



Hindustan Oil Exploration Company Limited

COMPANY BACKGROUND.....

- Hindustan Oil Exploration Company Ltd (HOEC) is the first private company in India to enter the field of oil and gas exploration and production.
- HOEC has 10 blocks with discoveries producing or ready to be developed and 1 exploratory block in its portfolio.
- Low cost and fast track execution capabilities that differentiates it from other players in the market.
- Gross production stood at 10,101 boepd in FY23 compared to 7,895 boepd in FY22.
- Presence in 4 out of 7 sedimentary basins in India.
- Strong management team with experienced professionals.
- Awarded the Oil & Gas production & development company of the year in 2018-19 (Small category) from FIPI.

KEY GROWTH DRIVERS.....

- **Focused on discovered resources:** Oil and gas resources which is pre-discovered reduces the risk involved in exploration. Fast track execution to bring resources to monetization at the earliest.
- **Light Asset Model:** Company follows light-asset model in an otherwise capital-intensive industry. Focus on our core operations (Drilling for Oil/Gas) and outsource other associated tasks to partners.
- **Growing responsibly:** Create long-term stakeholder value while ensuring that we 'Grow Responsibly'. Continue to build its portfolio with a focus on respect and care for individuals, the community and the environment.
- **Growth strategy:** Focus on the North-East region while also focusing on its offshore resource base. Take advantage of existing infrastructure, and add attractive assets with synergies to its current asset portfolio.

FOCUSED GROWTH STRATEGIES.....

- **Make portfolio work to deliver value in low price environment:** B-80 Development – Focus on 'First Oil' and 'First Gas' sales. Phase 2A and 2B of Dirok development – deliver production increase upto 55 mmscfd and infrastructure for delivering gas to Dulaijan marketing hub.
- **Discover resources near existing infrastructure for faster monetization:** Greater Dirok – Appraise North Dirok potential within Dirok block and explore in adjacent OALP block. PY-1 and Kharsang – Appraise additional upside potential. Cambay – Explore R2 area of CB-ON-7 on execution of PSC.
- **Leverage "Opening Up" of sector in India and current environment:** Focus on existing portfolio and grow by increasing production by optimizing existing facilities and wells to increase cash flows. Improve value maximization by increasing realized price. DSF fields like B-80 enjoy marketing and pricing freedom for gas. D2 well re-started in B-80 as on 4th Nov, 2022.

FINANCIAL HIGHLIGHTS.....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY20	2,021	1,246	61.65%	1,376	68.09%	10.46
FY21	1,139	541	47.54%	534	46.92%	4.04
FY22	1,557	789	50.68%	200	12.84%	1.51
FY23	5,589	3,122	55.85%	1,941	34.72%	14.67

Key Data

BSE Code	500186
NSE Code	HINDOILEXP
Reuters	HOEX.BO
Bloomberg	HOEC:IN

Market Data (INR) As on 31st March, 2023

Face Value	10.0
CMP	120.1
52 Week H/L	226.5/ 115.9
MCAP (Mn)	18,170.2
Shares O/S (Mn)	132.2
1 Yr. Avg. Vol. ('000)	692.5

Performance As on 31st March, 2023

	3M	6M	12M
HOEC	(11.7)%	(12.1)%	(38.1)%
SENSEX	(3.1)%	2.8%	0.8%
BSE Oil & Gas Index	(15.1)%	(7.2)%	(8.0)%

Shareholding Pattern As on 31st March, 2023

Public	96.65%
FPI	0.60%
DII	2.75%

BUSINESS SEGMENTS

B-80: Project at an advanced stage - Expected Total Production (Phase I) is 8,000 boepd (Barrel of oil equivalent per day).

The share of oil in production mix will increase from 13% to 30%. The Participating Interest is 60%. First Gas from B-80 being packed into WO-16 to BPB (14"-56 km) pipeline of ONGC since 31 May, 2022.

- Processing of Oil & Gas through Mobile Offshore Processing Unit (MOPU) and processed oil to be exported through FSO of storage capacity of 900,000 barrels. Gas to be delivered to Gujarat Gas market by tapping into an existing gas pipeline system of ONGC.
- Both oil (D1) and gas (D2) wells are brought now on continuous production mode.
- Current flow rate of oil and gas of both D1 and D2 wells are about 1350 BPD and about 16 MMSCFPD of gas though the wells have capacity to produce at higher rates.

Dirok: Priority in Assam - Gas production was ~30 mmscfd and condensate production was 613 boepd in Q4-FY23. The Participating Interest is 27%.

- Dirok gas field is located in Block AAP-ON-94/1 in Assam-Arakan Basin. The block has substantial potential for further exploration and development.
- Phase I - Drilling and completion of 6 development wells- 3 re-entry and 3 new wells, setting up a Gas Gathering Station and a Gas Processing Plant with a capacity of 36 mmscfd. Also, laid pipelines tied to the existing infrastructure to export gas and condensate.
- Phase II - Laying of 35km pipeline to connect directly to Duliajan hub and drilling of 3 development wells to increase production from 35 mmscfd to 55 mmscfd.

PY-1: Enhancing Production and Offtake Arrangements: The realised price per MMBTU is fixed at \$3.67 and the processing capacity is 55 mmscfd. The Participating Interest is 100%.

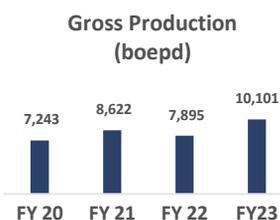
- Settlement Agreement finalized and executed grant of 10-year extension.
- Only offshore platform in Cauvery Basin with 8 slots and four wells drilled
- Seismic reprocessing is in progress for more accurate well location.
- EIA study completed for obtaining Environmental Clearance for drilling additional wells

Kharsang: Phase I Development Plan - The current oil production is ~424 boepd. The number of wells to be drilled are 18. The Participating Interest is 30%.

- The Kharsang oil field is located in the state of Arunachal Pradesh and 60 kms away from Dirok. Post drilling of wells, production expected to increase to 1,800 boepd.
- HOEC acquired entire share capital of M/s Geopetrol International Inc. in 2018 which has 30% stake - Direct and Indirect in Kharsang Oil field. RFDP is approved & Mining lease granted till 15 June, 2030.

Cambay: Developments - Total Oil Production is 73 boepd and Total Gas Production is 0.343 mmscfd in Q4-FY23. There are three marginal fields in Cambay – Asjol, North Balol and Palej. The Participating Interest for these three blocks are 50%, 35% and 25% respectively.

- Asjol - 2 development wells & hook-up to EPS; public hearing completed
- North Balol - 2 development wells & hook-up to GCS, public hearing completed
- CB-ON-7 (Palej) - RFPSC (100 sq.km. 3D seismic & 2 exploration wells – JV signed RFPSC submitted to MOPNG through DGH)



Lowering costs by:

- Outsourcing needs to experts
- Flexibility to manage investments
- Effective planning to produce quickly at lower cost
- Eliminating additional infrastructural cost
- Negotiating with clients

Maximizing Shareholder Value by:

- Enhancing Execution
- Increasing Free Cash Flows
- Improving ROCEs
- Improving NAVs

PEER COMPARISON (TRAILING 12 MONTHS) INR MN.....

Company	Operational Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
HOEC	5,589	3,122	55.85%	1,941	34.72%	15,882
Vedanta Limited	14,54,040	3,25,180	22.36%	1,45,060	9.89%	10,21,115
Deep Industries	335	28	8.39%	22	6.46%	3,413
Selan Exploration	1,221	627	51.34%	309	25.32%	3,705
ONGC	68,48,293	7,55,265	11.03%	3,27,777	4.79%	18,99,622
Oil India	4,10,389	1,52,682	37.20%	98,543	24.01%	2,72,891

INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY20	FY21	FY22	FY23
Total Operational Income	2,021	1,139	1,557	5,589
Total Expenses	775	888	768	2,467
EBITDA	1,246	541	789	3,122
EBITDA Margins (%)	61.65%	47.54%	50.68%	55.85%
Depreciation	294	234	262	737
Finance Cost	64	58	92	378
Exceptional Item	262	139	(344)	(122)
Other Income	218	113	115	88
Share of profit / losses from associate & JV	5	15	(9)	-
PBT	1,373	518	197	1,973
Tax	(3)	(16)	(3)	(32)
Profit After Tax	1,376	534	200	1,941
PAT Margins (%)	68.09%	46.92%	12.84%	34.72%
Other comprehensive Income	1	1	-	-
Total comprehensive Income	1,377	535	200	1,941
EPS (After Exceptional Items)	10.46	4.04	1.51	14.67

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY21	FY22	FY23	PARTICULARS (INR Mn)	FY21	FY22	FY23
EQUITY AND LIABILITIES				ASSETS			
Equity	7,332	7,531	9,472	Non-Current Assets	9,584	13,874	13,815
(a) Equity Share Capital	1,323	1,323	1,323	(a) Property, Plant and Equipment			
(b) Other Equity	6,009	6,209	8149	(i) Oil & Gas Assets	3,121	2,965	7,996
Non-Current Liabilities	2,732	4,391	3,569	(ii) Others	99	2,011	4,341
(a) Financial Liabilities				(b) Capital Work in Progress	5,346	7,820	315
(i) Borrowings	1,592	2,046	934	(c) Investment Property	40	30	29
(b) Trade Payables	-	-	-	(d) Intangible Assets	94	97	98
(c) Other Financial Liabilities	1	1,009	1,079	(e) Financial Assets			
Provisions	1,126	1,326	1,547	(i) Investment in Associates	193	184	185
Other non-current Liabilities	-	-	-	(ii) Deposits under site restoration fund	685	726	777
Deferred Tax Liability	13	10	9	(iii) Other Financial Assets	1	1	1
				(iv) Other bank balances	-	-	11
				(f) Income tax assets (Net)		38	61
				(f) Other non-Current assets	1	2	1
Current Liabilities	1,788	3,350	5,462	Current Assets	2,267	1,398	4,688
(a) Financial Liabilities				(a) Inventories	361	77	809
(i) Borrowings	945	1,527	2,708	(b) Financial Assets			
(ii) Trade Payables	314	379	1,165	(i) Investments	454	3	1,147
(iii) Other Financial Liabilities	335	1,333	805	(ii) Trade Receivables	311	162	1,169
(b) Provisions	132	2	3	(iii) Cash & Cash Equivalents	469	291	299
(c) Other Current Liabilities	56	109	781	(iv) Other Bank Balances	246	363	482
(d) Current Tax Liabilities (Net)	-	-	-	(v) Other Financial Assets	285	396	636
				Income tax assets (Net)	74	-	-
				Other Current Assets	68	106	146
TOTAL EQUITY AND LIABILITIES	11,852	15,272	18,503	TOTAL ASSETS	11,852	15,272	18,503

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