

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER/ NINE MONTHS ENDED ON 31.12.2005

Rs. Lacs

Sr. No.	Particulars	For the Quarter Ended on		For the Nine Months Ended on		For the Year Ended on 31.03.05 (Audited)
		31.12.05	31.12.04	31.12.05	31.12.04	
1	Net Sales/Income from Operations	2,448.82	2,073.32	6,417.63	5,844.14	8,553.48
2	Increase in Stock of Oil	103.68	57.49	191.95	725.32	28.78
3	Other Income	114.58	160.48	446.90	526.07	691.91
4	Total Income	2,667.08	2,291.29	7,056.48	7,095.53	9,274.17
5	Total Expenditure					
	a) Field Operating Expenses	444.60	370.22	1,304.78	1,133.29	1,681.03
	b) Corporate Expenses					
	- Staff Expenses	128.19	116.84	429.96	314.84	453.88
	- Legal and Professional Expenses	125.12	39.44	242.97	126.21	205.72
	- Other Expenses	142.88	72.71	390.47	258.08	352.83
	- Recovery of Expenses	(175.29)	(72.56)	(447.76)	(211.04)	(401.22)
		665.50	526.65	1,920.42	1,621.38	2,292.24
6	Interest and Financing Charges	40.32	61.77	136.95	107.56	162.97
7	Depreciation and Depletion (See note 2)	(97.32)	217.51	276.32	644.54	880.57
8	Provisions and Write offs (See note 3)	-	(0.84)	-	(42.69)	(161.98)
9	Profit before Taxation (4-5-6-7-8)	2,058.58	1,486.20	4,722.79	4,764.74	6,100.37
10	Provision for Current Income Tax	592.00	597.00	1,674.00	1,701.00	1,950.00
11	Provision for Deferred Tax	99.50	(68.04)	(90.50)	(11.73)	302.00
12	Fringe Benefit Tax	2.84	-	13.00	-	-
13	Net Profit (9-10-11-12)	1,364.24	957.24	3,126.29	3,075.47	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.)	2.32	1.63	5.32	5.23	6.55
17	Aggregate of Non-Promoter Shareholding					
	Number of Shares	43,457,557	58,744,935	43,457,557	58,744,935	58,744,935
	Percentage of Shareholding	73.98%	100%	73.98%	100%	100%

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 Based on the performance of the PY-3 field, estimate of the proved developed reserves have been increased as certified by an independent international petroleum certification agency and as approved by the Management. Accordingly, the depletion for the nine months period has been calculated considering revised reserve estimate at the end of the period and production for the period, resulting in write back of depletion charge of Rs. 194.01 lacs during the quarter ended December 31, 2005.
- 3 (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 and / or new seismic data proposed to be acquired.
(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).
- 4 With reference to the observations made in the Auditors' Report for the FY 2004-05 regarding unaudited joint ventures' accounts, the Company has received audited accounts of two out of three such non-producing joint ventures. The closure of the third joint venture, namely, PG-Block, under *force majeure* conditions is under arbitration.
- 5 With respect to Block AAP-ON-94/1, subsequent to the withdrawal of one of the consortium partners, Premier Oil North East India BV, from the consortium, the Company has become the Operator of the said Block w.e.f. January 01, 2006 and has enhanced its Participating Interest (PI) from the existing 25% to 40.323%(without compensation), subject to customary Government approval.
- 6 During the period the Company has commenced commercial production of oil from Pramoda Oil field in Block CB-ON/7 and gas from North Balol Gas field.
- 7 Figures for the corresponding period / last year are recast/regrouped to make them comparable with the current period, wherever necessary.
- 8 Details of Investors' Complaints for the quarter ended on December 31, 2005.

Unresolved at the beginning of the quarter	2	
Received during the quarter	5	
Resolved during the quarter	6	
Unresolved at the end of the quarter	1	(Since resolved)
- 9 The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on January 24, 2006. The results for the nine months ended December 31, 2005 have been subjected to a limited review by the statutory auditors of the Company.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Rakesh Jain
Managing Director

New Delhi, January 24, 2006.