

December 13, 2013

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Dear Sir,

Sub: Development of three iron ore berths at Visakhapatnam Port on BOT basis for 30 years

We wish to inform you that Essar Vizag Terminals Limited a wholly owned subsidiary of Essar Ports Limited has entered into a Concession Agreement with Visakhapatnam Port Trust for development of three iron ore berths (two outer harbor berths and one inner harbor berth) at Visakhapatnam on BOT basis for a Concession Period of 30 years. These three berths will have a combined capacity of 23 MMTPA.

A detailed press release in this regard is forwarded herewith for your information please.

Thanking you,

Yours faithfully,
For ESSAR PORTS LIMITED




MANOJ CONTRACTOR
COMPANY SECRETARY

Essar Ports enters into Concession Agreement with Visakhapatnam Port Trust for development of three iron ore berths

- *Total Capacity of 23 MMTPA*
- *Big boost to third party cargo handling plan of Essar Ports*
- *Term of the Concession Agreement is 30 years*

Chennai/Mumbai, December 13, 2013: Essar Ports Ltd. (Essar Ports), part of the \$39 billion Essar, today announced that Essar Vizag Terminals Ltd., a wholly owned subsidiary of the company, has entered into a Concession Agreement with Visakhapatnam Port Trust for development and operations of three iron ore berths at Visakhapatnam Port on BOT basis over a Period of 30 years. These three berths (two outer harbor berths and one inner harbor berth) will have a combined capacity of 23 Million Metric Tons per Annum (MMTPA).

The Concession Agreement was signed at a ceremony in Chennai in the presence of Shri. G K Vasani, the Hon'ble Minister of Shipping who was the Chief Guest, Dr. Vishwapati Trivedi, Secretary, Ministry of Shipping and Shri. R P S Kahlon, Chairman, Visakhapatnam Port Trust.

The Project will be developed at a cost of Rs. 1200 Cr. over a period of three years. Essar Ports will take over the two outer harbor berths soon and the operation and up gradation of the terminal will happen simultaneously. Visakhapatnam port handled 12.3 million tons of iron ore during FY13 and this traffic is readily available for these berths from commencement.

Commenting on this **Mr. Rajiv Agarwal – Managing Director, Essar Ports** said: "We will develop the terminal to create one of the most competitive, modernized, world class facilities. This project will significantly increase our third party cargo handling capacity and also boost our presence in the east coast. Iron ore export traffic at Vizag will increase substantially due to the competitiveness of this terminal which will facilitate industrial growth in the region."

This project will increase Essar Ports' total capacity for iron ore export on the east coast to 39 MMTPA with 4 highly mechanized iron ore berths (three in Visakhapatnam Port and one in Paradip Port).

About Essar Ports

Essar Ports Ltd. is one of the largest port companies of India, with a current capacity of 104 MMTPA. The capacity is being expanded to 181 MMTPA over the next few years. Essar Ports has three operational terminals at Hazira, Vadinar and Paradip. Hazira terminal is an all-weather, deep-draft terminal with 30 MMTPA of dry bulk and break bulk cargo handling capacity. Vadinar is also an all-weather, deep-draft terminal with 58 MMTPA of liquid cargo handling capacity. Paradip dry bulk terminal was commissioned in December 2012 and is an all-weather, deep-draft terminal with 16 MMTPA of dry bulk cargo handling capacity.

Essar Ports is also currently developing a coal terminal at Paradip of 14 MMTPA capacity and a dry bulk terminal at Salaya of 20 MMTPA capacity. Additionally, the Company also



has plans to expand its Hazira capacity by 20 MMTPA – taking the Hazira Terminal capacity to 50 MMTPA. With this new project at Visakhapatnam port, Essar Ports capacity under construction will increase by 23MMTPA, taking the total under construction capacity to 77MMTPA.

About Essar

Essar is a US\$ 39-billion multinational corporation with investments in Steel, Energy, Infrastructure and Services. With operations in more than 25 countries, it employs over 73,000 people.

For Media Queries

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