



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 5230 boepd in Q2-FY25.
- 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 Both the wells are operational, Blockage in the export line has been cleaned; steam injection in place. The new Hawser is installed and production re-commenced. Gas price reduced to 12.05% of Brent comparing 22.2% in earlier contract through e-auction.
- **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)	Operational 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	55.85%	1,941	34.72%	14.67
FY24	7,491	3,054	40.77%	2,265	30.23%	17.12
Q2-FY25	948	317	33.44%	108	11.40%	0.82

Key Data

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

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

Face Value	10.0
CMP	231.25
52 Week H/L	293.6/ 155.8
MCAP (Mn)	30,581.26
Shares O/S (Mn)	132.24
1 Yr. Avg. Vol. ('000)	542.2

Performance As on 30th September, 2024

	3M	6M	12M
HOEC	16.10%	94.64%	227.86%
SENSEX	6.65%	13.97%	28.09%
BSE Oil & Gas Index	7.63%	14.62%	67.49%

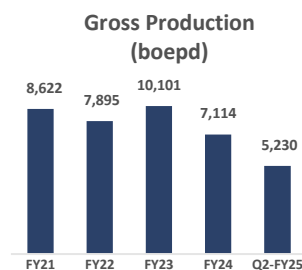
Shareholding Pattern As on 30th September, 2024

Public	98.06%
FPI	1.64%
DII	0.30%

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 ~15.03 mmscfd and condensate production was 237 bpd in Q2-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 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; 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 ~352 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 77 bopd and Total Gas Production is 0.55 mmscfd in Q2-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	6,996	2,394	34.22%	1,699	24.28%	30,581
Vedanta Limited	14,20,530	3,66,640	25.81%	1,53,330	10.79%	20,04,269
Deep Energy	222	2	0.7%	(6)	(2.9)%	6,298
Selan Exploration	2,307	847	36.73%	579	25.10%	12,796
ONGC	66,54,933	8,73,370	13.12%	4,31,022	6.48%	37,48,923
Oil India	3,50,169	1,23,823	35.36%	90,261	25.78%	9,43,839

INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY21	FY22	FY23	FY24	Q2-FY25
Total Operational Income	1,139	1,557	5,589	7,491	948
Total Expenses	888	768	2,467	2,260	982
EBITDA	541	789	3,122	2,335	317
EBITDA Margins (%)	47.54%	50.68%	55.85%	50.81%	33.44%
Depreciation	234	262	737	800	176
Finance Cost	58	92	378	311	55
Exceptional Item	139	(344)	(122)	329	-
Other Income	113	115	88	187	48
Share of profit / losses from associate & JV	15	(9)	-	(2.4)	-
PBT	518	197	1,973	2,483	134
Tax	(16)	(3)	32	219	26
Profit After Tax	534	200	1,941	2,264	108
PAT Margins (%)	46.92%	12.84%	34.72%	33.91%	11.40%
Other comprehensive Income	1	-	-	(3.3)	(0.008)
Total comprehensive Income	535	200	1,941	2,261	107
EPS (After Exceptional Items)	4.04	1.51	14.67	17.12	0.82

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	H1-FY25	PARTICULARS (INR Mn)	FY22	FY23	H1-FY25
EQUITY AND LIABILITIES				ASSETS			
Equity	9,472	11,744	12,267	Non-Current Assets	13,815	13,784	13,653
(a) Equity Share Capital	1,323	1323	1323	(a) Property, Plant and Equipment			
(b) Other Equity	8149	10,422	10,947	(i) Oil & Gas Assets	7,996	8,411	8,365
Non-Current Liabilities	3,569	3,412	3,216	(ii) Others	4,341	3,926	3,724
(a) Financial Liabilities				(b) Capital Work in Progress	315	381	494
(i) Borrowings	934	821	648	(c) Investment Property	29	29	27
(b) Trade Payables	-	-	-	(d) Intangible Assets	98	101	102
(c) Other Financial Liabilities	1,079	817	724	(e) Financial Assets			
Provisions	1,547	1,651	1,700	(i) Investment in Associates	185	-	-
Other non-current Liabilities	-	-	-	(ii) Deposits under site restoration fund	777	845	875
Deferred Tax Liability	9	122	144	(iii) Other Financial Assets	1	1	1
				(iv) Other bank balances	11	13	43
				(f) Income tax assets (Net)	61	73	16
				(f) Other non-Current assets	1	1	1
Current Liabilities	5,462	4,358	3,670	Current Assets	4,688	5,731	5,503
(a) Financial Liabilities				(a) Inventories	809	423	869
(i) Borrowings	2,708	919	803	(b) Financial Assets			
(ii) Trade Payables	1,165	1,570	1,976	(i) Investments	1,147	4.2	103
(iii) Other Financial Liabilities	805	484	559	(ii) Trade Receivables	1,169	3,145	1666
(b) Provisions	3	2.5	2.5	(iii) Cash & Cash Equivalents	299	137	213
(c) Other Current Liabilities	781	1,382	329	(iv) Other Bank Balances	482	548	1149
(d) Current Tax Liabilities (Net)	-	-	-	(v) Other Financial Assets	636	1,333	1,371
				Income tax assets (Net)	-	-	-
				Other Current Assets	145	143	132
TOTAL EQUITY AND LIABILITIES	18,503	19,515	19,155	TOTAL ASSETS	18,503	19,515	19,155

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