

Essar Oil exits CDR Scheme

- *CDR Core Group accepts company's CDR exit proposal*
- *CDR exit to allow significant operational and financial flexibility*

Mumbai, June 29, 2012: Essar Oil Limited (EOL), India's leading private sector refiner, today announced that the lenders to its Corporate Debt Restructuring (CDR) package have accepted the company's proposal for exiting the CDR scheme. The proposal includes linking of interest rate on substantial portion of the loans to market rate and also acceleration of repayment of the balance facilities.

Exiting the CDR is a win-win proposition for both EOL and its lenders. While the lenders will now have a non-CDR debt in their books and market linked interest rates on substantial portion of its debt, EOL will have greater operational and financial flexibility.

"The CDR exit marks a momentous step for Essar Oil. We are thankful to the lenders who have always stood by the Company and this CDR exit is the testimony of improved performance and future outlook of the Company," said Mr. LK Gupta, MD & CEO, Essar Oil.

"With increased capacity and higher complexity coupled with no capex funding requirement, our cash flows will improve substantially going forward, which will be utilised to deleverage the balance sheet," said Suresh Jain, CFO, Essar Oil.

EOL has completed over four successful years of commercial operations. It has recently completed its Expansion and Optimization Projects to increase capacity to 20 mmtpa and complexity to 11.8. This makes the fully integrated Vadinar Refinery, India's second largest single location refinery and amongst the most complex globally. With increased complexity, Essar Oil is able to take over 80% of ultra heavy and heavy crude in its crude diet and yet produce higher grade products like Euro IV and Euro V compliant Gasoline and Gasoil to cater to the domestic and international markets.

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. It



has a global portfolio of onshore and offshore oil & gas blocks, with about 2.1 billion barrels of oil equivalent in reserves & resources. Essar Oil now has 405,000 bpsd (barrels per stream-day) of crude refining capacity. There are more than 1,600 Essar-branded oil retail outlets in various parts of India.

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