

EOL/SEC/7135
13th December, 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
Tower - 2
Equinox Business Park
(Peninsula Techno Park)
Off Bandra Kurla Complex
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Mumbai 400 070.
India

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Sir/s,

Sub.: Press Release

Enclosed please find a press note released to the media by the Essar Group relating to its telecom business. Kindly note that it does not relate to business of the Company.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For ESSAR OIL LIMITED

for 
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

- CBI confirms Essar not involved in 2G scam
- Charges relate only to interpretation of Clause 8 violation of the UASL Guidelines
- Essar denies all charges; will take legal recourse
- Law Ministry & Corporate Affairs Ministry have confirmed that there is no violation of Clause 8 of the UASL guidelines
- Unprecedented that charges have been made despite Government confirming that there is no Clause 8 violation and that this is only a contractual issue.
- Similar contractual violations in the past have not attracted any fine/penalty or charges by the Government.
- Essar a law-abiding Corporate in full compliance with all regulations and laws of the land, including the UASL guidelines of the DoT
- Chargesheet will not impact business operations of the group

December 12, 2011: Essar Group's stand that it is not involved in the 2G irregularities has been vindicated by the CBI today. **There are no charges of corruption or involvement in the 2G scam.**

The only charge filed by CBI is regarding the **interpretation of a contractual issue**. This relates to the question of violation of Clause 8 under the UASL guidelines.

Despite the Government of India (Ministry of Corporate Affairs and Ministry of Law & Justice) having confirmed that there is no Clause 8 violation by the Essar Group, the CBI has proceeded with the chargesheet.

CBI & the Attorney General have gone contrary to the opinion given by the Ministry of Law and Justice and Ministry of Corporate Affairs. The CBI has also gone against their internal legal advice.

Similar contractual violations in the past have not attracted any fine/penalty or charges by the Government.

Importantly, the Department of Telecom has neither complained of a Clause 8 violation nor cheating as alleged by the CBI.

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Essar has always maintained that it held only 2.15% in Loop during the time of the application and therefore there is no violation of clause 8.

We would like to reiterate that Essar has complied with all conditions of Clause 8 under UASL guidelines in totality and all the facts which have been given at the time submitting the application for telecom licence i.e. shareholding/ownership have been independently verified by government agencies.

This case has no impact on the business operations of the Group in India and globally or any of the Essar Group's listed companies.

Essar Group is a responsible corporate citizen and has always complied with all Government guidelines and the law of the land.

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. For additional information, visit www.essar.com

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