

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Regd. Office: "HOEC House", Tandajla Road, Off Old Padra Road, Vadodara 390 020.

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED ON 30.09.2005

Rs. lacs

Sr. No.	Particulars	Quarter Ended on		Six Months Ended on		Audited Year Ended on 31.03.05
		30.09.05	30.09.04	30.09.05	30.09.04	
1	Net Sales/Income from Operations	2,262.83	1,912.27	3,968.81	3,770.82	8,553.48
2	Increase in Stock of Oil	4.32	751.95	88.27	667.83	28.78
3	Other Income	150.49	220.64	332.32	365.59	691.91
4	Total Income	2,417.64	2,884.86	4,389.40	4,804.24	9,274.17
5	Total Expenditure					
	a) Field Operating Expenses	405.44	390.68	860.18	763.07	1,681.03
	b) Corporate Expenses					
	- Staff Expenses	149.45	83.12	301.77	198.00	453.88
	- Other Expenses	210.07	151.58	365.44	272.14	558.55
	- Recovery of Expenses	(166.97)	(106.21)	(272.47)	(138.48)	(401.22)
		597.99	519.17	1,254.92	1,094.73	2,292.24
6	Interest and Financing Charges	45.23	45.79	96.63	45.79	162.97
7	Depreciation and Depletion	189.02	227.69	373.64	427.03	880.57
8	Provisions and Write offs (See note 3)	-	(27.40)	-	(41.84)	(161.98)
9	Profit before Taxation (4-5-6-7-8)	1,585.40	2,119.61	2,664.21	3,278.53	6,100.37
10	Provision for Current Income Tax	455.50	773.00	1,082.00	1,104.00	1,950.00
11	Provision for Deferred Tax	83.00	(70.69)	(190.00)	56.31	302.00
12	Fringe Benefit Tax	6.02		10.16		
13	Net Profit (9-10-11-12)	1,040.88	1,417.30	1,762.05	2,118.22	3,848.37
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	5,876.09	5,876.09	5,876.09	5,876.09	5,876.09
15	Reserves excluding Revaluation Reserve					17,831.17
16	Basic and Diluted EPS (Rs.)	1.77	2.41	3.00	3.60	6.55
17	Aggregate of Non-Promoter Shareholding					
	Number of Shares	43,463,302	58,744,935	43,463,302	58,744,935	58,744,935
	Percentage of Shareholding	73.99%	100%	73.99%	100%	100%

Notes :

- 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.
- Total Income for the current quarter is lower as compared to corresponding previous quarter on account of lower production due to unplanned temporary shut down for repairs and higher share of Profit Petroleum payable to Government in respect of PY-3 field.
- (a) Exploratory well PRS-4 in CB-ON-7(Palej), drilled in April 2005, encountered tight oil bearing sands and it was decided to plug and abandon the Well. However, the Company, as Operator of this block, may take the decision to re - enter the said well based on result of studies currently underway .

(b) Exploratory well Lakkhi-1 in AAP-ON-94/1, encountered several potential hydrocarbon bearing zones in the Barail formation. These formations were tested and flowed gas and condensate at low rates. Accordingly, the Joint Venture decided to carry out further evaluation. Meanwhile, it was decided to temporarily suspend the well in order to allow for possible re-entry for further testing.

In view of the above, the Company has decided to carry forward the total cost of Rs. 2,951.43 lacs (Rs. 368.86 lacs & Rs. 2582.57 lacs respectively in relation to the above wells).
- With reference to the observations made in Auditors' Report FY 2004-05 regarding unaudited joint ventures' accounts, the Company has received audited accounts of one out of three such non-producing joint ventures. The Company is making efforts to pursue 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 profit for the quarter.
- Figures for the corresponding period last year are recast/regrouped to make them comparable with current year, wherever necessary.
- Details of Investors' Complaints for the quarter ended on 30th September, 2005.

Unresolved at the beginning of the quarter	Nil	
Received during the quarter	10	
Resolved during the quarter	8	
Unresolved at the end of the quarter	2	(Since resolved)
- The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on October 24, 2005. The results for the six months ended 30.09.05 have been subjected to a limited review by the Auditors.

In terms of our report of even date attached.
For S.B.Billimoria & Co.
Chartered Accountants

Nalin M. Shah

Nalin M. Shah
Partner

Mumbai, October 24, 2005.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Rakesh Jain
Rakesh Jain
Managing Director

Mumbai, October 24, 2005.