Management Discussion

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
A very good evening, everybody. First of all, am I audible?

Operator
Yes, you are. Please go ahead.

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
So thank you for joining us for our Q2 and H1 full year '27 earnings call. The investor presentation has been uploaded, but only very recently. So in case you haven't seen it, you can download it. And we'll also take you through the presentation as we present. So this is our second call after listing in June. And it's our first full quarter as a listed entity, which is fantastic. Very proud on behalf of the entire organization and also of our CEO, So, let me briefly lay out our strategy and our value creation process, highlighting our business priorities.

We have a large and diverse resource base, as you know. Please go to the next slide. And the resource base is anchored by our producing assets in Rajasthan, in the northwest, alongside our offshore, which is basically Rava on the east coast, but also the west coast. Which are emerging assets across OLP and discovered small-field portfolio, including also the Northeast. Our ambition is to grow production safely and sustainably, as you know, by improving recovery and efficiency from our existing assets, progressing resources through exploration and development, and deploying capital only selectively into opportunities that can support our future production aspirations.

The operating cycle from resources to reserves, production and cash flow, and then reinvestment back into portfolio remains very central to how we actually manage our business. As you will see in the entire presentation, our strategy is being progressed across both exploration and development. On exploration, we have a portfolio of blocks across India. We're very diverse. With activity planned for them. Our development portfolio stands on 4 key themes: enhanced oil recovery- an example of that is ASP- focusing on our gas opportunities, tight oil development across Rajasthan, and satellite and infill well programs across our operating and also our upcoming assets.

Human resources and safety are the foundation on which every business is built. Safe and reliable operations remain fundamental to our delivery. We recorded zero fatalities in our first half of this financial year, with TRIFR at 1.31 and our LTIFR at 0.28. We continue to focus on critical risk management, operating discipline, and frontline engagements across all our assets to improve our safety performance. We also continue to engage community outreach programmes across themes of education, skills training, health and nutrition, touching lives across India over the last quarter.

And here are some examples. And I love that picture, by the way. Turning to the operating performance, our gross operated Production averaged 72.2, as you can see on the left, 72.2 thousand barrels of oil equivalent per day during the second quarter, compared with 77.7 in Q1. For the first half, production averaged 74.9 thousand barrels of oil equivalent per day. The production profile continues to reflect natural decline across our mature fields. Together with asset-specific movements during the period.

Our focus is on managing this natural decline through targeted interventions, improving recovery from existing asset base, managing asset reliability, and progressing development opportunities that can contribute to our future production. We witnessed green shots or green shoots, I should say, from these efforts, with our focused production optimisation leading to the decline arrest in Q2, with

positive reversal trends in our Rava asset. So, let me also cover the principal blocks and our assets.

This is Rajasthan. Rajasthan remains the core of our production portfolio, with over 80% of our production and also our resource base. The gross operated production averaged 59,900 barrels of oil equivalent per day in the second quarter, compared to 63,100 in Q1. Across Rajasthan, our work is focused on managing the production base through a combination of infill activities and OPEX-led well interventions, artificial lift optimisation, wellbore restorations, and other targeted interventions. We will continue to sequence these activities based on subsurface understanding, which we're enhancing on a daily basis, and execution readiness, but also on a value- with a value lens.

At Rava, which is on the east coast, the gross operated production improved to 8,100 barrels of oil equivalent per day in the second quarter, up from 7,000 in Q1. The sequential improvement was supported by continued delivery from partial shift to low-pressure operations that we talked about last quarter, if you may recall. Our immediate focus at the moment is on holding this performance and target to maintain flattish performance across RABO. The OLP and the discovered small field portfolio contributed 3,100 barrels of oil equivalent per day during the second quarter, in line with Q1.

Jaya and Hazaragan are the 2 operating fields and continue to do well. Alongside the work of our producing assets, we continue to progress the exploration and development activities across the portfolio. Next slide. We have opportunities across Rajasthan deep gas, enhanced oil recovery, tight oil infill, and satellite fields. Next slide, please. As well as our shallow water and deepwater acreage. These opportunities are at different stages of technical and commercial maturity. Our approach is to progress them systematically with capital deployment tied to technical understanding- very key- project readiness, and value.

And I'm not sure, but I'm not seeing the exploration and development slide. So maybe somebody can tell me if it's, uh, if it's my system or whether there's a glitch in the sharing, please.

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Jim, it's, it's what everyone's seeing. European business. Right, so we'll

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Just, uh, we'll just continue. Um, so allow me to talk a little bit about exploration. The exploration campaign delivered encouraging results with 3 discoveries notified in the Rajasthan block during the first half of the year. And these will start adding production soon. These comprise deep gas and shallow oil discoveries in previously unexplored reservoir intervals across the Kamaswari, Saraswati, and Ragaswari fields. The hydrocarbon potential and commercial viability of these discoveries still remains under evaluation.

But as we move through the second half, of this financial year, our priorities remain consistent. First, to operate safely and reliably. Second, to deliver the intervention and decline management programme across the producing assets. Third, to progress the exploration and development portfolio through defined technical, regulatory, and investment milestones. And finally, obviously, to maintain discipline around cost and capital allocation. We have a really substantial resource base and an established producing portfolio.

Our focus is to work through that opportunity set systematically, manage the existing production base, and convert the right opportunities into future production and value. And with that, I'll hand over to Arpit, our CFO, to take you through the financial performance for the quarter and the first half.

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited

Thank you, Jim. Good evening, everyone, and I would like to extend my gratitude to all of you for joining us for the Q2 and H1 FY27 earnings call. Let me take you through our financial performance for the second quarter and the first half of FY27. For Q2, the revenue for Vedanta Oil and Gas Limited stands at Rs 2,486 crores against a Q1 revenue of Rs 2,507 crores, whereas in the corresponding quarter last year it was, uh, Rs 2,330 crores. In essence, the revenue across this period have remained flattish despite the fall in production that was just explained by Jim, which was largely underpinned by the Brent pricing.

The EBITDA for the quarter was Rs 1,393 crores, representing an EBITDA margin of 56%. For the first half, revenue stood at Rs 4,993 crores with EBITDA of Rs 2,625 crores and EBITDA margin of 53%. Let me explain the principal movements in EBITDA. On a year-on-year basis, there is a 34% increase in the EBITDA, which is primarily driven by higher price realization and partially offset by lower production. On a sequential basis, here on, on a sequential basis, the EBITDA moved from Rs 1,232 crores in the first quarter to Rs 1,393 crores, which is Rs 1,393 crores in Q2.

This was again primarily driven by higher sales and partially offset by lower price realization and lower production. Turning to the operating cost, as we call OPEX, 7% fall in production led to corresponding increase in OPEX per barrel for Q2 from- to $18.40 per barrel from the previous quarter number of $17.40 per barrel. Overall H1 OPEX stands at $17.90 per barrel. At overall dollar OPEX million level, we continue to maintain the discipline around operating cost. While ensuring appropriate spend on well intervention, asset reliability, and the activities required to manage the production base.

Moving on from EBITDA, exploration costs written off during Q2 is Rs 26 crores compared to Rs 426 crores in Q2. Exceptional items net of tax for the H1 is Rs 346 crores consisting of provision for the impairment on one of the assets and demerger expenses, which were one-time expenses booked in Q1. Profit after tax from continuing operations is Rs 746 crores for Q2, whereas it was Rs 594 crores for entire H1. This was largely contributed because of a negative, uh, negative number in Q1. The first half reported numbers also include Rs 1,097 crores of amount contributed from the discontinued operations recognized in Q1, which was led, which was led by the disposal of one of the non-oil and gas business that was done as a prior to demerger transaction.

There was no contribution from discontinued operations in Q2. Accordingly, the PAT including discontinued operations stands at Rs 1,691 crores for H1. Moving on to the capital expenditure in the balance sheet, we have deployed Rs 504 crores during Q2 for CapEx, taking total CapEx payout for the first half of Rs 1,220 crores. As Jim outlined, this capital is being deployed across the producing portfolio of the existing assets and the exploration and development opportunity that we have been undertaking over the period of time.

From a financial perspective, our approach remains focused on allocating capital wisely and while maintaining the balance sheet discipline and the rigor as desired. As at September 2026, the liquid investments that we carry, including the cash and cash equivalents, stands at a healthy Rs 2,639 crores, and the net debt remained almost zero as of 30th September 2026. The return on capital employed stood at 9% based on the current financial highlights that we have just shared with you. The company also maintained its AA+/stable rating by various rating agencies even during the quarter, which was first time received during the previous quarter as we had shared with you in our previous earnings call.

The financial position provides us with the flexibility to continue with continue to invest in the

portfolio, uh, explore and chase the opportunities that Jim has just explained, while continuing to maintain discipline around capital allocation and have healthy and robust cash flows and FCF from the business that we continue to undertake. For FY27, our market guidance for volume is expected to be range-bound between 73 KBOPD to 77 KBOPD. Uh, with the corresponding OPEX in the range of $19.5 to $20 per barrel and CAPEX expected to be in the range of $320 to $340 million.

Um, our financial priorities for second half remain focused on continued operating efficiencies, robust funds management, continue to build the rigor around the balance sheet, and supporting the CAPEX program outlined by Jim. In his, in his talk that he's just shared with us. With that, I will hand back to the moderator for the Q&A session.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We'll take our first question from the line of Nalin Shah from NVS Brokerage. Please go ahead. Hello, please unmute your phone and go ahead with your question, please.

Hello? Yes, we can hear you. Please go ahead.

Kriti Tripathi - Analyst, NVS Brokerage
Uh, hello, my name is Kriti Tripathi from NB's Broodbridge. Am I audible?

Swarna Agarwal - Analyst, HDFC Life Insurance
Yes, we can hear you.

Kriti Tripathi - Analyst, NVS Brokerage
Okay. Uh, so our gross production has declined from 87.2 barrels oil per day in FY26 to 72.2 in Q2. So what concrete steps are we taking to arrest this decline and revive the production growth? That is one. So second question is that as you have guided for $322-340 million CAPEX in FY27, so where exactly will this investment be deployed? And so last question is, despite declining production, we have delivered strong revenue and EBITDA growth supported by the higher oil realizations. So looking ahead, what kind of revenue growth and EBITDA margin are we targeting for FY27 and FY28?

Thank you so much.

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
All right, thank you. So, Arpit, I will take the first, the first 2, and then you can, you can add on the second part and also talk about the looking ahead and the revenue. So, thank you very much for the question. The first thing to acknowledge, of course, is that natural decline in any oil and gas field is a given. And what we need to do is we need to ensure that we understand it and we are able to address it. That's exactly what we're doing at the moment. We- my primary focus at the moment is to ensure that we deliver predictably for ourselves, but also for you.

We've got dedicated efforts in place to arrest the decline. I think you've heard me say that on the East Coast, in the RAVA, assets. We've arrested the decline. The production has increased from

about 7,000 to 8,000 barrels of oil per day. We've got dedicated projects ongoing in various stages of development to arrest the decline also in what we call Rajasthan North and Rajasthan South. So, the various fields that we have there. The other thing I think I need to say, and, you know, it's important for everybody to realise, is that Vedanta Oil and Gas is is a very diverse company with a very diverse portfolio.

So we are not dependent solely on onshore or offshore. We're not dependent upon conventional or unconventional production. We've got a large variation in the portfolio that we, that we have. I'll just reiterate again that we've got a large number of projects that we're currently working to, to arrest that natural decline. And we are beginning to see, like I said in my preamble, you know, the green shoots coming out. If you take a look at the- if you take a look at the, the average production over the last month, for instance, you know, apart from the fact that over the last day we've had to shut in part of Rafa because of the cyclone, we've, we've begun to, to stabilize the production.

And you should see more of that coming through over the course of the, of the next- of the next months. Um, in addition, uh, you know, the growth portfolio that we have, including, for instance, Ambey, but also the exploration portfolio, and that includes, you know, the, the plants that's- that we're putting into place in, in our Northeast Assam assets, but also, of course, deepwater, will, um, will, will show production increase in the, the near, mid, and long-term. So, I think I've also answered the second part of the question with respect to, you know, how we deploy our CapEx.

So, the CapEx is being deployed across the various assets that we have, including developments and exploration and fields that are already in production. And we've got a process in place internally, obviously, to look at the economics and the viability and the timing of the various options. But looking ahead, you're absolutely right. We've got strong revenue because of the price of oil also. Arpit, maybe just a comment from you on the future outlook for that.

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Yeah. And if I get the name right, Nalin, you had also asked about the CapEx deployment for the guidance. So largely, our CapEx, as Jim just explained, would centre around 3 to 5 large projects and then, you know, string of other smaller projects. Uh, first one which we just spoke about was Ambe, which is on the envelope, uh, you know, with the Phase 2 of the development, and we expect the production from Q1 to Q2 next year. Uh, second is the deep gas, which is an exploration thing which Jim has just explained in RJ South.

Third, we have been investing on the ASP Mangla Cluster C project, which you just heard us discussing on the, uh, you know, expected injection in the month of November onwards. And also we have spent good money on the exploration on the northeast side. That's what we have done in H1, and these are the large projects will continue to, uh, contribute towards our CapEx consumption, uh, which will do the number of the other $322-340 million for the year. Uh, your next question was on the guidance. Uh, given that, you know, there are certain moving pieces as to on the exploration side and how we unlock our next set of productions and the growth around that.

We have just kind of restrained ourselves to give guidance as of today for the year FY27 itself. Uh, at the due course of time, we'll come back and share our guidance for FY28 and FY29 and slightly longer horizon. And given the volatility of the Brent, it does kind of impact many elements of the business, so we would like to share this guidance later on.

Operator
Thank you. We'll take our next question from the line of Venkatesh Subramanian from LogicTree

Consultants. Please go ahead.

Venkatesh Subramanian - Analyst, LogicTree Consultants
Uh, hi Jim, hi Arpit, uh, good evening. First of all, I would like to thank you, um, for setting up this call and for an excellent performance as a standalone independent entity. I'm also very thankful to you and to the entire management of Vedanta because we are beneficiaries of excellent shareholder value creation over the last many years. And despite, despite a lot of skepticism in the market about certain companies, but Vedanta has been an excellent company and I've always been a believer and we remain invested in VOGL.

So that apart, I would like to ask you 3 questions. I was reading the Chairman's interview sometime where he said said many years back he bought this entire oil and gas company at about a $14 billion valuation, which is amazing. And today, in my humble opinion, we are at the lower end of the valuation despite making great cash flows. Do you see prospects of Vedanta Oil and Gas reclaiming its glory over the next, say, 3 to 5 years? That's my first question. Second question is, When you were talking about the barrels, in terms of, in, say, 2 to 3 years' time, considering the efforts that you're putting in, what would be a blue-sky scenario for us in terms of production?

And what would be a grey-sky scenario? I mean, best-case and worst-case estimates. These are 2 important questions, and then I'll follow up with one more. Yeah.

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Okay. So, great questions, and thank you for the initial compliment that you gave us. And indeed, you know, the Chairman did put- did say that. And your comment, your question is really about, you know, reclaiming the glory. The first thing is, you know, I think we've already- we already have the glory. We've got, you know, a 47,000 square kilometre acreage position, you know, covering, you know, the entirety of India. We've got 45 blocks. We've got, you know, a large 2C resource base, a large 2P resource base.

We've got a large 2U resource base that we are maturing. We are using our internal capabilities to mature, you know, prospects and various opportunities in the new blocks that we've been awarded, both DSF-4 but also OLP blocks, OLP-9 blocks, and our deepwater acreage. So, you know, reclaim the glory. I think we are, you know, on the cusp of, you know, a great, you know, production change. We've got a deepwater block, for instance, with multiple opportunities that we have evaluated with very high-tech technology, including controlled source electromagnetic, you know, as, you know, one of the first in India offshore in that region.

We are about to drill a very interesting opportunity in the northwest, in the northeast, in Assam. It's called the SP1 prospect, and we have coupled- partnered with an international company to help evaluate the various opportunities that are possible in the other blocks that we've got in the northeast. That, together with our enhanced oil recovery in our Rajasthan block, the infill opportunities we have, but also the new technology, you know, will show a production change, you know, in the near future.

The valuation of the company obviously is therefore also dependent upon, you know, the growth potential that we have. And we do have a very robust pipeline of projects to unlock that future growth. You know, that's, uh, that's what, um, uh, what, uh, what, uh, uh, would extend the glory days that we currently are, uh, are in. In terms of the, uh, the blue sky and the grey, and the grey, the grey sky, uh, scenario that you're referring to, um, you know, I could very easily, uh, see what the, uh, what the chairman, uh, you know, has put out as, uh, as an ambition, you know, 300,000

barrels of oil per day.

You know, in the mid to long term, the deepwater opportunities that also obviously the government, you know, is supporting and pushing is something that we will be going after, you know, very eagerly and aggressively. You know, me personally, I've got quite a lot of experience in deepwater. In my previous roles, and I am very excited by what I see in our- on our East Coast deepwater acreage that we have. The grey case, I don't see a grey case. You know, my glass is always half full. I definitely believe that we will see production growth and production increase.

Like I say, we've got a robust pipeline of projects to unlock future growth. And that is what we're going after. Arpit, did you want to add anything to that?

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Uh, no, thanks. I will just add a couple of new things, uh, which Venkatesh asked was, you know, uh, the past glory. I would just add that sometimes we don't realize, but what we have done so far already in Cairn is we have produced about 1.2 billion barrels of oil, uh, contributed to the sector about $42 million, uh, already, uh, $42 billion. And you need to know that this has even happened over a period of time. Mangala happens to be one of the biggest fields where we would always almost produce 500 million barrels plus.

Rabai is another point. We are quite big onshore and offshore fields, right?

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Uh,

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
It is on the cusp of aging, so we would, as Jim explained, as we go and unlock a few more discoveries, we'll come back to this. And in the process, company has also, you know, upstream dividend to all these stakeholders and created value for the stakeholders. Now Now, as we go along and we seek more opportunities and we see more discoveries, we again invest back in the money in the business. Until then, we share with the stakeholders. That's the better way of doing it.

Venkatesh Subramanian - Analyst, LogicTree Consultants
Thank you. Very, very encouraging words. Thank you. And one suggestion, sir, I mean, when we look at the material, a lot of places we find Malco Energy, some places we find Cane Energy, We will also be very keen to have a solid annual report which will give us detailed information, if you can help us with that one. And second one is, uh, in terms of CapEx that you may need for the growth plan for the next 3 years, would it be predominantly from internal accruals, or would you be looking at any sort of strategic fundraising or something, or some sort of partnerships?

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
So when it is in the first part, as it's here again, um, the Marico Energy was the old name which has now changed to Vedanta Oil and Gas Limited. But it is part of the process that we need to carry those names, uh, legally. However, the name has been changed for all purposes and intent. Okay, you will see, since we have not seen our first accounts, you will see our annual report coming out in the market at the year-end, March 27th. So we'll do share that. Uh, and there's enough and more material which is there for the quarterly results, but we will see if we can share some more data points in the interim.

That's a good idea. Uh, on, uh, CapEx philosophy, I'll just spend half a minute explaining. See, the

way we have been continuing to maintain, and as I explained in my, uh, highlights of the business performance for this quarter and the year, half year ending, we continue to have robust cash flows coming out of the business, and we have been, you know, self-funding our growth till date. The way whatever has been kind of out there for us to chase in terms of opportunities has never been stopped for want of capital, and we do not see any risk to that.

We continue to see healthy cash flows, um, be it grain pricing or not. We have been able to do that, and this is largely led by our very robust CapEx allocation philosophy, which is, which is aided by availability of a diverse portfolio, which is, you know, we have cost recovery models under the production sharing contracts, whereas revenue sharing contracts have upfront CapEx borne by us. Similarly, we have lots of existing fields where we can quickly monetize and, you know, recoup our capital.

So that allows that flexibility and ability to continue to fund this. Having said that, we have also started some of the borrowings to be taken in the oil and gas business just to fund growth in case required. So we have been able to build those kind of initial ability to build those credit lines with us as and when required for larger capital. In case of any large- unless there is a large CapEx like a deepwater or something, we do not see any need to even borrow funds or intake capital. Our dividend policy will also take care of our CapEx needs.

So accordingly, you know, we'll calibrate that. And in case of large projects like deepwater, etc., we, we will evaluate the right hybrid structures farm-out opportunities or any fund infusion or debt as required in the most appropriate and calibrated manner.

Operator
Thank you. Kindly rejoin the queue. Next question is from the line of Swarna Agarwal from HDFC Life Insurance. Please go ahead.

Swarna Agarwal - Analyst, HDFC Life Insurance
Yeah, good evening, sir. One question on the exploration write-off. So this quarter it was very low as compared to, say, last quarter. So how much do we expect it for FY27 as well as FY28, and how do we model that?

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Uh, so, uh, I will just explain the numbers and underlying facts in some more details. I suppose Jim could add more color. From an exploration write-off, uh, frankly, uh, we wouldn't expect you to model anything, but that's the nature of the game. The large, uh, write-off that you saw in the first quarter, which we'd explain in our exceptional items as well, was- or rather as a highlight- as was it was certain 4 to 6 blocks of the OLP where we were not able to see value in it and we had to kind of, um, give away those blocks.

And hence there was a $38 million about provision that we did for that. That was a large one. But otherwise, if you see the normalized, there is not much impact. This time what we have done, we have seen an exploration write-off on the Rawa block where our effective share is very low, hence the number looks even lower, um, only 22% share that we carry in that block. Uh, as far as the go-forward modeling is concerned, I mean, Jim has explained how do we balance our portfolio and exploration, but we continue to invest in exploration.

We will- we don't want to, we may not, but we may end up seeing certain dry wells. Uh, you could just look at our outlook, what wells we are going to drill, how much, etc., and can kind of model that.

Swarna Agarwal - Analyst, HDFC Life Insurance
Yeah, and the second question is on OLP blocks. In 2018-19, you have won a lot of blocks, but in terms of overall OLP production, it has been kind of low, and it's been, you know, 7-8 years. So how do you see this panning out in, say, FY28 and FY29?

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
I'll start by answering that, Arvid, and you can add to it if you like. So, you know, like I said before, we have a large number of blocks, a large acreage position in the, you know, across India. And I think I also explained, you know, how we do our capital allocation with respect to, you know, prioritisation, really making sure that we understand where we want to invest our money or the money of the investors, obviously. Um, not every block obviously is equal, yeah, and we spend money on, uh, on data acquisition.

Uh, we spend money on ensuring that we, uh, we do the evaluation of the, uh, of the subsurface using, you know, the newest technologies in terms of, uh, seismic acquisition but also processing, and then the various interpretations and 3D modeling that is required, as well as, uh, you know, petroleum system modeling that's, uh, that is equally important. Yeah. And hence, you will see that there are certain blocks where we spend more and certain blocks that we spend less. And we will continue to run through our entire portfolio and prioritise, you know, relinquishments, but also, you know, further acquisitions.

And hence, you know, we've been active in the DSF4, the Discovered Small Fields 4 round, where we've basically acquired and we were granted 2 additional blocks. On the East Coast, which we're eagerly looking forward to working with, but also the OLP-9 blocks on the West Coast, which we're evaluating at the moment. So, you will, in the short to medium term, see, you know, our projects, you know, tilting also towards some of the newer blocks that we have acquired.

Operator
Thank you. Request you to rejoin the queue, please. Participants are requested to restrict to 2 questions at a time, please. You may join the queue for follow-up questions. Next question is from the line of Ashish from Leo Capital. Please go ahead.

Ashish - Analyst, Leo Capital
Uh, how much CapEx is planned for the next 6 months, and how much of that is for Rajasthan versus the others? That would be my first question. Hello, can

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
You give your second question as well?

Ashish - Analyst, Leo Capital
Yeah, the investment that have been made in Rajasthan to enhance recovery, uh, are they largely in the nature of CAPEX or will they also increase the OPEX subsequently? That would be my second question.

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
So on CapEx side, uh, if you see, we have spent about $127 million, uh, in the first H1. Uh, it was- now we would expect another about, as I said, on a give-or-take basis, about $200 million. That would be largely coming from an Ambey development project, and about, depending on the mix of the projects and progress that we see, it would be about $50 to $80 million on deep gas and certain

infills that we do Rajasthan. But as I said, the large chunk of it will come from Ambey, which is expected to take the large lion's share of the CapEx spend.

And we do have some spend coming from the Northeast and other exploration that will happen in the OLT block. And can you repeat your question? I mean, you on the recovery side, you had an OPEX versus CapEx question.

Ashish - Analyst, Leo Capital
Yes, yes.

Operator
Ashish, I think you're on mute. Yeah, go ahead.

Ashish - Analyst, Leo Capital
Hello? Yeah, on the second question, I didn't get you, sir.

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Sorry, Ashish, you will have to repeat the question. It was not very clear to me.

Ashish - Analyst, Leo Capital
Okay, okay. Uh, the investments that are being made in Rajasthan to enhance recovery, are they largely in the nature of CAPEX, or will they increase the OPEX

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
Subsequently? Okay, so Ashish, uh, if I restrict to one, one of the big projects, which is the Cluster C, comparatively for this upcoming 6 months of CapEx consumption, that and any of the announced oil recovery project will lead to higher OPEX. ASP is an OPEX-intense, uh, kind of project, so we will see uptick in the OPEX for those kind of barrels. However, overall, we continue to, via our portfolio management, continue to manage the dollar per barrel, as we have said. But for those barrels which are coming through the enhanced oil recovery, we will see increased OPEX for sure.

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Yeah. Allow me to just add to that. I mean, this is where, you know, portfolio diversification plays a great role where, you know, some of our more Mature assets require a higher OpEx, or less mature assets require a much lower OpEx, and that basically evens itself out.

Operator
Thank you. Next question is from the line of Rahul from Himalaya Capital. Please go ahead.

Swarna Agarwal - Analyst, HDFC Life Insurance
Thank you for the opportunity. My question was around some of the new fields that you alluded to, both Ambey and Rudra. By when are they expected to reach production, and what sort of production levels do you expect to achieve that in the first couple of years?

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Okay, um, so allow me to start that, that conversation. So indeed, um, you know, there's, there's the Ambey on the east coast- on the west coast, apologies- and there's Rudra, which is in the northeast. So Rudra is, uh, is being, uh, being appraised, and so it is, uh, it has had- it has been discovered, um, and it requires, you know, technical validation to see Obviously, where to drill the wells, how many wells can we drill, what's the development program. And hence, what we need to do is we

need to make sure that we understand what we're getting into, which is quite normal in oil and gas.

For Ambey, similarly, you know, it was a discovered small field. We've drilled an additional well, had additional reservoir units discovered, which is, you know, obviously fantastic. It sits within you know, a corridor where we have additional acreage, which we are also evaluating, and which have the potential of additional wells. And then, you know, sometime in the subsequent financial year, we anticipate that we would be seeing the production start. The levels depend upon, you know, obviously the number of fields that we have, but, you know, I would, I would I would venture definitely in the order of thousands of barrels of hydrocarbons per day.

Ashish - Analyst, Leo Capital
Got it.

Operator
Thank you. Next question is from the line of Umang Adatia, an individual investor. Please go ahead.

Umang Adatia - Individual Investor
Sir, first of all, compliments for a decent set of results. I have a question regarding Kembe field. Sir, after the 379 crore impairment and D transfer of operation to NGC what is the remaining carrying value of MBA assets, receivables and other recoverable amount? I mean, what will be the adverse impairment, additional impairment if there is any adverse outcome for Uh, appeal on the same?

Arpit Mundra - Chief Financial Officer, Vedanta Oil & Gas Limited
So, uh, probably I'll take this question. Uh, first of all, the matter is sub judice, so I do carry those constraints of speaking freely on the matter. Uh, as far as comfort and assurance is concerned on the potential risk of impairment, we could assure you, and our results in Q1 did reflect that, on a conservative basis, we have gone ahead and taken impairment for certain fixed assets and receivable balances. Some of them would be more conservative rather than aggressive. Uh, second, we do not see any risk basis, current judgments, etc., on any of the assets.

I mean, as I said, we fully provided for the fixed assets and there is no impairment risk to be, and we do not expect any kind of material significant outflow from the former company's perspective. To further add to that, uh, from a perspective of, uh, what we have done since- and just to correct, you said the custody or the asset has gone back to ONGC. It's as a statement of fact, it is just a temporary custody which is being held by ONGC. However, on a conservative basis, from the 22nd of July, which is the date of when this custody had moved, we have stopped taking any revenue.

So your- our current results do not reflect any revenue, or, you know, the flow through the revenue of Cambay in our financial results or balance sheet data.

Umang Adatia - Individual Investor
Okay, thank you, sir. Thank you.

Operator
Thank you, ladies and gentlemen. Due to paucity of time, we will take this as last question for today. I now hand over the call to Mr. Jim Gast for closing remarks. Over to you, sir.

Jim Johnny Gast - Chief Executive Officer and Whole-time Director, Vedanta Oil & Gas Limited
Yes, so thank you very much, everybody, for your questions and for joining us this, this evening. We appreciate your continued interest in Vedanta Oil and Gas. We leave you with the fact, you know,

we've got robust EBITDA and robust pipeline of growth projects. And as we are in the festive season, obviously, let me also take this opportunity on behalf of all of us on Vedanta Oil and Gas to wish you and your families a prosperous and safe Diwali and the festive season. So thank you and have a good evening.

Operator
Thank you, members of the management. On behalf of Vedanta Oil and Gas Limited, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines. Thank you once again.