

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER AND SIX MONTHS ENDED ON SEPTEMBER 30, 2008

Rs. in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Unaudited for Six months		Audited for the Previous Year
		Ended on 30.09.2008	Ended on 30.09.2007	Ended on 30.09.2008	Ended on 30.09.2007	Ended on 31.03.2008
1	a) Net Sales / Income from Operations	2,876.58	2,911.34	4,825.51	4,686.48	8,334.69
	b) Other Operating Income	-	-	-	-	-
	c) Increase / (Decrease) in Stock of Crude Oil (See Note 2)	(572.61)	(838.87)	(44.43)	(498.55)	13.07
2	Total Income	2,303.97	2,072.47	4,781.08	4,187.93	8,347.76
3	Expenditure and Charges					
	a) Field Operating Expenses (See Note 3)	1,155.32	876.10	2,226.58	1,246.54	3,108.35
	b) Corporate Expenses					
	- Staff Expenses	226.40	182.87	456.44	372.63	651.10
	- Loss on Foreign Exchange (See Note 4)	931.63	-	1,365.28	-	-
	- Legal and Professional Expenses	121.57	97.87	164.98	164.14	320.79
	- Other Expenses	145.40	140.90	256.36	232.39	486.57
	- Recovery of Expenses	(385.23)	(264.60)	(683.25)	(485.35)	(1,059.95)
	c) Depreciation, Depletion and Amortisation	151.88	134.79	264.22	307.67	526.14
	d) Provisions and Write offs (See Note 5)	-	-	-	-	1,663.94
		2,346.97	1,167.93	4,050.61	1,838.02	5,696.94
4	(Loss) / Profit from Operations before Other Income, Interest and Exceptional Items (2-3)	(43.00)	904.54	730.47	2,349.91	2,650.82
5	Other Income	1,364.43	368.59	2,597.71	852.10	2,015.34
6	Profit from Operations before Interest and Exceptional Items (4+5)	1,321.43	1,273.13	3,328.18	3,202.01	4,666.16
7	Interest and Financing Charges	129.44	203.41	271.60	428.01	756.12
8	Profit from Operations after Interest but before Exceptional Items (6-7)	1,191.99	1,069.72	3,056.58	2,774.00	3,910.04
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (8-9)	1,191.99	1,069.72	3,056.58	2,774.00	3,910.04
11	Tax Expenses					
	a) Provision for Current Income Tax	(10.00)	370.00	120.00	820.00	350.00
	b) Provision for Deferred Tax	(90.00)	(51.00)	280.00	31.00	1,130.00
	c) Provision for Wealth Tax	0.50	0.50	1.00	1.00	2.00
	d) Provision for Fringe Benefit Tax	5.00	4.00	10.00	9.00	18.00
12	Extraordinary Item (net of tax expenses)	-	-	-	-	-
13	Net Profit / (Loss) for the Period	1,286.49	746.22	2,645.58	1,913.00	2,410.04
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	7,832.87	13,050.93	7,832.87	13,050.93
15	Reserves excluding Revaluation Reserve					87,764.10
16	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items (See Note 6)	0.99	0.85	2.03	2.18	2.47
17	Public Shareholding					
	Number of Shares	68,924,155	57,040,460	68,924,155	57,040,460	95,039,610
	Percentage of Shareholding	52.82%	72.84%	52.82%	72.84%	72.83%

Notes :

- 1 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. Hence, there are no reportable segments as per AS-17 "Segmental Reporting".
- 2 Closing stock of crude oil in saleable condition is valued at the estimated Net Realisable Value and the increase / (decrease) in stock of crude oil is grouped under Total Income in line with the annual audited accounts.
- 3 As explained in the Annual Report for year ended March 31, 2008, the Field Operating Expenses has increased on account of increased charter hire charges of the offshore production facilities in PY-3 Block on renewal of charter hire contract by the Operator with effect from July 28, 2007.
- 4 Loss on Foreign Exchange Difference for the six months ended September 30, 2008 includes loss of Rs. 1,323.08 Lacs due to unrealised exchange loss on restatement of foreign currency borrowings as per AS - 11. As a policy, the Company does not enter into any forex derivatives.
- 5 Provisions and write-offs for the year ended March 31, 2008 includes write off of exploration cost of Rs. 83.60 Lacs for CY-OSN-97/1 Block as the Contract Area was relinquished in the absence of any discovery during the Exploration Period as per terms of the Production Sharing Contract and Rs. 1,580.34 Lacs for North Ledo -1 Exploratory Well drilled in Block AAP-ON-94/1.
- 6 The Company's Rights Issue of 52,217,720 fully paid equity shares of Rs.10/- each at a premium of Rs.107/- per share aggregating to Rs.61,094.73 lacs closed on January 07, 2008. The Company has allotted 52,180,621 equity shares. EPS for the quarter / six months ended September 30, 2007 has been restated as per Accounting Standard 20 " Earnings Per Share" to reflect the effect of the above Rights Issue.
- 7 The Company has sought extension for conducting additional exploration in Block CB-ON-7 and the programme for the same has been decided by Directorate General of Hydrocarbons. The exploration expenses amounting to Rs. 554.83 Lacs will be appropriately dealt with based on final regulatory consents.
- 8 With reference to the observations made in the Auditors' Report for Financial Year 2007-08 regarding one unaudited Unincorporated Joint Ventures' accounts, we have to state that the Company has not received the Audited Accounts of Block GN-ON-90/3 (Pranhita-Godavari) being under arbitration. As the above joint venture has not entered the production phase there is no effect on the profit for the quarter / six months ended September 30, 2008.
- 9 With reference to the observations made in the Auditors' Report for Financial Year 2007-08 regarding the accounting for foreign exchange differences in respect of the Company's share of the assets and liabilities in the Unincorporated Joint Ventures based on unaudited information relating to such foreign exchange differences, we have to state that since the audited financial statements of the Unincorporated Joint Ventures, which are prepared in accordance with the requirements of the Production Sharing Contract, do not separately reflect the details of the foreign exchange differences, the same have been obtained from the Operator of the respective Unincorporated Joint Ventures.
- 10 Figures for the previous periods have been recast / regrouped to make them comparable with the current period, wherever necessary.
- 11 Details of Investors' Complaints for the quarter ended on September 30, 2008.

Unresolved at the beginning of the quarter	Nil
Received during the quarter	81*
Resolved during the quarter	81*
Unresolved at the end of the quarter	Nil

* Excludes 15 complaints which were replied back seeking additional / relevant information necessary.
- 12 Subsequent to the completion of the mandatory open offer, ENI UK Holding plc. (ENI), has acquired (directly as well as indirectly) 47.18% equity shares of the Company. The members at the Annual General Meeting dated September 30, 2008, have approved the appointment of Mr. Paolo Carmosino, Mr. Franco Conticini, Mr. Luigi Ciarrocchi and Mr. Santo Lagana' (proposed by ENI) as directors of the Company. Further Mr. Luigi Ciarrocchi has also been appointed as the Managing Director of the Company.
- 13 The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on October 23, 2008 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 : October 23, 2008

Manish Maheshwari
Joint Managing Director