MERCATOR
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February 05, 2015

To,
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

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

Re: Company Code: BSE: 526235 / NSE: MERCATOR

Dear Sir,

We enclose herewith copy of Press Release being released into newspaper, for your information and records purpose, receipt of which may please be acknowledged.

Thanking You

Yours Faithfully,
For **Mercator Limited**

Amruta Sant
(Company Secretary)

NEWS RELEASE

Mercator Limited announces un-audited financial results for the period ended December 2014 with 50% increase in standalone Operating Profits

Mercator Limited ("the Company" or "Mercator"), an Indian Energy and Shipping major, with business interests in Coal, Oil & Gas, Transportation and Dredging today announced its un-audited financial results for the nine months ended December 31, 2014.

FINANCIAL HIGHLIGHTS (9M FY 2015 vs 9M FY 2014)

- **Standalone revenue increased by ~40% to Rs. 448 cr**
- **Standalone PBDIT increased by ~50% at Rs. 137 cr**
- **Standalone PAT increased by ~620% to Rs. 27 cr**
- **Consolidated revenue at Rs. 2240 cr**

On standalone basis, the company has improved its operating margins to ~31% from ~28%. On consolidated level, the operating margins are steady at ~20%. There was a net loss of Rs. 9 cr at the consolidated level.

Business Commentary / Highlights

COAL

Coal volumes stood at 4.41 MT during the 9 month period for FY '14. Company's mines continue to run well and we would continue to focus on improving efficiency and lowering costs further.

We see a gap in India's domestic coal production and demand increase in the near future, which will necessitate a pick-up in demand for imported coal. This augurs well for the coal business.

Oil and Gas

During the quarter, the company through its subsidiary, in Consortium with Oil India Limited and others, entered into Production Sharing Contract with Ministry of Energy, Republic of Myanmar in respect of the two (2) blocks awarded to it.

The Indian E&P activities at the two blocks in the Cambay Basin in Gujarat are also progressing in line with the plan with further drilling program being planned.

The FPU at the EBOK field in Nigeria continues to operate without any unplanned downtime. More opportunities in the Offshore Services Segment are being explored.

Transportation

All tankers and Gas Carrier were gainfully deployed on medium/long term contracts.

The dry bulk business continues to face challenging market conditions with Baltic Dry Index (BDI) hitting a multi decade low. However we are consistently outperforming the Index.

Dredging

Dredging business has been successful in improving efficiencies and lowering costs. It is now the second largest Dredging player in India in terms of capacity.

The business has a robust order book in hand for the next 12 months. With Indian governments' focus on development of ports, inland waterways and related infrastructure the demand for dredging services is

likely to increase substantially in the coming year. We are well positioned to take advantage of this increase in demand.

Said Mr Atul Agarwal, Managing Director of Mercator "Company has done well with increase in Standalone Company's revenue and profits. We have a strong order book and contract coverage in our Oil & Gas services, Tankers and Dredging business. We are well positioned of taking advantage of the opportunities which may arise from the current volatile energy markets."

About the Company:

Mercator Limited has business interest in Energy (Coal and Oil & Gas), Shipping and Dredging sectors. The Company is the second largest private sector Shipping and Dredging company in India (by capacity) and has global presence through its subsidiaries.

The Group owns and operates

- 3 coal mines in Indonesia & coal logistics in India
- 1 offshore Floating Production Unit (FPU) & 1 offshore Floating Storage and Offloading vessel (FSO)
- 2 oil & gas blocks in Cambay basin in India & 2 offshore oil & gas blocks in Myanmar
- 22 vessels (21 owned and 1 chartered-in) of aggregate consolidated tonnage capacity of about 1.81 mn DWT comprising of VLCC, Aframax, Product tankers (MR), Panamax Bulkers and VLGC
- 7 Dredgers comprising of both Trailer Suction Hopper and Cutter Dredger

The Group services primarily Indian / International Oil Majors, large thermal-based power plants and steel companies and has established strong relationships with its reputed end user customers such as Indian Oil Corporation, HPCL, BPCL, BG Exploration & Production, Paradip Port, New Mangalore Port, Tata Group, Arcelor Mittal Group, Marubeni, Cargill Afren Plc, to name a few.

Mercator's strategy is to employ a large part of its fleet on long-term contracts, specifically time charters and contracts of affreightment ("COAs"). Its long term fixed rate contracts, ranging from 11 months to 5 years and above, ensures revenue stability and cash flow visibility.

Helmed by an experienced management team with in-depth understanding of the industry, a wide network of customer contacts and diligent risk management practices, Mercator has been able to make proactive business decisions for well-timed expansion and diversifications.

For Mercator Limited

Prasad Patwardhan
Chief Financial Officer