

- **Essar Oil announces commissioning of Vacuum Gas Oil Hydrotreating Unit (VGOHDT)**
- **VGOHDT to help refinery produce low sulphur, high octane gasoline (petrol)**
- **Vadinar Refinery Phase I expansion to be completed by end of March 2012**

March XX, 2012: Essar Oil Ltd today announced the successful commissioning of the Vacuum Gas Oil Hydrotreating Unit (VGOHDT) at its Vadinar Refinery. With this milestone, the Delayed Coker Unit (DCU) is the only expansion unit that remains to be commissioned as part of EOL's Phase I expansion project. The project is now just days away from being fully completed.

The VGOHDT is a key component of EOL's refinery expansion project and will ensure that the Vadinar Refinery is able to achieve a throughput capacity of 18 MMTPA that is complemented by a complexity of 11.8, which is amongst the highest in the world.

With a capacity of 6.5 MMTPA, the VGOHDT at the Vadinar Refinery is among the largest units of its kind. It will help the refinery produce low sulphur, high octane gasoline (petrol). The unit is also capable of producing naphtha, kerosene and gas oil (diesel).

LK Gupta, MD & CEO, Essar Oil, said, "I am delighted to share that until date, we have successfully commissioned all the units, which are integral to our Phase I Expansion Project except DCU, which we are confident of commissioning in the next few days, thus completing an extremely rigorous and demanding expansion programme that we embarked on just two years ago."

Alongside the Phase I expansion, an optimisation project is also underway at the Vadinar Refinery that will further increase the capacity to 20 MMTPA (405,000 bpd) by September 2012. The capacity expansion, complexity enhancement and subsequent optimisation will give the Vadinar refinery the capability to process over 80% heavy and ultra-heavy crudes, which are lower cost than light crudes. In terms of product yield, the expanded Vadinar Refinery will have the flexibility to produce higher value, high-quality products, including pet coke.

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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, Oil & Gas, Power, BPO & Telecom Services, Shipping, Ports, and Projects. 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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