

For Immediate Release**Essar Energy and Oil Bidco Successfully Conclude Sale of Essar Oil Limited to Rosneft and Trafigura-UCP Consortium for US\$12.9 billion**

- Transaction represents Russia's largest ever foreign investment, as well as India's largest FDI
- Transaction includes sale of Essar Oil's refinery and retail assets (US\$10.9bn) together with Vadinar Port and related infrastructure assets (US\$2.0bn)

Mauritius, 21 August 2017: The controlling shareholders of Essar Oil Limited (EOL)—Essar Energy Holdings Limited and Oil Bidco (Mauritius) Limited, both companies incorporated and managed under the laws of Mauritius—are pleased to announce the successful conclusion of the sale of 98.26% of EOL.

Rosneft (through its subsidiary, Petrol Complex Pte. Ltd) has acquired 49.13% stake, and Trafigura-UCP consortium (through Kesani Enterprises Company Limited) has acquired an equal stake. The remaining 1.74% stake continues to be held by retail shareholders.

Essar Energy is pleased to have concluded this transaction that was initiated in the august presence of Shri Narendra Modi, Honourable Prime Minister of India, and His Excellency Mr Vladimir Putin, President of the Russian Federation. This investment, which represents Russia's single largest foreign investment made anywhere in the world, will open a new chapter for Indo-Russian economic cooperation. The transaction is also the single largest foreign investment in India, and re-establishes the country's image as an attractive destination for foreign investments.

Essar Energy would like to thank the Government of India and the respective regulatory bodies for their support and guidance.



Following this transaction, Essar has now helped attract more than US\$30 billion of foreign investments into India. Previously, in 2007, Essar Group, together with Hutchison Whampoa, brought Vodafone into India in a US\$11.1 billion transaction.

Essar Energy thanks VTB Capital, its investment banking partner on the deal; and its legal and other advisors for their invaluable role in bringing this marquee transaction to closure.

Essar Energy would also like to specially thank EOL's lenders—State Bank of India, ICICI Bank, IDBI Bank, Axis Bank, Yes Bank, and rest of the consortium—for supporting Essar Oil through its journey of over two decades that has now culminated in this value-accretive transaction.

The deal includes EOL's 20 MTPA Vadinar Refinery (one of the world's largest, with a complexity index of 11.8), its pan-India network of over 3,500 retail outlets (representing India's largest private sector retail network), as well as the associated refinery infrastructure. The transaction perimeter also includes the Vadinar Port (capacity of 58 million tonnes with world-class dispatch and storage facilities) and the Vadinar power plant (a 1,010 MW state-of-the art, multi-fuel unit that supplies both power and steam to the Vadinar refinery).

Essar Founder Mr Shashi Ruia said: "Today is a historic day for Indo-Russian economic ties. This transaction reflects the shared vision of two of the world's most dynamic leaders. I congratulate Rosneft, Trafigura and UCP for investing in a world-class oil business, which we are proud to have built. For Essar, the closure of this landmark transaction ushers in a new phase of growth across our portfolio of businesses that hold great promise in India's enduring development story."

Mr Prashant Ruia, Director, Essar Capital, said: "With this deal, we have completed our monetisation and deleveraging programme, which is the largest undertaken by any corporate in recent years. We have substantially deleveraged our portfolio companies' balance sheets, reducing debt by over US\$ 11 billion (Rs 70,000 crore). With the completion of our capex programme, we now look forward to a period of growth in our wider portfolio of businesses."

Mr Dhanpat Nahata, Director, Essar Energy Holdings Limited, said: "With the closure of this landmark transaction, Essar Energy has set a stellar example of conceiving, building and



nurturing a world-class asset and then monetising it at the right time. I would like to welcome Rosneft, Trafigura and UCP as the new shareholders of EOL, and thank my colleagues, the deal team of Essar Energy and our advisors for this achievement.”

Commenting on the closing of the transaction, **Rosneft CEO, Mr Igor Sechin**, stated: “This day marks the beginning of a new chapter for EOL. Together with our partners we intend to support the company to significantly improve its financial performance and, in the medium term, adopt an asset development strategy. The closing of the deal is a remarkable achievement for Rosneft too: the Company has entered the high-potential and fast-growing Asia-Pacific market. The acquisition of the stake in the Vadinar refinery creates unique opportunities of synergies with existing Rosneft-owned assets and will help improve efficiency of supply to other countries within the region.”

Mr Jeremy Weir, CEO of Trafigura, commented: “Essar Oil will now be able to take advantage of the strengths of its international investors to further develop and enhance value to this world class asset. Our stake in Essar Oil also complements Trafigura’s growing presence in India at a time when the country’s economic outlook is positive.”

Mr Ilya Sherbovich, Managing Partner of UCP Investment Group, commented: “Achieving a successful closing of the deal with a group of strong partners represents an important milestone for Essar Oil. We are confident that together with all the new shareholders - recognised leaders in their industries, we will oversee the growth potential of Essar Oil to increase the long-term value of the company.”

Mr Yuri Soloviev, First Deputy President and Chairman of VTB Bank, said: “I would like to congratulate the parties on the successful completion of this important milestone transaction. VTB Capital is pleased to have been able to act as financial adviser to Essar Energy on the sale of world-class assets to a strong consortium of investors. India has become a core strategic market for the VTB Group and we look forward to working further with Essar and our broader Indian clients to further expand our franchise in the future.”

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About Essar Global Fund

Essar Global Fund Limited (EGFL) is a global investor, owning a portfolio of companies that control and operate a number of world-class assets, focused on India, and diversified across the core sectors of Oil & Gas, Steel, Power, Ports, Projects, Shipping, Mining, BPO and other services. The Fund's portfolio companies have aggregate revenues of about US\$15 billion. The Fund is managed by its investment manager, Essar Capital Limited.

About Essar Energy

Essar Energy Holdings Limited, Mauritius, an indirect subsidiary of EGFL, is a global investor, owning world-class oil & gas assets which includes Stanlow refinery in the UK and oil and gas blocks in India, Indonesia, Nigeria, Madagascar and Vietnam.

About Rosneft

Rosneft is the leader of Russia's petroleum industry and the world's largest publicly traded oil and gas company by reserves and liquid hydrocarbon production. The Company's core operations are hydrocarbon exploration and appraisal, production of oil, gas and gas condensate, offshore developments, refining, marketing of oil, gas and petroleum products inside and outside Russia. Hydrocarbon production of Rosneft in 2016 amounted to 265 mtoe. Rosneft's exploration and production geography spans across all key oil and gas provinces of Russia. The Company also implements projects in Venezuela, Brazil, Vietnam, Norway, Canada, Mozambique, Indonesia. Offshore projects, including in the Arctic, take a special place in Rosneft's portfolio. Rosneft is the Russian oil refining leader. The Company owns 13 refineries in Russia and shares in 5 refineries abroad. www.rosneft.com

About Trafigura

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. Trafigura sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world. The trading business is supported by industrial and financial assets, including 49.6% owned global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; 50% owned DT Group which specialises in logistics and trading; and Galena Asset Management. The Company is owned by over 600 of its almost 5,300 employees who work in offices in 36 countries around the world. Trafigura has achieved substantial growth over the



last ten years, growing turnover from US\$12 billion in 2003 to US\$98.1 billion in 2016. The Group has been connecting its customers to the global economy for more than two decades, growing prosperity by advancing trade. www.trafigura.com

About UCP Investment Group

UCP Investment Group (UCP) is an independent, private investment group established in 2006 to manage the assets of its partners and co-investors. UCP invests in high-potential private companies and in liquid securities traded on domestic and international markets. UCP has a successful investment track record in the following industries: FMCG and retail, financial infrastructure and services, internet technologies, high-tech materials production, heavy machinery, oil & gas and petrochemicals. www.ucpfund.com

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