



# 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 7298 boepd in Q4-FY24.
- 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 reduce the risk involved in exploration. Fast-track execution to bring resources to monetization at the earliest.
- **Light Asset Model:** The company follows a 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:** .Phase 2A and 2B of Dirok development – deliver production increase upto 55 mmscfd and infrastructure for delivering gas to Duliajan 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. D1 well re-started in B-80 as on 16<sup>th</sup> June, 2024.

## FINANCIAL HIGHLIGHTS.....

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY20</b>	2,021	1,246	61.65%	1,376	68.09%	10.46
<b>FY21</b>	1,139	541	47.54%	534	46.92%	4.04
<b>FY22</b>	1,557	789	50.68%	200	12.84%	1.51
<b>FY23</b>	5,589	3,122	55.85%	1,941	34.72%	14.67
<b>FY24</b>	7,491	3,054	40.77%	2,265	30.23%	17.12

### Key Data

<b>BSE Code</b>	500186
<b>NSE Code</b>	HINDOILEXP
<b>Reuters</b>	HOEX.BO
<b>Bloomberg</b>	HOEC:IN

### Market Data (INR) As on 31<sup>st</sup> March, 2024

<b>Face Value</b>	10.0
<b>CMP</b>	177.45
<b>52 Week H/L</b>	258/ 124.55
<b>MCAP (Mn)</b>	23,466.57
<b>Shares O/S (Mn)</b>	132.24
<b>1 Yr. Avg. Vol. ('000)</b>	542.2

### Performance As on 31<sup>st</sup> March, 2024

	3M	6M	12M
<b>HOEC</b>	(3.01)%	4.38%	41.96%
<b>SENSEX</b>	1.98%	11.91%	24.56%
<b>BSE Oil &amp; Gas Index</b>	18.91%	45.45%	58.83%

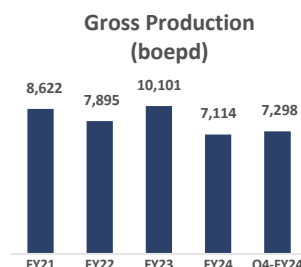
### Shareholding Pattern As on 31<sup>st</sup> March, 2024

<b>Public</b>	98.11%
<b>FPI</b>	1.31%
<b>DII</b>	0.69%

## 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 Participating Interest is 60%.

- The share of oil in production mix will increase from 13% to 30%
- First Gas from B-80 being packed into WO-16 to BPB (14"-56 km) pipeline of ONGC since 31 May, 2022. B-80 first crude offtake will be ready for offtake.
- Processing of Oil & Gas through Mobile Offshore Processing Unit (MOPU) and processed oil to be exported through FSO of storage capacity of 4,30,000 barrels. Gas to be delivered to Gujarat Gas market by tapping into an existing gas pipeline system of ONGC and Indian Oil corporation.
- D1 well issues has been resolved. All top side issues are sorted out, both well is in production during this quarter
- Current flow rate of oil and gas of well is about 914 BOPD and about 4.45 MMSCFPD of gas.



**Dirok: Priority in Assam** - Gas production was ~22.62 mmscfd and condensate production was 448 bpd in Q4-FY24. 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.
- Workover of 3 legacy wells are planned, workover of Dirok-1 expected by March 2024, back-to-back workover of Dirok-2 & 4 will be continued, Drilling of 2 development wells to increase production to 70 mmscfd.
- Laying of 15kms of pipeline in forest section is completed to connect to Duliajan hub

**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 and In-house study is completed
- EIA study completed for obtaining Environmental Clearance for drilling additional wells – Awaiting Clearance.

**Kharsang: Phase I Development Plan** - The current oil production is ~433 boepd. The Participating Interest is 35%.

- The number of wells to be drilled are 18
- 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 35% stake - Direct and Indirect in Kharsang Oil field.
- RFDP is approved & Mining lease granted till 15 June, 2030.
- Contingent and prospective gas reserves have been discovered at Kharsang field and Plan for additional drilling including deeper prospects to increase the production.
- Currently 9 wells are being planned to increase production. Further 9 wells will be drilled after revisiting the production data
- Kharsang oil field is in the state of Arunachal Pradesh and 60 kms away from Dirok - operating synergies in NE

**Cambay: Developments** - Total Oil Production is 70 boepd and Total Gas Production is 0.36 mmscfd in Q4-FY24. 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 for approval)
- Palej: Artificial Lift is being planned for 3 wells by SRP which could increase production to 300 BOPD. Sourcing of equipment in progress

### 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	7,491	3,054	40.77%	2,265	30.23%	24,121
Vedanta Limited	14,37,280	3,08,492	21.46%	75,360	5.24%	9,60,898
Deep Energy	222	2	0.7%	(6)	(2.9)%	6,298
Selan Exploration	1,691	799	47.26%	327	19.34%	7,476
ONGC	64,30,370	10,16,112	15.80%	5,62,113	8.75%	25,79,586
Oil India	3,63,036	1,25,043	34.44%	69,805	19.23%	6,50,751

## INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY20	FY21	FY22	FY23	FY24
<b>Total Operational Income</b>	<b>2,021</b>	<b>1,139</b>	<b>1,557</b>	<b>5,589</b>	<b>7,491</b>
Total Expenses	775	888	768	2,467	4,410
<b>EBITDA</b>	<b>1,246</b>	<b>541</b>	<b>789</b>	<b>3,122</b>	<b>3,081</b>
<b>EBITDA Margins (%)</b>	<b>61.65%</b>	<b>47.54%</b>	<b>50.68%</b>	<b>55.85%</b>	<b>41.12%</b>
Depreciation	294	234	262	737	800
Finance Cost	64	58	92	378	311
Exceptional Item	262	139	(344)	(122)	329
Other Income	218	113	115	88	187
Share of profit / losses from associate & JV	5	15	(9)	-	(2.4)
<b>PBT</b>	<b>1,373</b>	<b>518</b>	<b>197</b>	<b>1,973</b>	<b>2,483</b>
Tax	(3)	(16)	(3)	32	219
<b>Profit After Tax</b>	<b>1,376</b>	<b>534</b>	<b>200</b>	<b>1,941</b>	<b>2,264</b>
<b>PAT Margins (%)</b>	<b>68.09%</b>	<b>46.92%</b>	<b>12.84%</b>	<b>34.72%</b>	<b>30.22%</b>
Other comprehensive Income	1	1	-	-	(3.3)
<b>Total comprehensive Income</b>	<b>1,377</b>	<b>535</b>	<b>200</b>	<b>1,941</b>	<b>2,261</b>
EPS (After Exceptional Items)	10.46	4.04	1.51	14.67	17.12

## BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	FY24	PARTICULARS (INR Mn)	FY22	FY23	FY24
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>	<b>7,531</b>	<b>9,472</b>	<b>11,744</b>	<b>Non-Current Assets</b>	<b>13,874</b>	<b>13,815</b>	<b>13,784</b>
(a) Equity Share Capital	1,323	1,323	1323	(a) Property, Plant and Equipment			
(b) Other Equity	6,209	8149	10,422	(i) Oil & Gas Assets	2,965	7,996	8,411
<b>Non-Current Liabilities</b>	<b>4,391</b>	<b>3,569</b>	<b>3,412</b>	(ii) Others	2,011	4,341	3,926
(a) Financial Liabilities				(b) Capital Work in Progress	7,820	315	381
(i) Borrowings	2,046	934	821	(c) Investment Property	30	29	29
(b) Trade Payables	-	-	-	(d) Intangible Assets	97	98	101
(c) Other Financial Liabilities	1,009	1,079	817	(e) Financial Assets			
Provisions	1,326	1,547	1,651	(i) Investment in Associates	184	185	-
Other non-current Liabilities	-	-	-	(ii) Deposits under site restoration fund	726	777	845
Deferred Tax Liability	10	9	122	(iii) Other Financial Assets	1	1	1
				(iv) Other bank balances	-	11	13
				(f) Income tax assets (Net)	38	61	73
				(f) Other non-Current assets	2	1	1
<b>Current Liabilities</b>	<b>3,350</b>	<b>5,462</b>	<b>4,358</b>	<b>Current Assets</b>	<b>1,398</b>	<b>4,688</b>	<b>5,731</b>
(a) Financial Liabilities				(a) Inventories	77	809	423
(i) Borrowings	1,527	2,708	919	(b) Financial Assets			
(ii) Trade Payables	379	1,165	1,570	(i) Investments	3	1,147	4.2
(iii) Other Financial Liabilities	1,333	805	484	(ii) Trade Receivables	162	1,169	3,145
(b) Provisions	2	3	2.5	(iii) Cash & Cash Equivalents	291	299	137
(c) Other Current Liabilities	109	781	1,382	(iv) Other Bank Balances	363	482	548
(d) Current Tax Liabilities (Net)	-	-	-	(v) Other Financial Assets	396	636	1,333
				Income tax assets (Net)	-	-	-
				Other Current Assets	107	145	143
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,272</b>	<b>18,503</b>	<b>19,515</b>	<b>TOTAL ASSETS</b>	<b>15,272</b>	<b>18,503</b>	<b>19,515</b>

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