



Hindustan Oil Exploration Company Limited

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February 24, 2023

By Online

The Listing Department The 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, 1st Floor, P. Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Stock Code: 500186
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Dear Sir/Madam

Sub: Transcripts of the Earnings Call

We wish to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the transcript of the Earnings Call held on February 20, 2023, with respect to the unaudited financial results for the quarter ended December 31, 2022.

The same is made available on the Company's website at <https://www.hoec.com/results-and-reports/financial-results/>.

We request you to kindly take the submission on records.

Yours Sincerely,

For Hindustan Oil Exploration Company Limited

Deepika CS
Company Secretary

Encl.: a/a

Hindustan Oil Exploration Company Limited
Q3 FY 23 Earnings Conference Call
February 20, 2023

Moderator: Ladies and Gentlemen, good day, and welcome to the Q3 FY '23 Earnings Conference Call of Hindustan Oil Exploration Company Limited. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you, and over to you, Mr. Sonpal.

Anuj Sonpal: Thank you. Good morning, everybody, and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of HOEC Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the third quarter and nine months ended of financial year 2023. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to defer from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Let me now introduce you to the management participating with us and hand it over to them for opening remarks. We have with us Mr. P. Elango, Managing Director; and Mr. R. Jeevanandam, Wholetime Director and Chief Financial Officer.

Without any further delay, I request Mr. Elango to start with his opening remarks. Thank you, and over to you, sir.

Pandarinathan Elango: Thank you, Anuj. Good morning, all. Thanks for joining. I hope everyone has received the updated earnings presentation. We've also uploaded it on 14th February on our website for your reference. Our apologies for the delay in holding this call. I'm pleased to state that after successfully dealing with several challenges, we have finally managed to operate both the wells in B-80 field simultaneously. Since December, both the gas and oil wells are on continuous production mode, contributing to about 15% production growth at operated gross production level and 30% growth in net to HOEC level compared to Q2. Issues of topside facilities are limiting the production of well C1 to produce at its optimum capacity, HP separator is being repaired and all other issues, if any, need to be addressed when the HP separator is put on production by our contractor. When we flow both the wells through a single separator, there are limitations to the volumes it can handle safely. On a continuous basis, our operations team monitors the fluid flow and determine the quantity of oil and gas that can be safely produced. In parallel, while HP separator is being rectified, the possible options to increase the production is being examined with the contractor. Since October, we have executed 2 critical operations at B-80. One, was to repair and replace sections of the underbouy and the export hoses and other was pumping sealant to arrest the loss of hydraulic fluid in SSSV line, enabling D1 oil wells to be brought online.

These rectification works have been executed safely by adopting innovative and cost-effective methods. As part of monsoon preparation, we have placed orders to change

the hoses after carrying out due technical assessment. This hose replacement work will be carried out pre-monsoon and we are closely monitoring the manufacturing progress to expedite the delivery. Oil produced is being continuously transported to FSO for storage and the gas is being sold to GSPC through the ONGC and GAIL pipeline network. When we recommenced gas production in November, after rectifying the underbody hoses, GSPC required more time to tie up with consumers and were unable to immediately offtake the gas. To continue the production, we exported the gas into ONGC-GAIL pipeline network, while GSPC was working on tying up the demand, and we expected that to be resolved within a few days. However, due to unprecedented gas market conditions prevailing at that time, they could do that only from 16th of November. Therefore, 3.78 mmscm of gas that was supplied into the ONGC-GAIL pipeline network remains in the GAIL network.

We initially tried for GAIL to redeliver the gas for offtake by GSPC along with the December volume by offering to pay them the transportation and parking charges. Since that was not feasible, we have now offered the gas for sale to GAIL and the same is under consideration by GAIL. We remain focused on achieving optimum and stable production operations at B-80 as soon as possible by addressing the remaining process equipment-related issues and carrying out permanent replacement of hose system pre-monsoon.

Moving over to Dirok. At Dirok, we achieved an average gas sales of 33 million standard cubic feet per day during Q3 against 34 million standard cubic feet per day in Q2 and 25 million standard cubic feet per day in Q1. Dirok gas offtake has seasonal variations. Maintenance activity of any major consumer also impacts offtake adversely. The PPAC notified gas price was revised to \$8.57 per MMBTU effective 1st October 2022. About 36% of Dirok gas sales was sold by us in Q3 at a premium price of \$9.57 per MMBTU. Overall, in Q3, we achieved record-level revenues from Dirok. For the next phase of development at Dirok, pipeline construction work in the difficult forest segment has commenced and is progressing as planned. This 18-inch pipeline will transport Dirok gas to Duliajan Marketing Hub independently without relying on Oil India pipeline network. This will enable connecting with Northeast gas grid in future, significantly enhancing the market size for Dirok Gas. We are closely monitoring the Dirok gas sales offtake rates at different seasons and at different price points.

We are proactively engaging with multiple stakeholders involved in building the Northeast gas grid to achieve greater demand and consistent offtake. Wells and facilities have demonstrated capacity to deliver nearly 46 million standard cubic feet of gas per day. Depending on the demand, we have the flexibility to execute workover operations to enhance the production capacity further. Both in PY-1 and in Kharsang, outstanding issues have been resolved with the government to secure 10-year PSC extension and formal PSC amendment is under process in Ministry of Petroleum and Natural gas. We are continuing with the small volume of gas sales to GAIL from PY-1 that was recommenced in May 2022. In Cambay assets, while production operations are continuing, final execution of ring-fenced PSC for R2 area by government is still awaited. Meanwhile, we are progressing the environmental clearance process to undertake a drilling campaign in 3 marginal fields of Cambay in future.

I now invite Jeeva to share the financials.

Ramasamy Jeevanandam: Thanks, Elango. We report that the company made a total revenue of Rs. 106.37 crores in the current quarter against Rs. 81.69 crores in the previous quarter in the standalone accounts. In the consolidated accounts, it is Rs. 171.56 crores against Rs. 125.79 crores in the previous quarter. If you take the revenue for 9 months of FY22-23, it is Rs. 388.39 crores comparing Rs. 123.56 crores in the corresponding previous period. This increase in revenue is mainly due to sale of 45 days of continuous

production from B-80 field. This has contributed about Rs. 30.96 crores revenue in the current quarter comparing Rs. 10.34 crores in the previous quarter. Drok revenue also increased about Rs. 11.7 crores in the current quarter. In consolidated accounts, about Rs. 45.77 crores increase in the current quarter comparing the previous quarter. This include both the MOPU and the FSO are in revenue mode, which has contributed to the increase in the overall revenue. Standalone profit after tax is Rs. 15.92 crores against Rs. 6.57 crores in the previous quarter. This does not include the 15-days sale of gas, which Elango has explained.

In 9 months accounts it is Rs. 56.7 crores and the corresponding previous period is Rs. 46.7 crores. In the consolidated accounts, the profit after tax is Rs. 37.33 crores against Rs. 17.71 crores in the previous quarter. The 9-month consolidated account it is Rs. 87.39 crores comparing to Rs. 47.2 crores in the corresponding previous period. In effect, continuous production from B-80 is inevitable to have an improved and sustained bottom line of the company. The total expenses of all standalone, including the DDA is Rs. 90.48 crores comparing Rs. 75.12 crores in the previous quarter. Crude oil produced and stored is Rs. 16.59 crores, which is reflected in the stock adjustment. Cost increase is associated with the full operating cost of FSO for B-80 field for 2 months. Other operating expenses are increased due to ForEx loss and loans mark-to-market about Rs. 5.68 crores and provision towards Digboi fields production in contact with oil. The total expenses in consol accounts, including DDA is Rs. 124.16 crores comparing Rs. 105.71 crore in the previous quarter. 9 months accounted is Rs. 288.95 crores for '22-'23 comparing **-75.90** in the corresponding period. Our operating costs accounted for B-80 consol accounts for '22-'23 is Rs. 72.54 crores for HOEC's share.

Finance cost and DDA in consol account is Rs. 81.86 crores for 9 months comparing to Rs. 20.39 crores in the corresponding previous period. The EBITDA in consol accounts for this quarter is Rs. 81.37 crores comparing Rs. 47.7 crores in the previous quarter. 9 monthly accounts for '22-'23, is Rs. 181.29 crores comparing Rs. 90.4 crores for the whole of the previous year. Consequent to the commencement of production from B-80 field with gas well effective 1st November and both the wells from 1st of December, all the assets of B-80, including the subsidiary companies on revenue mode. Most of the operating costs are not linear and are fixed, which means churning of assets to get better net realizable value to the company. Continuous production from B-80 field and to produce a top 10 level on completion of topside repair is inevitable to create value to the investment in B-80, including the assets of wholly owned subsidiaries. Even with the current level of production and the prices, the company can meet all its obligations. On achieving the optimum production from B-80, the company will embark on drilling wells in PY-1, having secured 10-year's extension for the block. Thanks, Elango.

Pandarinathan Elango: Thank you, Jeeva. Anuj, we can now open the forum for questions.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Rohit Potti from Marshmallow Capital. Please go ahead.

Rohit Potti: Congratulations for bringing B-80 back on track. My first question was on B-80 itself. So if we see the gross production number in the first slide, we have indicated that we produced around 1,700 barrels last quarter. But in the B-80 update slide, we've mentioned that the current flow is 1,400 barrels. And the gas has gone up from 9 to 11.5. So could you explain this a little more, sir?

Pandarinathan Elango: As we explained, what we are doing is because they are operating both the wells to single test of separator. On a constant basis, depending on the fluid flow that comes in, we adjust the volume of gas and oil to ensure B-80 facilities are operated in a safe

manner. With a single separator, we are not able to pull the full volume from the oil wells. And while that is set right, you'll be able to see higher volumes from both the wells.

Rohit Potti: So just to clarify, once the separator is fully online, we will be able go to 4,000-odd barrels, which we have indicated in the past, right?

Pandarinathan Elango: Yes. We will put the separator back in flow and then test it at different levels before we can confirm with the volumes.

Rohit Potti: Any time line on this that you would like to share right now, sir, because you said the full hose replacement you intend to do before the monsoon, but what about the test separator?

Pandarinathan Elango: We are looking at a couple of other options right now with the contractors to see with the existing setup, how we can, by adding a couple of equipment, whether we can increase the production further. That work is still in progress. Just give us some time before we come back with the results of that.

Rohit Potti: Perfect. So that was helpful. And turning to Dirok, my understanding was that, I mean, as you mentioned in this call as well, we can produce up to 46. And right now, we are producing only around, let's say, in mid-30s for the longest period right now. So why are we accelerating the setting up of the new pipeline at this moment and drilling of the 2 new wells to increase production to 55. Do we expect the demand to increase rapidly in Northeast in the next couple of years because of the Indradanush Grid.

Pandarinathan Elango: Yes. The answer is yes. And what we are doing really is the Phase 2 of the Dirok development plan really consists of drilling the wells and laying the pipeline, also setting up the distribution facilities in the consumer units as such to move away from the dependence on Oil India facilities. Two things are happening in Northeast. One is the production from Oil India is increasing, therefore, relying on their infrastructure would create problem for us in the future. Therefore, this pipeline is a very critical element on that infrastructure. So right now, as you know, from Kusijan to Duliajan, we are using Oil India pipeline. Therefore, irrespective of the scenario, even to evacuate the current production, we thought it would be appropriate to have our independent line so that we are able to target the market without any disruption. That is number one. We don't have any plans to drill the well. As you pointed out, the existing wells are able to give us 46 million cubic feet per day, and the wells have the capacity to produce even more. Perhaps if required, we will do some workover operations for which we have budgeted.

The third is in the 2-year time frame, we really see the Northeast grid being connected with various demand centers in different phases. The first phase is going to be the connectivity with Guwahati. Right now, the Dirok gas can go up to Numaligarh refinery through the existing pipeline network. And there is a pipeline coming from Numaligarh refinery to Guwahati being under construction. So once that is ready, which we expect in 12 to 18 months' time, that will be ready when Dirok gas can flow all the way to Guwahati market in Phase 1. Subsequently, multiple demand centers are being connected, and we have the flexibility too. We will wait for the demand to build up first, and then if required, we will do the work over operation required to increase the production from the existing wells. And future if the demand increases substantially, we will look at considering drilling well. In all scenarios, this 35-kilometer pipeline is a very critical part. And what we have done is we have started laying the forest segment only. That can be done during this season. That is the most critical and difficult part of the pipeline network, that's what we are doing.

- Rohit Potti:** Sir, my last question is on the capital structure right now. So with B-80 producing at the current levels, and we have other CapEx set up. So could you give us a summary on the working capital issues that we faced in the past. So what is the priority? Is it debt reduction to 0 and continuing to have the Rs. 100 crores cash on the books before we embark on other CapExs. So what is the management thinking of in terms of the balance sheet and the capital structure right now? And could you also address the capital raise that we were talking about in the last couple of quarters? Are we going ahead with it? Or are we doing away with that idea for now?
- Ramasamy Jeevanandam:** Rohit, you could have seen the accounts, we have raised Rs. 100 crores from the bank to tide over the working capital issues. We have no working capital issues anymore. Now, having B-80 production and at the current price and the current level of production, we will be able to meet our obligations. As such, there is no capital program at the moment other than PY-1, which will start planning for at the end of this year. Monsoon at west coast ends and it begins in east coast. Once the East Coast monsoon is over, we should be ready to drill the first well in the PY-1. We will be comfortable with our position of cash generation to meet our obligations, including the discretionary capital.
- Moderator:** The next question is from the line of Hardik Shah from Taurus Mutual Fund. Please go ahead.
- Hardik Shah:** Congratulations for successfully commissioning the B-80 site. So my question is that, if at all for some reason, if we are not able to solve the remaining problems of B-80 before the commencement of monsoon, sir, can this be done during the monsoon, the hose pipe and the separator, which you have mentioned, sir?
- Ramasamy Jeevanandam:** I think it should be done by then. This has nothing to do with the monsoon as such. This is a repair work is carried out at the offshore platform. They should be able to continue with this.
- Hardik Shah:** So even if, sir, we have missed the weather window, still, we'll be able to operate and will be able to scale up the production. Is that correct, sir?
- Ramasamy Jeevanandam:** That's our endeavor.
- Hardik Shah:** Sir, my second question is, sir, that if you could share some number in terms of what is the current number of barrels of oil, which we have stored. And what is the first delivery expected time line, sir?
- Ramasamy Jeevanandam:** As we speak, we have about 142,000 barrels in stock. Our first offtake plan comes once we reach to a level of 250,000 barrels. The parcel size is expected to be in the order of 200,000 barrels. So 50,000 barrels would be in stock always. That's what we plan for it.
- Moderator:** The next question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.
- Dhwanil Desai:** Sir, the first question is regarding the sales which we have not booked this quarter, which was in the ONGC pipeline. So can you elaborate a little more on that, whether the custody transfer has happened for that gas to the buyer? And if not, then whether that gas is still at a line pack in the pipeline or it's been sold to somebody and yet to be settled in terms of accounting, what is the situation?
- Pandar Nathan Elango:** Let me just, for the benefit of everyone, the gas that we produce in B-80 gets treated in our facilities. Then the treated gas initially gets connected to the ONGC pipeline.

That is from the Bombay High to Hazira terminal of ONGC. It goes through the ONGC pipeline, we pay a tariff to ONGC for that transfer. Now after it gets into the Hazira terminal, ONGC, Hazira terminal is connected by the HVJ pipeline of GAIL, when it gets custody transfer to GAIL in 2 streams. What is ONGC gas and the remaining gas is treated as the HOEC gas or HOEC gas as received by ONGC and the remaining gas is treated as ONGC gas. Then GSPC will have to book capacity in the GAIL pipeline in advance to lift the gas from GAIL system by GSPC paying whatever we say, tariffs to GAIL. And then GSPC in turn delivers the B-80 gas to the end consumer. That is the system. It has been working very well. Though it's a fairly complex system, we have a contract with ONGC and we have a contract with GSPC. We do not have any contracts with GAIL because we don't deal with GAIL as far as this distribution network is concerned.

When we recommenced the production in November, and so we could not give GSPC adequate advance notice. But we told them as soon as the production started, we informed them. They said just give us a couple of days' time to tie up with the customers because you have not given us the adequate time. But they could not conclude with the buyers or book capacity till 16th November. So from 16th November onwards, all the volume that we produce go through the same system and GSPC has been taking the gas and making the payment to us. But the volumes, about 3 million cubic feet that we delivered that has gone from the ONGC system to the GAIL system. Our first approach was to contact GAIL and tell them, look, we will pay you transportation and parking charges, you redeliver the gas to GSPC. GSPC will lift it along with the December one. Unfortunately, in the current scheme, there is no parking concept, and that was a time where there was excess supply of gas in the market. So there's no facility to store. But both ONGC and GAIL acknowledge that this volume is not ONGC gas and they acknowledge it to be B-80 gas. The subsequent ones we count on, which is not feasible for GAIL to redeliver the gas to us for offtake by GSPC, we have made a formal offer to GAIL now. Now you take the gas, you buy the gas. That offer is under consideration by GAIL. We are waiting for them to confirm and conclude the transaction.

So right now, the volume is acknowledged what we produce, what ONGC received is acknowledged and GAIL has acknowledged that that volume has been delivered into their system. Since we do not have a contract with GAIL, it has taken more time and because it has to be a retrospective contract, GAIL has certain formalities to complete.

Dhwanil Desai: So sir, just a follow-up on that. So essentially, it means that the volume that went into the HVJ was eventually supplied by GAIL to somebody, but we have not yet built for it because there is no contract between GAIL and us, right?

Pandarinathan Elango: They've not supply to somebody because it is a long pipeline. So there is a gas in the system, right? It just needs to be reconciled with GAIL.

Moderator: The next question is from the line of Riddhesh Gandhi from Discovery Capital. Please go ahead.

Riddhesh Gandhi: Just a couple of questions. If we were to understand the revenue recognition from the B-80, which we have done in Q3. And obviously, given we are restoring the oil and this entire ONGC gas and GSPC we started operations only some point in November. How does this kind of compare to the existing run rate in Q4 right now of B-80? Either it's the volume or revenue or however we want to show that.

Ramasamy Jeevanandam: Even keeping the existing production as a base, it is for 1.5 months revenue. Now it will be doubled in the current quarter.

Riddhesh Gandhi: But even in this entire level, like actually 1.5 months where we were operational, the oil was not sold, right? It was stored. The gas is in the pipeline. So I mean, would that actually be less than half in terms of the normalized run rate at this rate of production?

Ramasamy Jeevanandam: Yes. I agree with you that we should add additional Rs. 6 crores for the gas itself and the oil would be around, say, Rs. 20 crores. So we'll be adding additional Rs. 25 crores more than that.

Riddhesh Gandhi: So if I understand if we look at the B-80, it's another Rs. 25 crores from just the unbilled stuff and then I mean double it in terms of the production.

Ramasamy Jeevanandam: That's right.

Riddhesh Gandhi: Sir, and just from a separator angle, just wanted to understand the reason for the delay? And I mean, are there other options that we can just maybe restart from scratch? Or will that take longer? And if you could throw some light on to some of the issues and how quickly we expect to resolve it?

Ramasamy Jeevanandam: If you know that actually what we are producing at the moment is from a test separator. The test separator is designed for us about 4,000 barrels of oil and about 7.5 million cubic feet of gas, with the separator pressure about 65bar. Now we look at both the wells, one well is about 2,850 PSI, another well is about 1,900 PSI. The velocity difference is too high. If you increase the production of the oil, there will be an oil carryover into the gas dehydration unit. Then that is an issue, then we cannot be able to continue, then we have to stop the production. So, what we are doing at the offshore is in a manner that maintaining the gas supply and what is the maximum quantity of the oil they can pump it into the system without carryover. That's where they come out with the level of 1,400 barrels and about 11 million to 12 million cubic feet of gas, which is that they can optimally produce at the moment with the test separator. Once the HP separator comes in, the volume is high, then we will be able to pump more oil. There is a limitation because the issue is more towards the velocity difference. We are working on different permutation combination with the process engineers in India and with the contractors in India/ abroad to put both the wells to its optimum capacity. Once the HP separator comes on line, we'll try to put both the wells on optimum production. We will be in a better position to understand and optimize both the well production to its tested capacity, at least little lesser than the tested capacity.

Moderator: The next question is from the line of Rohit Suresh from Samatva Investments. Please go ahead.

Rohit Suresh: So my first question is, could you just indicate the current volumes in Q4 in Dirok and how is the demand going forward for this quarter?

Pandarinathan Elango: The Dirok offtake has been in the 30s right now. And so, we expect the same trend to continue unless any major shutdown by any of the major customers, then that it's all.

Rohit Suresh: Sir, and my second question is, right now, at what price are we supplying gas to GSPC? Is it at the existing contract? Or is it around \$12 to \$13 that you mentioned in the last call?

Pandarinathan Elango: We are supplying at the existing contract.

Rohit Suresh: Sir, and my final question is on the QIP. So I read we raised around Rs. 100 crores in working capital. But in the last call, you had mentioned that we may need around Rs.

150 crores of additional capital for the development of other fields. So do we plan to raise that also in the future? As you mentioned that PY-1 we maybe drilling wells post the monsoon. So will we be raising Rs. 150 crores additionally, any plans on that?

Ramasamy Jeevanandam:No, with the current cash flow, we don't need it.

Moderator: The next question is from the line of Tejas Shah from Unique Stock Broking. Please go ahead.

Tejas Shah: Can you explain the revenue from Dirok for the current quarter? And also the expenses on Dirok because I understood earlier was that the expense on the Dirok was only \$1 for doing the production and expenses. And also, if you can share the B-80 revenue breakup wherein at 1400 barrels of this oil and also the gas price, I think this is at 22% of the earlier person who asked, 22% of the average oil price or it is at \$13?

Ramasamy Jeevanandam: Dirok, the gas revenue is about Rs. 65.62 crores. No condensate is stored because nothing is stored there. Sale is about Rs. 8.65 crores. Total revenue generation is about Rs. 74.25 crores for the quarter. In B-80, gas was about Rs. 31 crores for 45 days production. The stock we are having mark-to-market is about Rs. 16 crores. If you look at both, it should be about Rs. 47 crores.

Tejas Shah: Rs. 47 crores is for 45 days?

Ramasamy Jeevanandam:Right. That is including the stock, that's what I said. If you take the MOPU and FSO, we make about Rs. 61 crores for our revenue for hire charges from B-80. Major revenue base comes from these 2 blocks, one is on the Dirok, another one is on the B-80. On the continuous production of the B-80, we'll be reporting better numbers.

Tejas Shah: And the prices, if you can share, which is at 22% or it is at IEX price?

Ramasamy Jeevanandam: B-80 prices, we realized for the November is \$13.55 gas, and up to 31st March, it is a best endeavour basis. GSPC have not honoured the price as agreed in the contract. So this is based on the gas exchange price of \$13.55. November it is \$13.5, December, it is \$14 and January, we got back to \$18. That is January, they have honoured the prices based on the Brent, 22.2% of the Brent price.

Tejas Shah: If it's from March on, by default they will be honouring that 22% concept, correct?

Pandarinathan Elango: Correct, 1st April.

Tejas Shah: Okay, 1st April. Now the next question was, sir, on the test separator, there is still no clarity. Why it is taking so long to replace that higher pressure test separator? Because what I understand from your answer is still I'm not getting the clarity whether the test separator is going to get replaced and repaired quicker, and we are still looking at other alternatives.

Ramasamy Jeevanandam:I would like to state that the total weight of the HP separator is about 80 tons. We don't have the crane facility to lift 80 tons to bring it to shore and getting it done faster. Now, the contractor is doing the repair at offshore. The contractor is getting a group of people, and they are doing the repair works in slow and steady manner. The reason for that was safety, because one side, we are pumping oil and gas, on the other side we are doing the repair work. So that's why they are cautiously doing the work and it is a bit slow. So once they completed the job, then we have to test it, hydro test it for at least 6 to 12 hours to find out that there is no further leak in the

HP separator. So that's why it is taking more time at offshore than what we normally do it in an onshore about less than 15 to 30 days.

Moderator: The next question is from the line of Manan Patel from Airavat Capital. Please go ahead.

Manan Patel: Congratulations for B-80. So sir, first question is regarding the report of Kirit Parekh committee. So they recommended changing the pricing formula to 10% of the Brent. So will it affect Dirok production from April onwards? Or how do we look at it?

Pandarinathan Elango: Yes. First is B-80 will not be covered. B-80 will go with the e-auction recommended prices. And once the firm commitment commences from 1st April, we are very comfortable it'll go back to the contract price model. Dirok market, the Northeast market is used to the PPAC price. Therefore, any changes that the government makes in that would kick in here. But you remember what we have done a separate e-auction for Dirok gas, where we had said premium volume will be sold at the PPAC price plus \$1. And what we are seeing is in an average of the volume that gets offtake about 40%, we are able to sell on a premium basis. Once we lay our own pipeline, we expect those volumes to increase as such. So the short answer is, yes, the PPAC price will have an impact in Northeast, but we will continue to explore the market determined prices to marginally increase our realization.

Manan Patel: And sir, second question is regarding the hose replacement that you are planning and its manufacturing is going on. So when you replace the hose, the production will need to be stopped or the production can go on and you will replace the hose simultaneously?

Ramasamy Jeevanandam: The hose replacement is the floating hose and the under-buoy hose. There should be a stoppage of production for at least about 1 or 2 days, not more.

Moderator: The next question is from the line of Hitesh Doshi from Natraj Securities. Please go ahead.

Hitesh Doshi: Sir, will you please quantify the additional expenses incurred so far in stabilizing and repairing the oil well, B-80, since we announced the technical shutdown? And how much increase in cost do you think will remain and how much was one-off in nature and what is the operating cost we are incurring for oil and gas from B-80? These are my 3 questions.

Ramasamy Jeevanandam: So Hiteshji, oil well, we have not incurred much cost. The cost incurred for the oil well is GBP75,000 which we paid to the U.K. company for pumping the sealant for arresting the loss of hydraulic fluid. To open the subsurface valve, we used the ONGC vessel for a day. That is the major expenditure was about Rs. 1 crore. These are the 2 major costs relating to the repair of the oil well. The next question is about operating costs. Operating cost per day is more or less fixed, which is about \$140,000 per day. Out of that \$98,000 is coming back to HOEC through its subsidiaries for the FSO and MOPU. The effective third-party cost is about \$40,000 a day. Anything more, Hiteshji?

Hitesh Doshi: Which other cost we have incurred? I mean, I'm not asking just about the oil well, but the other cost with the delay of the B-80, overall entire cost, whatever, separator, yes.

Ramasamy Jeevanandam: I agree with you because the wells have not been put on optimum production and that is a constraint as such. The repair work is being carried out by the contractor, not by us. But at the same time, we are incurring the cost towards our supply boats,

helicopter, and the transportation cost is incurred by us, which is in the order of around \$40,000 per day. Without considering the loss suffered by us on account of the cost of MOPU and FSO.

Moderator: The next question is from the line of Maulik Patel from Equirus Securities. Please go ahead.

Maulik Patel: A couple of questions. Once on B-80, let's say you stabilize the separators and everything, I think as per the earlier discussion you had one more well to drill there, right, in the second phase? And you earlier mentioned that the next priority is PY-1 which we want to drill in the next couple of months. So do you want to drill a well in PY-1 and after that, you will go for another well drill in B-80?

Ramasamy Jeevanandam: Maulik, the fact is that we need continuous production of B-80 for 2 years before we're embarking on the third well. We have a continuous production of only 3 months. B-80 program will come after 24 months continuous production of both the wells to its optimum capacity. PY-1, we will be embarking, we have completed the geological model, and we have identified the locations. Now we'll be embarking on sourcing of the materials based on the well planning. Normally well planning and sourcing the material takes about 6 to 9 months. East Coast monsoon is over, we'll be ready to drill the first well in PY-1 having secured 10-year extension of the block.

Maulik Patel: Sir, second question on this B-80, our contract with GSPC is for 2 years, starting from April '22. And as I remember, the first year is on a best basis and second year is on a firm basis, right?

Pandarinathan Elango: Correct.

Maulik Patel: So in the second year, we will start getting in the 20% of oil price, right, at the brand average price of the previous month as a realization?

Pandarinathan Elango: Correct.

Maulik Patel: And in that case, what is the minimum level volume which we have committed to the GSPC for the gas?

Pandarinathan Elango: The volume is 10 million cubic feet, roughly 3 lakh cubic meters per day. And we have what is called a take or pay, which is 75% of that volume, which mean if they don't take it, they still have to pay. If I don't deliver that volume, I have some penalties to take it as such. But this reconciliation will be done on an annual basis. So the whole idea is to ensure that sell the volume at the contract price and realize the well.

Moderator: The next question is from the line of Rikesh Parikh from Rockstud Capital. Please go ahead.

Rikesh Parikh: Congratulations for getting the B-80 on track as such. So most of my questions has been answered. Just a clarification, this 3.78 mmc of gas from GAIL, probably the value will be around Rs. 6 crores odd as such which is not accounted in the numbers?

Ramasamy Jeevanandam: Yes. We have not accounted that number because we have not raised the sales invoice. Even we take the administrative price for the volume we supplied, for our 60%, we should be getting a net of around Rs. 6 crores.

Rikesh Parikh: And second thing on the oil, what we have valued at Rs. 16.59 crores. So that is at market value or how have we valued that in our stock?

Ramasamy Jeevanandam: It is marked-to-market.

Rikesh Parikh: And lastly, on PY-1 development plan. So what is the kind of CapEx we will be looking at next year because we are planning to drill one well in the next year. So what will be the CapEx we'll be doing looking at?

Ramasamy Jeevanandam: As you all know, that is a discretionary capital. Because you know the block, we made an investment of about Rs. 1,800 crores. First, we will be drilling one well that would cost us around Rs. 65 crores. If the well is successfully tested and the test results as per our prognosis, then we will be embarking on the next well. So we plan to drill 3 wells because we assume that first well is successful, we'll go to the second well; if the second well is successful, we go to the third well. It will cost around \$25 million to \$30 million. Once that work gets completed, then we will connect all the wells through subsea and connect to the platform. So if you put together all, we will be making a stage investment on success basis about \$50 million.

Rikesh Parikh: And then last one on the PY-1, the current rate of \$3.67, what we realized is lower than the government formula. So I mean any initiatives on a fixed price basis and are we able to sell the full capacity over there?

Ramasamy Jeevanandam: So when the new discoveries are happening, the prices are renegotiable and we will be getting back to the best price in the market.

Moderator: We have the next question from the line of Ravi Sundaram from Sundaram Family Investment. Please go ahead.

Ravi Sundaram: I just have one question. Maybe this is already covered by Riddesh. In the Q3 numbers, have we accounted for oil in the reported numbers?

Ramasamy Jeevanandam: Sales number is there. It is a stock adjustment, it gets reflected in the accounts.

Ravi Sundaram: Okay. Just to clarify on that part, I think earlier in the con call, you said we have so far had a contribution of Rs. 25 crores in Q3 from B-80 and it'll roughly double in Q4. Is that a fair understanding?

Pandarathan Elango: That's right if you sell the oil. See, one offtake makes a lot of difference in the company. That's what we are endeavouring to do. Currently, we have about 140,000 barrels in stock.

Ravi Sundaram: And last question, was there any seasonality in Q3 from Dirok? And are these numbers sustainable for Q4 for Dirok?

Pandarathan Elango: Again since January, we have seen similar offtake. So we've not seen any major changes. It is in the 30's.

Moderator: The next question is from the line of Vaibhav Badjatya from Honesty and Integrity Investment. Please go ahead.

Vaibhav Badjatya: So I think earlier you said that separator work can go on even during monsoon, but what we need to do is the hose replacement that need to be completed before monsoon. And I think you also said that you'll place the order and you're monitoring manufacturing. So are we going to import the hose or our contractor is taking care of that and he will import on his own and basically, he will then do the hose replacement?

Ramasamy Jeevanandam: Existing hoses, are holding at the moment. When the new hoses comes, first, we will change the floating hose. For that, we have got one DP1 vessel, with that we will be able to do that. For the under buoy hose, we need support from ONGC. We'll get a DSV, with that, we will replace under buoy hose. So when we are doing a revised mooring analysis in the **BEINIT Energy** in Dubai. With that, we will be able to put a new hose in place in such a manner that we don't get affected by the monsoon.

Vaibhav Badjatya: And so is there a complication because earlier you indicated you're monitoring manufacturing of this new hose. So I just want to understand, is there a complication in the design of the hose? Or is it very complicated to do that hose and get it here?

Pandarinathan Elango: I mean, just to clarify this #1, whatever is the topside work, that is being done by contractor at his cost. He has to repair the separator and deliver to us. And as Jeeva explained, that is we'll continue -- I mean we really expect it to be over much before monsoon. Even if during monsoon if something to be done, that will continue. So there's no weather-related issues as far as top side is concerned. And as Jeeva explained, it is slower because we are trying to do it in offshore, and we have to do it safely, but there is ongoing traction. As far as the hose replacement is concerned, these are long lead items. We have placed the order since it is very critical for us to replace it before monsoon. That is why we emphasize that we are closely monitoring, and we are on track to do that before monsoon.

Moderator: Okay. The next question is from the line of Rohit Suresh from Samatva Investments. Please go ahead.

Rohit Suresh: I just had one follow-up. Can you just give some clarity on the revenues from D1 oil well in Q3?

Ramasamy Jeevanandam: We cannot segregate now. Our offtake is getting limited because well D2 and D1 could not produce to its optimum. D2 gas production of about 6 million D1 is about 5 million. D2 is about 6 million, whereas D2 can go up to say, 12 million to 13 million on its own. Oil produced from the D1 for 45 days which is about Rs. 17 crores. it is more of theoretical allocation and it is not practical way in the field at offshore.

Rohit Suresh: So at 1,400 barrels that you said at the current level that we can produce. So what will be the revenues for a quarter if some indication on that?

Pandarinathan Elango: This is based on the oil prices, you can multiply the prices.

Rohit Suresh: So we can assume 1,400 for the quarter, right consistently?

Pandarinathan Elango: Yes.

Rohit Suresh: Sir, and just one more question. So just to summarize, I just wanted clarity on apart from the hose that we have to replace, that is only dependent on the monsoon, right? All the other work can also be done even when the monsoon season is, right?

Pandarinathan Elango: Yes. Correct.

Moderator: The next question is from the line of Gaurav Shah from Harshad Gandhi Securities Please go ahead.

Gaurav Shah: So my question is on average realization price. So sir, in respect of Dirok, we said that 32% of sales have been at \$9.57 per MMBtu. So what about the balance 68%?

Pandarinathan Elango: Balance is sold at the PPAC price of \$8.57 per MMBtu.

Gaurav Shah: And my second question is in respect of Kharsang segment. So I understand all the pending issues with Government of India have been resolved, right? So by when do you expect the production can be like increased to 1,800 boepd from the existing 439 boepd?

Pandarinathan Elango: So in Kharsang, the joint venture has submitted a field development plan to drill additional wells, which will take the production to full potential. That has been approved and the remaining cost recovery related issues, part of them have been resolved and the other part, both the government and the contractors have agreed to refer it to a Dispute Resolution Committee. So that is paving the way for execution of the 10-year extension. So the first thing is for that to happen, which is a formality now. And then, the operators will propose a drilling campaign that will be reviewed with the government, and then we will undertake the drilling. Before that, some workover jobs will happen to increase the production. So once the PSC gets extended, then we will be working on those programs.

Gaurav Shah: So can we say after 6 months all this can be achieved?

Pandarinathan Elango: No, drilling wells will take much more time in that region. Once the operator comes with a clear plan, we'll give you an update, maybe in the next quarter.

Moderator: The next question is from the line of Sunil Nagpal from Lotus Investments. Please go ahead.

Sunil Nagpal: Sir, congratulations on bringing B-80 back online. One more follow-up question regarding the test separator. Would you give a time line to this repair of the test separator? If not for the other options that you're considering, what if we are looking at only the repair of the test separator, would you give a time line for that?

Pandarinathan Elango: Really, we don't want to give any time line because in the past, whatever timeline we gave, we were not able to meet that. All we can assure you is we are doing everything we are listening at every option to achieve it as soon as possible.

Sunil Nagpal: But will that also take till monsoon or we can expect, say, by the first quarter of next fiscal?

Ramasamy Jeevanandam: We are doing all our best possible efforts. As soon as it is completed, we will get to know, because the contractor is doing the work. There are 54 people onboard the facility at the moment. We cannot pressurize too much on them considering the safety issues.

Sunil Nagpal: I was just wondering if this would take the same time as the post maintenance or it can be done earlier?

Ramasamy Jeevanandam: we have been pushing the contractor to get it done earlier. For us, it is always yesterday. But he is saying it is always tomorrow. That is the problem.

Sunil Nagpal: So hopefully, it can be done sooner than the monsoon?

Pandarinathan Elango: Yes.

Moderator: The next question is from the line of Vasu, an individual investor. Please go ahead. As the current participant is not answering, we move on to the next question, which is from the line of Rahil Shah, an Individual Investor.

Rahil Shah: Just after listening to everything, can you provide any outlook in terms of revenue growth for the next financial year. I mean, so far, the trajectory has been really well in terms of quarter-on-quarter and even year-on-year. So if you can provide any guidance on earning outlook, it would be helpful. Thank you.

Pandarinathan Elango: I think we will avoid giving any guidance at this stage.

Moderator: The next question is from the line of Bharatraj Goel, an Individual Investor. Please go ahead.

Bharatraj Goel: Yes. Sir, congratulations on the company's performance, first off. My major questions have been addressed. I have just a single question. So when are we going to reassess our reserves? And what is the current status?

Pandarinathan Elango: We will do the reassessment as we enter the financial year and provide as part of annual statement, we provide as we do that. It's a year end exercise, sir.

Bharatraj Goel: And what is the current status?

Ramasamy Jeevanandam: B-80, we have already announced the results, only a very minimal production thereafter. We don't have any supportive data to reanalyse the reserves at the moment. As an ongoing exercise, our geologists will be working on from 31st of March, which will be included in the results.

Moderator: The next question is from the line of Vivek Joshi, individual investor. Please go ahead.

Vivek Joshi: Yes, congratulations for a good set of numbers and all the effort that you are putting to get the production done. I have 2 questions. I just wanted to know that given our various deals are under like various schemes of production sharing and all, can you give us some idea or a metric in the presentation and all as to in future or now that what are the variables on which the pricing is determined? Like for the B-80 gas, it's 22% or X percent of Brent or somewhere it is the gas exchange prices. So can you just throw some light on like how should we estimate like crude moving or gas moving. So how do we estimate changes in revenue? Just my idea in the presentation for the future as a feedback. And just a quick question. The second question is that what are the material events that you will be reporting? Like, if the test separator gets fixed, can we expect an announcement? So just can you just give us like what are the events that you are going to announce as material so that we can look out for that and not wait for the next quarter results. So can you just give some clarity on that. These 2 things.

Pandarinathan Elango: I think on the pricing, if you really look at it, the major production for us is coming from essentially Dirok and B-80. The rest of the volume are very minimum volume. As far as the Dirok is concerned, it is primarily a gas field. So the gas prices, whatever is a published PPAC price, which is revised by the government once in 6 months, and that is the price that is prevailing for roughly about 40% of whatever volume we report, we're able to get premium gas price, which is \$1 more than the PPAC, right, that's a pretty straightforward publicly **available**. As far as B-80, you've got oil, you've got gas, oil is as Jeeva are explaining, we've not sold any oil, oil produced is stored in our facility. And every quarter, we report based on mark-to-market basis. And once we have a saleable parcel size of oil, we would engage with the refineries and

conclude parcel sale as such, a single parcel, as Jeeva was explaining about 200,000 barrels of parcel size that we are looking at.

So oil prices, you can always track on what is publicly available internationally traded prices. There will be some discount to that when you actually enter into a sales contract. Our gas price for B-80 is straightforward. It is 22% of the Brent price converted on MMBtu basis, which will kick off from 1st April. But during this best endeavours period, when the prices are around either take that or another alternative way of determining the prices in the gas exchange, which is also reported, and we give you the numbers as such. So roughly, we can keep watching the Brent price and 20% of that is for the gas price of B-80 and some discount for the oil price. And you have a good suggestion, we will update our investor presentation with those pricing formulas in the next update.

As far as material event is concerned, we follow what is the general norm followed in the industry. When there is a major shutdown due to any reason lasting for longer which we either provide update. And in the past also, I think all of you had given a suggestion why you don't update immediately. The whole reason for that was we just wanted to put the well and see that there is no other problem occur. We put it on a continuous production mode and see it stabilize before we update. Otherwise, what happens is we say it is producing x volume. And after a couple of days, if there is any issue, then it becomes a difficult area. The first thing is the test we follow is once we are very sure that there is a sustainable increase in the production volume or any other major reason, we provide the update as such. So, I think once it stabilizes, which we hope soon it will happen, then we are.

Moderator: The next question is from the line of **Jongu Fittern**, an Individual Investor. Please go ahead.

Jongu Fittern: My question is regarding the Gujarat marginal field, the drilling program is going to be only in Palej field and what is the production is there from Palej field? Second is, our PY-1 field, are we producing gas now also is completely shut? And thirdly, sir, in PY-3 field, any development is there because it was a producing field, which has been shut for more than 11 or 12 years if I'm not mistaken. That's all. Thank you.

Ramasamy Jeevanandam: PY-1, we are currently producing about 0.9 million cubic feet gas. It is not completely shut down. PY-3, we are not the operator. in marginal fields, we are planning for the environmental clearances, we are going for drilling in those fields. Palej, our current production is about some 80 barrels. North Balol and Asjol, we need to do cluster drilling. That means we have to drill number of wells. So that's what we are planning for it, whether we do it in-house or through somebody else. Our priority at the moment is putting the B-80 on full production mode and then go to PY-1 and then come back to other blocks.

Moderator: The next question is from the line of Uday Vernekar, an Individual Investor. Please go ahead.

Uday Vernekar: I just wanted to know if there is any update on PY-3 field. Currently, the operator has secured FSO. So just wanted to know, I think by end of this year, they are planning to put that in production. So is there any view from as we are also a shareholder in that?

Ramasamy Jeevanandam: Yes, we have 21% stake in the block. We have to decide once development plan comes to us. We will, at that point in time, decide whether to participate or not depending on the commercial value to us.

Moderator: The next question is from the line of Karan Mehta, an Individual Investor. Please go ahead.

Karan Mehta: Sir, I just have one question. So if we assume the current rate for Dirok, PY-1 and conservative numbers for B-80 oil of around 4,000 barrels per day and 12,000 MMBtu of gas operating nearly for 330 days, can we achieve the Rs. 650 crores of EBITDA, including the Rs. 150 crores EBITDA from MOPU and FSO?

Ramasamy Jeevanandam: Probably your number is right, but we have to have that all the parameters, which you said should be achieved.

Karan Mehta: Yes. And sir, just one small suggestion from my end. If you can just update the production volume from all fields on a monthly basis. This will really help the investors get a good clarity on how we are progressing.

Ramasamy Jeevanandam: I think we have to go with the reporting standards followed by the oil and gas companies. We are small. We are talking about, say about 12 wells production, we cannot update on a monthly basis. That's the reason we do it on a quarterly basis, which we will continue to do on quarterly basis.

Moderator: There is a follow-up question from the line of Tejas Shah from Unique Stock Broking. Please go ahead.

Tejas Shah: On the top line, the Dirok is giving us Rs. 65 crores by gas, Rs. 8.65 crores from condensate and the standalone numbers, what else top line is added, means this is only adding up to around Rs. 75 crores odd. So the balance Rs. 30 crores is coming from where?

Ramasamy Jeevanandam: Total revenue is not only from B-80, it is coming from PY-1, Dirok and Cambay, all put together the revenue is made up. If you look at B-80 it is Rs. 68 crores and PY-1 6.15 crores and Dirok is Rs. 182 crores and Cambay it is Rs. 4.3 crores. This is what the revenue breakup for the total 9 months.

Moderator: The next follow-up question is from the line of Riddhesh Gandhi from Discovery Capital. Please go ahead.

Riddhesh Gandhi: Just a question. So just a clarification question. So in terms of the equity raise, given now we are producing from a B-80, is the equity raise on hold for the moment? Or are we still looking at an equity raise?

Ramasamy Jeevanandam: It's an enabling resolution and as I told you already, for organic growth, for meeting the current obligations, we don't need additional equity.

Riddhesh Gandhi: And just a clarification with regards to in terms of this separator, kind of how much would be if we just decide to, let's say, order like and how long would it take? Because I mean, obviously, this has been a reasonable amount of the challenge, and it's obviously impacting the production levels. Is there any other way to expedite it or maybe just restart it and repairing it isn't going to happen in a reasonable time frame?

Pandar Nathan Elango: I think we've answered very extensively on the question. I don't think we will look at creating a new order for a new separator. We believe we'll be able to fix the problem. Only thing we don't want to commit to a timeline at this stage, we are doing everything possible to get it on and it will work.

Moderator: The next follow-up question is from the line of Rikesh Parikh from Rockstud Capital LLP. Please go ahead.

Rikesh Parikh: Sir, just want to clarify, I mean, sir, we'll be realizing our first oil revenue in this quarter. Is my understanding right?

Ramasamy Jeevanandam: I think this is having 2 factors. One, we have to have a production to reach the volume of 250,000 barrels. Then at that point in time, what is the price we will be getting. We have a storage capacity, which is in the order of about 900,000 barrels. We can market at right time at right price.

Moderator: The next question is from the line of Vasu, an individual investor. Please go ahead.

Vasu: If I have understood it correctly, the hoses are being ordered by Hindustan Oil Exploration, Am I correct?

Ramasamy Jeevanandam:No, it is not. The order is made by our subsidiary company that is Hindage Oilfield Services. This hose is OCIMF compliance and that will be inspected during the manufacturing. We will be planning for a factory acceptance test and after that we'll mobilize to the field.

Vasu: So that is being done by BEINIT Energy?

Ramasamy Jeevanandam:BEINIT is our consultant.

Vasu: They are not manufacturing the hoses.

Ramasamy Jeevanandam:They are not manufacturing.

Vasu: Is it being done in India? Or is it out of India?

Ramasamy Jeevanandam:It is out of India.

Vasu: And have they been shipped or they are yet to be shipped?

Ramasamy Jeevanandam:We have placed an order, and now they are manufacturing. Once the manufacturing is over, then we will have a factory acceptance test and physically inspect the hose before they get moved out from the factory. That is being monitored by BEINIT.

Vasu: Secondly, I think we have around short-term debt, which is repayable. That is around Rs. 200 crores.

Ramasamy Jeevanandam:If you look at our debt profile, our long term is Rs. 231 crores and short term is Rs. 123 crores. So short term debt, we will clear by end of July.

Moderator: The next question is from the line of Jayesh Gandhi from Harshad Gandhi. Please go ahead.

Jayesh Gandhi: Sir, if I heard you correct, you said that we have a contract with GSPC for B-80, which is like 10 MMSCFD until FY '24, that is take or pay. Am I correct, sir?

Pandar Nathan Elango: Correct. For the FY '25

Jayesh Gandhi: And what would be the status post that? I mean, would they continue to buy whether or not take or pay or then we have to enter into a fresh contract? Or how is that going to work post that?

Pandarinathan Elango: Post that, we will, at some point in time, before that, we will go for another e-auction. And now that we by the time would have a very stable production operations continuing. So we will offer the volume on a firm basis to conduct the e-auction and secure a customer.

Jayesh Gandhi: And can you throw any light on pricing then? Will it be the same like 22% plus concert?

Pandarinathan Elango: Whatever is the prevailing price in the market because you would have observed that gas prices are pretty volatile, and India deals with multiple gas price regime, you have imported LNG, you have domestic PPAC price and the prices are disclosed through e-auctions as such. Whatever is the market price, overall, very difficult to predict what will be the price at that point in time.

Moderator: Ladies and gentlemen, I now hand the conference over to Mr. Elango from Hindustan Oil Exploration Company Limited for closing comments. Over to you, sir.

Pandarinathan Elango: Thank you. This has been a quarter where we have finally addressed multiple challenges in our asset portfolio and made headway on multiple fronts towards a stable production growth. Apart from bringing both B-80 wells on simultaneous production mode, we also managed to reach agreements with government, paving the way for PSC extension in both PY-1 and Kharsang. We are well sufficient to step up production from Dirok field as the Northeast grid implementation makes its progress connecting new demand centers in various stages. We are expediting environmental clearance and plans to drill well in our PY-1, Cambay, Kharsang, to continue to build on our production growth journey in future. However, our topmost priority and attention will continue to be on B-80 to achieve optimum and stable production rate. Thank you once again for joining.

Moderator: Thank you, sir. On behalf of Hindustan Oil Exploration Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.