



Hindustan Oil Exploration Company Limited

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August 22, 2025

By Online

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

Sub: Earnings Call Q1 FY2025-26 – Transcript

In continuation to our intimation dated August 18, 2025 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call of the Company for the Q1 FY2025-26 held on August 18, 2025 is here with attached.

The same is also available on website of the Company at <https://hoec.com/earnings-call/>

We request you to kindly take the same on record.

Thanking you,

Yours Sincerely,

For Hindustan Oil Exploration Company Limited

G. Josephin Daisy

Company Secretary & Compliance Officer

Encl.: a/a



“Hindustan Oil Exploration Company Limited
Q1 FY '26 Earnings Conference Call”

August 18, 2025



MANAGEMENT: **MR. R. JEEVANANDAM – MANAGING DIRECTOR –
HINDUSTAN OIL EXPLORATION COMPANY LIMITED**
**MR. N. S. SENTHILNATHAN – CHIEF FINANCIAL
OFFICER – HINDUSTAN OIL EXPLORATION COMPANY
LIMITED**
**MR. KRISHNAN RAGHAVAN – CHIEF TECHNICAL
OFFICER, E&P – HINDUSTAN OIL EXPLORATION
COMPANY LIMITED**
**MRS. DAISY – COMPANY SECRETARY – HINDUSTAN
OIL EXPLORATION COMPANY LIMITED**

MODERATOR: **MR. NACHIKET KALE – EY INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the Hindustan Oil Exploration Company Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nachiket Kale from Ernst & Young Investor Relations. Thank you, and over to you, sir.

Nachiket Kale: Good morning, everyone, and a very warm welcome to all of you. I'm Nachiket Kale from EY IR. On behalf of the company and the management, I would like to thank you all for participating in the company's earnings conference call for Q1 FY '26. The company has published its results and uploaded the investor presentation on the exchanges. I hope everyone had a chance to go through the same.

Before we start, a disclaimer. Some of the statements made in today's earnings con call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by information currently available to the management.

Audiences are cautioned not to place undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings con call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me introduce you to the management representatives on the call. We have with us Mr. R. Jeevanandam, Managing Director; Mr. N.S. Senthilnathan, Chief Financial Officer; Mr. Krishnan Raghavan, Chief Technical Officer, E&P.

Without further ado, I would now like to hand over to Mr. Jeevanandam. Thanks, and over to you, sir.

R. Jeevanandam: Thanks, Kale. Good morning, everyone, and welcome to the Q1 FY'26 earnings call. From our team, I have Krishnan Raghavan, our Chief Technical Officer; Senthilnathan, our Chief Financial Officer; and Daisy, our Company Secretary, joining me on this call.

I'll start with the updates on the Northeastern region. Let me begin with an update on the Kharsang block. As you may recall, we have secured environmental clearance for drilling 40 development wells and 3 exploration wells in this block. The drilling will be executed in a phased manner. In the first phase, we plan to drill 9 development wells, of which 4 wells have been drilled to date, and drilling of the fifth well is currently underway.

Out of the 4 completed wells, 3 have already been hooked up and we have commenced production, contributing an additional 350 barrels of oil per day, which is equivalent to the production of the existing 28 wells. The fourth well is under testing and has tested a zone with good rates of gas, which validates the GCA report of considerable gas volume in the Upper Girujan sands. We will complete this program of 9 wells before December 2025, which we expect should add about 1,000 barrels of production per day by the end of this year.

Further drilling of 9 more wells and the deeper wells targeting up to the Barail formation, about 4,000 meters, will be carried out, subject to partners' approval. An expression of interest has been issued for a 2,000 HP rig as well as for 1,000 HP rig and technical evaluation is in progress. During the Q1 FY'26, the Kharsang block recorded an average production of 450 barrels per day, up from 351 barrels per day in Q4 FY'25.

Moving on to the Dirok field. The revised field development plan for the Dirok block has been submitted to the DGH, enabling the extension of the block. We plan to drill a well in North Dirok up to the Barail formation and an expression of interest has been published for a 2,000 HP rig, which is currently under evaluation. A suitable rig will be finalized and civil work will commence at the earliest.

Dirok gas sales for the current quarter is about 20 million standard cubic feet per day, while the offtake in the previous quarter was 15 million standard cubic feet per day. Accordingly, the sales volume for the current quarter is 0.41 Bcf compared to 0.37 Bcf in the previous quarter for our share. Condensate production is 8,893 barrels compared to 6,603 barrels in the previous quarter. Price realized in the current quarter is US\$ 7.54 per MMBtu compared to US\$ 8.45 per MMBtu in the previous quarter.

While the field has the capacity to produce up to 50 million standard cubic feet per day, production has been constrained due to limited demand. We are closely tracking the developments related to the Northeastern Gas Grid, which will connect Dirok to the National Gas Grid. Some issues regarding the common carrier and the augmentation of the DNPL line have made progress and an increase in demand from NRL would boost the regional demand. Irrespective of the grid connectivity, local demand is expected to increase.

We hope that the increase in offtake will commence in the third quarter of this financial year and is likely to occur before the end of the fourth quarter of the current financial year on 31st March 2026. Once the common carrier framework is adopted and connectivity is established, we expect demand constraints to ease.

Although the timeline remains uncertain, we anticipate the grid to be operational within FY'26. We will augment our capacity by drilling in North Dirok and by drilling 3 more development wells in Dirok. This will enable us to increase the sales volume and meet the rising demand by connecting the Northeast Gas Grid to the National Gas Grid.

Block AA-ONHP-2017/19, which is referred to as Block 19, is an area adjacent to the Drok known as the Greater Drok and is analogous to the Drok structure. We have received environmental clearance and are expecting the extension of the block for 1 more year to start the committed work program. We have submitted the extension of the bank guarantee to the Government of India. We will start our drilling preparedness for the first well once we receive the extension.

Regarding the Umatara block, we have 10% participating interest, where IOCL is the operator holding 90%. The necessary environmental clearances have been obtained. IOCL has started drilling the first well. We believe this drilling campaign will give us some momentum to continue drilling in all our blocks in the Northeastern region.

Our capital outlay for the Northeastern region for the next 2 financial years continues to be INR 250 crores, and we endeavor to complete our drilling in the Northeast within 2 years.

Moving to our Cambay blocks - we have received environmental clearance to drill 2 wells each in North Balol and Asjol. We have completed the workover operations of the NB-1 well in North Balol, and we have also begun drilling the first development well in North Balol after the 17-year hiatus. This will be followed by drilling the second well. Following the drilling of the North Balol wells, we plan to drill 2 wells in Asjol. We are also expecting the final clearance of the Ring-Fenced PSC along with the extension of the Palej block. This would add reasonable value to the Cambay blocks. Overall, the wells in Cambay production remains the same.

I shall talk about the offshore blocks in Cauvery and Mumbai High. Coming to the Mumbai offshore blocks, we signed the Revenue Sharing Contract for Block B-15 in April 2025. You may recall that this is a discovered small field with an area of about 332.4 square kilometers, which we successfully bid for FY'25. After collecting the existing 3D and 2D data from DGH, our G&G team started working on the development plan for this block, focusing on 2 existing discoveries with upside potential for exploration. Considering the water depth of about 40 meters, we are discussing a cost-effective development plan to unlock the value in the block.

In Block B-80, we hold a 100% participating interest. Production in the current quarter is 48,406 barrels of oil and 0.37 Bcf of gas compared to 60,000 barrels of oil and 0.4 Bcf of gas in the previous quarter. During this quarter, the average gas price realized is US\$ 11.4 per MMBtu compared to US\$ 12.09 per MMBtu in the previous quarter. We have about 410,000 barrels of oil in stock, and we are in the process of disposing of the oil by auction through M-Junction.

Production was disrupted in mid-June 2025 due to monsoon fury, and we de-moored the FSO from the SPM for safety, considering the oil in the vessel. We re-moored the vessel in August 2025 and commenced production. Considering the initial production from the D1 well and the reduced production due to mechanical and wax issues, we are planning to complete workover of this well as soon as the current monsoon is over. At the moment, both D1 and D2 wells are flowing.

We are making every effort to avoid disruptions during the monsoon and acknowledge our inability to ensure continued production during the adverse weather in June and July. With the lessons learned from each monsoon, we will continue to improve to minimize the shutdowns as much as possible. We are in the discussion to finalize the drilling contractor and the subsea contractor who supplied the tree for running tools, risers and IWOCs to commence the workover. We are also evaluating the minimum facility platform for drilling 3 new wells to maximize the value from the block.

Regarding the Cauvery Offshore block, you may recall that in the PY-3 offshore field, we engaged PetroVietnam, a state-owned oil and gas company in Vietnam with experience of producing oil and gas from the basement akin to the complex geology of PY-1 for a comprehensive review of the block. We have received a report on the block's prospectivity, which indicates upside potential. Accordingly, PetroVietnam has proposed drilling 2 in-fill wells, which are development, and 1 appraisal well through the existing platform, and 1 exploration well outside the platform.

We have sought expression of interest from various drilling contractors and expect to finalize the drilling rig and source long lead items to commence drilling in the last quarter of this financial year. This will bring new hope to the field. And on successful drilling and completion of the wells, they can be hooked up for production immediately. All facilities for processing and transporting gas are in place. Even at the PPAC price, with estimated volumes for each well, the project is economically viable since the capital infusion is marginal.

Coming to the quarterly results, our EBITDA for the current quarter is INR 35 crores in the consol accounts compared to INR 39 crores in the previous quarter, excluding the adjustment for the acquisition of 40% participating interest in B-80. We remain committed to drilling a total of 18 shallow wells and 3 deep wells in Kharsang, 4 wells in Dirok, 2 wells in Greater Dirok, and 2 wells each in North Balol and Asjol in our onshore assets.

To make our offshore fields reach their potential, we plan to drill 10 offshore wells, 3 wells in PY-1, 3 wells in B-80, and 4 wells in B-15. This program will commence with the workover of B-80 in November 2025 and drilling in PY-1 in the last quarter of FY'25-26, and will continue until completion, except during the monsoon period on both the East and West Coast.

With internal accrual, we raised a debt capital of INR 250 crores to meet the above capital expenditure. This long-term loan will be used exclusively for our capital expenditure. We believe in our assets, which will not let us down even in the worst price scenario.

Now I'll hand over to Senthil, our CFO, to take us through the financial results in detail.

N.S. Senthilnathan:

Thanks, Mr. Jeeva. Good morning all. Stand-alone revenue for this quarter is INR 83.48 crores compared to INR 83.37 crores in the previous quarter, and by including the year-end adjustment of INR 46.98 crores increase on account of assignment of 40% PI of B-80 and INR 12.25 crores towards Kharsang adjustment makes a total of INR 142.61 crores in the previous quarter.

B-80 revenue for the current quarter is INR 38.58 crores for gas sales compared to INR 44.15 crores in the previous quarter. Oil in stock is adjusted in the operating cost. Current quarter revenue decrease in B-80 is mainly due to lower production of gas, which is 402 mmscf in this quarter compared to 439 mmscf in the previous quarter.

In the case of Dirok, revenue for the current quarter is INR 36.97 crores compared to INR 31.47 crores in the previous quarter. During this quarter, 490 mmscf of gas was sold compared to 373 mmscf of gas sold in the previous quarter. Similarly, 8,893 barrels of oil was sold in this quarter compared to 6,603 barrels of oil sold in the previous quarter.

In standalone accounts, the field operating expenses for this quarter is INR 55.8 crores compared to INR 62.59 crores. Statutory levies are INR 12.13 crores for the current quarter compared to INR 13.5 crores in the previous quarter. Costs, including depreciation, depletion and amortization, finance and others is INR 13.57 crores for this quarter compared to INR 16.07 crores in the previous quarter.

Stock adjustment for this quarter is INR 15.22 crores credit compared to INR 23.77 crores credit in the previous quarter without considering the year-end adjustment of change in PI and the rate revision. Similarly, total cost in the current quarter is INR 66.28 crores compared to INR 48.01 crores in the previous quarter.

Standalone EBITDA for the current quarter is INR 27.24 crores compared to INR 24.38 crores in the previous quarter. However, with the year-end adjustment, the previous quarter was INR 148.32 crores. Profit after tax for the quarter is INR 48.21 crores compared to INR 130 crores in the previous quarter with year-end adjustment.

In consolidated accounts, the revenue from operations for this quarter is INR 85.5 crores compared to INR 85.54 crores in the previous quarter after adjusting the impact of revenue on assignment of PI of B-80 and day rate revision. Total expenses in the consolidated accounts for the current quarter is INR 69.29 crores compared to INR 64.9 crores in the previous quarter.

The decrease in cost is mainly due to stock movement. In consolidated accounts, EBITDA for this quarter is INR 35.02 crores compared to INR 38.74 crores in the previous quarter, excluding adjustment on rate revision of facilities and accounting of 40% participating interest. With this adjustment, the previous quarter number is INR 61.85 crores.

Now 100% of B-80 is owned by HOEC, facility revenue and cost is eliminated in the consolidated accounts for the current quarter. Consolidated profit after tax for the current quarter is INR 43.87 crores against INR 51.16 crores in the previous quarter, including the year-end adjustments. India Ratings has reaffirmed the rating “IND A” and revised the outlook from “stable” to “positive” for INR 50 crores bank loan. With the current cash position and continued production and with the borrowings for capital expenditure as required, we will meet all our obligations.

Thanks, and back to Mr. Jeeva.

- R. Jeevanandam:** Thanks, Senthil. We can now open the forum for questions.
- Moderator:** Thank you very much. The first question is from the line Dhruv Rawani from Shreeji Finserv LLP. Please go ahead.
- Dhruv Rawani:** Yes. Sir, so since we are holding a share in the Kharsang field, the 350 number that you give for the barrels, that is our share or it is the total production from the field?
- R. Jeevanandam:** The total production from the field.
- Dhruv Rawani:** So our share would be around 25%. So that is how we have to consider it? Would it be right?
- R. Jeevanandam:** 35%. Our share including subsidiary is 35%.
- Dhruv Rawani:** Okay. Are there any dry wells that we have drilled in Kharsang, or all have been producing?
- R. Jeevanandam:** All have been producing. There are no dry holes at all.
- Dhruv Rawani:** Okay. And on the B-80 front, this new well that you plan to drill, will it happen this year along with the workover well, or it would be a separate assignment altogether?
- R. Jeevanandam:** So I think we are looking at the possibility of doing the workover first. After that, we are looking for a rig. We are installing a minimum facility platform and then drill the well. If we are able to secure it in this quarter -- this coming monsoon, we'll be able to do it. Otherwise, we have to defer it for the next monsoon.
- Dhruv Rawani:** Okay. And what would be the costing for drilling that new well?
- R. Jeevanandam:** See, it is excluding the platform. It is being a platform well, we expect should be in the order of about \$10 million.
- Dhruv Rawani:** Okay. And each Kharsang well, what would be the tentative cost?
- R. Jeevanandam:** Each is about \$2 million.
- Moderator:** The next question is from the line of Andrey Purushottam from Cogito Advisors.
- Andrey Purushottam:** Yes. I had 2 questions. My first question relates to your latest estimate as to when will the Northeast pipeline, you think, be set up? And from what period onwards can we start taking commercial advantage of it? That was my first question.
- R. Jeevanandam:** See, I think at the outset, you should know this is not in our control. We are not the one...
- Andrey Purushottam:** Yes. That we understand.

- R. Jeevanandam:** We expect that from the third quarter it should be completed. By all probability, end of the fourth quarter, it should be fully commissioned. That's what we believe in. And accordingly, we are ramping up our drilling also.
- Andrey Purushottam:** And what is this assumption based on in terms of your understanding? Is there something more concrete you can share in terms of the things leading up to this deadline?
- R. Jeevanandam:** So what is happening is, because we are on the field itself, when we have seen the lines are getting connected. Some of the smaller issues like common carrier and some discussions are happening on it. And it is in best interest of all the parties in the region. They are expecting the lines should get connected at the earliest. So that's what we believe in it. They should get functional by end of this year by all means.
- Andrey Purushottam:** Okay. My second question was that in the last call, you had said that you had some unsold inventory of several hundred thousand barrels. What is the status on that now? Have you been able to sell off this inventory? Or is there an addition to this unsold? And could you just give us some kind of path in terms of what is the strategy and thinking on this?
- R. Jeevanandam:** So we are holding around 410,000 barrels of inventory at the moment and which we have already -- this has to be through an auction process to be on a transparent basis. We have appointed M- junction to carry out the auction and the technical evaluations have been completed. And so after that, we will be asking them to bid a price for it. Once the price bid is accepted, then it will take about 10 - 15 days for them to take the offtake. That's what we plan. It's already in the process now.
- Andrey Purushottam:** So when is the auction likely to begin? From what period should I count those 10 or 15 days?
- R. Jeevanandam:** Before end of this month, actually...
- Andrey Purushottam:** So you're talking about, in a month, this inventory...
- R. Jeevanandam:** Before the end of this month, before 31st August.
- Andrey Purushottam:** I understand. So roughly in a month's time or, let's say, 1.5 months, you expect this inventory to get liquidated?
- R. Jeevanandam:** Yes, that's right.
- Andrey Purushottam:** And what would be the revenue range expectations? I mean, I know you cannot fix the price, but let's say, if the price is between X to Y, between -- what kind of revenue range are you likely to get out of this?
- R. Jeevanandam:** You can multiply with the 410,000 barrels with the price which you would like to consider. That should be the value out of it.
- Andrey Purushottam:** Yes. So what is the range of the price that I should take?

- R. Jeevanandam:** You take the current price or whatever it is, it should be about some \$25 million, \$26 million. We should be crossing more than INR 220 crores value. That's what we believe.
- Moderator:** The next question is from the line of Riddhesh Gandhi from Discovery Capital.
- Riddhesh Gandhi:** Mr. Jeeva, you had indicated earlier that you were going to start exploration in Assam only after the grid was connected, and now you're sort of looking at expansion even now. Is there any incremental visibility, because the pipeline, we should be able to actually even just see how the progress is going, right? So is there anything which is giving us incremental comfort around this?
- R. Jeevanandam:** Yes. See, by all means, it is sure that the Northeastern Gas Grid will connect to the National Gas Grid. We are getting closer to it. And at the same time, we have to augment our ability to meet the demand. So that is the reason we are planning for drilling the North Dirok well first and the 3 development wells in a manner that we don't waste time on it, when the market is ready, we are not ready for that. So that's why our drilling campaign will continue.
- Riddhesh Gandhi:** Got it. Sir, the other question was with regards to the incremental, actually, well that we are looking to do in the B-80. How long is that expected to take?
- R. Jeevanandam:** See, that workover should not be taking more than 20 to 30 days. And then we install the platform and other things, that will take about a year.
- Riddhesh Gandhi:** Sorry, it will take about how long? A year?
- R. Jeevanandam:** A year actually, because what is happening is we have to install waiting for the monsoon and then the 3 wells have to be drilled and then it has to get connected.
- Riddhesh Gandhi:** Got it. So right now for, let's say, FY '26 or at least for the next, let's say, 12 to 15 months, we expect production at B-80 to be as per how it's been over the last few months, barring the sort of anomaly of the rain. And then we'd expect expansion to happen only after that, is it?
- R. Jeevanandam:** That's right. And workover may give some good positive results, then this volume will increase.
- Riddhesh Gandhi:** Got it. And we expect to start that in how long? I mean, like after the rain...
- R. Jeevanandam:** Yes. As soon as the monsoon is over, we'll start doing that. We are trying to finalize the drilling contractor as well as the contractor who supplied the tree for planning tools and others. So for which our people are actually working on it.
- Riddhesh Gandhi:** Got it. And given all of the assets we own, is there an overall expectation on the amount of capex we're expecting to do over the next 2 years?
- R. Jeevanandam:** So we said it was about INR 1,000 crores. It may increase by another INR 250 crores. INR1,250 crores is our targeted expenditure.

- Riddhesh Gandhi:** Got it. Sir, and at the end of all of this, capex would be over how long?
- R. Jeevanandam:** See, it's a total period of -- we are expecting the Northeast and offshore put together, it's about 2-year program now, which may slip about 6 months maximum, 2.5 years. And we will be monetizing all the assets.
- Riddhesh Gandhi:** Yes. Sir, and at the end of all of the capex, what sort of production would we be expecting in terms of oil and gas?
- R. Jeevanandam:** So P90 itself, we are expecting at least 10,000 barrels for our share.
- Moderator:** The next question is from the line of Tejas Shah from Laser Securities.
- Tejas Shah:** Sir, on the B-80 front, why are we deviating from that range of selling oil below \$75? I think our range target was \$75, and we said we will stick because we have got a lot of storage capacity available. So why a sudden change in thought process?
- R. Jeevanandam:** See, we are looking at the price and looking at the market there on. So different advises are coming. If there is a price movement which is favorable, then we will wait actually. But they are indicating that oil price would be in the range of \$65 to \$70, then we thought it is prudent to liquidate.
- Tejas Shah:** And in the long term, what are we looking at the price range? I don't know if you're asking short term because, let's say, 4 lakh barrels what we have, we can easily stay with the current production what we have for another year also. But I think in between the prices will go up, unless until we have a liquidity problem, because what happens, B-80 your production is going as a stock and there is liquidity issue.
- R. Jeevanandam:** You have to look at 2 other objects also. When oil price is going down, your drilling costs and other -- the input cost of the development drilling and other things will also go down, because we are embarking on a capital program. So the prices of all service and other things will come down. And that is the right time for us to go and complete our drilling program. For that, we need this money as such, so we are going ahead and getting it done.
- Tejas Shah:** Okay. Fine. In the B-80, let us say, we are drilling new well and maybe this thing, I think our cap to sell for a better revenue recognition was, I think, 2,500 barrels or 3,000 barrels per day or, I don't know. I mean there was some cap on that because after that, we would be paying a lot of higher royalty. So how are you planning on that?
- R. Jeevanandam:** We are planning for a total of 5,000 barrels per day. That's our planned production for B-80. And that we will be -- within that, we'll have a reasonable share to the government and we are better off even at an oil price of \$60 per barrel.
- Tejas Shah:** Okay. So that we will not have to pay higher royalty and all, correct?

- R. Jeevanandam:** That's right, because either your volume or the price determines the total share to the government.
- Moderator:** The next question is from the line of Amit Mehendale from RoboCapital.
- Amit Mehendale:** Sir, my question is on the capex. So what is the debt that -- so out of the INR 1,250 crores of total capex, what will be our debt level at the end of the capex, say, 2 years, 2.5 years from now?
- R. Jeevanandam:** See, what happens, what the wells we are drilling right now, it will be hooked up to production. So we will not be going beyond this INR 250 crores debt and which will get -- within 2 years, we'll be getting the debt-free status.
- Amit Mehendale:** Okay. Perfect. And I just wanted to reconfirm the number of the production we are expecting after the end of the capex, what type of production target that we have?
- R. Jeevanandam:** See, after all the capex, 10 wells in offshore and total of about 30 wells in onshore. All put together, we are expecting we will reach our growth target of 10,000 barrels a day for our share. That's our plan. That's our wishful projection, and we are executing to that. We are planning the gap between the reference and wishful.
- Moderator:** The next question is from the line of Vaibhav from Honesty and Integrity Investment.
- Vaibhav:** Just a follow-up on the Northeast Gas Grid connectivity. So one is a common carrier issue that you explained your assessment that maybe DNPL might become a common carrier. That's what I think we need. First question was on that, that there's no -- as of now, I don't see on the PNRG from the regulator that there is a proposal to convert DNPL into common carrier. And once the proposal is put forward, too, then there will be a lot of regulatory process that it will go through. So how realistic is our assessment that this will get done by the end of the year, this financial year?
- R. Jeevanandam:** Whether it is a common carrier or a contract carrier, once the line gets augmented, then the gas has to go in the pipeline, right? It has to go up to Numaligarh. So once it gets to Numaligarh, Numaligarh to Guwahati is already connected, which is a common carrier of IGGL. So this only one of DNPL line alone cannot be a stumping block, right?
- And second thing, you would have seen that the entire -- we are a small player in the whole sector, and there are many, Oil India and all others are interested in this line connectivity. So that is going to be an issue which is solved on its own by the government. Government is taking all initiatives to make the stranded gas to be put on into the use. So we are hoping that should not be a problem to us on the demand ramp-up.
- Vaibhav:** And on this also, secondly, sir, I think from Guwahati onwards, I think a compressor station is required at Guwahati to push the gas forward into Urja Ganga. So what is the status on that?

- R. Jeevanandam:** That I'm not aware much because what we understood is that they will be trying to hook up this line in a manner that gets into the National Grid at the earliest. The earliest means at least hopefully by end of March.
- Moderator:** The next question is from the line of Mehul Panjwani from 40 Cents.
- Mehul Panjwani:** Sir, my one question is, I joined a bit late, so I just want to know if there is any update on the report which was expected from PetroVietnam. And if at all there is an update, how are you planning to monetize -- what is the time line for monetization?
- R. Jeevanandam:** PetroVietnam has reconfirmed our internal working, and they have come out with a good report. And they are saying to go for 2 in-fill development wells using the existing platform and 1 appraisal well. So 3 wells with the existing platform -- using the existing platform, and 1 well is an exploration outside the platform, that's a little about 1 kilometer away from the platform. So the 4-well plan they have given. They have given the well trajectory also. We are embarking on planning the first well drilling before the end of this financial year, and we are trying to line up the drilling rig as well as the other long lead items and also pursuing whatever the clearances are required from the Ministry of Environment and Forest.
- Mehul Panjwani:** Right, sir. So sir, how much will be the capex for this?
- R. Jeevanandam:** See, this capex, because being a platform drilling, we are expecting about 3 wells is about \$30 million. And by all probabilities, the total capex as estimated initially for 4 wells together, it should not exceed \$50 million.
- Mehul Panjwani:** Okay. And when will it start adding to our revenue, sir?
- R. Jeevanandam:** It is on the platform. When we are successful, then it will get added on the very next day. And we are also talking to the companies as such for the possibility of the connectivity in the line and other things. There should not be any constraint on the gas sales. That we are discussing with the GAIL. In a manner once we are ready with the gas supply, then they should be able to sell it.
- Mehul Panjwani:** Okay, sir. And sir, anything -- we have received any update on the arbitration which is going on with PY-3?
- R. Jeevanandam:** It's not under arbitration, the tribunal is to be constituted. Once the tribunal is constituted, we'll put forward our views to it.
- Mehul Panjwani:** Sir, any time line on that we can expect?
- R. Jeevanandam:** No, I don't know. It will take some time actually. Tribunal is to be constituted yet.
- Mehul Panjwani:** Okay. Okay. And sir, last thing is on Kharsang. Last quarter, we had mentioned that we'll be drilling 1 well every month. So did you drill 3 wells in this quarter?

- R. Jeevanandam:** 4 wells we have drilled and completed and the fifth well is in progress.
- Moderator:** The next question is from the line of Andrey Purushottam: from Cogito Advisors.
- Andrey Purushottam:** I just wanted to ask a few very basic questions. One is that is there any seasonality in your business? And therefore, is the year-on-year comparison more valid? Or is the quarter-on-quarter comparison more valid?
- R. Jeevanandam:** See, year-on-year would be more appropriate because quarter-to-quarter, sometimes the demand is varying in the offtake. If the offtake issues are there, local demand is one of the constraints. And second thing, from our side, our ability during the monsoon. So one from our side, one from the market side. So that's why it's having some element of a seasonality, either in production as well as in the demand. So it's better to compare the number annually.
- Andrey Purushottam:** But is there any predictability of the seasonality? For example, in certain capital goods companies, there is a skew towards the last quarter in the sale because government budgets seem to be exhausted. Is there any reason here? Or is it random to some extent?
- R. Jeevanandam:** See, it's -- basically, the demand constraint, once eased out through the gas grid, then it would not -- the seasonality will go off. That's what we believe. And we are also working on it how to reduce the shutdown in the offshore. If both the things are there, there would not be any seasonality, and we should be able to -- our quarter-to-quarter comparison would be relevant.
- Andrey Purushottam:** Right. The second question that I had was, I know you have alluded to in this call, but I don't understand the basics of it. The various adjustments that you have made, 40% PI acquisition B-80, day rate reduction of MOPU and FSO. You have for the previous quarter, first deducted INR 33 crores from the revenue and then you have deducted INR 6 crores from the expenses. And can you just explain to me in some detail as to what are these items exactly? And how should I, therefore, compare the performance on a Q-on-Q basis between Q1 '26 and Q4 '25?
- R. Jeevanandam:** We have given a note to the accounts. You can refer that. So what is happening is that -- yes, there is a note number 3, you can refer it into the results and that explains the whole thing.
- Andrey Purushottam:** In essence, how should I compare the performance of Q1 '26 and Q4'25? I should just tick these items out of it?
- R. Jeevanandam:** It is akin actually. I don't think -- there is not much variations between both the things. You look at the volume of production, it remains the same almost. And there is some reduction in the revenue, there is some increase in volume, both get compensated. And quarter 4 and quarter 1, I don't think much difference.
- Moderator:** The next question is from the line of Mehul Panjwani from 40 Cents.
- Mehul Panjwani:** Sir, can I just say -- I mean, is it a fair assumption to make that this monsoon, we had less disruption in the production days compared to last monsoon, because that's what I vaguely remember from last conference call.

- R. Jeevanandam:** Mehul, please, I can't predict the monsoon as such. So let it get over, then I'll tell you comparatively what we've done better.
- Mehul Panjwani:** No, no. I'm saying so far.
- R. Jeevanandam:** So far, we are similar to the last monsoon. We are not better off.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- R. Jeevanandam:** Okay. Thank you all. We are drilling in onshore, and this momentum will continue until we unlock the value of all our onshore assets. We will start our offshore drilling campaign in the last quarter of this year and will continue until we put all the offshore blocks in value mode. This will increase the production as well as the reserve base of the company. Our committed in-house team, with the support of external experts as needed, will ensure to meet our growth targets. Once again, thank you all for joining us today. Thank you.
- Moderator:** Thank you. On behalf of Hindustan Oil Exploration Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.