

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

PART I
Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended on December 31, 2012

Sr. No.	Particulars	Unaudited for three Months			Unaudited Year to date figures		Audited standalone for the Year
		Ended on 31.12.2012	Ended on 30.09.2012	Ended on 31.12.2011	Current Period 31.12.2012	Previous Period 31.12.2011	Ended on 31.03.2012
		Rupees in Lacs					
1	Income From Operations						
a)	Net Sales / Income from Operations (See Note 2 & 3)	2,310.87	2,533.56	3,270.03	7,524.81	12,541.81	15,139.23
b)	Other Operating Income	-	-	-	-	-	-
c)	(Decrease) / Increase in Stock of Crude Oil, Condensate and Natural Gas	(45.37)	128.97	115.29	(83.77)	(756.94)	(739.23)
	Total Income From Operations (Net)	2,265.50	2,662.53	3,385.32	7,441.04	11,784.87	14,400.00
2	Expenses						
a)	Purchase of Stock in Trade	-	-	-	-	-	-
b)	(Increase) / Decrease in inventories of stock-in-trade	-	-	-	-	-	-
c)	Employee Benefit Expenses	236.01	257.23	235.64	748.29	715.62	1,083.06
d)	Other Expenses						
	- Operating Expenditure	1,166.54	954.46	1,109.96	3,078.19	3,831.90	5,349.31
	- Net (Gain) / Loss on Foreign Exchange	380.74	(138.00)	86.14	551.49	243.63	193.58
	- Administrative and other Expenses	281.29	224.04	124.21	740.43	488.95	691.74
e)	- Recovery of Expenses	(439.54)	(503.59)	(365.51)	(1,495.85)	(998.87)	(1,471.52)
f)	Depreciation, Depletion and Amortisation (See Note 4)	1,085.93	1,117.26	1,787.18	3,358.14	4,557.93	5,545.98
	Total Expenses	2,710.96	1,911.41	2,977.62	6,980.70	8,839.16	11,392.15
3	Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(445.46)	751.13	407.70	460.34	2,945.71	3,007.85
4	Other Income (Net)	480.90	194.34	312.84	973.93	1,270.02	2,501.26
5	Profit from Operations before Finance Cost and Exceptional Items (3+4)	35.44	945.47	720.54	1,434.27	4,215.73	5,509.11
6	Finance cost	251.40	258.19	269.38	795.28	791.84	1,089.82
7	Profit from Operations after Finance Cost but before Exceptional Items (5-6)	(215.96)	687.28	451.16	638.98	3,423.89	4,419.29
8	Exceptional Items-Impairment Loss/Additional Depletion (See Note 4)	57,197.44	-	-	57,197.44	-	-
9	Profit from Ordinary Activities before Tax (7-8)	(57,413.40)	687.28	451.16	(56,558.46)	3,423.89	4,419.29
10	Tax Expenses						
a)	Provision for Current Income Tax	(130.00)	120.00	30.00	-	530.00	690.00
b)	Provision for Deferred Tax	(4,538.52)	210.00	(30.00)	(4,308.52)	830.00	1,070.00
c)	MAT Credit Entitlement (Net)	130.00	(120.00)	(30.00)	-	(530.00)	(690.00)
11	Net Profit from Ordinary Activities after Tax (9-10)	(52,874.88)	477.28	481.16	(52,249.94)	2,593.89	3,349.29
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
13	Net Profit for the Period (11-12)	(52,874.88)	477.28	481.16	(52,249.94)	2,593.89	3,349.29
14	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	13,050.93
15	Reserves excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year						107,723.21
16	Basic and Diluted EPS (Rs.) - Not Annualised - before Extraordinary Items	Rs.(40.51)	Rs. 0.37	Rs. 0.37	Rs.(40.04)	Rs. 1.99	Rs. 2.57
17	Basic and Diluted EPS (Rs.) - Not Annualised - after Extraordinary Items	Rs.(40.51)	Rs. 0.37	Rs. 0.37	Rs.(40.04)	Rs. 1.99	Rs. 2.57

PART II

A PARTICULARS OF SHAREHOLDING							
1	Public Shareholding						
	Number of Shares	68,924,155	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%	52.82%
2	Promoters and Promoter Group Shareholding (See Note 6)						
a)	Pledged / Encumbered						
	Number of shares	-	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	Percentage of shares (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	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%	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%	47.18%	47.18%

Particulars		For the Quarter Ended December 31, 2012
B INVESTOR COMPLAINTS		
	Pending at the beginning of the quarter	Nil
	Received during the quarter	5
	Disposed of during the quarter	5
	Remaining unresolved at the end of the quarter	Nil

Notes to the Financial Results:

1. The Company is primarily engaged in a single business segment of "Hydrocarbons and Other Incidental Services". All the activities of the Company are 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. PY-3 Field, operated by Hardy Exploration & Production (India) Inc., remains shut since July 31, 2011. Operator is preparing a Comprehensive Field Development Plan for approval of Consortium Partners and finally the Authorities.
3. During the Quarter ended December 31, 2012, the PY-1 Field was shut in for a period of 46 days, primarily on account of the buyer, GAIL India Limited, not able to off-take the gas supply due to shut-down of downstream consumer (29 days) and unplanned maintenance at PY-1 onshore processing terminal (17 days).
4. Exceptional item represents additional depletion and impairment loss charged to the profit and loss account pursuant to an independent third party certification of PY-1 Field reserves based on information available subsequent to the drilling of Surya Well in PY-1 Field. Based on such certification, the estimate of Proved Reserves of PY-1 Field has been revised to 120 billion cubic feet.

As a consequence, additional depletion amounting to INR 17,256 lacs for the production in the nine months period upto December 31, 2012 has been provided in the current quarter.

Further, the Company has carried out an impairment assessment based on procedures consistent with Accounting Standard 28 (AS 28) and recognised an impairment loss to the extent of INR 39,941 lacs. The following key assumptions have been used for determining the value-in-use of PY-1 Asset:

- a. Pre-tax cash flows have been projected for the life of the PY-1 Field based on the estimate of Proved Reserves as certified by the independent third party and considering cash flows necessary to maintain originally assessed standard of performance.
 - b. Discount rate of 10% has been considered reflecting market assessment based on transactions for similar assets.
5. As per the Company's Accounting Policy, the survey costs are initially capitalized as 'Exploration Expenditure' and subsequently either expensed if the exploration activity is determined as unsuccessful or transferred to "Producing Properties" in case the activities are determined to be successful.

The Auditors, have observed in their Audit Report for FY 2011-12 and subsequently in their Limited Review Report for the quarter ended Dec 31, 2012, non-adherence of the Guidance Note (Accounting for Oil and Gas Producing Activities, issued by Institute of Chartered Accountants of India, 2003) requirement that costs of surveys relating to exploration activities is to be expensed in the year incurred. In this regard, the Company has to state that:

- a. the aforesaid Guidance Note is not mandatory and only recommendatory in nature;
- b. the Company's Accounting Policy, which has been followed consistently during the earlier quarters in the Financial Year 2011-12 and in the Financial Years prior to 2011-12 with reference to treatment of survey costs, is in compliance with International Oil and Gas Industry accounting practices and International Financial Reporting Standards (IFRS), and has been accepted by the auditors in the past without modification; and
- c. the accounting for the cost of surveys is in compliance with the terms of the Production Sharing Contract signed with the Government of India.

The above may be treated as our response to the observations in the Auditor's Limited Review Report for the quarter ended December 31, 2012.

6. The details of the Promoter's shareholding, Eni Group, are based on their declarations giving the status that no share has been pledged for the respective periods.
7. Figures for previous period/year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
8. The above results and notes thereto were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 13, 2013.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited