

HINDUSTAN OIL EXPLORATION COMPANY LIMITED
Registered Office: 'HOEC HOUSE' Tandalja Road, Off Old Padra Road, Vadodara 390 020

AUDITED FINANCIAL RESULTS FOR THE YEAR 2009-2010

Rupees in Lacs

Sr. No.	Particulars	Audited Standalone		Consolidated	
		For the year	For the year	For the year	For the year
		Ended on 31.03.2010	Ended on 31.03.2009	Ended on 31.03.2010	Ended on 31.03.2009
1	a) Net Sales / Income from Operations (Refer Note 2,3 and 5)	14,005.50	8,517.84	15,571.89	9,869.08
	b) Other Operating Income	-	-	-	-
	c) Increase / (Decrease) in Stock of Crude Oil, Condensate and Natural Gas (See Note 6)	497.18	(224.37)	497.18	(224.37)
2	Total Income	14,502.68	8,293.47	16,069.07	9,644.71
3	Expenditure and Charges				
	a) Field Operating Expenses (See Note 2)	3,909.13	4,300.57	3,909.13	4,300.57
	b) Cost of Goods for Resale	-	-	673.15	600.90
	c) Marketing and Distribution Expenses	-	-	369.92	417.24
	d) Corporate Expenses				
	- Staff Expenses	987.56	905.35	1,145.11	1,053.73
	- Other Expenses	846.93	877.14	893.00	954.01
	- Recovery of Expenses (See Note 7)	(1,886.01)	(1,728.64)	(1,886.01)	(1,728.64)
	e) Depreciation, Depletion and Amortisation	4,719.50	1,181.85	4,724.48	1,186.46
	f) Provisions and Write offs	-	-	0.22	3.18
4	Profit from Operations before Other Income, Interest and Exceptional Items (2-3)	8,577.11	5,536.27	9,829.00	6,787.45
5	Other Income	5,925.57	2,757.20	6,240.07	2,857.26
6	Profit from Operations before Interest and Exceptional Items (4+5)	1,386.32	4,623.66	1,438.21	4,653.25
7	Interest and Financing Charges	7,311.89	7,380.86	7,678.28	7,510.51
8	Profit from Operations after Interest but before Exceptional Items (6-7)	804.27	1,037.72	806.57	1,040.18
9	Exceptional Items	6,507.62	6,343.14	6,871.71	6,470.33
10	Profit from Ordinary Activities before Tax (8-9)	-	-	-	-
11	Tax Expenses	6,507.62	6,343.14	6,871.71	6,470.33
	a) Provision for Current Income Tax	1,080.00	323.50	1,196.59	358.70
	b) Provision for Deferred Tax	2,310.00	950.00	2,313.80	946.11
	c) Provision for Wealth Tax	2.00	2.00	2.00	2.00
	d) Provision for Fringe Benefit Tax	-	21.00	(0.24)	25.30
	e) MAT Credit Entitlement (Net)	(1,043.62)	(310.00)	(1,043.62)	(310.00)
12	Net Profit from Ordinary Activities after Tax (10-11)	4,159.24	5,356.64	4,403.18	5,448.22
13	Extraordinary Items (net of tax expenses)	-	-	-	-
14	Net Profit for the Period (12-13)	4,159.24	5,356.64	4,403.18	5,448.22
15	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93
16	Reserves excluding Revaluation Reserve	97,114.76	92,955.51	97,738.99	93,335.81
17	Basic and Diluted EPS (Rs.) - before and after Extraordinary Items	Rs. 3.19	Rs. 4.10	Rs. 3.37	Rs. 4.18
18	Public Shareholding				
	Number of Shares	68,924,155	68,924,155	68,924,155	68,924,155
	Percentage of Shareholding	52.82%	52.82%	52.82%	52.82%
19	Promoters and Promoter Group Shareholding (See Note 11)				
	a) Pledged / Encumbered				
	Number of shares	-	-	-	-
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	Percentage of shareholding (as a % of the total share capital of the company)	-	-	-	-
	b) Non - encumbered				
	Number of shares	61,569,134	61,569,134	61,569,134	61,569,134
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	47.18%	47.18%	47.18%

Notes :

- 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, the Operator has advised that charter hire charges for Floating Production Unit (FPU) and Floating Storage and Offloading Unit (FSO) during the repair period are not payable.
- 3 The Company has commenced the sale of Natural Gas from PY-1 Field on November 27, 2009 and sale of Condensate on January 27, 2010. 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 Operating Profit before Working Capital Changes as reflected in the Standalone Cash Flow Statement of the Company for the year ended March 31, 2010 is Rs. 11,721.02 Lacs (see Note 3 above) as compared to Rs. 4,463.22 Lacs for the year ended March 31, 2009.
- 5 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 sales price of Crude Oil. 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 year ended March 31, 2010 includes a gross amount of Rs. 1,258.50 lacs towards the said price revision.
- 6 Closing stock of Crude Oil, Condensate and Natural Gas is valued at the estimated Net Realisable Value and the increase / (decrease) in stock of Crude Oil, Condensate and Natural Gas is grouped under Total Income in line with the annual audited accounts of the Company.
- 7 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.
- 8 With reference to the observation made in the Auditors' Report for Financial Year 2009-2010 regarding accounting of cost of certain services included in the Development Expenditure, we have to state that the Company has entered into a Petroleum Service Agreement (PSA) with ENI India Limited "ENI" (one of the Promoter Group Companies). As per the terms of the PSA, ENI shall provide petroleum operation related services on "cost basis". Pursuant to the PSA, the Company has issued certain job orders for specific services. As per the Board's directive, the Company has accrued the charges for the services based on ENI's Invoices. However, the payment shall be made upon receiving (a) ENI's statutory auditor's certificate for "at cost" charge out rates; and (b) Certified timesheets from ENI supporting the man-day efforts charged. The Company is in the process of receiving the requisite documentation from ENI to satisfy the above mentioned requirement. The Company expects that there should not be any material impact on the results for the year ended March 31, 2010 on account of the above.
- 9 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. 534.82 Lacs as at March 31, 2010 will be appropriately dealt with, based on outcome of regulatory consents or otherwise, inline with the Company's Accounting Policy.
- 10 ONGC, the Operator of CB-OS-1, is implementing development plan in CB-OS-1 "A" Discovery and is pursuing with the authorities for approval of Harinagar Discovery Area. The exploration expenses incurred by the Company amounting to Rs. 1,845.43 Lacs as at March 31, 2010, will be appropriately dealt with based on final regulatory consents or otherwise, inline with the Company's Accounting Policy.
- 11 The details of Promoter's Shareholding is based on their declarations dated April 8, 2010 and April 23, 2010 giving the status that no shares have been pledged as of March 31, 2010.
- 12 Figures for the previous year have been regrouped / reclassified to make them comparable with the current year, wherever necessary.
- 13 Details of Investors' Complaints for the quarter ended on March 31, 2010

Unresolved at the beginning of the quarter	Nil
Received during the quarter	21
Replied / Resolved during the quarter	21
Unresolved at the end of the quarter	Nil
- 14 The Consolidated results include the results of the Company and its Wholly Owned Subsidiary, HOEC Bardahl India Limited.
- 15 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2010.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Place : New Delhi
Date : May 29, 2010

Manish Maheshwari
Joint Managing Director