



# INVESTOR PRESENTATION

7TH NOVEMBER 2019

TRANSFORMING THROUGH TALENT AND TECHNOLOGY



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**1**

**Q2 FY 19-20 Performance Highlights**

**2**

**Focus Areas & Priorities**

**3**

**Business Outlook**

### Gross Production (BOEPD)

**Q2 FY20 : 9740**

Q1 FY20 : 7962

### Net Production (BOEPD)

**Q2 FY20 : 3820**

Q1 FY20 : 3337

### Gross Production - PY-1 (BOEPD)

**Q2 FY20 : 742**

Q1 FY20 : 960

### Gross Production -Dirok (BOEPD)

**Q2 FY20 : 8193**

Q1 FY20 : 6176

### Revenue from Operations (in Cr.)

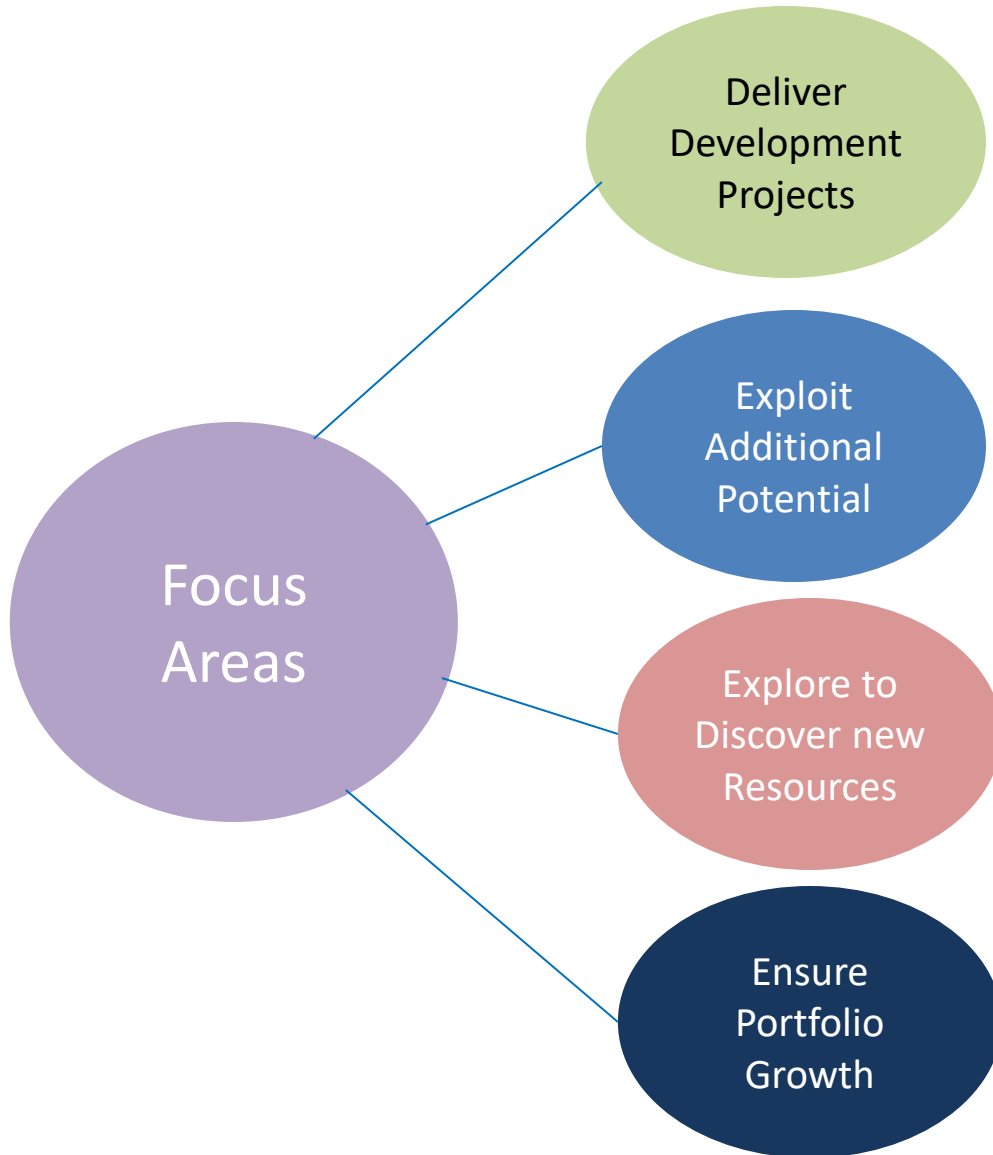
**Q2 FY20 : 62**

### Cash & Cash Equivalent (in Cr.)

**Q2 FY20: 218**

- Dirok delivered full production. End Customers consumption at full capacity
- Production at PY-1 had to be curtailed due to major customer shutdowns. Wells were ready to deliver. Offtake was limited
- Conversion of Jack-up rig to MOPU for B80 on-track at Lamprell Shipyard; Drilling campaign on-track to commence early Dec 2019
- PY-3 PSC extension recommended by MC; PSC for Asjol extended upto 2030
- Revised FDP approved by Managing committee for
  - ✓ Dirok
  - ✓ Kharsang
  - ✓ PY-1
- Palej R2 PSC expected to be executed soon
- Kherem forest clearance is approved; Petroleum Mining Lease (PML) is awaited





- B-80 Development – Endeavor to deliver ‘First Oil’ by June 2020
- Phase - II development of Dirok to increase production by Q1 21-22

- Appraise North Dirok Potential within Dirok Development Area (Assam)
- Appraise potential in deeper prospects within Kharsang Development Area (Arunachal Pradesh)
- Appraisal & Development of upside potential in PY-1 (Cauvery Offshore)

- Exploration in block AA-ONHP-2017/19 adjacent to Dirok
- Explore R-2 area of CB-ON-7 on execution of PSC

- Participate in OALP & DSF bid rounds
- Evaluate inorganic opportunities
- Seek to increase participating interest in operated blocks

# B-80 DEVELOPMENT PLAN

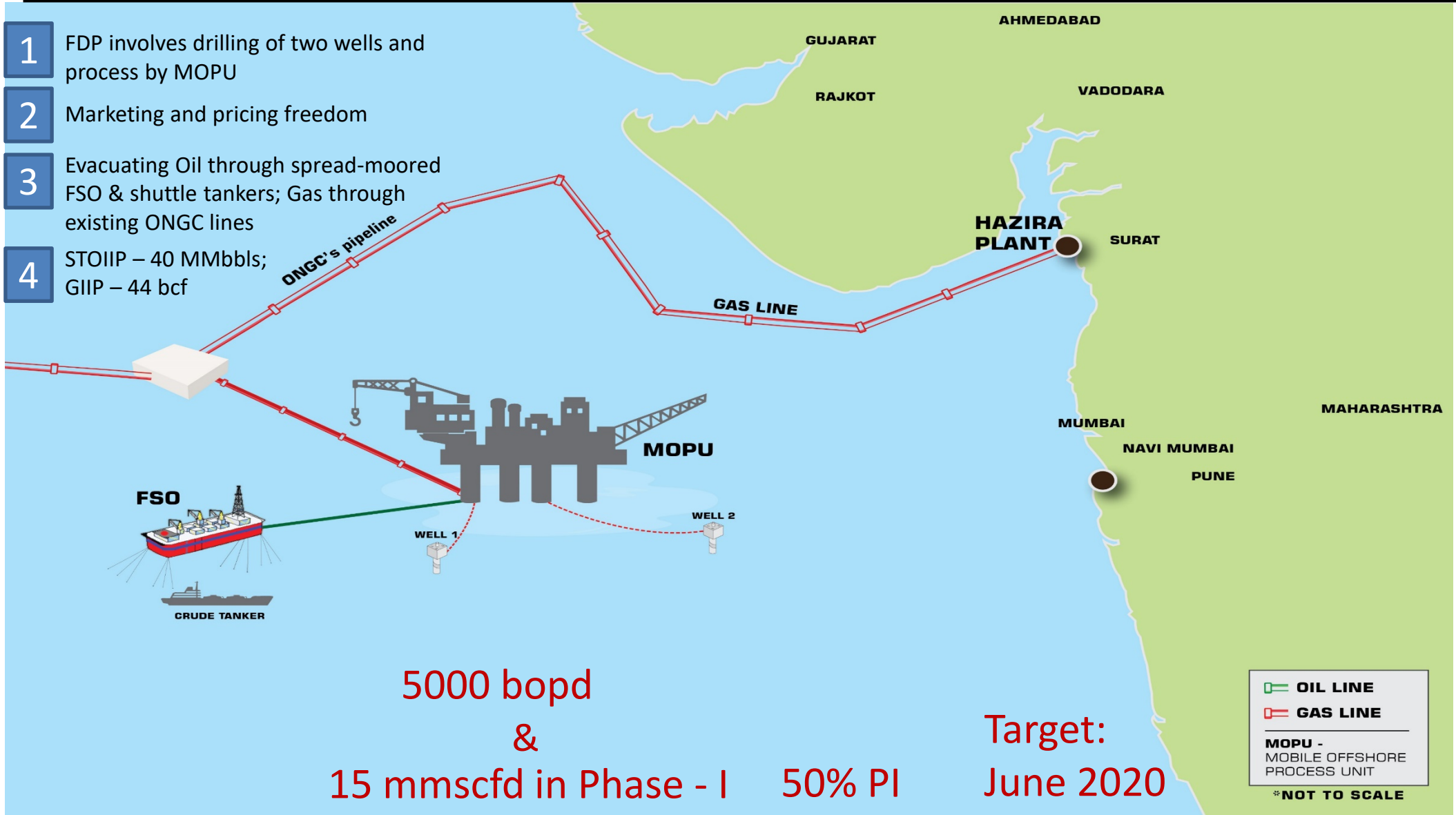
- 1
- 2
- 3
- 4

FDP involves drilling of two wells and process by MOPU

Marketing and pricing freedom

Evacuating Oil through spread-moored FSO & shuttle tankers; Gas through existing ONGC lines

STOIIIP – 40 MMbbls;  
GIIP – 44 bcf



**5000 bopd**  
&  
**15 mmscfd in Phase - I**    **50% PI**    **Target: June 2020**

**OIL LINE**  
**GAS LINE**

**MOPU - MOBILE OFFSHORE PROCESS UNIT**

**\*NOT TO SCALE**

# B-80 PROJECT UPDATE

## 1. DRILLING

### 2 Subsea wells

- Drilling Rig 'Parameshwara' from Shelf drilling secured
- Integrated Drilling Services contract awarded to BHGE
- Drilling to commence in December for a period of 90-120 days
- Geophysical survey commenced

## 2. MOPU

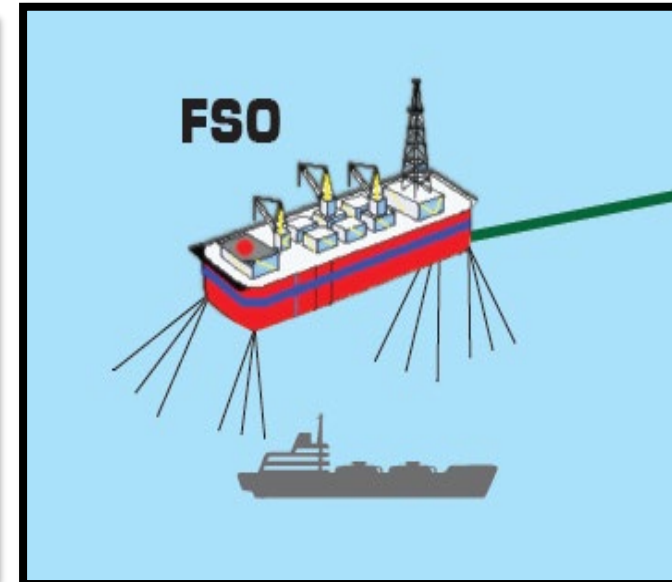
### Processing of Hydrocarbon

- Topsides of MOPU awarded to Expro, UK.
- Engineering and Fabrication work ongoing at Lamprell Shipyard, Hamriyah, UAE
- MOPU to be mobilized to site by end of Q4 FY20

## 3. EXPORT SYSTEMS

### Hydrocarbon Evacuation

- Oil to be exported through spread-moored oil storage tanker option
- Gas to be exported through ONGC's existing pipeline system



**Engineering works ongoing in Lamprell Shipyard, Hamriyah, UAE**



Leg Reinforcement



Knock-out drum installed



## Project on-track for delivery of additional gas by Q1 FY21-22

RFDP approved by Managing Committee

### 1. DRILLING

#### 3 development wells & Appraisal

- Appraisal well in North Dirok
- Increases production from 35 to 55 mmscfd

### 2. PROCESSING

#### HMGPP capacity expansion

- Increases capacity from 35 to 55 mmscfd
- Discussions on with Expro, UK for capacity expansion

### 3. DELIVERY

#### 35 KM pipeline from HMGPP to marketing hub of Duliajan

- Will aid in obtaining premium price for additional gas
- Physical route survey completed
- Regulatory clearance in process
- RoU acquisition in progress



## Plan for 18 wells in Phase - I

FDP approved with the following parameters:

Reservoir	Upper Girujan
OIIP/ GIIP	223 MMBBls/ 184 BCF
Production Rate	Production to be increased to 1800 bopd from ~650 bopd
Planned Activities	18 wells; Includes appraisal of deeper prospects

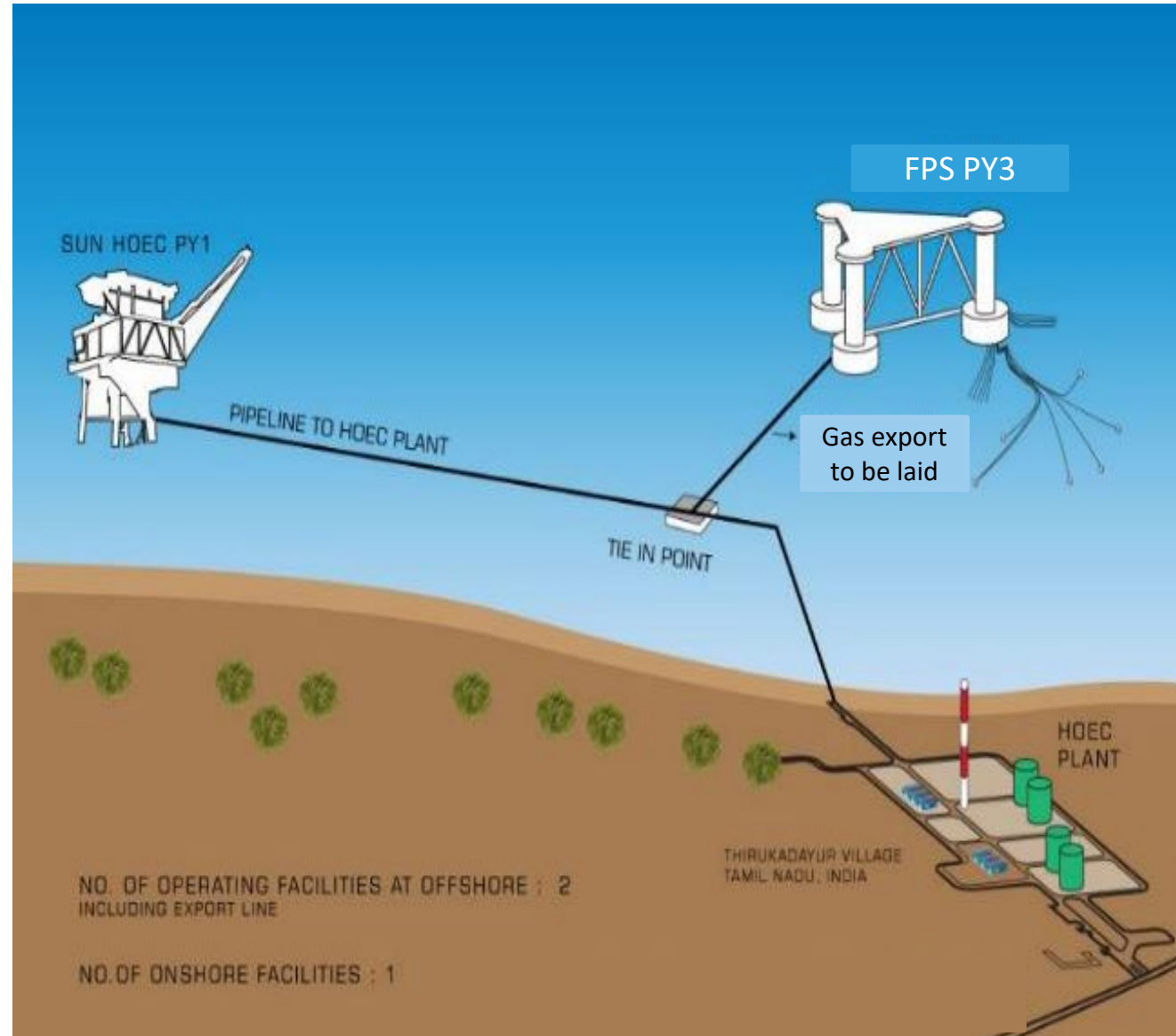
### Current Activities & Updates

- RFDP & PSC extension reviewed and recommended by Management Committee for approval by GoI
- Forest Clearance is obtained. Mining Lease approval under process with the Govt. of Arunachal Pradesh
- Phase - I completion target is **Q2 FY 21-22\***





- HEPI was acquired by Inveniere Energy on 2<sup>nd</sup> October 2019
- Operatorship is retained by Hardy under new management
- HOEC has 21% stake in PY-3. Operates PY-1 Gas field with an offshore platform and onshore processing facilities close to PY-3 field
- PSC extension is recommended by MC for approval by Govt. on 15 Oct 19
- PY-3 field was shut-in on 31 July 2011 when it was producing 3000+ bopd without any sub-surface issues



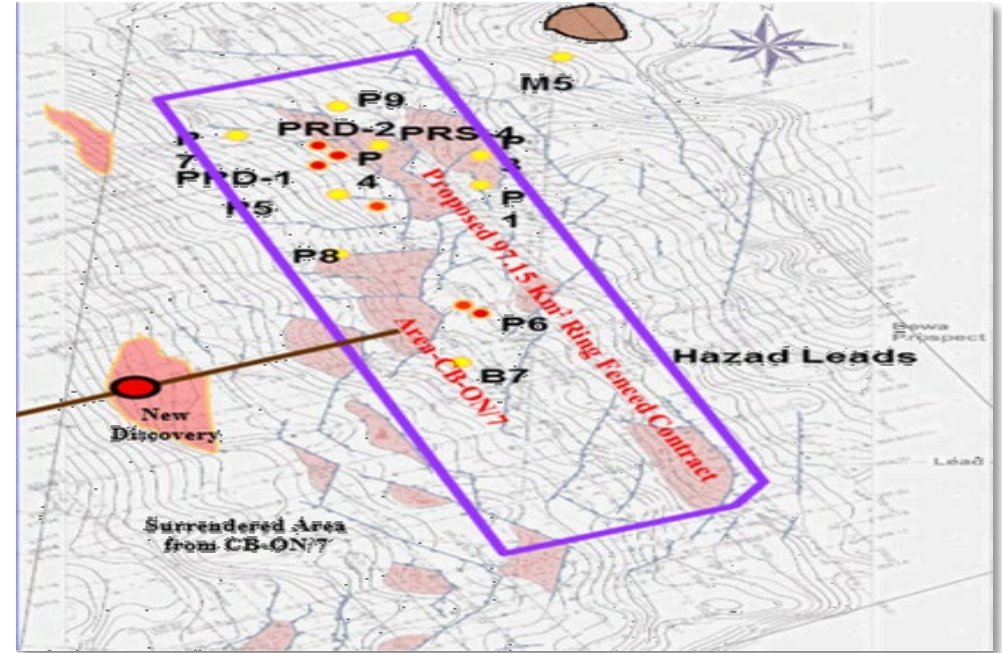
3 blocks with developed infrastructure with upside to be exploited



- E Asjol ; (O); PI 50.0%
- D North Balol ; (O); PI 25.0%
- C CB-ON-7; (O); PI 35.0%

3 blocks - Asjol, North Balol and CB-ON/7

- Revised FDP approved for Asjol & PSC extended upto 2030
- Revised FDP submitted for North Balol
- Drilling campaign for Cambay blocks are planned



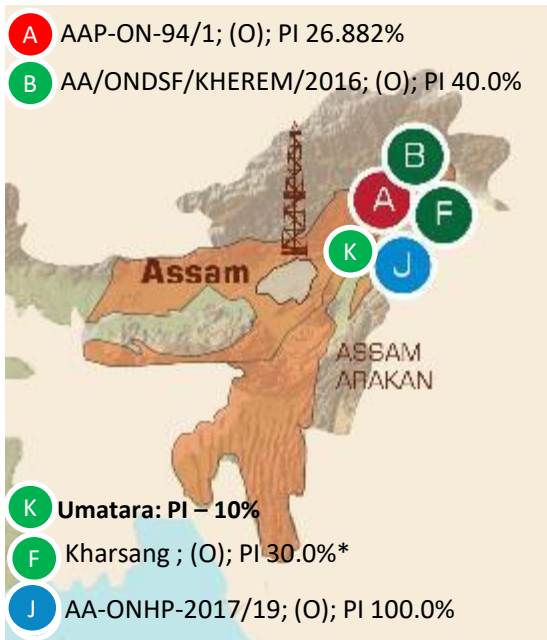
R2 Area : CB-ON/7

- Additional 97.15 sq.km of R2 area granted to JV
- Commitment to acquire 3D seismic and drilling of 2 wells
- PSC expected to be executed soon





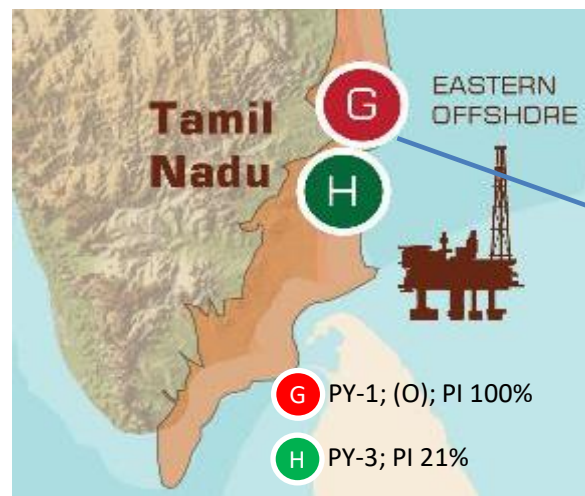
Uniquely placed to combine a quality asset portfolio with a strong organisation through a focused strategy to deliver better returns



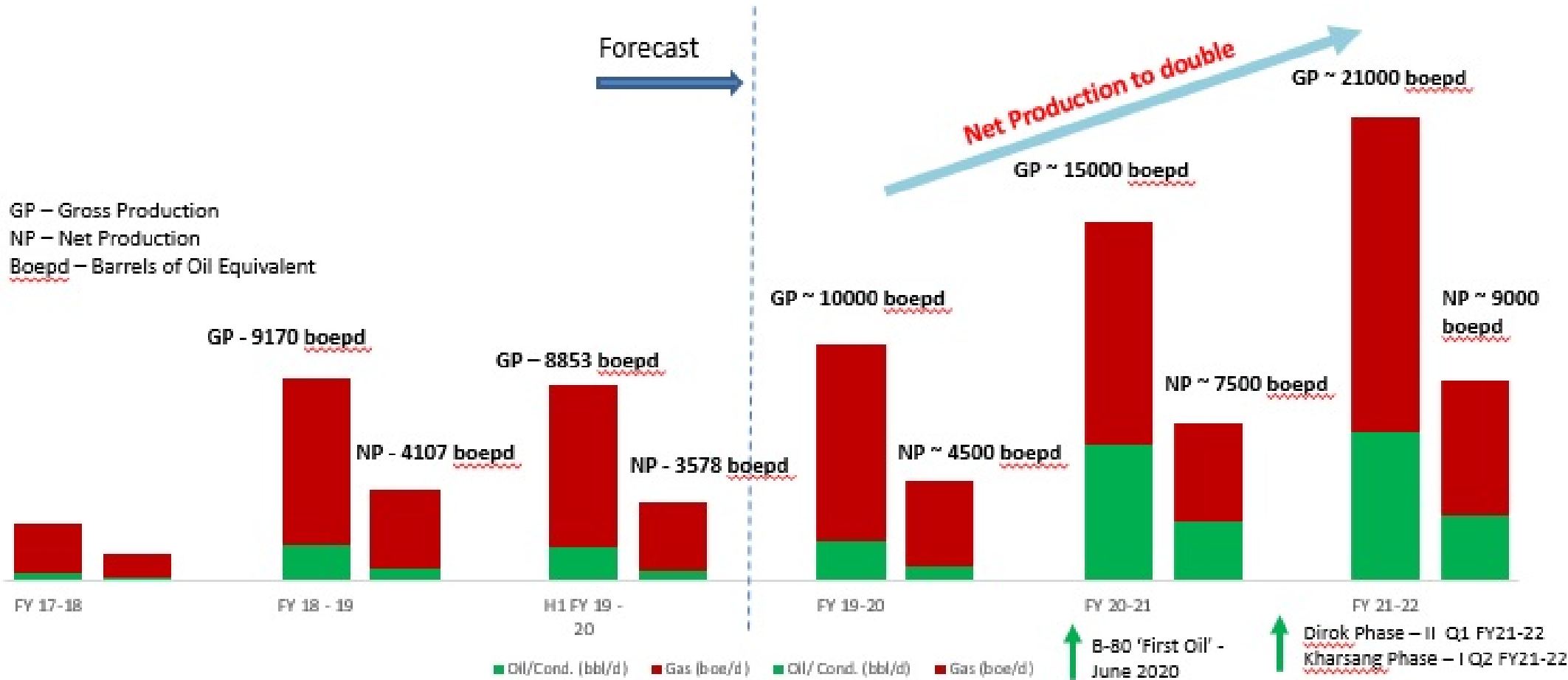
- **Portfolio of discovered resources** – Ten blocks with discoveries producing / ready to be developed
- **Diverse geographical footprint** - Presence in 4 out of 7 producing basins in India
- **Balanced portfolio** – Offshore – 3 blocks/Onshore - 8 blocks & Oil/Gas

Added 3 blocks in FY18-19

- **Upside potential** for exploration within portfolio with infrastructure for **rapid monetisation**
- **Operatorship in majority of blocks** to drive value creation
- **One exploratory block** in our focus area North East added to portfolio through OALP-I

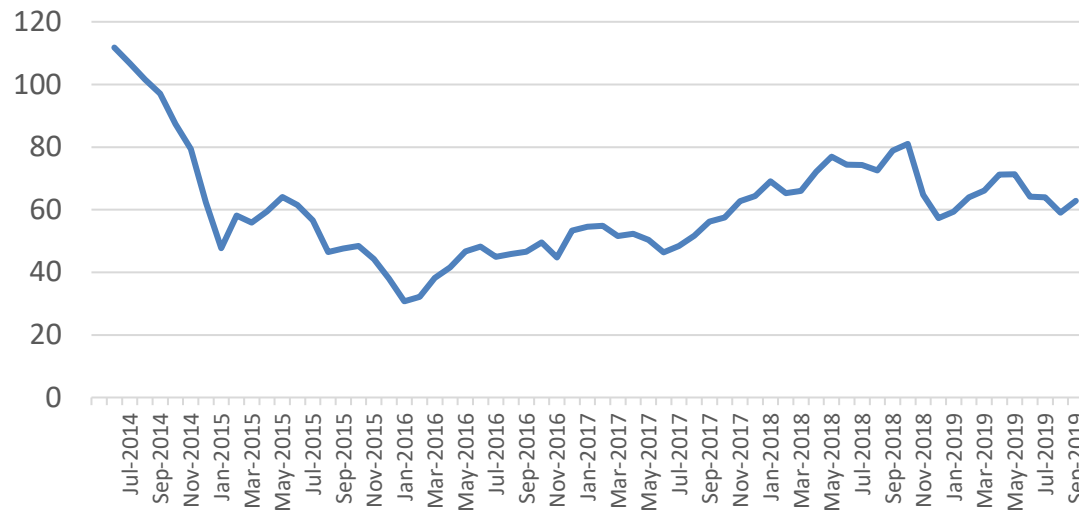


**Offshore blocks – 2 on eastern offshore and one in Mumbai high**

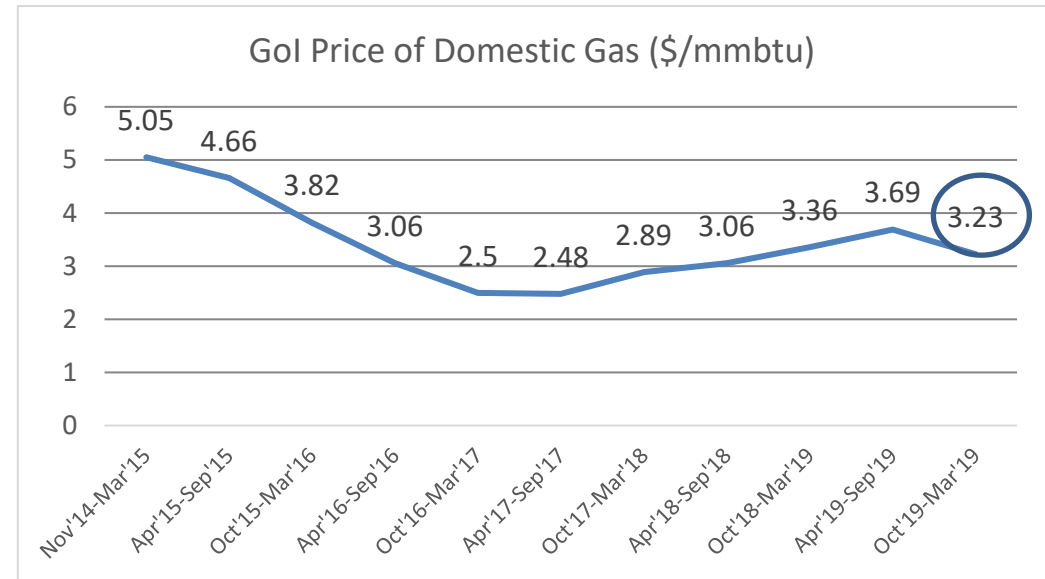


— Does not include the expected production from PY-3 & gas from Kharsang field

Historic Brent Price (\$/bbl)



GoI Price of Domestic Gas (\$/mmbtu)



- Indian E&P industry opening up due to key policy changes and introduction of OALP / DSF bid rounds and production enhancement contracts
- Multiple inorganic opportunities available in core operational areas
- Domestic Gas price from Oct 2019 to Mar 2020 decreased to \$3.23/mmbtu
- PY-1 gas is sold under long-term fixed price contract at \$3.66/mmbtu on existing discoveries



- 1 Unique value proposition - Quality asset portfolio with strong organisational capabilities**
- 2 Company established on firm financial foundation with growing cash flow from operations**
- 3 Management committed to growth through executing focused strategy**
- 4 Robust pipeline of low-risk, short cash cycle projects planned/under-execution**
- 5 Company well positioned to deliver industry leading growth and returns**



Annexures



Particulars	For the Quarter (₹ Crores)	
	Qtr2-19-20	Qtr1-19-20
<b>INCOME</b>		
Revenue from operations	56.86	49.35
Other income	4.89	4.03
<b>Total revenue</b>	<b>61.75</b>	<b>53.38</b>
<b>EXPENSES</b>		
Expenses from producing oil and gas blocks	6.68	6.60
Royalty, Cess and NCCD	6.97	5.23
Decrease / (Increase) in stock of crude oil and condensate	(0.01)	0.80
Employee benefits expense	3.27	0.69
Finance costs - unwinding of discount on decommissioning liability	1.30	1.30
Depreciation, depletion and amortization	6.94	6.76
Other expenses	1.98	1.22
<b>Total expenses</b>	<b>27.13</b>	<b>22.60</b>
Profit before tax and exceptional items	34.62	30.78
Exceptional items - Income	4.10	-
<b>Profit before tax</b>	<b>38.72</b>	<b>30.78</b>
Net tax expenses	-	-
<b>Net profit for the period</b>	<b>38.72</b>	<b>30.78</b>
Other comprehensive income	(0.04)	(0.04)
<b>Total comprehensive income</b>	<b>38.68</b>	<b>30.74</b>
Earnings per equity share of ₹ 10 each -Basic	₹ 2.93	₹ 2.36
-Diluted	₹ 2.93	₹ 2.34

# STANDALONE STATEMENT OF ASSET & LIABILITIES (UN AUDITED)

Investor presentation Q2 2019-20

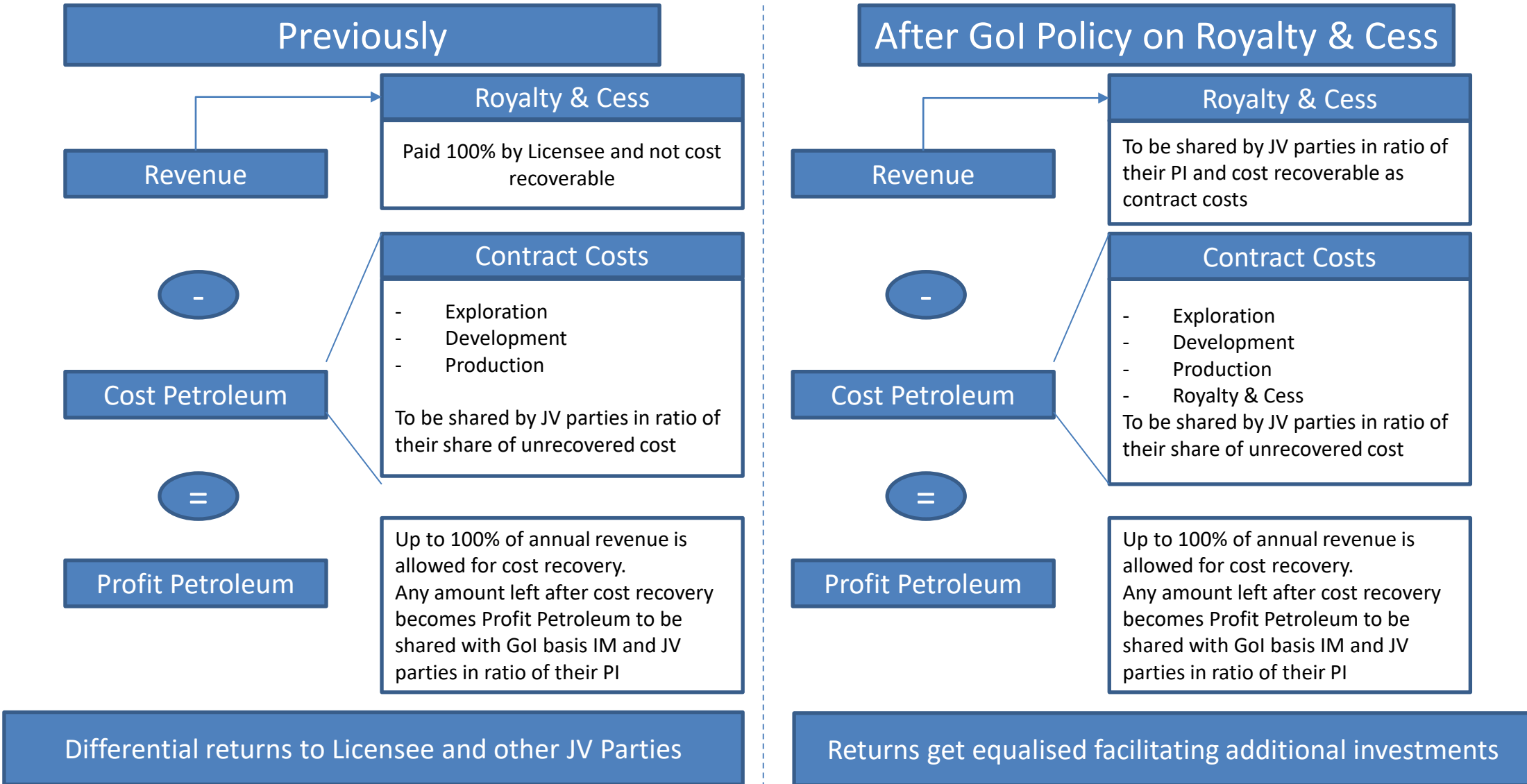
ASSETS	As at ₹ crores		EQUITY AND LIABILITIES	As at ₹ crores	
	Sep 30, 2019	March 31, 2019		Sep 30, 2019	March 31, 2019
<b>Non-current assets</b>			<b>Shareholders' funds</b>		
Property, Plant and Equipment			Equity share capital	132.26	130.51
(i) Oil and gas assets	313.95	325.52	Other equity	461.25	391.83
(ii) Others	2.87	2.81	<b>Total equity</b>	<b>593.51</b>	<b>522.34</b>
Capital work-in-progress	8.31	2.13			
Investment property	4.25	4.36	<b>Non-current liabilities</b>		
Intangible assets	10.05	10.27	Financial liabilities		
Financial Assets			(i) Trade payables	22.11	22.11
(i) Investments in subsidiary	59.46	59.46	(ii) Other financial liabilities	0.31	0.31
(ii) Site restoration deposit	61.04	58.98	Provisions	100.94	98.28
Other non current assets	2.33	0.08	Other non-current liabilities	0.10	0.10
<b>Total non-current assets</b>	<b>462.26</b>	<b>463.61</b>	<b>Total non-current liabilities</b>	<b>123.46</b>	<b>120.80</b>
<b>Current assets</b>			<b>Current liabilities</b>		
Inventories	24.42	22.71	Financial liabilities		
Financial assets			(i) Trade payables	11.91	10.76
(i) Investments	155.08	111.29	(ii) Other financial liabilities	52.52	27.76
(ii) Trade receivables	39.22	39.09	Provisions	0.10	0.10
(iii) Cash and bank balances	33.61	17.40	Other current liabilities	3.33	2.71
(iv) Other bank balances	8.34	7.79			
(v) Loan to subsidiary	26.51	12.11	<b>Total current liabilities</b>	<b>67.86</b>	<b>41.33</b>
(vi) Other financial assets	28.93	5.22			
Income tax assets	5.29	4.51	<b>TOTAL</b>	<b>784.83</b>	<b>684.47</b>
Other current assets	1.17	0.74			
<b>Total current assets</b>	<b>322.57</b>	<b>220.86</b>			
<b>TOTAL</b>	<b>784.83</b>	<b>684.47</b>			



Particulars	For the Quarter (₹ Crores)	
	Qtr2-19-20	Qtr1-19-20
<b>INCOME</b>		
Revenue from operations	62.38	56.67
Other income	5.06	4.07
<b>Total revenue</b>	<b>67.44</b>	<b>60.74</b>
<b>EXPENSES</b>		
Expenses from producing oil and gas blocks	8.80	8.45
Royalty ,Cess and NCCD	7.27	5.55
Decrease / (Increase) in stock of crude oil and condensate	0.08	1.08
Employee benefits expense	3.30	0.98
Finance costs - unwinding of discount on decommissioning liability	1.34	1.34
- Others	0.12	0.12
Depreciation, depletion and amortization	8.34	8.16
Other expenses	2.52	1.60
<b>Total expenses</b>	<b>31.77</b>	<b>27.28</b>
Profit before tax and exceptional Items	35.67	33.46
Share of profit from associate	0.52	(0.07)
Exceptional Items - Income	4.10	-
<b>Profit before tax</b>	<b>40.29</b>	<b>33.39</b>
Net tax expenses	0.31	0.73
<b>Net profit for the period</b>	<b>39.98</b>	<b>32.66</b>
Other comprehensive income	(0.04)	(0.04)
<b>Total comprehensive income</b>	<b>39.94</b>	<b>32.62</b>
Earnings per equity share of ₹ 10 each -Basic	₹ 3.02	₹ 2.50
-Diluted	₹ 3.02	₹ 2.48

# CONSOLIDATED STATEMENT OF ASSET & LIABILITIES (UNAUDITED) Investor presentation Q2 2019-20

ASSETS	As at ₹ crores		EQUITY AND LIABILITIES	As at ₹ crores	
	Sep 30, 2019	March 31, 2019		Sep 30, 2019	March 31, 2019
<b>Non-current assets</b>			<b>Shareholders' funds</b>		
Property, Plant and Equipment			Equity share capital	132.26	130.51
(i) Oil and gas assets	342.36	355.71	Other equity	482.29	409.73
(ii) Others	12.58	13.52	<b>Total equity</b>	<b>614.55</b>	<b>540.24</b>
Capital work-in-progress	50.94	26.18	<b>Non-current liabilities</b>		
Investment property	4.25	4.36	Financial liabilities		
Intangible assets	10.05	10.27	(i) Long term borrowings	0.14	0.18
Financial Assets			(ii) Trade payables	22.11	22.11
(i) Investments in associate	17.66	17.22	(iii) Other financial liabilities	0.31	0.31
(ii) Site restoration deposit	63.74	61.60	Provisions	104.21	101.46
(iii) Other financial assets	0.07	0.06	Other non-current liabilities	0.10	0.10
Other non current assets	2.33	0.08	Deferred tax liability	3.22	3.95
<b>Total non-current assets</b>	<b>503.98</b>	<b>489.00</b>	<b>Total non-current liabilities</b>	<b>130.09</b>	<b>128.11</b>
<b>Current assets</b>			<b>Current liabilities</b>		
Inventories	29.22	27.83	Financial liabilities		
Financial assets			(i) Short term borrowings	12.02	11.76
(i) Investments	164.33	119.74	(ii) Trade payables	22.37	16.28
(ii) Trade receivables	43.60	40.93	(iv) Other financial liabilities	52.72	27.95
(iii) Cash and bank balances	53.76	27.64	Provisions	6.93	6.81
(iv) Other bank balances	8.34	7.79	Other current liabilities	3.77	3.00
(v) Other financial assets	29.31	10.55	<b>Total current liabilities</b>	<b>97.81</b>	<b>65.80</b>
Income tax assets	8.60	9.68			
Other current assets	1.31	0.99			
<b>Total current assets</b>	<b>338.46</b>	<b>245.15</b>			
<b>TOTAL</b>	<b>842.45</b>	<b>734.15</b>	<b>TOTAL</b>	<b>842.45</b>	<b>734.15</b>



IM – Investment Multiple; PI – Participating Interest

Impacts Dirok and CB-ON-7

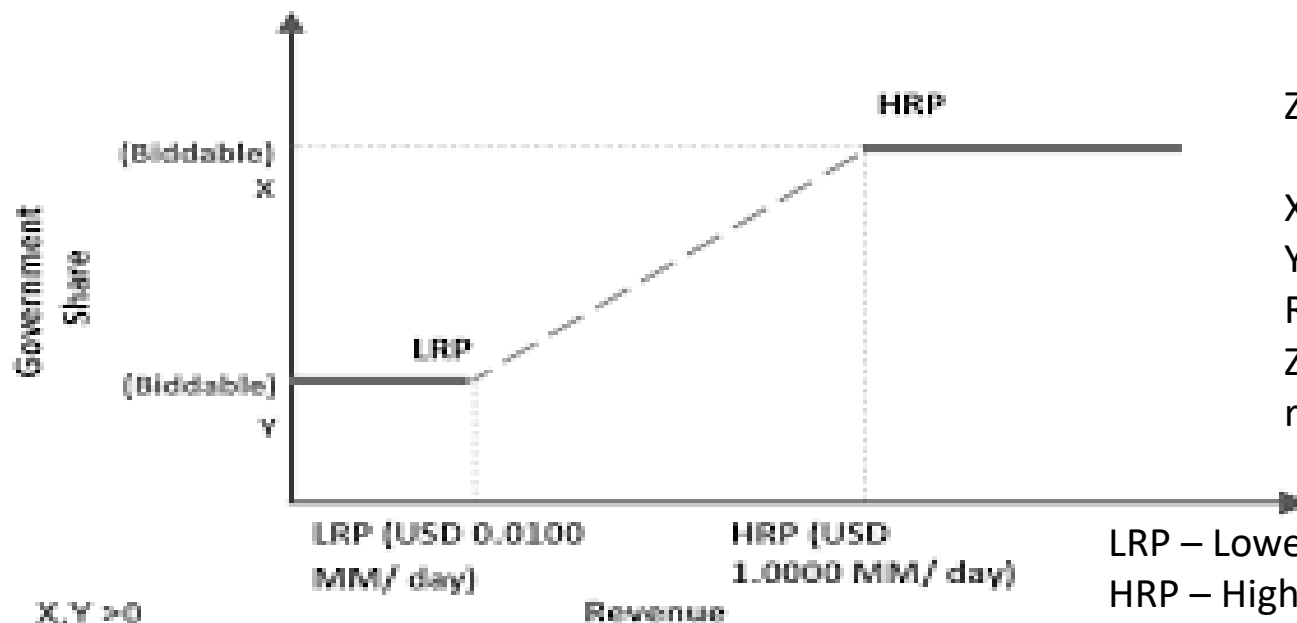
Block		AAP-ON-94/1	PY-1*	PY-3*	N. Balol	Asjol*	CB-ON-7	Kharsang*
Royalty	Gas	10%	10%	10%	10%	-	-	-
	Oil/Cond	20%	INR 481/MT	10%	-	INR 481/MT	20%	INR 481/MT
Cess	Oil/Cond	20%	INR 900/MT	20%	0	INR 900/MT	20%	INR 900/MT
Cost Recovery limit		80%	100%	100%	80%	100%	60%	100%
<b>Investment Multiple</b>								
<1		0%	0%	10%	20%	0%	0%	5%
1<1.5		10%	5%	10%	20%	10%	25%	5%
1.5<2		25%	5%	25%	30%	20%	30%	10%
2<2.5		35%	50%	40%	50%	30%	35%	15%
2.5<3		45%	50%	50%	50%	40%	40%	20%
3<3.5		50%	50%	60%	50%	50%	45%	25%
>3.5		50%	50%	70%	50%	50%	50%	30%

\* - Royalty & Cess listed as per current PSC regime. Subject to change once PSC is revised

\*\* - All JV partners to share cess and royalty in proportion to their PI



Block	B-80	Kherem	AA-ONHP-2017/19	Umatara
Government Share of Revenue - LRP	12%	21%	22%	48%
Government Share of Revenue - HRP	55%	99%	99%	99%
Royalty	10% for crude oil, condensate and Natural Gas	12.5% for crude oil and condensate; 10% for natural gas	12.5% for crude oil and condensate; 10% for natural gas	12.5% for crude oil and condensate; 10% for natural gas
Cess	0	0	0	0



$$Z = X + [(Y - X) * (R - 0.01) / 0.99]$$

X - % of Govt. share of revenue payable at LRP  
 Y - % of Govt. share of revenue payable at HRP  
 R – Average daily revenue in Million US Dollar  
 Z - % of Govt. share of revenue when Avg. daily revenue > LRP and < HRP

LRP – Lower Revenue Point  
 HRP – Higher Revenue Point

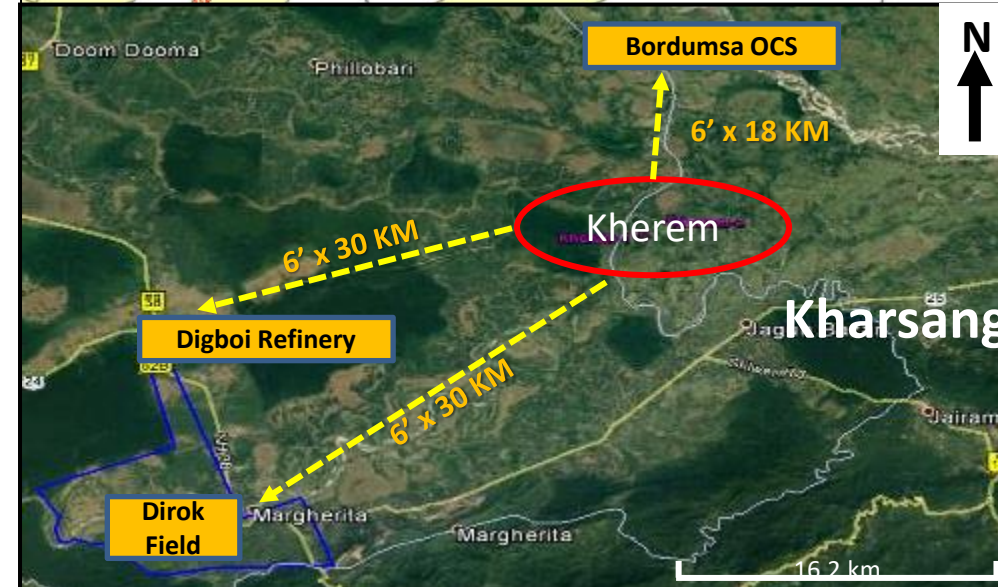
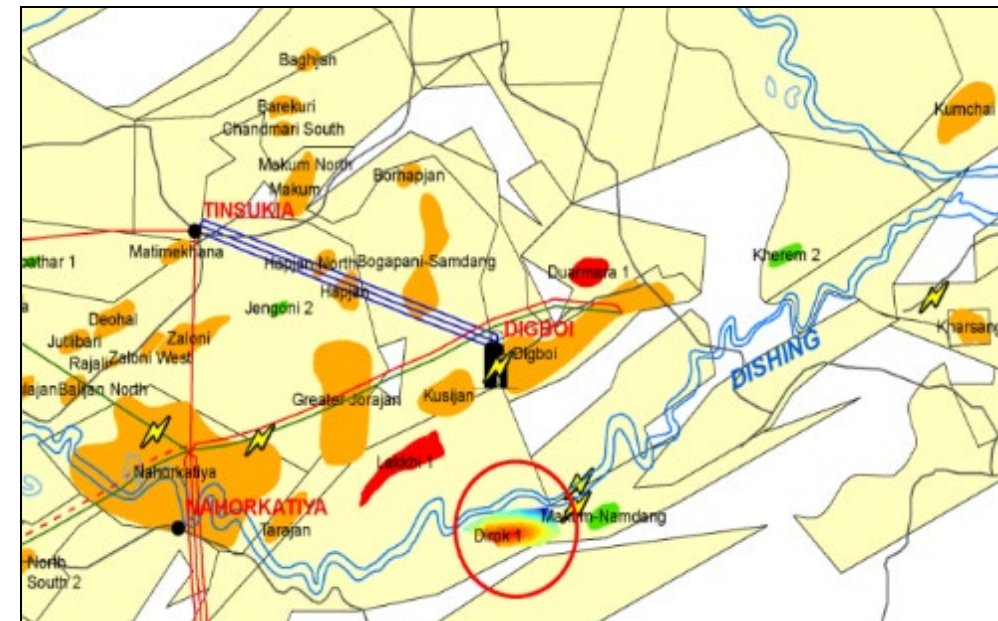






















- **Block Area:** 16.45 Sq. Km.
- **Drilled Wells:** 3
- **Tested Production:**
  - Oil 402 bopd
  - Gas not measured
- **Discovered Resources:**

Resources	DSF Data Million BBLs	HOEC Internal Million BBLs
STOIIP	3	10.27
GIIP (BCF)	17	54.19

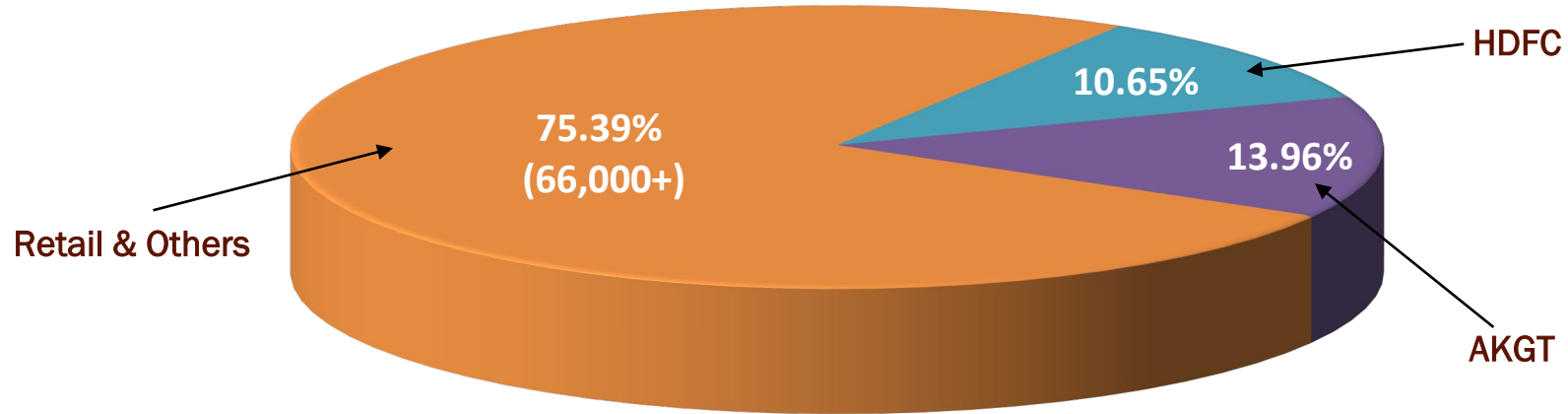
- **Reservoir Properties:**
  - Two pay zones Girujan pay -1 & pay - 2
  - Light oil – 38.7°API
- **Nearest facilities :**
  - Bordumasa Oil collecting Station via 6” pipeline 18kms
  - Digboi Refinery, via 6” pipeline 30 kms
- Petroleum Mining Lease transfer/(PML) still awaited
- Effective Date Starts from the date of PML transfer
- **Forest Clearance obtained. PML transfer awaited**



Block Name	Operator	Location	Oil/Gas	PI	Partner(s)	Oil/Gas Consumers	
Dirok	HOEC	Onshore	Gas	27%	 ऑयल इंडिया लिमिटेड Oil India Limited 	Gas – OIL India; Condensate – IOCL	 Producing  Development  Development Deferred PI = Participating Interest  Exploratory
PY-1	HOEC	Offshore	Gas	100%	Nil	Gas – GAIL; Condensate – CPCL	
CB-ON-7	HOEC	Onshore	Oil	35%	 GSPC 	Oil – IOCL	
North Balol	HOEC	Onshore	Gas	25%	 GSPC GNRL	Gas – GSPCL	
Asjol	HOEC	Onshore	Oil	50%	 GSPC	Oil – IOCL	
Kharsang	Geoenpro	Onshore	Oil	30%*	 JUBILANT ENPRO  GeoEnpro  Geopetrol	Oil – IOCL	
B-80	HOEC	Offshore	Oil & Gas	50%	Adbhoot	NA	
Kherem	HOEC	Onshore	Oil & Gas	40%	 ऑयल इंडिया लिमिटेड Oil India Limited 	NA	
Umatara	HOEC & IOC	Onshore	Oil	10%		NA	
PY-3	ONGC	Offshore	Oil	21%	  TATA PETRODYNE LIMITED Hardy Oil	NA	
AA-ONHP-2017/19	HOEC	Onshore	Exploratory	100%		NA	



## Shareholding Pattern (more than 10 %)



## Board of Directors



**Vivek Rae**  
Non-Executive  
Independent Director /  
Chairman



**P. K. Borthakur**  
Non-Executive  
Independent  
Director



**Sharmila Amin**  
Non-Executive  
Independent  
Director



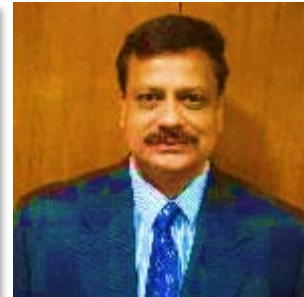
**Ashok Goel**  
Non-Executive  
Non-Independent  
Director



**Rohit Rajgopal Dhoot**  
Non-Executive  
Non-Independent  
Director



**P. Elango**  
Managing Director



**R. Jeevanandam**  
Executive Director  
& CFO

## For further information, please contact:

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2P	-	Proved + Probable reserves	RSC	- Revenue Sharing Contract
BCF	-	Billion Cubic Feet of Gas	HMGPP	- Hollong Modular Gas Processing Plant
GGs	-	Gas Gathering Station		
M-GPP	-	Modular Gas Processing Plant		
MMbbls	-	Million Barrels of Oil		
MMSCFD	-	Million Standard Cubic Feet per Day		
MMSCMD	-	Million Standard Cubic Meter per Day		
STOIIP	-	Stock Tank Oil Initially In Place		
GIIP	-	Gas Initially In Place		
PI	-	Participating Interest		
PSC	-	Production Sharing Contract		
EC	-	Environmental Clearance		