

ESSAR OIL LIMITED

Regd Office : Khambhalia Post, Post Box No. 24, Dist. Jamnagar - 361 305, Gujarat
Unaudited Financial Results (Provisional) for the Quarter ended 31st December, 2006

(Rs. in Crores)

Sr. No.	Particulars	Quarter ended on		Nine Months ended on		12 Months ended on
		31.12.2006 (Unaudited)	31.12.2005 (Unaudited)	31.12.2006 (Unaudited)	31.12.2005 (Unaudited)	31.03.2006 (Audited)
1	Net Sales / Income from operations	137.21	76.69	204.90	555.14	636.63
2	Other Income / (Loss)	3.61	16.85	7.61	61.46	62.59
3	Total Expenditure					
	a) (Increase)/ Decrease in Stock of trading goods	(59.41)	(2.24)	(36.84)	39.49	97.79
	b) Purchases of Trading Goods	192.07	81.82	238.66	546.43	569.05
	c) Staff Costs	0.54	4.88	11.98	14.49	18.50
	d) Selling and distribution expenses	1.17	22.66	34.64	40.43	59.93
	e) Other Expenditure	1.15	3.59	8.50	13.32	20.20
4	Interest and Finance Charges	3.80	2.99	7.84	13.42	21.14
5	Depreciation / Amortisation	1.17	1.14	3.45	3.77	4.66
6	Profit / (Loss) before tax (1+2-3-4-5)	0.33	(21.30)	(55.72)	(54.75)	(92.05)
7	Provision for Taxation					
	a) Income Tax	-	0.33	0.39	0.33	0.83
	b) Fringe Benefit Tax	0.21	0.20	0.46	0.77	0.80
8	Net Profit / (Loss) (6-7)	0.12	(21.83)	(56.57)	(55.85)	(93.68)
9	Paid up Equity Share Capital (Face Value : Rs. 10/- per Share)	1,139.53	1,083.58	1,139.53	1,083.58	1,083.58
10	Reserves (excluding Revaluation Reserves) of previous accounting year					1,420.55
11	EPS (In Rupees) (not annualised) *					
	- Basic	Less than 0.01	*(0.20)	*(0.52)	*(0.52)	(0.89)
	- Diluted	Less than 0.01	*(0.20)	*(0.52)	*(0.52)	(0.89)
12	Aggregate of Public shareholding:					
	Number of Shares	137,162,440	137,162,440	137,162,440	137,162,440	137,162,440
	Percentage of shareholding	12.04%	12.04%	12.04%	12.04%	12.04%

Segment wise Revenue, Results & Capital Employed :						
Sr. No.	Particulars	Quarter Ended on		Nine Months ended on		12 Months ended on
		31.12.2006 (Unaudited)	31.12.2005 (Unaudited)	31.12.2006 (Unaudited)	31.12.2005 (Unaudited)	31.03.2006 (Audited)
1	Segment Revenue					
	Marketing of Petroleum Products	140.05	77.93	209.38	558.97	641.81
	Others / Unallocated	0.19	0.31	0.57	0.92	1.27
	Total Segment revenue	140.24	78.24	209.95	559.89	643.08
	Less : Inter-segment sales	0.42	0.89	0.60	2.24	3.07
	Total	139.82	77.35	209.35	557.65	640.01
2	Segment Results- Profit / (Loss) before Income Tax and Interest					
	Marketing of Petroleum Products	0.82	(35.93)	(50.99)	(109.37)	(139.16)
	Exploration & Production activities	(0.20)	-	(1.04)	-	(0.20)
	Others / Unallocated	(1.36)	(0.60)	(6.23)	(2.88)	(4.10)
	Total	(0.74)	(36.53)	(58.26)	(112.25)	(143.46)
	Less: Interest Expense	0.14	1.16	1.08	2.22	8.60
	Add : Interest Income	1.00	3.55	3.16	16.66	15.24
	Add : Profit on sale of unquoted investment	-	-	-	22.70	22.70
	Add : Write back of old liabilities considered not payable by the management	-	-	-	6.68	8.63
	Add : Duty Free Credit Entitlement	-	12.64	-	12.64	12.64
	Add : Arbitration award income	-	-	-	0.27	-
	Total Profit / (Loss) before Income Tax	0.12	(21.50)	(56.18)	(55.52)	(92.85)
3	Capital Employed (Segment Assets-Segment Liabilities)					
	Refinery (Under Trial runs/Construction)			10,472.94	7,907.70	8,322.25
	Marketing of Petroleum Products			(2.86)	7.72	(1.32)
	Exploration & Production activities			69.89	89.88	75.24
	Others / Unallocated			183.01	135.57	152.05
	Total			10,722.98	8,140.87	8,548.22

NOTES :

- 1 During the quarter, the sequential commissioning of Phase I units of the Refinery project was started w.e.f. 24th November, 2006. The construction activities for Phase II units continued to maintain their momentum. During the trial runs of the units commissioned in Phase I, the company produced 5.1 lakh M.T. of intermediate and finished products, part of which were exported during the quarter. All expenses and income arising out of trial production and its related marketing infrastructure/development/maintenance expenses have been treated as part of Expenditure During Construction for ultimate capitalisation as per the Guidance Note on 'Treatment of Expenditure during Construction period ' issued by the Institute of Chartered Accountants of India.
- 2 During the quarter, the Company allotted 55,953,324 equity shares of Rs.10/- each at a premium of Rs.53.00 per share, represented by 365,708 Global Depository Shares (GDS) (with each GDS representing 153 underlying equity shares of the Company) in favour of Essar Energy Holdings Limited, Mauritius. Out of Rs.352.51 crores raised by issue of GDS, the balance amount of Rs.29.00 crores as of 31st December, 2006 has been placed as margin deposit with banks against letter of credit facilities. The company has also received an advance of Rs.23.54 crores during the quarter towards allotment of GDS, which are yet to be issued.
- 3 Previous periods' figures have been regrouped/rearranged, wherever considered necessary.
- 4 Investor complaints: Pending as on 1st Oct, 2006 - 79, received during the quarter - 770, disposed-off - 825, balance as on 31st December, 2006 - 24.
- 5 The above results were approved by the Board of Directors of the Company at its meeting held on 30th January, 2007 at Vadinar. The results are subject to limited review by the statutory auditor.
- 6 Upon receipt of request from a Promoter Company, the Board of Directors of the Company have decided to obtain approval of the shareholders for delisting of Equity Shares of the Company from Bombay Stock Exchange Limited & National Stock Exchange of India Limited in accordance with the SEBI (Delisting of Securities) Guidelines, 2003.

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

**Place : Vadinar
Date : 30th January, 2007**

**A.N Sinha
Managing Director & CEO**