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Ref: ML/SE/2018-19/9

October 12, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MERCATOR

Sub : Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

This is with reference to news report published in Hindu Business Line on October 11, 2018, we would like to elucidate the matter as per attached clarification.

Please acknowledge.

Thanking You

Yours faithfully,

For **Mercator Limited**

Mercator Limited

Sangeetha Pednekar
Company Secretary

Encl.: as above

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CLARIFICATION ON SOME RECENT NEWS REPORTS

Mercator Oil & Gas limited (MOGL) and Mercator Offshore (P) Pte Ltd (MOPPL), (MOGL and MOPPL together "Subsidiaries") of Mercator Limited are executing a contract to design, engineer, procure, construct, commission and deliver the Sagar Samrat project in consortium with a yard in Abu Dhabi ('Contract'). Owing to the undisputed latent conditions on the rig and defects in the front-end engineering design there were cost-overrun and delay in completion of the project, within the contractual delivery date. The Subsidiaries notified the ONGC that these risks were to their account under the contract, which ONGC has expressly accepted. ONGC has since extended the contract till 30 November 2018 and there has been a steady progress in the project. Today, it is undisputed the project is substantially complete (more than 95%).

While the project was on track to completion, ONGC, wrongfully invoked the Bank Guarantees given by the consortium. The Subsidiaries immediately moved to seek a stay on this wrongful invocation of the Bank Guarantees and also sought a stay on termination of the Contract. The Bombay High Court has since restrained the issuing bank from making any payments to ONGC.

Despite this, ONGC wrongfully terminated the Contract, disregarding the fact that the parties disputes were sub judice. The Subsidiaries are taking appropriate legal steps against this wrongful termination by ONGC. The legal advice is that the Subsidiaries have good prospects of success in proving its claims against the ONGC.

On 12 October 2018, an unsubstantiated news report was published on this subject by a media house with several misleading and incomplete facts thereby giving a misleading picture. The media house in question at no point of time reached out to the Subsidiaries or its officers to confirm the facts stated therein, prior to the publication. Our Company and the Subsidiaries deny all allegations made therein.

We say that our Company has always kept its stakeholders and the stock exchanges informed of any material events in line with the 'for determination of Materiality of any Event / Information' formulated and notified by the Company in accordance with Regulation 30 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The matter is sub judice and our Company is actively exploring all the legal options to deal with the allegations and shall keep the exchanges notified on the further developments in the matter. Until such time, we have no further comments in the matter.

Mercator Limited