

EOL/SEC/7803

April 6, 2015

BSE 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

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4th Floor, Tower - 2,
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Sir/s,

Sub.: Coal Bed Methane gas production from Raniganj field

Further to the status given in the press release made on February 10, 2015 at the time of release of unaudited financial results for quarter ended December 31, 2014, enclosed please find an update on Coal Bed Methane (CBM) gas production from Company's Raniganj CBM Block at West Bengal.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully

for **ESSAR OIL LIMITED**



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

Essar's Raniganj Coal Bed Methane Asset

in West Bengal crosses 0.5 million scmd production

Essar is the leading Coal Bed Methane Producer in India

Mumbai, April 6, 2015: Essar Oil, a leading player in India's Oil & Gas Sector, today said that gas production at its Raniganj Asset in West Bengal has crossed 0.5 million standard cubic metres per day (scmd), thereby making it India's largest CBM gas producer.

While nearly 100 wells have been already placed on gas production, additional 155 wells have been drilled and are at various stages of the hydrofracking-completion-dewatering cycle for further gas production ramp up. The Company has built a high quality infrastructure gas conditioning and compression stations, in-field pipelines of 120 kms. and last mile pipeline connectivity network to end users of approx. 60 kms. The Company anticipates completing the development program ahead of the May 2016 deadline as per the Contract with the Government of India. With a total investment outlay of approx. INR 4000 crores, the Raniganj Project is a first of its kind in India aimed to responsibly produce Methane Gas from the coal seams located 1000 meters or deeper below the ground. Gas from this Project shall be the feedstock to the priority fertiliser sector with the anchor customer being Matix Fertiliser & Chemicals Ltd., having the world's largest single stream plant for ammonia and urea located in West Bengal.

"With unity of conception, technology and team effort, we have been able to register a multifold increase in CBM production to 0.55 million scmd and expect to ramp up delivery to 1.2 million scmd over the next few months by bringing wells on production stream which are drilled and presently under completion and dewatering phase," said Manish Maheshwari, CEO-E&P, Essar Oil.

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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 more than 1,400 Essar-branded oil retail outlets in various parts of India with another 600 in various stages of commissioning.

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