

## ESSAR OIL RECORDS HIGHEST EVER CP GRM AT \$7.86/BBL FOR Q2 FY13

**EBITDA up 27 times Y-o-Y at Rs 1,169 crore**

### Key Highlights

- Highest ever quarterly throughput at 5.07 MMT, up 66% over Q2FY12, achieving enhanced capacity of 20 MMTPA
- Highest ever quarterly gross revenues at Rs 23,023 crore, up 67% over Q2FY12
- EBITDA jumped 27 times to Rs 1,169 crore over Q2FY12
- PAT at Rs 105 crore Vs loss of Rs 419 crore in Q2FY12
- Current Price gross refining margin at \$7.86/bbl Vs \$5.07/bbl in Q2FY12
- Four fold increase in processing of Ultra Heavy Crude over Q2FY12

**Mumbai, November 09, 2012:** Essar Oil, India's second largest private refiner and part of UK listed Essar Energy plc, today said its gross revenues for the September quarter stood at Rs 23,023 crore, up 67% over Rs 13,805 crore in Q2FY12; while EBITDA was up 27 times at Rs 1,169 crore compared to Rs 43 crore (post sales tax impact) in Q2 FY12. Profit After Tax for the quarter was at Rs 105 crore versus a loss of Rs 419 crore (post sales tax impact) in the same period last year after accounting for Rs 738 crore as interest and finance charges (vs Rs 317 crore in Q2FY12), and Rs 326 crore as depreciation (Rs 183 crore), reflecting better realization from higher complexity.

The Vadinar Refinery, which is also the second largest single site refinery in India, is amongst the most complex globally for a facility of this scale. The phase I of the optimisation project was completed last quarter four months ahead of its planned completion. During the quarter, Vadinar Refinery processed 5.07 MMT of crude, up 66% over Q2FY12. The refinery is now functioning at full capacity of 20 MMTPA with all units stabilized.

Share of Ultra Heavy Crude in Refinery's crude diet rose almost four fold to 64% from the corresponding quarter last year and the valuable Middle and Light distillates improved to 82% of the product slate from 72% over the same period.

For the quarter, Essar Oil reported Current Price Gross Refining Margin of \$7.86 per barrel, up 55% compared to \$5.07 per barrel (without sales tax incentive) in Q2FY12.

Talking on the results, **Mr. LK Gupta, EOL's Managing Director and CEO** said: "While the CP GRM of the second quarter shows good upward movement with the completion of our Expansion and Optimisation Projects, the full benefit, including from the coal fired power plant, will be reflected from the current quarter onwards. We are proud to play a significant role in India's refining chain with our world class assets."

**Mr. Suresh Jain, CFO, Essar Oil**, said, "The benefits of complex refinery and increased capacity has started reflecting in our profitability and with the conclusion of sales tax matter post Hon'ble Supreme Court judgment and the company's proposal on CDR exit being accepted by the lenders, we are now fully geared to deliver value to our stakeholders."

#### **Half Yearly performance:**

The company reported strong revenue growth of 49% in half year ended 30th September 2012, with revenues of Rs 45,131 crore, up from Rs 30,283 crore in H1 FY12, mainly due to higher throughput and product price realization on account of increased domestic sales and rupee depreciation.

H1FY13 EBITDA jumped 46% to Rs 853 crore from Rs 581 crore (post sales tax impact) in H1 FY12. PAT for H1FY13 was negative Rs 1,413 crore against loss of Rs 316 crore (post sales tax impact) for H1FY12 mainly on account of sharp decline in crude prices and depreciation of rupee which resulted in inventory and forex loss in Q1FY13. Half-yearly GRM increased by 39% to \$ 6.41/bbl, compared to \$4.6/bbl in H1 FY12.

#### **MARKETING OPERATIONS:**

Essar Oil continues to focus on the domestic market, with domestic sales contributing 70% to its revenues during the quarter, against 58% in the corresponding quarter last year.

Essar Oil has over 1,400 retail outlets across the nation, with about 200 more in various stages of commissioning. Petrol price deregulation has resulted in ramp up of retail sales volumes. With the government steadily moving towards full deregulation of auto fuels, this will create great value for our retail business.

### **Exploration & Production**

At Essar oil's flagship Raniganj CBM block, current gas production is around 30,000 standard cubic metres per day (scm/d) from 20-22 wells. Environmental Clearance to drill additional 232 directional wells has been received and more than 100 wells are in various stages of development.

Essar Oil is putting the block development on fast track development. Environmental approval to enable us to drill up to 500 wells is progressing well. The full field development plan has already been approved by the Director General of Hydrocarbons (DGH).

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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. Essar Oil owns India's second largest single site refinery having a capacity of 20 MMTPA and complexity of 11.8, which is amongst the highest globally. It has a portfolio of onshore and offshore oil & gas blocks with about 1.7 billion barrels of oil equivalent in reserves & resources. 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, with revenues of US\$ 27 billion.

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