

## ESSAR OIL LIMITED

Regd Office : Khambhalia Post, Post Box No. 24, Dist. Jamnagar - 361 305, Gujarat. E-mail : eoinvestors@essar.com  
Standalone Unaudited Financial Results for the Quarter ended on 30th June, 2008

(Rs. in Lacs)

Sr. No.	Particulars	Quarter ended on		Year ended on
		30.06.2008 (Unaudited)	30.06.2007 (Unaudited)	31.03.2008 (Audited)
1	Gross Sales / Income from operations	1,013,285	21,881	65,207
	Less : Excise duty & Taxes	118,238	2,748	8,964
	Net Sales / Income from Operations	895,047	19,133	56,243
2	Other Income	6,556	662	1,435
3	<b>Total Income</b>	901,603	19,795	57,678
4	Expenditure			
	a) (Increase)/ Decrease in Stock in trade	20,093	(2,881)	9,895
	b) Consumption of Raw Materials	794,225	-	-
	c) Purchases of Traded Goods	186	22,737	49,543
	d) Employee Cost	1,469	56	230
	e) Selling and distribution expenses	4,277	122	490
	f) Depreciation / Amortisation	11,532	29	253
	g) Other Expenditure	16,877	165	1,068
	h) Provision for Mark to Market of outstanding Derivative contracts - ( Refer note 6)	21,738	-	-
	i) Provision for Foreign Exchange Variation	10,155	-	-
	j) Total expenditure	880,552	20,228	61,479
5	<b>Profit / (Loss) before Interest and Tax</b>	<b>21,051</b>	<b>(433)</b>	<b>(3,801)</b>
6	Interest & Finance Charges	16,403	117	606
7	<b>Profit / (Loss) before Tax</b>	<b>4,648</b>	<b>(550)</b>	<b>(4,407)</b>
8	Exceptional items	-	-	-
9	<b>Profit / (Loss) from Ordinary Activities before tax</b>	<b>4,648</b>	<b>(550)</b>	<b>(4,407)</b>
10	Tax Expenses	1,655	17	(289)
11	<b>Profit / (Loss) from Ordinary Activities after tax</b>	<b>2,993</b>	<b>(567)</b>	<b>(4,118)</b>
12	Extraordinary Items ( Net of tax expenses )	-	-	-
13	<b>Profit / (Loss) for the period</b>	<b>2,993</b>	<b>(567)</b>	<b>(4,118)</b>
14	Paid up Equity Share Capital (Face Value : Rs. 10/- per Share)	117,376	113,953	117,376
15	Reserves excluding Revaluation Reserves as per previous accounting year			225,868
16	Earnings Per Share (EPS)( In Rupees) - Basic EPS ( Not Annualised)* - Diluted EPS ( Not Annualised)*	0.25* 0.25*	(0.05)* (0.05)*	(0.36) (0.36)
17	Public shareholding: Number of Shares Percentage of shareholding	137,162,440 11.69%	137,162,440 12.04%	137,162,440 11.69%

### Segment wise Revenue, Results & Capital Employed :

Sr. No.	Particulars	Quarter ended on		Year ended on
		30.06.2008 (Unaudited)	30.06.2007 (Unaudited)	31.03.2008 (Audited)
1	<b>Segment Revenue</b>			
	Refining & Marketing	898,813	19,686	57,266
	Exploration & Production activities	85	-	388
	Others / Unallocated	15	19	223
	<b>Total</b>	<b>898,913</b>	<b>19,705</b>	<b>57,877</b>
	Less : Inter-segment Revenue	-	36	864
	<b>Net Sales / Income from Operations</b>	<b>898,913</b>	<b>19,669</b>	<b>57,013</b>
2	<b>Segment Results</b>			
	Refining & Marketing	15,551	(578)	(4,444)
	Exploration & Production activities	2	-	15
	Others / Unallocated	(98)	(61)	(398)
	<b>Total</b>	<b>15,455</b>	<b>(639)</b>	<b>(4,827)</b>
	Less: Interest Expense	13,573	54	201
	Less: Provision for doubtful recovery / write off	-	-	50
	Add : Interest Income	2,690	126	566
	Add : Write back of old liabilities	-	-	99
	<b>Total Profit / (Loss) before Income Tax</b>	<b>4,572</b>	<b>(567)</b>	<b>(4,413)</b>
3	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>			
	Refining & Marketing	1,104,756	(1,164)	2,892
	Exploration & Production activities	13,951	8,914	11,091
	Refinery (Under Construction / Expansion)	99,308	1,064,881	1,173,744
	Others / Unallocated	54,271	39,373	38,346
	<b>Total</b>	<b>1,272,286</b>	<b>1,112,004</b>	<b>1,226,073</b>

#### NOTES :

- The Company declared commercial production of its 10.5 MMTPA Refinery w.e.f. 1st May, 2008 . Accordingly, the current quarter results comprise mainly of income and expenses arising out of Refinery production for May & June, 08 and arising out of trading operations for the previous periods. The current quarter figures are therefore not comparable with the previous periods' figures.
- The Company is in the process of expanding the existing Refinery capacity from 10.5 MMTPA to 34 MMTPA at an investment of US \$ 6 billion. The expansion to 16 MMTPA is under Essar Oil Limited ( EOL) and a new 18 MMTPA refinery is being implemented under Essar Oil Vadinar Limited ( EOVL), a wholly owned subsidiary of EOL. As on 30th June 2008, the basic engineering was almost complete and significant progress was achieved on detailed engineering & ordering of long lead items.
- Gross Sales / Income from operation includes sales tax , excise duty & duty draw back. Excise duty , non recoverable sales tax and other taxes are shown as a deduction from gross sales / income from operation to arrive at net sales / income from operation.
- The Hon'ble High Court of Gujarat order dated April 22, 2008 has directed the State Government to consider the company's application for granting benefits of deferment of Sales Tax / Value Added Tax under the Capital Investment incentive Premier / Prestigious Units Scheme 1995-2000. The state government has since requested the High Court to give additional time to deal with the matter and has also simultaneously filed an SLP in the Supreme Court. The Company has assigned a part of deferred Sales Tax liability for a consideration.
- Other income includes interest on Income tax refund Rs.1,284 lacs, interest on fixed deposits Rs.1,321 lacs & gain on Foreign exchange fluctuation Rs.3,220 lacs.
- Sales and cost of raw material consumed includes (gains) / losses in respect of expired commodity derivative contracts. Provision has been created for all outstanding commodity derivative contracts as on 30th June, 2008 by marking them to market. These derivative contracts entered into by the Company are in the normal course of business to hedge the risk of exposure to commodity price risks.
- Tax expenses include Current Tax, Deferred Tax and Fringe Benefit Tax.
- On 22nd July, 2008, the Company allotted 2,77,71,948 equity shares of Rs.10/- each at a premium of Rs.190.00 per share, represented by 181,516 Global Depository Shares (GDS) (with each GDS representing 153 underlying equity shares of the Company) to Essar Energy Holdings Limited, Mauritius.
- The "Refinery (under trial runs / construction)" segment has been combined with the "Marketing of petroleum products" in current quarter with both the activities getting integrated, on declaration of commercial production of the Refinery. The expansion of the existing 10.5 MMTPA Refinery is being shown as a separate segment as "Refinery ( Under construction / Expansion)".
- Previous periods' figures have been regrouped/rearranged, wherever considered necessary.
- Investor complaints: Pending as on 1st April, 2008 - 103, received during the quarter - 1519, disposed-of - 1468, balance pending as on 30th June, 2008 - 154.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31st July, 2008 at Mumbai.

**By Order of the Board  
For Essar Oil Limited**

Naresh Nayyar  
Managing Director

Place : Mumbai  
Date : 31st July, 2008