40%
Kotak Small Cap Fund	1.95%
Si Investments And Broking Private Limited	1.05%

Shareholding Pattern (30th September 2022)



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