

**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 / NINE MONTHS ENDED ON DECEMBER 31, 2007**

Rs. in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Unaudited for the Nine Months		Audited for the Previous Year
		Ended on 31.12.2007	Ended on 31.12.2006	Ended on 31.12.2007	Ended on 31.12.2006	Ended on 31.03.2007
1	Net Sales / Income from Operations (See Note 2)	334.88	3,118.51	4,713.62	9,074.32	11,553.93
2	Other Income	294.04	595.68	1,146.14	831.11	1,489.92
3	Increase / (Decrease) in Stock of Crude Oil (See Note 3)	1,680.29	(557.92)	1,489.49	(373.83)	(436.99)
4	Total Income	2,309.21	3,156.27	7,349.25	9,531.60	12,606.86
5	Expenditure and Charges					
	a) Field Operating Expenses (See Note 4)	962.28	401.94	2,208.82	1,286.46	1,677.60
	b) Corporate Expenses					
	- Staff Expenses	135.89	141.45	508.52	480.53	531.28
	- Legal and Professional Expenses	64.48	78.26	228.62	221.82	302.76
	- Other Expenses	123.22	145.84	355.61	463.32	485.74
	- Recovery of Expenses	(309.67)	(376.46)	(795.02)	(781.71)	(1,037.04)
	c) Depreciation, Depletion and Amortisation	109.51	220.03	417.18	680.86	764.92
	d) Provisions and Write offs (Net) (See Note 5)	1,484.19	1,290.91	1,484.19	5,066.01	9,303.69
		2,569.90	1,901.97	4,407.92	7,417.29	12,028.95
6	Interest and Financing Charges	186.94	130.41	614.95	353.00	558.54
7	Exceptional Items	-	-	-	-	-
8	<b>(Loss) / Profit from Ordinary Activities before Tax ( 4-5-6-7)</b>	<b>(447.63)</b>	<b>1,123.89</b>	<b>2,326.38</b>	<b>1,761.31</b>	<b>19.37</b>
9	Tax Expenses					
	a) Provision for Current Income Tax	320.00	780.00	1,140.00	2,370.00	2,860.00
	b) Provision for Deferred Tax	(523.00)	(477.00)	(492.00)	(1,850.00)	(3,110.00)
	c) Provision for Wealth Tax	0.50	-	1.50	-	2.00
	d) Provision for Fringe Benefit Tax	3.00	2.00	12.00	12.00	20.00
10	<b>Net (Loss) / Profit from Ordinary Activities after Tax ( 8 - 9)</b>	<b>(248.13)</b>	<b>818.89</b>	<b>1,664.88</b>	<b>1,229.31</b>	<b>247.37</b>
11	Extraordinary Items (net of tax expenses)	-	-	-	-	-
12	<b>Net (Loss) / Profit for the Period</b>	<b>(248.13)</b>	<b>818.89</b>	<b>1,664.88</b>	<b>1,229.31</b>	<b>247.37</b>
13	Paid up Equity Share Capital (See Note 7) (Face Value of Rs. 10/- each)	<b>7,832.87</b>	<b>7,832.87</b>	<b>7,832.87</b>	<b>7,832.87</b>	<b>7,832.87</b>
14	Reserves excluding Revaluation Reserve					31,200.53
15	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items	<b>(0.32)</b>	<b>1.06</b>	<b>2.13</b>	<b>1.80</b>	<b>0.35</b>
16	Public Shareholding					
	Number of Shares	57,040,460	57,040,460	57,040,460	57,040,460	57,040,460
	Percentage of Shareholding	72.84%	72.84%	72.84%	72.84%	72.84%

Contd...

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. As such there are no reportable segments as per AS-17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.
- 2 Decrease in turnover is primarily on account of:
  - a Lower production in PY-3 Block since the Operator has temporarily shut-in PY-3-3RL Well, due to excessive water entering the Well.
  - b Increase in the Government share of Profit Oil from 25% to 40% in PY-3 Block.
- 3 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.
- 4 Field Operating Expenses 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.
- 5
  - a Provisions and Write-offs for the quarter / nine months ended December 31, 2007 includes write-off of exploration cost of Rs. 1484.19 Lacs for North Ledo -1 Exploratory Well in AAP-ON-94/1 Block.
  - b Provisions and Write-offs for the quarter / nine months ended December 31, 2006 includes write-off of exploration cost of Rs. 5,153.37 Lacs for Vinayaka-1 Exploratory Well in CY-OSN-97/1 Block and a write back of Rs. 87.36 Lacs in AAP-ON-94/1 Block.
  - c 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.
- 6 The Company has sought extension for conducting additional exploration in certain areas of Block CB-ON-7 and the programme for the same has been decided by Directorate General of Hydrocarbons. The exploration expenses amounting to Rs. 514.86 Lacs will be appropriately dealt with based on final regulatory consents.
- 7 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 and has been over subscribed. The Company has allotted 52,180,621 equity shares pursuant to the said Rights Issue. As the issue has closed on January 07, 2008 and the allotment of equity shares has been done on January 24, 2008, there is no impact on the EPS computation for the current / prior periods in respect of the above mentioned Rights Issue.  
  
Further, the Company has incurred an amount of Rs. 155.21 Lacs as at December 31, 2007 towards Rights Issue expenses, which will be adjusted against the Share Premium account.
- 8 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.
- 9 Figures for the previous periods have been recast / regrouped to make them comparable with the current period, wherever necessary.
- 10 Details of Investors' Complaints for the quarter ended on December 31, 2007.

Unresolved at the beginning of the quarter	Nil
Received during the quarter	38
Resolved during the quarter	38*
Unresolved at the end of the quarter	Nil

\* Includes 5 complaints for which the Company has sought additional / relevant information from the complainants.
- 11 The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on January 29, 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 : Chennai  
Date : January 29, 2008

Manish Maheshwari  
Joint Managing Director