

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Registered Office : "HOEC HOUSE" Tandajla Road, Off Old Padra Road, Vadodara 390 020.

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER AND SIX MONTHS ENDED ON SEPTEMBER 30, 2007

Rs. in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Unaudited for Six months		Audited for the Previous Year
		Ended on 30.09.2007	Ended on 30.09.2006	Ended on 30.09.2007	Ended on 30.09.2006	Ended on 31.03.2007
1	Net Sales / Income from Operations (See Note 2)	2,911.34	2,574.53	4,267.88	5,683.88	11,451.45
2	Other Income	368.59	139.34	852.10	253.79	1,489.92
3	Increase / (Decrease) in Stock of Crude Oil	(838.87)	472.90	(79.95)	456.02	(334.51)
4	Total Income	2,441.06	3,186.77	5,040.03	6,393.69	12,606.86
5	Total Expenditure					
a)	Field Operating Expenses (See Note 3)	876.10	410.21	1,246.54	884.52	1,677.60
b)	Corporate Expenses					
	- Staff Expenses	182.87	70.21	372.63	339.08	531.28
	- Legal and Professional Expenses	97.87	78.31	164.14	143.56	302.76
	- Other Expenses	140.90	127.44	232.39	335.83	485.74
	- Recovery of Expenses	(264.60)	(204.67)	(485.35)	(405.25)	(1,037.04)
		1,033.14	481.50	1,530.35	1,297.74	1,960.34
6	Interest and Financing Charges	203.41	106.43	428.01	222.60	558.54
7	Depreciation, Depletion and Amortisation	134.79	221.75	307.67	460.83	764.92
8	Provisions and Write offs (Net) (See Note 4)	-	3,775.10	-	3,775.10	9,303.69
9	Profit before Taxation (4-5-6-7-8)	1,069.72	(1,398.01)	2,774.00	637.42	19.37
10	Provision for Current Income Tax	370.00	820.00	820.00	1,590.00	2,860.00
11	Provision for Deferred Tax	(51.00)	(1,318.00)	31.00	(1,373.00)	(3,110.00)
12	Provision for Wealth Tax	0.50	-	1.00	-	2.00
13	Fringe Benefit Tax	4.00	5.00	9.00	10.00	20.00
14	Net Profit (9-10-11-12-13)	746.22	(905.01)	1,913.00	410.42	247.37
15	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	7,832.87	5,876.09	7,832.87	5,876.09	7,832.87
16	Reserves excluding Revaluation Reserve					31,200.53
17	Basic and Diluted EPS (Rs.) - Not Annualised (See Note 7)	0.95	(1.42)	2.44	0.64	0.35
18	Aggregate of Public Shareholding					
	Number of Shares	57,040,460	43,457,557	57,040,460	43,457,557	57,040,460
	Percentage of Shareholding	72.84%	73.98%	72.84%	73.98%	72.84%

Notes :

- The Company is primarily engaged in a single business segment of Hydrocarbons. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segment other than India. As such there are no reportable segments as per AS-17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.
- Decrease in turnover is primarily on account of:
 - Lower production in PY-3 Block; Operator has temporarily shut-in PY-3-3RL Well due to excessive water entering in the Well.
 - Increase in the Government Share of Profit Oil from 25% to 40% in PY-3 Block with effect from April 1, 2007.
- Field Operating Expenditure has increased on account of increased charter hire charges of the offshore production facilities in PY-3 block i.e. floating production unit "Tahara" and floating storage vessel "Endeavor" on renewal of charter hire contract by the Operator.
- Provisions and write-offs for the quarter and six months ended September 30, 2006 includes write-off of exploration cost of Rs. 3,775.10 Lacs for Vinayaka-1 Exploratory Well in CY-OSN-97/1 Block.
 - Provisions and write-offs for the year ended March 31, 2007 includes write-off of exploration cost of Rs. 9,434.87 Lacs for Vinayaka-1 and Subhan-1 Exploratory Wells in CY-OSN-97/1 Block, a write back of Rs. 43.82 Lacs in CB-ON-7 Block and a write back of Rs. 87.36 Lacs in AAP-ON-94/1 Block.
- The Board of Directors at their meeting held on July 20, 2007 decided to raise funds not exceeding Rs. 61,500 Lacs through issue of Equity Shares to the Shareholders on rights basis for financing the Company's development costs. The Company has filed the Draft Letter of Offer with SEBI for the same on September 19, 2007.
- With reference to the observations made in the Auditors' Report for the FY 2006-07 regarding two unaudited joint ventures' accounts, the Company has subsequently received Audited Accounts of one of them. The Company has not received the Audited Accounts of Block GN-ON-90/3 (Pranhita-Godavari) being under arbitration. As none of the above joint ventures has entered the production phase there is no effect on the profit for the quarter.
- EPS for the quarter and six months ended September 30, 2006 has been restated as per Accounting Standard 20 "Earnings Per Share" to reflect the effect of the previous Rights Issue in the financial year 2006-2007.
- Figures for the previous periods have been recast / regrouped to make them comparable with the current period, wherever necessary.
- Details of Investors' Complaints for the quarter ended on September 30, 2007.

Unresolved at the beginning of the quarter	Nil
Received during the quarter	68
Resolved during the quarter	68
Unresolved at the end of the quarter	Nil
- The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on October 23, 2007 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 : Gurgaon
Date : October 23, 2007

Manish Maheshwari
Joint Managing Director