

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 / HALF YEAR ENDED ON SEPTEMBER 30, 2009

Rupees in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Unaudited for Six months		Audited For the Previous Year
		Ended on 30.09.2009	Ended on 30.09.2008	Ended on 30.09.2009	Ended on 30.09.2008	Ended on 31.03.2009
1	a) Net Sales / Income from Operations (See Note 2)	1,237.26	2,876.58	2,739.53	4,825.51	8,517.84
	b) Other Operating Income	-	-	-	-	-
	c) (Decrease) in Stock of Crude Oil (See Note 3)	(879.95)	(572.61)	(456.57)	(44.43)	(224.37)
2	Total Income	357.31	2,303.97	2,282.96	4,781.08	8,293.47
3	Expenditure and Charges					
	a) Field Operating Expenses (See Note 4)	220.48	1,155.32	1,351.11	2,226.58	4,300.57
	b) Corporate Expenses					
	- Staff Expenses	164.17	226.40	404.45	456.44	905.35
	- Net Loss / (Gain) on Foreign Exchange	341.26	931.63	(796.80)	1,365.28	(370.53)
	- Other Expenses	201.57	266.97	387.18	421.34	877.14
	- Recovery of Expenses (See Note 5)	(482.12)	(385.23)	(1,024.70)	(683.25)	(1,728.64)
	c) Depreciation, Depletion and Amortisation	79.97	151.88	410.28	264.22	1,181.85
	Total	525.33	2,346.97	731.52	4,050.61	5,165.74
4	(Loss) / Profit from Operations before Other Income, Interest and Exceptional Items (2-3)	(168.02)	(43.00)	1,551.44	730.47	3,127.73
5	Other Income	90.14	1,364.43	302.56	2,597.71	4,253.13
6	(Loss) / Profit from Operations before Interest and Exceptional Items (4+5)	(77.88)	1,321.43	1,854.00	3,328.18	7,380.86
7	Interest and Financing Charges	92.80	129.44	209.28	271.60	1,037.72
8	(Loss) / Profit from Operations after Interest but before Exceptional Items (6-7)	(170.68)	1,191.99	1,644.72	3,056.58	6,343.14
9	Exceptional Items	-	-	-	-	-
10	(Loss) / Profit from Ordinary Activities before Tax (8-9)	(170.68)	1,191.99	1,644.72	3,056.58	6,343.14
11	Tax Expenses					
	a) Provision for Current Income Tax	60.00	(10.00)	260.00	120.00	323.50
	b) Provision for Deferred Tax	10.00	(90.00)	570.00	280.00	950.00
	c) Provision for Wealth Tax	-	0.50	1.50	1.00	2.00
	d) Provision for Fringe Benefits Tax	(5.00)	5.00	-	10.00	21.00
	e) MAT Credit Entitlement	(60.00)	-	(260.00)	-	(310.00)
12	Net (Loss) / Profit from Ordinary Activities after Tax (10-11)	(175.68)	1,286.49	1,073.22	2,645.58	5,356.64
13	Extraordinary Items (net of tax expenses)	-	-	-	-	-
14	Net (Loss) / Profit for the Period (12-13)	(175.68)	1,286.49	1,073.22	2,645.58	5,356.64
15	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93
16	Reserves excluding Revaluation Reserve					92,955.51
17	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items	Rs.(0.13)	Rs. 0.99	Rs. 0.82	Rs. 2.03	Rs. 4.10
18	Public Shareholding					
	Number of Shares	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155
	Percentage of Shareholding	52.82%	52.82%	52.82%	52.82%	52.82%
19	Promoters and Promoter Group Shareholding (See Note 10)					
	a) Pledged / Encumbered					
	Number of shares	-	N.A.	-	N.A.	-
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	N.A.	-	N.A.	-
	Percentage of shareholding (as a % of the total share capital of the company)	-	N.A.	-	N.A.	-
	b) Non - encumbered					
	Number of shares	61,569,134	N.A.	61,569,134	N.A.	61,569,134
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	N.A.	100.00%	N.A.	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	N.A.	47.18%	N.A.	47.18%

N.A. - Disclosure Not Applicable

- 1 The Company is primarily engaged in a single business segment of "Hydrocarbons and other incidental services". All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. Hence, there are no separate reportable segments as per AS-17 "Segmental Reporting".
- 2 Decrease in Net Sales / Income from Operations for the quarter / half year ended September 30, 2009 as compared to quarter / half year ended September 30, 2008 is primarily on account of production shut down in the PY-3 Field effective July 5, 2009 due to unscheduled repair and maintenance of the offshore mooring facility / carrier arm of export hose.
- 3 Closing stock of crude oil is valued at the estimated Net Realisable Value and the decrease in stock of crude oil is grouped under Total Income in line with the annual audited accounts of the Company.
- 4 Field Operating Expenses for the quarter / half year ended September 30, 2009 as compared to quarter / half year ended September 30, 2008 is lower as Operator of the Field has advised that charter hire charges are not payable for shut down period.
- 5 Recovery of expenses includes expenditure incurred by the Company for the Unincorporated Joint Ventures where the Company is the Operator. Recovery of expense also includes parent company overhead pursuant to the respective Production Sharing Contracts. Such costs have been recovered from the respective Unincorporated Joint Ventures as per the terms of the respective Production Sharing Contracts.
- 6 The Joint Venture partners of CB-ON-7 have requested the Government for retention of certain block area in accordance with the Government guidelines for further exploration, which is being considered by the Government. The related exploration expenses amounting to Rs. 535.39 Lacs as at September 30, 2009 will be appropriately dealt with based on outcome of regulatory consents or otherwise, inline with the Company's Accounting Policy.
- 7 The Operator has declared Commercial Discovery in CB-OS/1 Block and is pursuing with the authorities for necessary approvals. The related exploration expenses amounting to Rs. 1,845.43 Lacs as at September 30, 2009 will be appropriately dealt with based on final regulatory consents or otherwise inline with the Company's Accounting Policy.
- 8 With reference to the observations made in the Auditors' Report for Financial Year 2008-09 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 / half year ended September 30, 2009.
- 9 Figures for the previous periods have been regrouped / reclassified to make them comparable with the current period, wherever necessary. The Company has dealt with exchange differences arising on account of long term foreign currency monetary items in accordance with the new paragraph 46 of Accounting Standard 11 – The Effects of Changes in Foreign Exchange Rates amended by the Ministry of Corporate Affairs vide Notification dated March 31, 2009 on Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 225 (E) dated 31.3.2009) effective from March 31, 2009 retrospectively for the period April 1, 2008 to March 31, 2009. Hence, the results for the quarter / half year ended September 30, 2009 and September 30, 2008 are not comparable.
- 10 The details of Promoters Shareholding is based on their declarations dated October 21, 2009 giving the status of the pledged shares as of September 30, 2009.
- 11 The Company has, as the Operator of PY-1 Field, executed a Tripartite Settlement Agreement with GAIL (India) Limited ("GAIL") and PPN Power Generating Company Private Limited ("PPN") *inter-alia* terminating the Natural Gas Sale and Purchase Agreement with PPN and settling the ongoing dispute with GAIL in relation to sale of natural gas. Further the Company has also signed Gas Sale Contract with GAIL for sale of natural gas produced from PY-1 Field. The Company has commenced production of natural gas from PY-1 Field on October 16, 2009.
- 12 Details of Investors' Complaints for the quarter ended on September 30, 2009

Unresolved at the beginning of the quarter	Nil
Received during the quarter*	33
Replied / Resolved during the quarter*	33
Unresolved at the end of the quarter	Nil

* excludes 4 complaints which were replied back seeking additional / relevant information necessary.
- 13 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 31, 2009. The same has also been subjected to a limited review by the Auditors.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Place : Chennai
Date : October 31, 2009

Manish Maheshwari
Joint Managing Director