



EOL/SEC/7198

26th April, 2012

Bombay Stock Exchange Limited

Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400001 (Stock code - 500134)

National Stock Exchange of India Limited

Exchange Plaza, Plot no.C/1, G. Block
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051 (Stock code - ESSAROIL)

Essar Oil Limited

Tower - 2
Equinox Business Park
(Peninsula Techno Park)
Off Bandra Kurla Complex
L.B.S. Marg, Kurla West
Mumbai 400 070.
India

T +91 22 6733 5000

F +91 22 6708 2183

www.essar.com

Sir/s,

**Sub.: Press release – Renewal of product sale
and purchase agreement with BPCL**

Enclosed please find a press release being made to the media about renewal of product sale and purchase agreement with BPCL.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully

For ESSAR OIL LIMITED

A handwritten signature in black ink, appearing to read "Shaffi".

**SHEIKH S SHAFFI
COMPANY SECRETARY**

- cc: 1) National Securities Depository Ltd.
2) Central Depository Services (India) Ltd.
3) IDBI Trusteeship Services Ltd., Debenture Trustee
4) Overseas Depository to GDS, The Bank of New York Mellon
5) Datamatics Financial Services Ltd., Transfer Agent.



For Immediate Release

Essar Oil renews product sale and purchase agreement with BPCL

Mumbai, April 26, 2012: Essar Oil Limited (EOL) today announced that it has renewed a major product sale and purchase agreement with Bharat Petroleum Corporation Limited.

The renewed four year agreement, running upto 2016 is for supply of diesel, petrol, kerosene and ATF (aviation turbine fuel) to BPCL from its Vadinar Refinery. It also entitles EOL to purchase products from BPCL and gives the two companies the option of sharing each other's distribution infrastructure.

S Thangapandian, CEO – Marketing, EOL, said: "We are delighted to further cement our long-term relationship with BPCL. Essar Oil has emerged as the biggest supplier for fuels for BPCL. With our expanded capacity coming on stream, we are fully geared to serve the growing demands of high quality fuel for the nation."

EOL has similar product sale and purchase agreements with two other leading oil marketing companies from the public sector, namely Indian Oil Corporation Limited and Hindustan Petroleum Corporation.

Essar has recently completed the phase 1 expansion project at its Vadinar refinery at a capex of Rs 8,300 crore, which has increased its capacity from 14.7 million tonnes a year to 18 million tonnes, and improved complexity to 11.8. A further optimisation project, currently underway, will increase capacity further to 20 million tonnes by September 2012.

Vadinar Refinery, amongst the most complex refineries globally, has the flexibility to produce higher value, high-quality products, including Gasoline (petrol) and Gasoil (diesel) conforming to Euro IV and V norms, that have growing acceptance in both domestic and international markets.

---ENDS---

**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.

Media contacts:

Manish Kedia, Sr. VP, Corporate Affairs, Essar Group

Tel: +91 98197 30092, Email: manish.kedia@essar.com

Rabin Ghosh, Dy. General Manager, Corporate Communications, Essar Group

Tel: +91 99 301 36268, Email: rabin.ghosh@essar.com

Parikshit Kaul, General Manager, Corporate Communications (New Delhi), Essar Group

Tel: +91 98735 70816, Email: parikshit.kaul@essar.com