

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Regd. Office : "HOEC HOUSE" Tandajla Road, Off Old Padra Road, Baroda 390 020.

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED ON JUNE 30, 2006

Rs. in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Audited for the Previous Year
		Ended on 30.06.2006	Ended on 30.06.2005	Ended on 31.03.2006
1	Net Sales/Income from Operations	3,109.35	1,705.98	9,424.42
2	Other Income	114.45	181.83	546.87
3	Increase/(Decrease) in Stock of Crude Oil	(16.88)	83.95	270.86
4	Total Income	3,206.92	1,971.76	10,242.15
5	Total Expenditure			
	a) Field Operating Expenses	474.31	454.74	1,706.24
	b) Corporate Expenses			
	- Staff Expenses	268.87	152.32	667.68
	- Legal and Professional Expenses	65.25	40.31	346.68
	- Other Expenses	235.16	114.34	498.04
	- Recovery of Expenses	(200.58)	(105.50)	(729.42)
		843.01	656.21	2,489.22
6	Interest and Financing Charges	88.68	51.40	181.87
7	Depreciation, Depletion and Amortisation	239.08	184.62	779.52
8	Provisions and Write offs (See Note 2)	0.72	0.72	4,186.35
9	Profit before Taxation (4-5-6-7-8)	2,035.43	1,078.81	2,605.19
10	Provision for Current Income Tax	770.00	626.50	1,680.00
11	Provision for Deferred Tax	(55.00)	(273.00)	(850.00)
12	Fringe Benefit Tax	5.00	4.14	26.00
13	Net Profit (9-10-11-12)	1,315.43	721.17	1,749.19
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	5,876.09	5,876.09	5,876.09
15	Reserves excluding Revaluation Reserve			18,240.68
16	Basic and Diluted EPS (Rs.)	2.24	1.23	2.98
17	Aggregate of Public Shareholding			
	Number of Shares	43,457,557	58,744,935	43,457,557
	Percentage of Shareholding	73.98%	100%	73.98%

Contd...

Notes :

- 1 The Company is engaged in a single business segment of Hydrocarbons and, therefore, Segment Reporting as defined in Accounting Standard 17 is considered not applicable.
- 2 Provisions and write-offs for the year ended March 31, 2006 includes write-off of exploration cost of Rs. 396.57 Lacs for PRS-4 Exploratory Well in CB-ON-7 Block, Rs. 3140.01 Lacs for Lakhi-1 Exploratory Well in AAP-ON-94/1 Block and Rs. 646.89 Lacs for CB-OS-1 Block.
- 3 The Company has implemented Accounting Standard (AS) 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India effective April 01, 2006. The consequential impact on the current quarter results is not material.
- 4 The Board of Directors at their meeting held on May 03, 2006 decided to raise funds aggregating upto Rs. 15000 Lacs through issue of Equity Shares to the Shareholders on rights basis for financing the Company's exploration and development costs. The Company has filed the Draft Letter of Offer with SEBI for the same on June 22, 2006. The Company is awaiting SEBI's approval.
- 5 With reference to the observations made in the Auditors' Report for the FY 2005-06 regarding three unaudited joint ventures' accounts, the Company has subsequently received audited accounts of one of them. The Company is making efforts to persuade such joint venture operators to submit the audited accounts in requisite time. As the said joint ventures have not entered the production phase there is no effect on the profit for the quarter.
- 6 Figures for the previous periods have been recast / regrouped to make them comparable with the current period, wherever necessary.
- 7 Details of Investors' Complaints for the quarter ended on June 30, 2006.

Unresolved at the beginning of the quarter	Nil
Received during the quarter	06
Resolved during the quarter	06
Unresolved at the end of the quarter	Nil
- 8 The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on July 29, 2006 and the same have been subjected to a limited review by the Auditors.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Place : New Delhi
Date : July 29, 2006

R. Vasudevan
Chairman