

For Immediate Release

Essar Oil Limited reports strong performance for the quarter ended 31st December 2015; registers highest ever gross refining margin

Q3FY16 Performance Highlights

- **Refinery throughput at 4.24 MMT as against 5.19 MMT in Q3FY15 (15 day shutdown in Q3FY16)**
- **Gross revenues Rs. 13,947 crore compared with Rs. 22,220 crore in Q3FY15**
- **EBITDA at Rs 1,759 crore vs Rs 1,291 crore in Q3FY15**
- **Profit after tax Rs 364 crore vs Rs 52 crore in Q3FY15**
- **Current Price Gross Refining Margin at \$13.25/bbl (highest ever) vs \$7.00 /bbl in Q3FY15**

Mumbai, 9th February 2016: Essar Oil Ltd., India's second largest private refiner, today reported results for the third quarter ended 31st December 2015.

Q3FY16 Performance

Refinery throughput stood at 4.24 MMT, compared with 5.19 MMT in the same period of the previous year. The decline in throughput was due to the planned shutdown of 30 days (completed in 28 days from 18th September 2015 to 15th October 2015).

Gross revenues for the quarter stood at Rs.13,947 crore, compared with Rs.22,220 crore in the same period last year. This decline in revenues was due to the fall in oil prices and lower throughput due to the continuation of shutdown for 15 days in the quarter.

The EBIDTA increased by 36% to Rs 1,759 crore as against 1,291 crore in Q3FY15. The Net Profit after Tax soared 7 times to Rs 364 crore from Rs 52 crore in the same quarter of previous year.

The Current Price Gross Refining Margin (CP GRM) for the latest quarter was \$13.25/bbl, the highest ever for Essar Oil, versus \$7.00/bbl in the same quarter last year.

9-Month of FY16 highlights

The refinery throughput for the nine-month period ended December 2015 was 13.88 MMT, compared with 15.37 MMT in the same period of previous year. Gross revenues for the period were Rs 50,080crore, as against Rs 73,731 crore in the same period of last year.

The EBIDTA stood at Rs 5,252 crore versus 3,957 crore in the previous year period. The net profit was Rs.1,628 crore compared with Rs.976 crore in the nine months of the previous financial year.

The CP GRM for the 9-month period ended December 2015 was \$10.45/bbl versus \$7.69/bbl in the same period last year.

	Q3FY16	Q3FY15	Comparative Performance	9-Month FY16	9-month FY15	Comparative Performance
Throughput (in MMT)*	4.24	5.19	-18%	13.88	15.37	-10
Gross Revenue (in Rs.crore)	13,947	22,220	-37%	50,080	73,731	-32%
CP GRM (in \$/bbl)	13.25	7.00	89%	10.45	7.69	36%
EBIDTA (in Rs.crore)*	1,759	1,291	36%	5,252	3,957	33%
Profit After Tax (in Rs. crore)	364	52	600%	1,628	976	67%

*Impacted due to Shutdown

Refinery Performance

In the quarter ended 31st December 2015, the refinery successfully completed its planned turnaround shutdown on 15th October 2015. During the shutdown the company undertook the routine inspection and maintenance and converted VGO-HT unit into a mild Hydrocracker unit to enable the refinery to convert the entire VGO (Vacuum Gas Oil) into higher margin products. Also, the company modified crude blend window to enable the refinery to process higher quantity of ultra-heavy and high acidic crudes.

Management Speak

Mr. Lalit Kumar Gupta, Managing Director and Chief Executive Officer, on the announcement of the performance, said: “Essar Oil has delivered excellent performance despite very challenging domestic and global macro-economic environment. The safe and successful completion of the turnaround shutdown of the refinery before schedule along with completion of the Diesel Maximisation Project will help us to sustain our excellent all round performance in future. We have generated a vibrant momentum in expanding our retail network as well as leveraging the potential of our existing network.”

Mr. Suresh Jain, Chief Financial Officer, said: “Our company has reported excellent financial performance despite shutdown and inventory impact due to fall in oil prices. The refinery clocked a CP GRM of \$13.25/bbl during the quarter, which is the highest ever since the commissioning of refinery in 2008. Our profitability is further expected to improve pursuant to overall improvement in crude mix and product slate post shut down. Retail business contribution in overall revenue has improved to 16% compared to 6% in Q3 FY15 and it will be the key driver to foster the overall growth and profitability of the company.”

Retail Operations

During the quarter, Essar Oil commissioned 220 new outlets taking the total operational outlets nationwide to 1,910. As many as 2,186 are at different stages of implementation.

Retail sale volumes for the quarter under review advanced 87% to 448 KL from 239 KL in the same period of last year. Retail sales accounted for 16% of Essar Oil's revenues in Q3FY16 as against 6% in the corresponding quarter last fiscal.

Exploration & Production

At our flagship Raniganj CBM Asset, we have achieved production of 655,000 standard cubic meters per day (scm/d). This is being sold to industrial consumers in the catchment area. Essar Oil is presently India's largest CBM gas producer. As many as 286 wells have been drilled and the company is on course to increase production to 2.5 million scm/d.

The promoters of Essar Oil Ltd. completed the delisting process from the National Stock Exchange and Bombay Stock Exchange after agreeing to pay Rs. 262.8 per share to the public shareholders. Consequently, trading in shares of Essar Oil Ltd will halt from 10th February 2016 and delisting will be effective from 17th February 2016.

Essar Oil has been recognised as one of the top Climate Disclosure Leaders for India for the 5th year in a row in 2015 by Carbon Disclosure Project India. CDP publishes an annual index on climate disclosure that ranks companies on the basis of their energy management techniques and climate change initiatives.

Essar Oil won the Golden Peacock HR Excellence award for 2015.

About Essar Oil Limited

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 1,910 Essar-branded oil retail outlets in various parts of India with another 2,186 under various stages of implementation.

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