



For Immediate Release

ESSAR OIL REPORTS SATISFACTORY H1FY16 PERFORMANCE; PLANNED TURNAROUND IMPACTS QUARTERLY PERFORMANCE

H1FY16 performance highlight

- EBITDA at Rs 3,442 crores vs Rs 2,666 crores in H1FY15; up 29%
- PAT at Rs 1,264 crore Vs Rs 924 crore in H1FY15, up 37%
- Current Price Gross Refining Margin (CP GRM) at \$10.25/bbl vs \$8.05 /bbl in H1FY15; up 27%.

Q2FY16 performance highlight

- Throughput at 4.47 MMT Vs 5.04 MMT in Q2FY15; impacted due to planned shutdown
- Gross Revenue at Rs 15,561 crore Vs Rs 24,194 crore in Q2FY15; impacted due to lower throughput & lower oil prices
- Current Price Gross Refining Margin (CP GRM) at \$9.33/bbl vs \$7.03 /bbl in Q2FY15; up 33%
- EBITDA at Rs 1,382 crores vs Rs 1,061 crores in Q2FY15; up 30%
- PAT at Rs 201 crores Vs Rs 234 crores in Q2FY15
- Raniganj CBM production at 0.64 million scmd

Mumbai, 6th November 2015: Essar Oil, India's second largest private refiner, today reported results for half year and quarter ended September 30th 2015.

H1FY16 Performance

Essar Oil reported a 37% jump in Profit After Tax (PAT) in H1FY16 to Rs 1,264 crore, against Rs 924 crore in H1FY15. EBITDA during the period was also higher by 29% to Rs 3,442 core against Rs 2,666 crore in H1FY15. Current Price Gross Refinery Margins (CP GRM) stood at \$10.25/bbl in H1FY16 against \$8.05/bbl in H1FY15, up 27%. CP GRM for H1FY16, post exceptional inventory losses, stood at \$9.23/bbl.

Refinery throughput in H1FY16 was at 9.64 MMT, vs 10.18 MMT in H1FY15, down 5%. This was due to a planned refinery turnaround (details below). Gross revenue stood at Rs 36,133 crore against Rs 51,511 crore in H1FY15, down 30% due to lower throughput and oil prices.

The company reported satisfactory financial performance, despite lower throughput and revenues.

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Q2FY16 Performance

Refinery throughput stood at 4.47MMT in Q2FY16, against 5.04 MMT in Q2FY15, down 11%. This was due to fewer operational days on account of planned refinery turnaround during Sep/Oct 2015, of which 13 days were in the July-Sep quarter.

Gross Revenues for the quarter was Rs 15,561 crore, against Rs 24,194 crore in Q2FY15, lower by 36%. This dip in revenues was mainly because of lower throughput and lower oil prices as compared to the corresponding period.

The company expanded its EBIDTA for the quarter by 30% to Rs 1,382 crore, against 1,061 crore in Q2FY15. PAT stood at Rs 201 crore, down 14 % against Rs 234 crore in Q2FY15.

CP GRM for the quarter was \$9.33/ bbl, against \$7.03/bbl in Q2FY15, up 33%. CP GRM for Q2FY16 post exceptional inventory losses was \$7.12/bbl.

Q2FY16 and H1FY16 highlights

	Q2FY16	Q2FY15	% change	H1FY16	H1FY15	% change
Throughput (in million tonnes)	4.47	5.04	(11)	9.64	10.18	(5)
Gross Revenue (in Rs crores)	15,561	24,194	(36)	36,133	51,511	(30)
EBIDTA (in Rs crores)*	1,382	1,061	30	3,442	2,666	29
Profit After Tax (in Rs crores)	201	234	(14)	1,264	924	37
#CP GRM (in \$/bbl)	9.33	7.03	33	10.25	8.05	27

* EBIDTA includes forex variations

Net CP GRM after exceptional inventory losses for Q2FY16 at \$7.12/bbl and H1FY16 at \$9.23/bbl

Refinery performance

During the quarter, Vadinar Refinery commenced the planned turnaround shutdown on 18th September 2015, (13 days during the quarter). The turnaround project was successfully completed on 16th October 2015 (28 days). During the

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turnaround, besides routine maintenance of all its units, the D-Max project was also completed. Under the D-Max project, the VGO-HT unit was converted into a mild Hydrocracker unit and the DHDT unit was revamped. This will enable the refinery to convert lower margin sweet VGO into higher margin Diesel, Kerosene and other value added products, thereby improving overall margins.

During the quarter, Vadinar Refinery processed 92% of heavy and ultra-heavy crudes, and maintained proportion of high margin light and middle distillates at 85%. Crude and product mix are expected to improve post turnaround.

Management Speak

Talking on the results, **LK Gupta, Managing Director & CEO, Essar Oil**, said: "We had a satisfactory quarter during which we started the crucial Refinery Turnaround shutdown on 18th September, which has since been successfully completed on 16th October 2015. This will further improve our operational flexibility and boost margins. Our retail business continues to grow and we are witnessing encouraging response and improvement in retail sales."

Suresh Jain, CFO, Essar Oil, said, "Our EBIDTA for the quarter as well as half year is better compared to the corresponding periods. Our PAT for the quarter is marginal lower compared to Q2FY15 mainly on account of lower throughput due to planned shutdown, lower product cracks and negative inventory variations. Our PAT for the half year is higher despite above factors. Our refinery on the strength of its complexity has demonstrated excellent resilience against falling oil prices and product cracks and delivered satisfactory performance. Consistent improvement in our operating and financial performance has led to improvement in our credit rating to 'A'."

Marketing & Retail Operations

Domestic market contributed 46% to Essar Oil's revenues during the quarter. Exports were higher on account of lower offtake by PSU customers due to monsoon and restart of some of their refineries post shutdown. Retail sales accounted for 10% of Essar Oil's revenues in Q2FY16 against 3% in the corresponding quarter last fiscal. Retail sales volumes of diesel have seen a consistent rise post deregulation and has contributed to the overall rise in domestic sales.

During the quarter, Essar Oil commissioned 148 new outlets. The company currently has about 1,700 operational retail outlets nationwide with another ~1900 in various stages of implementation.

Exploration & Production

At our flagship Raniganj CBM Asset, we have achieved production of 0.64 million scm/d (standard cubic meters per day). This is being sold to industrial consumers in the catchment area. Essar Oil is presently India's largest CBM gas producer. 272 wells have been drilled and the company is on track to ramp up production to 1.2 million scmd over the next few months and to 2.5-3 million scmd finally.

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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 million tonnes 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 about 1,700 Essar-branded oil retail outlets in various parts of India with another ~1,900 under various stages of implementation.

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