

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 / NINE MONTHS ENDED ON DECEMBER 31, 2009

Rupees in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Unaudited for Nine months		Audited For the Previous Year
		Ended on 31.12.2009	Ended on 31.12.2008	Ended on 31.12.2009	Ended on 31.12.2008	Ended on 31.03.2009
1	a) Net Sales / Income from Operations (See Note 2, 3 and 4)	3,264.31	1,174.10	6,003.84	5,999.61	8,517.84
	b) Other Operating Income	-	-	-	-	-
	c) Increase / (Decrease) in Stock of Crude Oil / Natural Gas (See Note 2 and 5)	284.06	368.87	(172.51)	324.44	(224.37)
2	Total Income	3,548.37	1,542.97	5,831.33	6,324.05	8,293.47
3	Expenditure and Charges					
	a) Field Operating Expenses (See Note 2)	593.30	1,251.07	1,944.41	3,477.65	4,300.57
	b) Corporate Expenses					
	- Staff Expenses	303.93	206.06	708.38	662.50	905.35
	- Net Loss / (Gain) on Foreign Exchange	(61.73)	(341.78)	(858.53)	1,023.50	(370.53)
	- Other Expenses	173.11	238.16	560.29	659.50	877.14
	- Recovery of Expenses (See Note 6)	(416.23)	(405.99)	(1,440.93)	(1,089.24)	(1,728.64)
	c) Depreciation, Depletion and Amortisation	1,118.91	384.69	1,529.19	648.91	1,181.85
	Total	1,711.29	1,332.21	2,442.81	5,382.82	5,165.74
4	Profit from Operations before Other Income, Interest and Exceptional Items (2-3)	1,837.08	210.76	3,388.52	941.23	3,127.73
5	Other Income (Net)	64.71	965.07	367.27	3,562.78	4,253.13
6	Profit from Operations before Interest and Exceptional Items (4+5)	1,901.79	1,175.83	3,755.79	4,504.01	7,380.86
7	Interest and Financing Charges	265.83	153.97	475.11	425.57	1,037.72
8	Profit from Operations after Interest but before Exceptional Items (6-7)	1,635.96	1,021.86	3,280.68	4,078.44	6,343.14
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before Tax (8-9)	1,635.96	1,021.86	3,280.68	4,078.44	6,343.14
11	Tax Expenses					
	a) Provision for Current Income Tax	270.00	-	530.00	120.00	323.50
	b) Provision for Deferred Tax	600.00	10.00	1,170.00	290.00	950.00
	c) Provision for Wealth Tax	0.50	0.50	2.00	1.50	2.00
	d) Provision for Fringe Benefit Tax	-	5.00	-	15.00	21.00
	e) MAT Credit Entitlement	(270.00)	-	(530.00)	-	(310.00)
12	Net Profit from Ordinary Activities after Tax (10-11)	1,035.46	1,006.36	2,108.68	3,651.94	5,356.64
13	Extraordinary Items (net of tax expenses)	-	-	-	-	-
14	Net Profit for the Period (12-13)	1,035.46	1,006.36	2,108.68	3,651.94	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. 0.79	Rs. 0.77	Rs. 1.62	Rs. 2.80	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 11)					
	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 Production was shut down in the PY-3 Field since July 5, 2009 due to failure of the offshore mooring facility / carrier arm of export hose. Hardy Exploration & Production (India) Inc., the Operator of PY-3 field, notified the completion of repair of the mooring facility / carrier arm and recommencement of production on January 24, 2010. Further, Operator has advised that charter hire charges for Floating Production Unit (FPU) and Floating Storage and Offloading Unit (FSO) are not payable for the repair period.
- 3 The Company has commenced the production of Natural Gas and Condensate from PY-1 Field during the quarter ended December 31, 2009. The Natural Gas from PY-1 Field is supplied to GAIL (India) Limited. Pursuant to the Production Sharing Contract for PY-1 Field, Chennai Petroleum Corporation Limited (CPCL), is designated as the Government nominee for purchasing the Condensate.
- 4 The Joint Venture Partners of Block CB-ON-7 have *inter-alia* agreed with Indian Oil Corporation Limited (IOC), the Buyer of Crude Oil from the said Block, for the final price of Crude Oil sold. The said price revision is applicable with retrospective effect from the commencement of the first sale to IOC since October 2005 from the said Block. Net Sales / Income from Operations for the quarter / nine months ended December 31, 2009 includes an amount of Rs. 1,258.50 lacs towards the said price revision.
- 5 Closing stock of Crude Oil (including Condensate) and Natural Gas is valued at the estimated Net Realisable Value and the increase / (decrease) in stock of Crude Oil and Natural Gas is grouped under Total Income in line with the annual audited accounts of the Company.
- 6 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.
- 7 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. The related exploration expenses amounting to Rs. 536.69 Lacs as at December 31, 2009 will be appropriately dealt with based on outcome of regulatory consents or otherwise, inline with the Company's Accounting Policy.
- 8 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 December 31, 2009 will be appropriately dealt with based on final regulatory consents or otherwise inline with the Company's Accounting Policy.
- 9 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 / nine months ended December 31, 2009.
- 10 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 and for the period April 1, 2008 to March 31, 2009. Hence, the results for the quarter / nine months ended December 31, 2009 and December 31, 2008 are not comparable.
- 11 The details of Promoters Shareholding is based on their declarations dated January 18, 2010 giving the status of the pledged shares as of December 31, 2009.
- 12 Details of Investors' Complaints for the quarter ended on December 31, 2009

Unresolved at the beginning of the quarter	Nil
Received during the quarter*	34
Replied / Resolved during the quarter*	34
Unresolved at the end of the quarter	Nil

* excludes 3 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 January 27, 2010. 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 : New Delhi
Date : January 27, 2010

Manish Maheshwari
Joint Managing Director