

For Immediate Release

ESSAR OIL REPORTS STRONG FINANCIALS

Key Highlights for Q4FY13

- Throughput up 26% to 5.08 MMT, vs 4.03 MMT in Q4FY13
- Gross revenues up 34% to Rs 25,757 crore from Rs 19,160 crore in Q4FY12
- Current Price Gross Refining Margin doubles to \$9.06 /bbl Vs \$4.60/bbl in Q4FY12
- EBITDA up 254% to Rs 1,556 crore, from Rs 439 crore in Q4FY12
- PAT at Rs 200 crore Vs loss of Rs 608 crore in Q4FY12
- \$481 million worth of rupee loan dollarised
- Production at Raniganj CBM block at ~60,000 scmd; block development program put on fast track; ~150 wells drilled

Key Highlights for FY13

- Highest ever revenue at Rs 96,797 crore, vs Rs 63,340 crore in FY12, up 53%
- Highest ever EBIDTA at Rs 3,651 crore, vs Rs 1,167 crore in FY12, up 213%
- CP GRM at \$7.96/ bbl vs \$4.23/bbl in FY12, up 88%
- Expanded capacity of 20 MMTPA fully operationalized; FY13 throughput up 46% to 19.76 MMT, vs 13.50 MMT in FY12
- Refinery continues its high safety track record with 1825 LTI free man days & 1410 days of major fire free days

Mumbai, May 10, 2013: Essar Oil, India's second largest private refiner and part of UK-listed Essar Energy plc, today reported strong results for the quarter and the year ended March 31, 2013.

Gross revenues for the January-March 2013 quarter (Q4FY13) stood at Rs 25,757 crore, up 34% over Rs 19,160 crore reported in Q4FY12; EBITDA was up 254% at Rs 1,556 crore compared to Rs 439 crore in Q4 FY12. Profit After Tax for the quarter was at Rs 200 crore versus a loss of Rs 608 crore in the same period last year. Current Price Gross Refining Margin of \$9.06/bbl for Q4FY13 was almost double of \$4.60/bbl reported in Q4FY12, reflecting the higher complexity benefits post completion of expansion and optimization projects.

During the quarter, Vadinar Refinery processed 5.08 MMT of crude, up 26% over Q4FY12. The refinery continues to function at over its nameplate capacity of 20 MMTPA with all units stabilized.

Share of Ultra Heavy Crude in refinery's crude diet rose to 62% from 24% in the corresponding quarter in FY12. Overall, the refinery processed 88% of heavy and ultra heavy crude in Q4FY13. Production of valuable Middle and Light distillates improved to 84% of the refinery's product slate from 69% over the same period last year.

For the full financial year ended March 31, 2013 (FY13), gross revenue was up 53% at Rs 96,797 crore compared with Rs 63,340 crore in FY12. EBITDA for full year was up over three times at Rs 3651 crore compared to Rs 1,167 crore in FY12. The Current Price Gross Refining Margin for the year was \$7.96/bbl against \$4.23 per barrel in FY12. Profit after tax for the year stood at negative Rs 1,180 crore compared to negative 1,285 crore in FY12.

Talking on the results, **Mr. L.K. Gupta, Managing Director and CEO, Essar Oil**, said: "We had a very eventful year in FY13 during which we have achieved a number of milestones. Our Vadinar Refinery, at 20 MMTPA capacity and 11.8 complexity is India's second largest single site refinery and amongst the most complex globally, set up at a very competitive capex of approx Rs 24,000 crore, whose replacement cost today is between 1.75-2 times that figure. The refinery has demonstrated excellent operating performance with a very strong focus on safety and has consistently outperformed the benchmark IEA margins, as was targeted."

Mr. Suresh Jain, CFO, Essar Oil said, "Benefit of expanded capacity and complexity was available for only three quarters of the year and the performance of the refinery post completion of expansion has been consistent. Our primary focus is now to align our asset liability mismatch by dollarizing our debt, which will also lower our interest cost, and in turn improve our free cashflows significantly."

Quarterly and annual highlights:

	Q4FY13	Q4FY12	% Change	FY13	FY12	% change
Throughput (in MMT)	5.08	4.03	26	19.77	13.50	46
Gross Revenue (in Rs crore)	25,757	19,160	34	96,797	63,340	53
EBIDTA (in Rs crore)	1,556	439	254	3651	1167	213
Profit After Tax (in Rs crore)	200	(608)	-	(1180)	(1285)	-
CP GRM (in \$/bbl)	9.06	4.60	97	7.96	4.23	88

Marketing Operations

Essar Oil continues to focus on the domestic market, with domestic sales contributing over 60% to its revenues during the quarter. Bulk sales, consisting of fuel oil, sulphur, petcoke, bitumen, and VGO, contributed 10% to the total sales during the quarter, against 4% in Q4FY12. Company has re-entered the bulk diesel market, which recently was deregulated.

Essar Oil has over 1,400 retail outlets across the nation, with another 200 more in various stages of commissioning. The recent move of government towards full deregulation of auto fuels will create great value for our retail business.

With three ALPG and CNG pumps opened during the quarter, 30 Essar Oil pumps now offer multi fuel options to customers.

Exploration & Production

At Essar Oil's flagship Raniganj CBM block, current gas production is around 60,000 standard cubic metres per day (scm/d). The company has completed drilling 148 wells. Environment Clearance III approvals for 618 wells has been received. Production is expected to reach 3 million scm/d by next year.

---ENDS---

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 Group

The Essar Group is a multinational conglomerate and a leading player in the sectors of Steel, Energy, Infrastructure and Services. With operations in more than 25 countries across five continents, the Group employs 75,000 people, with revenues of US\$ 27 billion.

Media Contacts:

Rabin Ghosh, Corporate Communications, (Mumbai)

Tel: 91 99 301 36268, email: rabin.ghosh@essar.com

Priyank Talati, Corporate Communications (Ahmedabad),

Tel: +91 91 9979868817, Email: priyank.talati@essar.com

Jayesh Thanki, Corporate Communications (Vadinar),

Tel: +91 99 798 91425, Email: jbthanki@essar.com

Adfactors PR

HiralVora, (Mumbai): +91 97 699 98892, hiral.vora@adfactorspr.com

Investor Relations:

Suresh Jain, Chief Financial Officer, Essar Oil Ltd

Email: suresh.jain@essar.com

Pramod Bhandari, Head-Investor Relations, Essar Oil Ltd

Tel: +91 98197 30915, Email: pramod.bhandari@essar.com