

EOL/SEC/7121
24th October, 2011

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
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Sir/s,

Sub.: Press Release on completion of 35 day shutdown of the Vadinar Refinery

Enclosed please find a press release being made to the media informing about the completion of the 35 day shutdown of the Company's refinery at Vadinar, District Jamnagar, Gujarat.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For ESSAR OIL LIMITED



SHEIKH S SHAFFI
COMPANY SECRETARY

Encl.: as above

- 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.

Essar Oil Completes 35 day Shutdown of Vadinar Refinery

October 24 2011: Essar Oil, the fully integrated oil & gas company, today announced that it has completed the 35 day shutdown of the Vadinar Refinery on schedule.

The shutdown was taken for the tie-in of new units for the phase 1 expansion of the Vadinar Refinery and the revamp of three major units relating to the expansion – the CDU (Crude Distillation Unit), the FCCU (Fluidised Catalytic Cracking Unit) and the SRU (Sulphur Recovery Unit). **Essar Oil** has also taken advantage of the shutdown to carry out routine maintenance and inspection work.

In total, 2,424 maintenance and inspection jobs and over 1,400 tie-in jobs for the revamped units were completed. All of these jobs were completed without any accidents or injuries.

Mr Naresh Nayyar, Managing Director & CEO of **Essar Oil**, said: "This was a complex task involving around 15,000 employees and contractors which was completed on schedule and to the highest safety standards. The completion of the phase I expansion will be a major value driver for the company, increasing gross refining margins, cash flow and profitability. In addition, the opportunity to carry out routine maintenance and inspection at the same time means we can also benefit from an extended period of operation without any further shutdowns."

The Vadinar phase I expansion will increase refinery capacity from 300,000 barrels per day (bbl/day) to 375,000 bbl/day and increase the complexity of the refinery from 6.1 to 11.8, allowing for the processing of a much higher percentage of heavy and ultra heavy crude oils and the production of a higher value product mix. The expansion should be mechanically complete by year end and fully ramped up and stabilised by the end of March 2012. The Vadinar phase I expansion has a capital cost of US\$1.85 billion and is part of a major expansion programme of Essar Oil Ltd.

Essar Oil is also well underway with an additional optimisation project at the Vadinar refinery which will see the capacity of the refinery further enhanced to 405,000 bbl/day by September 2012 at a capital cost of c. US\$380 million. This project involves converting the redundant Vizbreaker Unit into a second Crude Distillation Unit and optimising the capacity of all supporting infrastructure.

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 over 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 annual revenues of US\$17 billion.

For further information on the Essar Group, please visit www.essar.com

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