



## Hindustan Oil Exploration Company Limited

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December 11, 2020

By Online

<b>The Listing Department</b> <b>The National Stock Exchange of India Ltd.</b> "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Stock Code: HINDOILEXP	<b>The Corporate Relationship Department</b> <b>BSE Limited,</b> 1st Floor, P. Jeejeebhoy Towers, Dalai Street, Mumbai - 400 001 Stock Code: 500186
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Dear Sirs,

**Sub: Submission of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to make the disclosure as enclosed.

The said information is also available on the website of the Company — [www.hoec.com](http://www.hoec.com).

We request you to kindly take the same on records and disseminate to public.

Yours Sincerely,

**For Hindustan Oil Exploration Company Limited**

**G Josephin Daisy**  
**Company Secretary**

## Announcement

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### Chennai: December 11, 2020

HOEC is delighted to inform its increase in Participating Interest in Block MB/OSDSF/B80/2016 (B-80) from 50% to 60% subject to the approval of the Government of India and that it has secured a medium-term loan facility of Rs. 150 Crores, subject to the approval of shareholders.

Purpose of this release is to explain the rationale of these transactions, and to assure that B-80 field development project is on track.

A Deed of Assignment and Assumption is executed with Adbhoot Estates Private Limited (Adbhoot) for assigning 10% of its participating interest in favor of HOEC and Adbhoot will maintain the balance 40% interest in the block. The transaction is on point forward by carrying the cost of Adbhoot up to First Oil.

These transactions together will ensure 100% funding of the project with all facilities such as pipelines, installation and commissioning of Mobile Offshore Processing Unit (MOPU) and installation of Single Point Mooring/ Floating Storage & Offloading (FSO) unit to commercialize the production of oil and gas by April 2021 .

MOPU and FSO will be 100% owned by the subsidiaries of HOEC, which would also be in revenue mode effective First Oil. The loan facility of Rs. 150 Crores will primarily be used for capital spending and will also leave the company with cash reserves to meet unforeseen contingent costs, if any, during installation.

On 29 April 2020, Company announced the successful completion of its two wells drilling campaign and shared the test results. These wells are ready to hook up for production once the facilities are installed.

We confirmed that the average production of oil and gas from these two wells, in oil equivalent terms would be about 8,000 barrels per day. Since the completion of drilling and testing of two wells data, we have integrated the data from the four wells drilled and one sidetrack earlier by ONGC in the Block Area. With proper geological modelling and petrophysical interpretation of all data, it is conclusively evident that B-80 reservoir is a connected reservoir across the field and not an isolated pool as envisaged earlier. New reservoir model has been completed and is reviewed by an independent globally reputed third party.

We are convinced that B-80 Block holds a larger resource base and has potential for longer plateau of production. We therefore decided to enhance the exposure of HOEC to this opportunity by increasing its participating interest in the Block.

P. Elango, Managing Director said, "This move to seize the opportunity to increase our participating interest in B-80 Block and to use in-house MOPU is a reflection of our confidence in the long-term potential of this field. We have built a track record on execution and are committed to deliver First Oil in April 2021. Once on production, the Block will generate more revenue than the current revenue with increased share of oil."

Block MB/OSDSF/B80/2016 Data :

On 16 February 2017, the Company first announced the award of B-80 offshore field under Discovered Small Field Bids Round 2016 (DSF 2016).

Block MB/OSDSF/B80/2016 is spread over 56 Sq. Kms. area in Western Offshore . HOEC is the Operator of this field.

On November 11, 2017, Company announced the submission of Field Development Plan (FDP) and stated that the FDP envisages production of 5,000 barrels of oil and 15 million standard cubic feet of gas per day.

The Field Development Plan consists of drilling of two subsea wells to produce Oil and Gas, which will be processed through a Mobile Off-shore Processing Unit (MOPU). The processed Oil will be exported through a Single Point Mooring with a Floating Storage & Offloading (FSO) unit having capacity to store about 900,000 barrels and the Gas will be delivered to Gujarat Gas Market by tapping into an existing gas pipeline system of ONGC. MOPU has a capacity to handle 10,000 barrels of oil per day.

Under the terms of the Revenue Sharing Contract (RSC), the oil and gas produced from this Block enjoys marketing and pricing freedom and is expected to fetch a premium price in the growing gas market in Gujarat, partly being met by imported Liquefied Natural Gas (LNG).