

For Immediate Release

STRONG QUARTERLY PERFORMANCE BY ESSAR OIL

Highest ever quarterly PAT, EBITDA and Current Price Gross Refining Margin (CP GRM)

- PAT at Rs 1,063 crores compared to Rs 691 crores in Q1FY15; up 54%
- EBITDA at Rs 2,060 crores vs Rs 1,606 crores in Q1FY15; up 28%
- Highest ever Current Price Gross Refining Margin (CP GRM) at \$11.05/bbl vs \$9.04/bbl in Q1FY15; up 22%
- Raniganj CBM production at 0.65 million scmd, making Essar Oil India's largest CBM gas producer
- About 1,550 retail outlets operational, with another 1600+ under implementation



Mumbai, 29th July 2015: Essar Oil, India's second largest private refiner, today reported its best ever quarterly performance, with the highest ever PAT (Rs 1,063 crores), EBIDTA (Rs 2,060 crores) and CP GRM (\$11.05/bbl) in the first quarter of FY2015-16.

The gross revenues for the quarter stood at Rs 20,572 crore, which is 25% lower than the Rs 27,317 crore reported in Q1FY15. This dip in revenues was mainly because of lower crude oil prices prevailing in the global market.

Essar Oil Limited:

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	Q1FY16	Q1FY15	% change
Profit After Tax (in Rs crores)	1,063	691	54
EBIDTA (in Rs crores)*	2,060	1,606	28
Gross Revenue (in Rs crores)	20,572	27,317	(25)
CP GRM (in \$/bbl)	11.05	9.04	22
Throughput (in million tonnes)	5.17	5.14	0.6

* EBIDTA includes forex variations

Refinery performance

During the April 2015 - June 2015 quarter (Q1FY16), the Vadinar Refinery continued to operate above its rated capacity, registering a throughput of 5.17 million tonnes. With its increased complexity, post the expansion and optimisation projects that were completed in 2012, the refinery continues to process a high volume of heavy and ultra-heavy crudes that enable better refining margins. In terms of finished products, the refinery continues to produce a high proportion of light and middle distillates that also have a positive impact on margins.

Management Speak

Talking on the results, **LK Gupta, Managing Director & CEO, Essar Oil**, said: "It is encouraging to begin the fiscal year with such strong performance. For the 12th consecutive quarter, our Refinery has continued with its trend of registering steady and strong performance by operating beyond its rated capacity. The planned 30-day refinery maintenance shutdown between September and October this year will help us complete our Diesel Maximisation Project, which will enable us to convert lower margin intermediates like VGO to higher margin distillates like diesel. This will further improve our refining margins. Our retail expansion is on track and we are witnessing encouraging response and improvement in sales."

Suresh Jain, CFO, Essar Oil, said, "We have declared record quarterly results on the back of stellar operating and financial performance. Consistent strong financial performance has improved all financial parameters and ratios in the last two years. We are confident of further reduction in our interest cost through the ongoing dollarisation programme."

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Marketing & Retail Operations

During the quarter, 65% of Essar Oil's revenues came from the domestic market, while the rest came from exports. Retail sales volumes of diesel have seen a consistent rise post deregulation and has contributed to the overall rise in domestic sales.

Retail sales accounted for 9% of Essar Oil's revenues in Q1FY16 against 2% in the corresponding quarter last fiscal. During the quarter, Essar Oil commissioned 51 new outlets. The Company currently has about 1,550 operational retail outlets nationwide, with another 1,600 in various stages of implementation.

Exploration & Production

At our flagship Raniganj CBM Asset, we have achieved production of 0.65 million scm/d (standard cubic meters per day), with an open flow potential of 0.75 million scm/d. This is being sold to industrial consumers in the catchment area. Essar Oil is presently India's largest CBM gas producer.

While 136 wells have been placed on gas production, additional 126 wells have been already drilled and presently are at various stages of the hydrofracking-completion-dewatering cycle for gas ramp up to 1.2 million scm/d over the next few months. We envisage the peak production from Raniganj at around 2.5-3 million scm/d. We have built a high quality infrastructure including gas conditioning and compression stations, in-field pipelines of over 200 kms and last mile pipeline connectivity network to end users of approx. 60 kms. Essar anticipates completing the development program ahead of the May 2016 deadline as per the Contract with the Government of India

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 million tonnes 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 about 1,550 Essar-branded oil retail outlets in various parts of India with another 1,600 under various stages of implementation.

About Essar Global Fund Limited (Essar)

Essar Global Fund Limited is an investment fund managed by its investment manager, Essar Capital Limited. The Fund is a global investor, controlling a number of world-class assets diversified across the core sectors of Energy, Metals & Mining, Infrastructure (comprising ports and EPC businesses) and Services (primarily comprising shipping and BPO businesses). The aggregated revenues of the Fund's portfolio companies total US\$35 billion. The Fund's portfolio companies employ over 60,000 people across 29 countries, and have adopted international standards of health, safety, environmental protection and corporate governance.

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