Hindustan Oil Exploration Company Limited
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December 12, 2012
By Courier / Fax

The Listing Department
The National Stock Exchange of India Ltd.,
"EXCHANGE PLAZA", Bandra Kurla Complex
Bandra (East), MUMBAI – 400 051

FAX # 022–26598237 / 38 / 66418125 / 26

The Corporate Relationship Department
BSE Limited
1st Floor, Rotunda Building, P. Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 001 Fax # 022-22723121 /2037/2041/2061

Dear Sir,

Subject: Update regarding PY-1 Field

This is further to the announcement at the Annual General Meeting dated September 26, 2012 regarding the status on PY-1 Field, wherein the Company has informed that it has drilled the multilateral well, Surya. Subsequent to drilling and completion of Surya Well, the Company made efforts to activate this Well by using Nitrogen since the gas and oil/condensate production was impeded due to loss of drilling fluids while drilling in the 'basement' reservoir, which seems to be partially depleted in this sector. As the well activation operation could be time consuming and thereby prohibitively expensive through the use of the rig, the Company has thus de-hired the rig and shall carry out the well lifting programme through rigless intervention in a fair weather period so as to be cost effective.

The Company shall be assessing the impact of the Surya Well, if any, on the potential of this Field together with DGH, and accordingly shall keep the members informed.

The Company has 100% participating interest in the said Field.

Kindly take note of the said update and circulate the same amongst the members of your stock exchange.

Thanking you

Yours faithfully,
For **Hindustan Oil Exploration Company Limited**

Minesh Bhatt
Assistant Company Secretary