

Essar Oil Ltd.

For Immediate Release

FY14 Highlights

- Company crosses the rupees one lakh crore revenue mark. Gross revenue at Rs 1,07,190 crore vs 96,797 crore in FY13
- Throughput at 20.23 MMT vs 19.77MMT in FY13
- CP GRM at \$7.98/bbl Vs \$7.96/bbl in FY13
- EBIDTA at Rs 4,703 crore vs Rs 3,651 crore in FY13
- Profit After Tax stood at Rs 126 crore, Vs a loss of Rs 1,180 crore in FY13
- Refinery achieves 2,190 LTI free days as on 31st March 2014

Q4FY14 Highlights

- Gross revenues at Rs 27,691 crore, vs 25,757 in Q4FY13
- Throughput at 5.05 MMT; refinery consistently operating above its rated capacity
- Current Price Gross Refining Margin (CP GRM) at \$10.12 /bbl Vs \$9.06/bbl in Q4FY13.
- EBITDA at Rs 2,053 crore vs Rs 1,556 crore in Q4FY13
- PAT at Rs 1,008 crore Vs Rs 200 crore in Q4FY13

Mumbai, May 20, 2014: For the 12 month period ending Mar 31, 2014, Essar Oil, India's second largest private refiner, today reported revenue growth of 10.7% to Rs 1,07,190 crore, against Rs 96,797 crore reported for FY13, thereby surpassing the rupees one lakh crore revenue mark for the first time. Throughput for the year was up 2.3% to 20.23 MMT.

CP GRM for the year was at \$7.98/bbl compared to \$7.96/bbl in FY13. Premium over benchmark IEA margin for the full year was at \$8.82/bbl against \$6.80/bbl in FY13. This was achieved on the back of improved crude diet—93% heavy and ultra heavy crude processed in FY14 vs 86% in FY13—and stable product slate.

EBITDA for the year stood at Rs 4,703 crore against Rs 3,651 crore in FY13. PAT stood at Rs 126 crore against a loss of Rs 1,180 crore in FY13.

Quarter highlight

Essar Oil reported gross revenues of Rs 27,691 crore for the January-March 2014 (Q4FY14) quarter, which was up 7.5% over Rs 25,757 crore in Q4FY13.

Essar Oil's Current Price Gross Refining Margin (CP GRM) for Q4FY14 was at \$10.12/bbl, compared to \$9.06/bbl in Q4FY13.

EBITDA during the quarter stood at Rs 2,053 crore, against Rs 1,556 crore in Q4FY13. Profit after Tax for the quarter was at Rs 1,008 crore against Rs 200 crore in the same period last year.

The Vadinar Refinery, at 20 MMTPA capacity and 11.8 complexity, is India's second largest single site refinery and amongst the most complex globally for a facility of this scale. During the quarter, it processed 5.05 MMT of crude, which was almost at the same level of 5.08 MMT processed during Q4FY13. Vadinar Refinery continues to operate above 100% capacity post expansion.

Talking on the results, **Mr. L.K. Gupta, Managing Director and CEO, Essar Oil**, said: "We are happy to report that the company has returned to profitability for the full year. Having breached the rupees one lakh crore revenue mark, Essar Oil is today's one of India's top 10 companies by topline, having achieved this distinction in a relative short span of five years of beginning commercial production. Operationally we continue to do well with the refinery further optimizing on its crude diet and product slate, which has resulted in the company delivering healthy GRMS at \$10.12/bbl."

Mr. Suresh Jain, CFO, Essar Oil said, "This is the first full year of operations of our expanded refinery. We are happy to share that our company has demonstrated excellent financials backed by solid operating performance, which has resulted in improved GRMs, EBITDA, and PAT for the quarter, and closed our financial year with a profit of Rs 126 crore."

Operating and Financial Performance: Key Indicators

	FY14	FY13	% change	Q4FY14	Q4FY13	% change
Throughput (in MMT)	20.23	19.77	2.3	5.05	5.08	- 0.7
Gross Revenue (in Rs crore)	1,07,190	96,797	10.7	27,691	25,757	7.5
CP GRM (in \$/bbl)	7.98	7.96	0.4	10.12	9.06	11.7
EBIDTA (in Rs crore)*	4,703	3,651	28.8	2,053	1,556	32.0
Profit After Tax (in Rs crore)	126	(1,180)	-	1,008	200	404.6

** EBIDTA includes forex variations

Marketing Operations

During the quarter, Essar Oil realized 66% of its revenues from the domestic market, against 58% and 44% in the immediate past two quarters, on account of improved domestic demand for gasoil.

Retail sales of gasoline (petrol) have also begun to show a healthy rising trend, with retail marketing accounting for 2% of the company's total sales. Essar Oil has about 1,400 retail outlets across the nation, with over 300 in various stages of commissioning. The company is reviewing its retail strategy to tap the growing gasoline demand by additionally targeting city centres for new outlets. Going forward, the company will offer outlets under all three formats viz. DODO, COCO, and CODO.

Exploration & Production

At our flagship Raniganj CBM block, current gas production is around 190,000 standard cubic metres per day (scm/d), which is being sold locally through pipeline and cascades. We have

drilled 183 wells, of which 151 are producing. The company has laid pipelines of 48 kms and 30 kms to Durgapur Industrial Area and Matix respectively. Three Gas Gathering Stations (GGS) are complete and one more is under construction.

All approvals are in place for drilling program.

VPL Acquisition

The Board approved acquisition of Vadinar Properties Limited, making it a wholly owned subsidiary, for Rs 54 crore. Vadinar Properties owns Essar Oil's existing and the new under construction township for the company employees at Vadinar.

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About Essar Oil

Essar Oil is a fully integrated oil & gas company of international scale with strong presence across the hydrocarbon value chain from exploration & production to refining and oil retail. Essar Oil owns India's second largest single site refinery having a capacity of 20 MMTPA and complexity of 11.8, which is amongst the highest globally. It has a portfolio of onshore and offshore oil & gas blocks with about 1.7 billion barrels of oil equivalent in reserves & resources. There are more than 1,600 Essar-branded oil retail outlets in various parts of India.

About Essar

Essar is a US\$ 39-billion multinational corporation with investments in Steel, Energy, Infrastructure and Services. With operations in more than 25 countries, it employs over 73,000 people.

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