

## Press Release

### Essar Oil announces increase in gas reserves and resources at Raniganj (Press Release)

Essar Oil Ltd, a subsidiary of Essar Energy, today announced that the independently verified proven and probable reserves and best estimate 2C contingent gas resources at its Raniganj coal bed methane (CBM) exploration block in West Bengal have been significantly increased.

The total proven and probable reserves (2P) at Raniganj, evaluated as at 1 September 2011, are 113 billion cubic feet (bcf) gross, or 18.8 million barrels of oil equivalent (mmboe), while best estimate contingent resources (2C) are 445bcf gross, or 74.1mmboe.

This compares with the previous evaluation in December 2009 which showed 201bcf gross, or 34mmboe, of 2C resources.

Both evaluations were carried out by international consultants Netherland, Sewell & Associates, Inc. (NSAI).

The latest evaluation also shows that there also remains 297bcf gross, or 49mmboe, of best estimate prospective resources of gas at Raniganj.



Naresh Nayyar, Deputy Chairman-Essar Oil and CEO-Essar Energy, said: "This revised evaluation of gas resources at Raniganj underlines the potential of this block. Gas is in short supply in India but will be an increasingly important fuel and we are well placed to capitalise on that."

Current production at Raniganj is around 22,000 standard cubic metres of gas per day, reduced to minimise flaring while test sales through a 48 kilometre pipeline to the Durgapur industrial estate are continuing. Progress towards full commercial production is continuing and peak production is expected to be 3.5 million scm/day.

Raniganj is a block covering 500 square kilometres in which Essar Oil has a 100% interest.

Overall, Essar Oil has the largest acreage of CBM blocks in India, with a total of 10tcf of gas resources across five blocks.

--Ends--

Notes to editors:

Total gas reserves, contingent resources and prospective resources at Raniganj are as follows:

Reserves:

<b>Category</b>	<b>Gas reserves gross, in millions of cubic feet (MMCF)</b>
Total proved (1P)	22,387.8
Probable	90,737.8
Possible	143,580.8

**Unrisked contingent resources:**

<b>Category</b>	<b>Gas reserves gross, in millions of cubic feet (MMCF)</b>
Low estimate (1C)	160,604.3
Best estimate (2C)	444,704.3
High estimate (3C)	826,343.3

**Prospective resources:**

<b>Category</b>	<b>Gas reserves gross, in millions of cubic feet (MMCF)</b>
Low estimate	114,973.7
Best estimate	296,870.4
High estimate	562,744.2

**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 has over 300,000 bpsd (barrels per stream-day) of crude refining capacity that is being expanded to 405,000 bpsd. 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, and has revenues of USD 17 billion.

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