



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 7,298 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:** B-80 Development – For D1 well, Baker to commence their activities by end of Feb 2024. 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. D2 well re-started in B-80 as on 4th Nov, 2022.

FINANCIAL HIGHLIGHTS.....

(INR Mn)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
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	55.86%	1,940	34.72%	14.67
FY24	7,491	3,081	41.13%	2,264	30.23%	17.12
Q1-FY25	1,362	624	45.82%	419	30.79%	3.17

Key Data

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

Market Data (INR) As on 30th June, 2024

Face Value	10.0
CMP	195.75
52 Week H/L	258/ 155
MCAP (Mn)	25,886.62
Shares O/S (Mn)	132.24
1 Yr. Avg. Vol. ('000)	542.2

Performance As on 30th June, 2024

	3M	6M	12M
HOEC	8.2%	7.0%	(5.0)%
SENSEX	6.8%	9.4%	21.9%
BSE Oil & Gas Index	6.1%	26.8%	61.4%

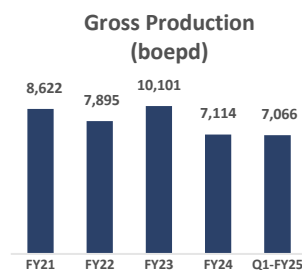
Shareholding Pattern As on 30th June, 2024

Public	100.00%
FPI	-
DII	-

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 900,000 barrels. Gas to be delivered to Gujarat Gas market by tapping into an existing gas pipeline system of ONGC and Indian Oil corporation.
- Both the wells are operational
- Blockage in the export line has been cleaned; needs steam injection on continuous basis
- Gas price reduced to 12.05% of Brent comparing 22.2% in earlier contract through e-auction.



Dirok: Priority in Assam - Gas production was ~22.65 mmscf and condensate production was 432 bpd in Q1-FY25. 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 mmscf. 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 mmscf.
- 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 mmscf. 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; Three well locations are released
- EIA study completed for obtaining Environmental Clearance for drilling additional wells – Awaiting Clearance.

Kharsang: Phase I Development Plan - The current oil production is ~381 bopd. 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 87 bopd and Total Gas Production is 0.47 mmscf in Q1-FY25. 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	7,177	2,776	38.68%	2,023	28.19%	25,887
Vedanta Limited	14,57,590	3,87,230	26.57%	93,230	6.40%	16,87,612
Deep Energy	32	(8)	(26.39)%	(8)	(25.23)%	5,400
Selan Exploration	2,009	570	28.34%	459	22.84%	11,104
ONGC	64,57,902	9,32,989	14.45%	4,94,200	7.65%	34,48,255
Oil India	3,43,780	1,33,155	38.73%	75,973	22.10%	7,83,754

INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY21	FY22	FY23	FY24	Q1-FY25
Total Operational Income	1,139	1,557	5,589	7,491	1,362
Total Expenses	888	768	2,467	2,260	982
EBITDA	541	789	3,122	3,081	624
EBITDA Margins (%)	47.54%	50.68%	55.85%	51.13%	45.82%
Depreciation	234	262	737	800	185
Finance Cost	58	92	378	311	60
Exceptional Item	139	(344)	(122)	329	-
Other Income	113	115	88	187	106
Share of profit / losses from associate & JV	15	(9)	-	(2.4)	-
PBT	518	197	1,973	2,483	485
Tax	(16)	(3)	32	219	66
Profit After Tax	534	200	1,940	2,264	419
PAT Margins (%)	46.92%	12.84%	34.72%	30.23%	30.79%
Other comprehensive Income	1	-	-	(3.3)	8
Total comprehensive Income	535	200	1,941	2,261	418
EPS (After Exceptional Items)	4.04	1.51	14.67	17.12	3.17

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	FY24	PARTICULARS (INR Mn)	FY22	FY23	FY24
EQUITY AND LIABILITIES				ASSETS			
Equity	7,531	9,472	11,744	Non-Current Assets	13,874	13,815	13,784
(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
Non-Current Liabilities	4,391	3,569	3,412	(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
Current Liabilities	3,350	5,462	4,358	Current Assets	1,398	4,688	5,731
(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
TOTAL EQUITY AND LIABILITIES	15,272	18,503	19,515	TOTAL ASSETS	15,272	18,503	19,515

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhania	Lead Manager	sumeet@valoremadvisors.com	+91-22-4903-9500

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