

Essar Oil notes High Court order regarding sales tax petition

Mumbai, June 25, 2012: Essar Oil said that the High Court of Gujarat hearing in relation to its writ petition seeking direction on repayment of sales tax has taken place today and the petition has not been favourably considered by the Hon'ble High Court.

Essar Oil is yet to receive the copy of the order, but once this has been received, Essar Oil plans to take appropriate legal action, including appealing the decision to the Supreme Court of India.

As previously announced, Essar Oil is also in advanced discussions with Indian lenders with regard to putting in place a c.US\$1 billion (Rs. 50 billion) loan facility as a contingency measure for use in the event that the sales tax liability becomes payable immediately or that Essar Oil is not able to negotiate a satisfactory repayment schedule. We expect this facility to be finalised shortly.

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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