

Essar Oil notes Supreme Court order regarding sales tax petition

Mumbai, July 17, 2012:

In response to Essar Oil's petition in the Honorable Supreme Court on principal repayment schedule and waiver\remission of interest in the Sales Tax issue, today the honorable court has directed the company to pay Rs. 1,000 crore to the Gujarat government towards sales tax\VAT dues by July 30th. Essar Oil had offered to pay this amount in its submission to the court.

On payment of this amount of Rs. 1,000 crore, coercive steps already taken by State, would be stayed.

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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