

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

Essar Oil Limited

Registered Office: Khambalia Post, P.O. Box 24, Devbhumi Dwarka, Gujarat - 361305, India Corporate Identity Number: L11100GJ1989PLC032116; Tel: +91 2833 661 444; Fax: +91 2833 662 929; Website: www.essaroil.co.in Company Secretary and Compliance Officer: Mr. Sheikh S Shaffi

This public announcement (“**Public Announcement**” / “**PA**”) is being issued by JM Financial Institutional Securities Limited and Axis Capital Limited (“**Managers to the offer**”) on behalf of Oil Bidco (Mauritius) Limited (“**OBML**” / the “**Promoter**”) a company registered in Mauritius and having its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius in respect of the proposed acquisition and voluntary delisting (“**Offer**” / “**Delisting Offer**”) of the equity shares of face value of Rs. 10 each (“**Equity Shares**”) of Essar Oil Limited (“**Company**”) pursuant to Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended (“**Delisting Regulations**”), and in accordance with the terms and conditions set out below.

1. BACKGROUND OF THE DELISTING OFFER

- a) The Company is a public limited company incorporated under the Companies Act, 1956, having its registered office at Khambalia Post, P.O. Box 24, Devbhumi Dwarka, Gujarat-361305, India. The Equity Shares are listed on both the BSE Limited (the “**BSE**”) and the National Stock Exchange of India Limited (the “**NSE**”, and together with the BSE, the “**Stock Exchanges**”).
- b) The Promoter forms part of the ‘promoter group’ of the Company as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”).
- c) As of the date of this PA, authorized share capital of the Company comprises of 5,000,000,000 Equity Shares and the issued and subscribed equity share capital comprises of 1,512,594,359 Equity Shares. The paid-up equity share capital of the Company comprises of 1,450,668,359 fully paid up Equity Shares (including the 951,463,854 Equity Shares issued by the Company underlying the 6,218,718 Global Depository Shares (“**GDS**”). Out of the total GDSs, Essar Energy Holdings Limited (“**EEHL**”) holds GDSs with underlying 23,030,854 Equity Shares and the balance GDSs are held by Essar Oil & Gas Limited, Mauritius (“**EOGL**”). As on date of this PA, excluding the Equity Shares underlying the GDSs, the total number of Equity Shares issued, subscribed and fully paid up is 499,204,505 (“**Share Capital**”).
- d) EEHL, Imperial Consultants and Securities Private Limited (“**Imperial**”) and Essar Power Hazira Holdings Limited (“**EPHHL**”) (collectively referred to as the “**Promoter Shareholders**”) and individually referred to as “**Promoter Shareholder**”) collectively hold 356,714,647 Equity Shares representing 71.46% of the Share Capital.
- e) The Promoter seeks to acquire 142,489,858 Equity Shares (“**Offer Shares**”) representing the balance 28.54% of the Share Capital from the public shareholders of the Company (“**Public Shareholders**”) being all the shareholders of the Company other than (i) Promoter Shareholders; and (ii) Bank of New York Mellon, as depository, which holds 951,463,854 Equity Shares against which the GDSs have been issued. Further to such acquisition, the Promoter will apply to delist the Equity Shares from the Stock Exchanges pursuant to and in accordance with the Delisting Regulations and on the terms set out in the PA. If any of the employee stock options are vested pursuant to the employee stock option scheme and consequently Equity Shares are issued after the date of this PA resulting in an increase in the paid-up equity share capital of the Company, the Offer Shares would stand increased accordingly.
- f) Pursuant to a letter dated June 20, 2014, Promoter Shareholder had informed the Company of its intention to make the Delisting Offer and requested the board of directors of the Company (“**Board of Directors**”) to approve the Delisting Offer and to seek the requisite approval for the Delisting Offer from the Public Shareholders in accordance with the Delisting Regulations.
- g) The Board of Directors of the Company at its meeting held on June 22, 2014, approved the aforesaid proposal to initiate the Delisting Offer in accordance with the Delisting Regulations, and all other applicable laws and to seek the approval of the Public Shareholders of the Company. The outcome of the Board of Directors’ meeting on June 22, 2014 was notified to the Stock Exchanges on the same day and posted on the website of the Stock Exchanges on June 23, 2014. A special resolution was passed by the shareholders of the Company through postal ballot and e-voting, the result of which was declared on August 6, 2014 and notified to the Stock Exchanges on August 6, 2014, approving the proposed voluntary delisting of the Equity Shares from the Stock Exchanges in accordance with the Delisting Regulations. The votes cast by the Public Shareholders in favour of the Delisting Offer were 37,469,706, which were more than two times the number of votes cast by the Public Shareholders against it. The NSE and the BSE issued their in-principle approval to the Delisting Offer subject to compliance with the Delisting Regulations, vide their letters dated July 3, 2015 and July 15, 2015 respectively.
- h) Promoter Shareholder made an application dated July 16, 2015 under Regulation 25A of the Delisting Regulations seeking relaxation/extension of the time lines prescribed under Regulations 8(1)(d), 10(1) and 12(1) of the Delisting Regulations. The Securities and Exchange Board of India (“SEBI”) in exercise of the powers under Section 19 of the Securities and Exchange Board of India Act, 1992 and Regulation 25A(4) of the Delisting Regulations granted the relaxation / exemption vide its order WTM/PS/84/CFD/NOV/2015 dated November 6, 2015 (“**SEBI Order**”).
- i) The SEBI Order provides the following:
- a. the floor price for the Delisting Offer shall be calculated in accordance with the Amended Regulations (as herein defined);
- b. whilst the final application for delisting of Equity Shares was to be filed with the Stock Exchanges within one (1) year of passing of the special resolution by the shareholders (i.e. by August 5, 2015) in accordance with Regulation 8(1)(d) of the Delisting Regulations, the same should be filed with the Stock Exchanges within a period of two months from the date of SEBI Order (i.e. by January 5, 2016); the letter of offer for the Delisting Offer may be dispatched within five (5) working days from the date of publication of the public announcement, instead of two (2) working days as mandated by Regulation 12(1) of the Delisting Regulations;
- d. on consummation of the Potential Transaction (as herein defined), the Promoter Group shall be required to make a public notice within a period of 10 days, disclosing adequately the details of the Potential Transaction (“**Public Notice**”);
- e. in case the price paid by Rosneft (as herein defined), in relation to the Potential Transaction (as herein defined) is higher than the Discovered Price (as herein defined), the difference in price shall be paid by the Promoter Group to the Public Shareholders who tender their shares (“**Price Differential**”) in accordance with the Delisting Regulations; and
- f. (i) in case the Public Notice is made during the Exit Window (as herein defined),
a) The Promoter Group would pay the Price Differential to the Public Shareholders whose Equity Shares have already been tendered and accepted, within 2(two) months of the Public Notice, and
b) The Promoter Group would pay Public Shareholders who tender Equity Shares after the Public Notice, the aggregate of Discovered Price and the Price Differential, within a period of 2 (two) months of such tender.
(ii) In case the Public Notice is made after the Exit Window, the Promoter Group would pay the Price Differential to those Public Shareholders whose Equity Shares were accepted, within a period of 2 (two) months from the Public Notice.
- j) The Public Announcement is being issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

Newspaper	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Mumbai Tarun Bharat	Marathi	Maharashtra

- k) Additionally, for increasing shareholder awareness, the Public Announcement is also being issued in Economic Times and Gujarat Samachar on December 7, 2015.
- l) The Promoter will inform the Public Shareholders, by way of a notice in the aforementioned newspapers in which this Public Announcement is being published, of material changes, if any, to the information set out in the PA.
- m) The Promoter reserves the right to withdraw the Delisting Offer in certain cases as more fully set out in paragraph 12 of this Public Announcement.
2. OBJECTS OF THE DELISTING OFFER
- a) The proposed delisting of Equity Shares from the Stock Exchanges is to achieve complete operational / financial flexibility in furtherance of the Company’s businesses / financial needs and to enable the Promoter Shareholders and the Promoter (“**Promoter Group**”) to pursue strategic opportunities in respect of its investments.
- b) The Promoter Group believes that the delisting of the Company’s Equity Shares will be in the interest of the Public Shareholders as it will provide them with an exit opportunity from the Company in an open and transparent manner at a price calculated by the reverse book building mechanism set out in the Delisting Regulations.
- c) The Promoter Group is actively exploring various options in relation to the Company’s businesses and opportunities for divestments, reorganization and / or restructuring of its shareholding in the Company. Towards this end, EEHL and EOGL have signed a non-binding term sheet on July 8, 2015 with OJSC Rosneft Oil Company (“**Rosneft**”), a Russian oil major, in respect of evaluating a transaction for Rosneft to participate in or to acquire up to 49% equity interest in the Company (“**Potential Transaction**”). The Potential Transaction is being evaluated by the parties with no definitive commitment by the parties to enter into any binding transaction. The entering into of any binding commitment in relation to the Potential Transaction is subject to various factors such as satisfactory due diligence, determination of the transaction price, satisfactory conclusion of negotiations, execution of definitive transaction documents and receipt of requisite approvals. A press release was also issued in this regard to the Stock Exchanges on July 9, 2015. The due diligence exercise for the Potential Transaction is currently underway.
- d) If the Potential Transaction were to materialize, the Promoter Group shall be responsible to pay, in accordance with the SEBI Order, the difference, if any, between the transaction price received from Rosneft by the Promoter Group and the delisting price paid in accordance with the Delisting Regulations, to those Public Shareholders whose Equity Shares are accepted under the Delisting Offer in terms of Regulations 20 and 21 of the Delisting Regulations.

3. BACKGROUND OF THE PROMOTER

- a) The Promoter is a company incorporated, registered, controlled and managed in Mauritius. The registered office of the Promoter is at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The shares of the Promoter are not listed on any stock exchange.
- b) As on date of the PA, the collective shareholding in the Company of a) the Promoter Shareholders; b) persons acting in concert with the Promoter Shareholders; c) directors of the Promoter Shareholders; and d) persons in control of the Company is 71.46% of the Share Capital.
- c) Further, EEHL and EOGL collectively hold 6,218,718 GDS representing 951,463,854 Equity Shares.

4. BACKGROUND OF THE COMPANY

- a) The Company is a public limited company incorporated under the Companies Act, 1956, having its registered office at Khambalia Post, P.O. Box No. 24, Devbhumi Dwarka, Gujarat - 361305, India. The Equity Shares of the Company are listed on the Stock Exchanges.
- b) The Company is an oil and gas company of international scale with strong presence across the hydrocarbon value chain from exploration and production to refining and oil retail. The Company 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 and gas blocks with about 1.7 billion barrels of oil equivalent in reserves and resources.
- c) The Statement of Select Financial Information based on standalone audited financial statements of the Company for the financial years ending March 31, 2015, March 31, 2014 and March 31, 2013, is set out below. The financial statements have been prepared as per the requirements of the Companies Act, 2013 and 1956 as applicable and in conformity with accounting principles generally accepted in India.

(Rs. in Crore)

Particulars	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)	For the year ended March 31, 2013 (Audited)
Income/Revenue from operations	83,205.81	98,601.87	88,578.12
Other Income	1,026.41	870.69	608.78
Total Income	84,232.22	99,472.56	89,186.90
Profit / (Loss) before tax	1,521.47	129.09	(1,180.44)
Profit / (Loss) after tax	1,521.47	125.80	(1,180.44)
Basic Earnings per Equity Share (in Rs.)	10.50	0.90	(8.64)
Diluted Earnings per Equity Share (in Rs.)	10.48	0.87	(8.64)
	As at March 31, 2015 (Audited)	As at March 31, 2014 (Audited)	As at March 31, 2013 (Audited)
Paid-up Share Capital	1,466.12	1,466.12	1,382.27
Fixed Assets	25,237.25	25,001.41	24,871.47
Net Current Assets	(9,029.45)	(10,155.55)	(7,253.43)
Net Worth	3,869.09	2,430.63	2,446.83

(Source: As per the CA certificate dated November 26, 2015 provided by Rashmi B. Mundada, Chartered Accountants.)

- d) The authorized share capital of the Company comprises of 5,000,000,000 Equity Shares of Rs. 10/- each and the issued and subscribed equity share capital comprises of 1,512,594,359 Equity Shares of Rs. 10 each. The paid-up equity share capital of the Company comprises of 1,450,668,359 Equity Shares of Rs. 10 each fully paid up. The Promoter Group entities are not participating in the Offer and will not tender their Equity Shares in the reverse book building process.

- e) The Company has introduced the Essar Oil Employee Stock Option Scheme (the “**Scheme**”) pursuant to approval granted by shareholders of the Company at the annual general meeting held on August 12, 2011 as modified by resolution approved at the annual general meeting held on December 20, 2012. Under the Scheme, each option is convertible into equivalent number of Equity Shares. Options granted shall vest in a graded manner in three equal installments, at the end of 3rd / 4th / 5th years from the grant date. The options can be exercised within 7 years from the date of vesting. As on the date of this PA, a total of 5,524,683 options have been granted of which 1,651,911 options have been forfeited as of date. Out of the balance 3,872,772 options, 1,151,459 options have been vested and equivalent number of Equity Shares, in respect of such vested options, have been allotted to the Essar Oil ESOP Trust. If any of the options are vested and consequently Equity Shares are issued after the date of this PA resulting in an increase in the paid-up equity share capital of the Company, the Offer Shares would stand increased accordingly.
- f) The latest shareholding pattern of the Company, is as under:

Particulars	No. of Shares	Shareholding (%)
Promoter Group	356,714,647	24.59
Foreign Institutional Investors	22,523,427	1.55
Bodies Corporate	47,145,361	3.25
Mutual Funds / UTI	9,142,323	0.63
Financial Institutions / Banks	10,769,232	0.74
Individuals	49,914,342	3.44
Others / NRIs	2,317,891	0.16
ESOP	677,282	0.05
Shares held by custodians against which GDSs have been issued	951,463,854	65.59
Total	1,450,668,359	100.00

(Source: Company certification)

The likely post-delisting shareholding pattern of the Company, assuming all the Offer Shares are acquired pursuant to the Offer will be as follows:

Shareholder	Number of Shares	% of Equity Share Capital (excluding the 951,463,854 Shares underlying the GDS)
Promoter Group	499,204,505	100.00

5. STOCK EXCHANGES FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

The Equity Shares are listed on the Stock Exchanges and are proposed to be delisted from the Stock Exchanges in accordance with the Delisting Regulations. Public Shareholders should note that as per the Delisting Regulations:-

- a) No application for listing shall be made in respect of the Equity Shares which have been delisted pursuant to this Delisting Offer, for a period of five years from the delisting, except where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.
- b) Any application for listing made in future by the Company in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to provisions of law relating to listing of equity shares of unlisted companies.

6. MANAGERS TO THE OFFER

The Promoter has appointed JM Financial Institutional Securities Limited having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India and Axis Capital Limited having its registered office at Axis Capital Limited, 8th floor, Axis House, C-2 Wadia International Centre, PB. Marg, Worli, Mumbai 400 025, as the Managers to the Offer.

7. REGISTRAR TO THE OFFER

The Promoter has appointed Link Intime India Private Limited having its registered office at C 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Maharashtra, India, as the registrar to the offer (“**Registrar to the Offer**” / “**Registrar**”).

8. STOCK BROKER OF THE PROMOTER

The Promoter has appointed JM Financial Services Limited having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India, as the stock broker of the Promoter (“**Stock Broker**”).

9. STOCK EXCHANGE DATA

- a) The high, low and average price of the Equity Shares (in Rs. per share) during the three calendar years immediately preceding the date of this PA on the BSE and the NSE is as follows:

Calendar Year	BSE			
	High* (Rs.)	Low* (Rs.)	Average** (Rs.)	Volume
January 1, 2014 - December 31, 2014	132.50	44.50	90.04	119,466,494
January 1, 2013 - December 31, 2013	96.15	46.05	67.90	158,124,139
January 1, 2012 - December 31, 2012	73.75	44.80	57.51	226,301,462

(Source: BSE website)

* High of intra-day high / low of intra-day lows during the period

** Average of the closing prices during the period

Calendar Year	NSE			
	High* (Rs.)	Low* (Rs.)	Average** (Rs.)	Volume
January 1, 2014 - December 31, 2014	132.40	44.40	90.06	316,179,543
January 1, 2013 - December 31, 2013	96.25	46.00	67.94	343,219,053
January 1, 2012 - December 31, 2012	73.70	42.05	57.54	655,040,837

(Source: NSE website)

* High of intra-day high / low of intra-day lows during the period

** Average of the closing prices during the period

- b) The monthly high and low prices of the Equity Shares (in Rs. per share) and the trading volume (number of Equity Shares) on the BSE and the NSE for the six calendar months immediately preceding the date of this Public Announcement is as follows:

Month	BSE		
	High* (Rs.)	Low* (Rs.)	Volume
November 2015	220.15	180.25	4,561,669
October 2015	203.70	183.10	3,027,283
September 2015	208.50	171.15	7,620,818
August 2015	211.15	148.90	7,355,371
July 2015	200.30	139.05	23,624,052
June 2015	162.30	98.00	18,497,382

(Source: BSE website)

* High of intra-day highs / low of intra-day lows during the period

Month	NSE		
	High* (Rs.)	Low* (Rs.)	Volume
November 2015	219.95	180.20	16,521,183
October 2015	204.00	183.00	10,727,088
September 2015	208.75	170.85	27,395,387
August 2015	211.00	148.80	27,332,216
July 2015	200.25	139.00	92,341,249
June 2015	163.00	98.10	78,723,969

(Source: NSE website)

* High of intra-day highs / low of intra-day lows during the period

10. DETERMINATION OF THE FLOOR PRICE

- a) The Securities and Exchange Board of India has amended the Delisting Regulations with effect from March 24, 2015 by notification of the SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2015 (“**Amended Regulations**”). The Amended Regulations came into force inter-alia amending the methodology of calculating the floor price for the purpose of voluntary delisting. Per the Amended Regulations, the floor price for the purpose of delisting of equity shares is required to be determined in accordance with Regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**Takeover Regulations**”). Further SEBI, vide Frequently Asked Questions issued in respect of the SEBI (Delisting of Equity Shares) Regulations, 2009 (the “**Delisting FAQs**”), has clarified that the reference date for computing the floor price under the Delisting Regulations would be the date on which the recognized stock exchanges were notified of the board meeting, in which the delisting proposal was considered .
- b) Therefore, the floor price has been computed in accordance with:
- i. the Delisting Regulations in existence prior to the notification of the Amended Regulations (the “**Erstwhile Delisting Regulations**”) (“**Method 1**”); and
- ii. the Amended Regulations i.e. in accordance with Regulation 8 of the Takeover Regulations, with reference to the date on which Stock Exchanges were notified of the board meeting in which Board of Directors approved the Delisting Offer, i.e. June 22, 2014 (the “**Relevant Date**”) (“**Method 2**”).
- c) **Method 1:**
- i. The Equity Shares of the Company are listed on the BSE and the NSE and were frequently traded on both the BSE and the NSE as of the Relevant Date. The Equity Shares were more frequently traded on NSE per Regulation 15(2) of the Erstwhile Delisting Regulations. The BSE and the NSE are the only stock exchanges where the Equity Shares of the Company are listed in India.
- ii. The annualized trading turnover based on the trading volume of the Equity Shares on the BSE and the NSE during the period from December 01, 2013 to May 31, 2014 (six calendar months prior to the month of the Relevant Date) is as under:

Stock Exchange	Total Traded Volumes from 01/12/2013 to 31/05/2014	Total number of equity shares (the “TSO”) outstanding as at 31/03/2014	Annualized trading turnover (as a % of TSO)
BSE	86,376,862	1,449,516,900	11.92%
NSE	222,401,733	1,449,516,900	30.69%

(Source: CA certificate dated November 24, 2015 issued by MZSK & Associates, Independent Chartered Accountants)

- iii. Based on the above, the Equity Shares were more frequently traded on the NSE as of the Relevant Date.
- iv. The floor price computed in accordance with Regulation 15(2)(a) of the Erstwhile Delisting Regulations as on the Relevant Date is as under:

Particulars	Amount (Rs. per share)
Average of the weekly high and low of the closing prices of the Equity Shares during the 26 week preceding the Relevant Date (A)*	62.79
Average of the weekly high and low of the closing prices of the Equity Shares during the 2 week preceding the Relevant Date (B)*	108.18
Higher of (A) and (B)	108.18

(Source: CA certificate dated November 24, 2015 issued by MZSK & Associates, Independent Chartered Accountants)

- v. Based on the above, under Method 1, the floor price is **Rs.108.18** (Rupees One Hundred Eight & eighteen paise only) per Equity Share.

d) **Method 2:**

- i. In terms of Regulation 8 of the Takeover Regulations with reference to the Relevant Date, the floor price shall be the higher of the following:

(a) The highest negotiated price per Equity Share of the Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	Not Applicable
(b) The volume weighted average price paid or payable for acquisitions, whether by the Promoter or by any person acting in concert with him, during the fifty-two weeks immediately preceding the Relevant Date	146.05
(c) The highest price paid or payable for any acquisition, whether by the Promoter or by any person acting in concert with him, during the twenty six weeks immediately preceding the Relevant Date	Not Applicable
(d) The volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the Relevant Date, as traded on the stock exchange where the maximum volume of trading in the Equity Shares of the Company are recorded during such period	77.53
(e) Where the Equity Shares are not frequently traded, the price determined by the Promoter and the Managers to the Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable
(f) The per Equity Share value computed under Regulation 8(5) of the Takeover Regulations, if applicable	Not Applicable

(Source: CA certificate dated November 24, 2015 issued by MZSK & Associates, Independent Chartered Accountants)

- ii. The Company had issued 1,150 Foreign Currency Convertible Bonds (“**FCBs**”) on June 15, 2010 and 1,470 FCBs on July 15, 2010 of US\$ 100,000/- each aggregating to US\$ 115 million and US\$ 147 million respectively (total US\$ 262 million). These FCBs were converted into equity shares of the Company on December 09, 2013. For the purpose of computation of floor price Method 2, i.e. per Regulation 8 (b) of Takeover Regulations, the weighted average price as shown below has been considered.

(a) Number of FCBs converted	(b) No. of Shares issued against conversion of FCBs	(c) Conversion Price	(d) Weighted Average Price
1,150	38,833,443	138.00	5,359,015,134
1,470	45,016,371	153.00	6,887,504,763
TOTAL	83,849,371		12,246,519,897
Weighted Average Price per Share			146.05

- e) Summary of calculation of floor prices under Method 1 and 2 is as follows:

Method	Floor Price
Method 1	Rs 108.18 (Rupees One Hundred Eight & eighteen paise only) per Equity Share.
Method 2	Rs 146.05 (Rupees One Hundred Forty Six & Five paise only) per Equity Share

- f) The Promoter proposes to offer the highest of (i) the floor price computed in accordance with Method 1 and (ii) the floor price computed in accordance with Method 2, as the floor price for the Offer. Accordingly, the floor price to the Offer is **Rs. 146.05 (“Floor Price”)** being the higher of Method 1 and Method 2.

11. DETERMINATION OF THE EXIT PRICE

- a) The Promoter proposes to acquire the Offer Shares pursuant to a reverse book-building process through acquisition window facility, i.e. separate acquisition window in form of web based bidding platform provided by the BSE and the NSE, in accordance with the stock exchange mechanism (the “**Acquisition Window Facility**”), conducted in accordance with the terms of the Delisting Regulations.
- b) All Public Shareholders can tender their Offer Shares during the Bid Period (as hereinafter defined) as set out in paragraph 15 of this Public Announcement.
- c) The minimum price per Offer Share payable by the Promoter for the Offer Shares it acquires pursuant to the Delisting Offer, as determined in accordance with the Delisting Regulations, will be the price at which the shareholding of the Promoter Group reaches 90% pursuant to a reverse book-building process through Acquisition Window Facility conducted in the manner specified in Schedule II of the Delisting Regulations (“**Discovered Price**”) which shall not be lower than the Floor Price.
- d) The Promoter may at its sole discretion acquire the Offer Shares subject to the conditions mentioned in paragraph 12 below at the Discovered Price or at a price higher than Discovered Price. Such price at which Delisting Offer is accepted by the Promoter (being not less than the Discovered Price) is referred to as the exit price (“**Exit Price**”).
- e) The Promoter shall announce the Discovered Price and its decision to accept or reject the Discovered Price, and if accepted, also announce the Exit Price as applicable, in the same newspapers in which this PA is published, in accordance with the timetable set out in paragraph 18.
- f) Once the Promoter announces the Exit Price, the Promoter will acquire, subject to the terms and conditions of the PA and the letter of offer of this Delisting Offer, including but not limited to fulfillment of the conditions mentioned in paragraph 12 below, all the Offer Shares validly tendered at a price not exceeding the Exit Price, for a cash consideration equal to the Exit Price for each such Offer Shares validly tendered.
- g) If the Promoter does not accept the Discovered Price, the Promoter will have no right or obligation to acquire any Offer Shares tendered pursuant to the Delisting Offer and the Delisting Offer shall not be proceeded with.

12. CONDITIONS TO THE DELISTING OFFER

The acquisition of the Offer Shares by the Promoter is conditional upon:

- a) the Promoter deciding in its sole and absolute discretion to accept the Discovered Price or offer an Exit Price not less than the Discovered Price. It may be noted that notwithstanding anything contained in this Public Announcement, the Promoter reserves the right to reject the Discovered Price if the same is higher than the Floor Price;
- b) a minimum number of 92,569,408 Offer Shares being tendered at or below the Exit Price or such other higher number of shares (in the event some of the ESOP options are vested as described in paragraph 4(e), and Equity Shares are allotted in lieu thereof, prior to the closure of bidding period i.e. on the Bid Closing Date (as hereinafter defined) so as to cause the cumulative number of Equity Shares held by the Promoter and the Promoter Shareholders as on date of this Public Announcement taken together with the Equity Shares acquired through the Acquisition Window Facility to

- encumbrances and together with all rights attached thereto. Offer Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
- o) It shall be the responsibility of the Public Shareholders tendering in the Offer to obtain all requisite approvals (including corporate, statutory and regulatory approvals) prior to tendering their Offer Shares in the Offer and the Promoter shall take no responsibility for the same. On receipt of the Offer Shares in the Acquisition Window Facility, the Promoter shall assume that the eligible Public Shareholders have submitted their Bids only after obtaining applicable approvals, if any. The Promoter reserves the right to reject those Bids received for physical shares which are submitted without attaching a copy of required approvals.
- p) Public Shareholders, who have tendered their Offer Shares in the Acquisition Window Facility, may cancel or revise their Bids upwards not later than one day before the Bid Closing Date. Downward revision of Bids shall not be permitted. Public Shareholders who wish to cancel or upward revise the Bids should contact their respective stock brokers. Any such request for withdrawal or upward revision should not be made to Company / Promoter / Registrar / Managers to Offer.
- q) Shareholders who obtain Equity Shares after the Specified Date, i.e. December 5, 2015, may request for Offer Letter as per paragraph m above.
- r) If the Offer is successful, Stock Broker will fund its settlement bank account before settlement pay-in timeline towards fulfilling their obligation on settlement date. Successful seller member in Acquisition Window Facility process will receive funds payout in their settlement bank account.
- s) Share certificates for any invalid bid, will be dispatched to the Public Shareholders by registered post, at the Public Shareholder's sole risk by the Registrar within 10 working days of the Bid Closing Date.
- t) If the Offer is not successful or rejected by the Promoter, then Public Shareholders holding shares in dematerialized form should contact stock broker through whom Acquisition Window Facility is used for checking on return of shares. For Public Shareholders holding shares in physical form, Registrar shall complete the dispatch of physical share certificates by registered post, at the Public Shareholder's sole risk within 10 working days of Bid Closing Date.
- u) Where the Offer fails in the circumstances stated in paragraphs 12 / 13 of this Public Announcement:-
- i. the Offer Shares in physical form sent to Registrar by a seller member broker shall be returned or released to him within 10 (ten) working days from the Bid Closing Date in terms of the proposed timetable as set out in paragraph 18 below;
- ii. no final application shall be made to the Stock Exchanges for delisting of the Equity Shares; and
- iii. the Escrow Account (as defined in paragraph 17(b) of this PA) shall be closed.
- v) Public Shareholders who are holding physical Equity Shares and intend to participate in the Delisting Offer will be required to approach their respective stock brokers along with the complete set of documents for verification procedures to be carried out including as below:
- i. original share certificate(s);
- ii. valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Public Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/Notary Public/Bank Manager under their Official Seal;
- iii. Self attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors);
- iv. Bid form duly signed (by all Public Shareholders in case Equity Shares are in joint names) in the same order in which they hold the shares; and
- v. any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- w) Settlement of Offer Shares:
- i. The respective stock brokers submitting bids on behalf of Public Shareholders should use the settlement number to be provided by the clearing corporation to transfer the shares in favor of clearing corporation.
- ii. The pay out of the shares shall be made to the securities pool account of the respective stock brokers of the Public Shareholders placing their bids.
- iii. Once the Delisting Offer is determined to be successful, the clearing corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the demat account opened by the Promoter.
- iv. Any excess physical shares pursuant to acceptance or allotment or rejection will be returned back to the Public Shareholder by the Registrar either directly or through their respective stock brokers.
- 16. PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID**
- The Public Shareholders may submit their Bids to the broker member during the Bid Period. Additionally, once the Equity Shares have been delisted from the Stock Exchanges, the Public Shareholders whose Offer Shares have not been acquired by the Promoter may offer their Offer Shares for sale to the Promoter at the Exit Price for a period of one year following the date of the delisting of the Equity Shares from the Stock Exchanges ("**Exit Window**"). A separate offer letter in this regard will be sent to these remaining Public Shareholders. Such Public Shareholders may tender their Offer Shares by submitting the required documents to the Registrar to the Offer during the Exit Window.
- 17. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN AND THE PROCEDURE FOR SETTLEMENT**
- a) The estimated consideration payable under the Delisting Regulations, being the Floor Price of Rs. 146.05 (Rupees Hundred and Forty Six and Five paise only) per Equity Share multiplied by the number of Offer Shares, i.e., 142,489,858 Offer Shares, is Rs. 20,810,643,761/- (Rupees Two Thousand and Eighty One Crore Six Lakh Forty Three Thousand Seven Hundred and Sixty One only) ("**Escrow Amount**").
- b) In accordance with the Delisting Regulations, the Promoter, Axis Bank Limited ("**Escrow Bank**") and the

- Managers to the Offer have entered into an escrow agreement dated November 30, 2015, subsequent to which the Promoter has opened an escrow account with the Escrow Bank at their branch at Jeevan Prakash Building, Ground Floor, Sir P. M. Road, Fort, Mumbai 400001, India ("**Escrow Account**") and Axis Bank Limited has issued a bank guarantee, pursuant to bank guarantee letter dated December 04, 2015 ("**Bank Guarantee**") in favor of the Managers to the Offer for an aggregate amount of Rs. 20,810,643,761/- (Rupees Two Thousand and Eighty One Crore Six Lakh Forty Three Thousand Seven Hundred and Sixty One only) representing 100% of the Escrow Amount.
- c) On determination of the Discovered Price and making of the public announcement under Regulation 18 of the Delisting Regulations, the Promoter shall ensure compliance with Regulation 11(2) of the Delisting Regulations. In the event that the Promoter accepts the Discovered Price (or offers an Exit Price) and the Offer is successful (with all conditions thereto being satisfied), the Promoter shall increase the amount lying to the credit of the Escrow Account to the extent necessary to pay Public Shareholders at the Exit Price. In such a case, the Promoter shall also ensure that the Bank Guarantee remains valid until the expiry of the Exit Window.
- e) Further, in such a case, the Promoter shall along with the Managers to the Offer, instruct the Escrow Bank to open a special account ("**Special Account**"), which shall be used for payment to the Public Shareholders who have validly tendered Offer Shares in the Delisting Offer during the Bid Period. It shall then deposit in the Escrow Account an amount equal to the amount payable to the Public Shareholders whose shares have been tendered and accepted in the Delisting Offer at the Exit Price. The Managers to the Offer shall instruct the Escrow Bank to transfer the necessary amount to the Special Account.

18. PROPOSED TIMETABLE FOR THE OFFER

Activity	Date	Day
Date of publication of the PA	December 05, 2015	Saturday
Specified Date for determining the names of shareholders to whom the Offers Letters shall be sent	December 05, 2015	Saturday
Dispatch of Offer Letters/ Bid Forms to Public Shareholders as on Specified Date	December 11, 2015	Friday
Bid Opening Date (bid starts at market hours)	December 15, 2015	Tuesday
Last Date of Revision (upwards) or withdrawal of bids	December 18, 2015	Friday
Bid Closing Date (bid closes at market hours)	December 21, 2015	Monday
Announcement of Discovered Price/Exit Price and the Promoter's Acceptance/Non-acceptance of Discovered Price /Exit Price	December 30, 2015	Wednesday
Final date of payment of consideration to Designated Stock Exchange #	December 31, 2015	Thursday

Subject to the acceptance of the Discovered Price or offer of an Exit Price higher than the Discovered Price by the Promoter

The Specified Date is only for the purpose of determining the names of the Public Shareholders to whom the Offer Letter will be sent. However, all Public Shareholders, (whether registered or unregistered), are eligible to participate in the Offer by submitting their Bid in Acquisition Window Facility to broker member registered on NSE or BSE on or before Bid Closing Date. Changes to the proposed timeline, if any, will be notified to Public Shareholders by way of a public announcement in the same newspapers where this Public Announcement is published

19. STATUTORY APPROVALS

- a) The Public Shareholders of the Company have accorded their consent by way of special resolution passed on August 06, 2014, in respect of delisting of Equity Shares from the Stock Exchanges, in accordance with the Delisting Regulations.
- b) The BSE and the NSE have given their in-principle approvals for delisting of the Equity Shares vide letters dated July 15, 2015 and July 03, 2015 respectively.
- c) SEBI vide SEBI Order issued under Regulation 25A of the Delisting Regulations which has granted requisite extension of time lines under Regulation 8(1)(d), 10(1) and 12(1) of the Delisting Regulations.
- d) To the best of the Promoter's knowledge, as of the date of this Public Announcement, there are no other statutory or regulatory approvals required to acquire the Offer Shares and implement the Delisting Offer, other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Offer Shares by the Promoter and the Delisting Offer will be subject to receipt of such statutory or regulatory approvals.
- e) It shall be the responsibility of the Public Shareholders tendering in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Offer Shares held by them in the Delisting Offer, and the Promoter shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval to the Bid Form, wherever applicable.
- f) The Promoter reserves the right not to proceed with or withdraw the Delisting Offer in the event the conditions mentioned in paragraph 12 of this PA are not fulfilled or if the approvals indicated above are not obtained or conditions which the Promoter considers in its sole discretion to be onerous are imposed in respect of such approvals.
- g) In the event that receipt of the requisite statutory and regulatory approvals are delayed, the Promoter may, with such permission as may be required, make changes to the proposed timetable or may delay the Delisting Offer and any such change shall be intimated by the Promoter by issuing an appropriate corrigendum in all the newspapers where this Public Announcement was published.

20. TAXATION

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE DELISTING OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE PROMOTER NIETHER ACCEPTS NOR HOLDS ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS DELISTING OFFER.

21. CERTIFICATION BY BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors hereby certify that -

- a) there are no material deviations in utilization of the proceeds of the issues (as compared to the stated objects in such issues) of securities made by the Company during the five years immediately preceding the date of this PA;
- b) all material information which is required to be disclosed under the provisions of the continuous listing requirements under the relevant Equity Listing Agreement entered into between the Company and the Stock Exchanges have been disclosed to the BSE and the NSE, as applicable;
- c) the Company is in compliance with the applicable provisions of securities laws;
- d) the Delisting Offer is in the interest of the Public Shareholders

22. COMPLIANCE OFFICER

The Compliance Officer of the Company is:
Mr. Sheikh S Shaffi
Company Secretary
Phone: +91 22 6733 5000/ 98197 30109
Fax: +91 22 6708 2183
Email: sheikh.s.shaffi@essar.com

Contact Person
Mr. Mayank Bhargava
Phone: +91 22 6733 5000/ 98197 30975
Fax: +91 22 6708 2183
Email: mayank.bhargava@essar.com

In case the Public Shareholders have any queries concerning the non-receipt of credit or payment for Offer Shares or on delisting processes and procedure, they may address the same to the Registrar to the Offer or the Managers to the Offer.

23. REGISTRAR TO THE OFFER



Link Intime India Private Limited
Corporate Identity Number: U67190MH1999PTC118368
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India
Tel: +91 22 6171 5400
Fax: +91 22 2596 0329
Email: essaroil.delisting@linkintime.co.in
Contact Person: Mr. Ganesh Mhatre/ Mr. Sumeet Deshpande

24. GENERAL DISCLAIMER

Every person who desires to avail the Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Promoter, the Managers to the Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through the a reverse book-building process through Acquisition Window Facility or otherwise.

This PA is issued on behalf of the Promoter by:



JM Financial Institutional Securities Limited
Corporate Identity Number: U65192MH1995PLC092522
7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India
Tel.: +91 22 6630 3030
Fax.: +91 22 6630 3330
Email: essaroil.delisting@jmfll.com
Contact Person: Ms. Lakshmi Lakshmanan



Axis Capital Limited
Corporate Identity Number: U51900MH2005PLC157853
1st floor, Axis House,
C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai- 400025
Tel.: +91 22 4325 2184
Fax.: +91 22 4325 3000
Email: eoldelisting@axiscap.in
Contact Person: Mr. Sachin K Chandiwal

For Oil Bidco (Mauritius) Limited (For and on behalf of the board)

Sd/-
Authorised signatory (OBML)

Sd/-
Director (OBML)

Sd/-
Director (OBML)

Date: December 05, 2015