

For Immediate Release

Rosneft and Essar Expand Integrated Cooperation

Mumbai, 9th July, 2015: A Long Term Crude Oil Supply Agreement was signed between Essar Oil Limited and OJSC Rosneft Oil Company ('Rosneft') at Ufa, Russia for import of crude oil over a period of 10 years. This contract has been signed in pursuance to the Key Terms executed between the two companies in Dec'14 at New Delhi.

Essar Oil operates the second largest single location refinery in India and has a large requirement of crude oil that has to be primarily met by imports. This Long Term Crude Oil Supply Agreement with a large integrated oil company like Rosneft will help Essar Oil to diversify its supply sources, expand geographical market coverage and enhance supply security. The contract will ensure supplies of 10 Million Tons per annum of crude oil and feedstock to Essar's Vadinar refinery over a period of 10 years. Adequate operational flexibility is provided for the refinery to benefit from the international oil market opportunities.

Expanding the scope of partnership, Rosneft and Essar Oil & Gas Ltd / Essar Energy Holdings Limited, companies incorporated and managed under the laws of Mauritius, have signed a non-binding Term Sheet with regard to Rosneft's participation in the equity capital of Essar Oil Limited with a share of up to 49%. The proposed transaction is conditional upon various factors such as due diligence, determination of the transaction price, execution of definitive transaction documents and receipt of requisite approvals.

Appropriate disclosures shall be made in accordance with applicable law as and when any definitive steps in relation to the aforesaid are undertaken.

Mr. Prashant Ruia, Chairman of Essar Oil Limited, expressed happiness at the signing of the crude contract and strategic partnership with Rosneft. He expressed hope that these agreements will give a boost to increased cooperation in the hydrocarbon sector between India and Russia.

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 MMTPA 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 1,500 Essar-branded oil retail outlets in various parts of India, with another 1500 in various stages of implementation.

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