

EOL/SEC/7154

27th January, 2012

Bombay Stock Exchange Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400001. (Stock code – 500134)

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

National Stock Exchange of India Limited
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Mumbai – 400051 (Stock code – ESSAROIL)

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Sir/s,

Sub.: Press Release on production of superior grade bitumen conforming to BIS standard

Enclosed please find a press release being made to the media informing about commencement of production of superior grade bitumen conforming to BIS standard from its Vadinar Refinery, District Jamnagar, Gujarat.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For ESSAR OIL LIMITED

for *M. Sherga*
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.

For Immediate Release

Essar Oil commences production of superior grade bitumen conforming to BIS standard

January 27, 2012: Essar Oil Ltd today announced the commencement of production of viscosity grade (VG) bitumen from its Vadinar Refinery.

Viscosity grade bitumen conforms to the BIS (Bureau of Indian Standards) standard IS 73:2006, which has been widely adopted by the Ministry of Road Transport & Highways (MoRTH), National Highway Authority of India (NHAI), Directorate General of Supplies & Disposal (DGSD) and all Government Public Work Departments (PWDs). MoRTH, in consultation with BIS, has revised bitumen specifications from penetration grade to viscosity grade in a bid to enhance the durability of Indian roads. The move was aimed at overcoming the limitations of penetration grade bitumen that was in vogue earlier.

Essar Oil has successfully produced superior performance VG grade bitumen (VG 30) by processing a judicious mix of crudes and blending components. The Vadinar Refinery is equipped with a state-of-the-art laboratory, which is dedicated to developing superior grade petro products that find acceptance in both domestic and international markets.

Lalit Gupta, MD & CEO, Essar Oil, said: "Apart from transport fuels, we manufacture a range of products at our Vadinar refinery that cater to various industry segments. With the commencement of VG grade of bitumen, Essar Oil will be in a position to cater to the infrastructure sector and offer a superior performance product at competitive rates. We are also very close to starting pet coke production at the refinery that will commence soon after we complete the Phase I expansion in March 2012."

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About Essar Oil

Essar Oil, a subsidiary of Essar Energy, 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, Energy, Infrastructure and Services. 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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