The Essar Group: A Profile

THE ESSAR GROUP IS A GLOBAL CONGLOMERATE AND A LEADING PLAYER IN THE SECTORS OF STEEL, ENERGY (OIL & GAS AND POWER), INFRASTRUCTURE (PORTS, PROJECTS & CONCESSIONS) AND SERVICES (SHIPPING, TELECOM, REALTY AND BUSINESS PROCESS OUTSOURCING). WITH OPERATIONS IN MORE THAN

25 COUNTRIES ACROSS FIVE CONTINENTS, THE GROUP EMPLOYS 75,000 PEOPLE AND HAS REVENUES OF OVER US $ 27 BILLION.

Essar began as a construction company in 1969 and diversified into manufacturing, services and retail. Over the last decade, it has grown through strategic global acquisitions and partnerships, or through Greenfield and Brownfield development projects, capturing new markets and discovering new raw material sources.

Today, the Group continues to expand its global footprint, focusing on markets in Asia, Africa, Europe, the Americas and Australia. Essar invests significantly in the latest technology to drive forward and backward integration in its businesses, and on leveraging synergies between these businesses. It also focuses on in-house research and innovation to be a low-cost manufacturer with high quality products and innovative customer offerings.

Alongside its ambitious business pursuits, Essar has been committed to its social responsibility. The Group runs community outreach initiatives in all its plant locations, with a focus on education, healthcare, environmental and agricultural development, and self-employment. Essar is committed to sustainable business practices. Our HSE (Health, Safety and Environment) management system is on par with global standards. We are also taking climate change initiatives to reduce our carbon footprint. This includes several CDM (Clean Development Mechanism) projects that can earn the company CER (Certified Emission Reduction) credits. A growing number of our businesses—with new businesses joining the list every year—are certified to international environment standards, like ISO 9001 /14001, and health and safety standards, like OHSAS 18001.

The Essar Group is widely regarded as a responsible and conscientious global employer. It has experience in managing businesses in different geographies with a culturally diverse workforce.

This is why its people practices are sensitive to cross-cultural nuances. The Group’s people strategy is focused on promoting a learning culture that continually enhances the professional skills of its employees.

The combined assets of Essar Power and Essar Oil constitute Essar Energy plc, a company that was listed on the London Stock Exchange in 2010 following a highly successful Initial Public Offer (IPO), the second largest overseas IPO ever floated by a company of Indian origin.
STEEL

CURRENT OPERATIONS

Hazira, Gujarat, India: A 10-million tonne steel plant at Hazira, largest in Western India. The plant is supported by a complete infrastructure setup, including a captive port, power plant, lime plant and oxygen plant.

   **Downstream facilities**
   o Cold Rolling plant: 1.4 million tonnes
   o Galvanizing plant: 0.5 million tonnes
   o Annealing (CRA) plant: 0.66 million tonnes
   o A 1.5-million tonne extra-wide plate mill
   o A 600,000-tonne pipe mill

Visakhapatnam, Andhra Pradesh, India: 8-million tonne pellet plant

Bailadila, Chattisgarh, India: 8-million tonne iron ore beneficiation plant

Pune, Maharashtra, India:

   600,000-tonne cold rolling plant
   500,000-tonne galvanising plant
   400,000-tonne colour coating plant
   650,000-tonne pickling line

Paradip, Orissa, India: A 12-million tonne pellet plant of which 6-million tonne is operational

Algoma, Ontario, Canada: 4-million tonne steel plant

West Java, Jakarta, Indonesia:

   400,000-tonne cold rolling mill
   150,000-tonne galvanizing line

Steel processing centre: 200,000 tonnes

Essar Hypermart

   Retailing (across India): Over 600 steel retail outlets branded Essar Hypermart and Essar Expressmart

   Services (across India & UAE): Largest steel processing & distribution facilities in India with an annual capacity of 4 million tonnes located in Pune (Maharashtra), Hazira (Gujarat), Bahadurgarh (National Capital Region), Chennai (Tamil Nadu), Bhuj (Gujarat) and Dubai (UAE)
Dudley, West Midlands, UK: 500,000-tonne steel processing centre

UNDER EXECUTION

Jodha-Barbil area, Orissa, India: A 12-million tonne iron ore beneficiation plant

Minnesota, USA: A 7-million tonne pellet plant, a concentration plant and a direct-reduced iron plant

Zimbabwe (Africa): Essar will expand its newly launched steel company, NewZim Steel Private Limited, in two phases:
  o Phase 1: Plant will deliver a production capacity of 0.5 MTPA within 12-18 months
  o Phase 2: Increase production capacity to 1.2 MTPA, including a Greenfield multi-fuel cogeneration power plant of 50 MW and an oxygen plant, scheduled to be completed within three years

- A GLOBAL STEEL PRODUCER WITH 14 MILLION TONNES PER ANNUM OF CURRENT CAPACITY, WITH AN AIM TO ACHIEVE A GLOBAL CAPACITY OF 20-25 MILLION TONNES
- PRESENCE IN KEY MARKETS IN ASIA, EUROPE, AFRICA AND NORTH AMERICA
- FULLY INTEGRATED FROM MINING TO RETAIL: ESSAR OWNS IRON ORE RESERVES AND RESOURCES OF OVER 1.5 BILLION TONNES IN INDIA AND THE US
- STRONG DOWNSTREAM CAPABILITY WITH A GLOBAL NETWORK OF PROCESSING CENTRES AND STEEL RETAIL OUTLETS
- SPECIALISED PLANTS FOR VALUE-ADDED STEEL PRODUCTS LIKE PIPES AND PLATES
- LEADERSHIP POSITION IN THE COLD ROLLING, GALVANIZING AND PRE-COATED SEGMENTS
OIL & GAS

CURRENT OPERATIONS

Exploration & Production

Asia, Africa & Australia: Diverse portfolio of offshore and onshore Oil & Gas blocks as well as Coal Bed Methane blocks

Refining:

Vadinar, Gujarat, India: World-class

20-million tonnes or 405,000 bpsd refinery producing fuels compliant with latest emission standards. Dedicated infrastructure includes a captive power plant, dispatch facilities by rail, road, sea and pipeline, associated tankages, pipelines, water intake facilities, and a Single Buoy Mooring system, which can accommodate Very Large Crude Carriers, to receive crude

Stanlow, UK: 296,000 bpsd refinery with 15 percent market share in the UK market

Mombassa, Kenya: Fifty percent controlling stake in an 80,000 bpsd refinery run by the Kenya Petroleum Refineries Ltd (KPRL); the remaining 50 percent is owned by the Kenyan government

Retailing:

Across India:

- Marketing network of over 1,600 retail outlets
- Tie-ups with other oil marketing companies that gives Essar Oil access to product and right to use their terminals and facilities for placing and marketing our products.

UNDER EXECUTION

Stanlow, UK, & Mombasa, Kenya

- Working on a modernisation plan for Stanlow and Mombasa refineries to increase throughput as well as operational efficiency.

A FULLY INTEGRATED OIL & GAS COMPANY OF INTERNATIONAL SCALE WITH STRONG PRESENCE ACROSS THE HYDROCARBON VALUE CHAIN FROM EXPLORATION & PRODUCTION TO OIL RETAIL

ACCESS TO A GLOBAL PORTFOLIO OF ONSHORE AND OFFSHORE OIL & GAS BLOCKS, WITH ABOUT 45,000 SQ KM AVAILABLE FOR EXPLORATION

LARGEST COAL BED METHANE (CBM) PLAYER IN INDIA
• OVER 405,000 BPSD (BARRELS PER STREAM DAY) OF CRUDE REFINING CAPACITY AT VADINAR IN GUJARAT, INDIA

• OVER 296,000 BPSD OF CRUDE REFINING CAPACITY AT STANLOW, UK

• FIFTY PERCENT CONTROLLING STAKE IN KENYA PETROLEUM REFINERIES LTD, WHICH OPERATES A REFINERY IN MOMBASA, KENYA, WITH A CAPACITY OF 80,000 BPSD

• OVER 1,600 ESSAR-BRANDED OIL RETAIL OUTLETS IN VARIOUS PARTS OF INDIA
POWER

CURRENT OPERATIONS

Hazira, Gujarat, India:
- 515 combined cycle MW plant, gas-based; 215 MW captive to Essar Steel's Hazira steel plant and 300 MW supplied to Gujarat Urja Vikas Nigam
- 500 MW combined cycle plant, gas-based; captive to Essar Steel's Hazira steel plant

Vadinar, Gujarat, India: 120 MW
co-generation plant, oil-fired; captive to Essar Oil refinery, and 380 MW natural gas fired based plant that provides power and steam to the Essar Oil refinery

Salaya, Gujarat, India: 1,200 MW,
imported gas based power plant of which 600 MW is operational

Algoma, Ontario, Canada: 85 MW,
co-generation; captive to Essar Steel Algoma plant

UNDER EXECUTION

Gujarat, India:

Vadinar: 510 MW power equivalent
co-generation plant that will be imported coal based; captive to Essar Oil and will supply power and steam to the expanded Vadinar refinery.

Hazira: 270 MW multi-fuel plant

Mahan, Madhya Pradesh, India
- Phase I: 1,200 MW, pit head coal based
- Phase II: 600 MW, coal based

Tori, Jharkhand, India
- Phase I: 1,200 MW, pit head coal based
- Phase II: 600 MW, pit head coal based

Orissa, India:
- Paradip: 120 MW coal-based plant to supply power to Essar's upcoming pellet plant in that location
• CURRENT GENERATION CAPACITY OF 2,200 MW THAT IS BEING EXPANDED TO 6,700 MW BY 2012, AND TO 11,470 MW BY 2014

• GROWING PORTFOLIO OF GAS, COAL AND LIQUID FUEL-BASED POWER PLANTS

• ONE OF THE LOWEST COST POWER PRODUCERS

• OWNS ABOUT 800 MILLION TONNES OF COAL RESERVES AND RESOURCES IN BLOCKS SPREAD ACROSS FOUR CONTINENTS

• EXPLORING NEW OPPORTUNITIES IN CONVENTIONAL AND RENEWABLE POWER GENERATION GLOBALLY

• EXPANDING IN THE TRANSMISSION SECTOR; FIRST PRIVATE POWER COMPANY TO GET A TRANSMISSION LICENSE
BPO & TELECOM

Business Process Outsourcing services, employing over 65,000 people across 12 countries

Telecom services in Africa with over a million subscribers

India's largest telecom retail network, with over 900 outlets in more than 150 towns and cities

CURRENT OPERATIONS

Business Process Outsourcing

- Aegis, a global leader in Business Process Outsourcing (BPO), employs over 55,000 employees with expertise in the telecom, BFSI, travel & hospitality, consumer goods, retail and healthcare domains as well as engineering services, serving several Fortune 500 companies from 50 delivery centres across 12 countries.

  Aegis also owns a majority stake in AGC Networks, a leading provider of communications solutions.

Telecom Services & Retail:

- “Yu”: A GSM-based mobile services network in Kenya with more than a million subscribers

- Telecom Retail: Operates over 900 The MobileStore outlets across India. Largest telecom retailer within the organized sector.
SHIPPING

An integrated logistics solution provider with presence in sea transportation, logistics and oilfields services

Fleet of 27 vessels, with an additional 12 new ships on order

Contract drilling services to global oil majors, with a fleet of 12 onshore rigs and one semi-submersible offshore rig; two new jack-up rigs on order

CURRENT OPERATIONS

Sea transportation: Diversified fleet of 27 vessels including VLCCs, mini-bulk carriers, Supramaxes, tugs and cape-sizes
  o Provides crude oil and product transportation services
  o More than 220 ship years to leading Indian and global oil majors and commodity traders; combined tonnage of over 1.4 million

Logistics: Provides end-to-end logistics services – from ships to ports, lighterage services to plants, intra-plant logistics and dispatching finished products to the final customer
  o Owns transhipment assets to provide lighterage support services, onshore & offshore logistics services
  o Manages a fleet of 5,000 trucks for inland transportation of steel and petroleum products

Oilfields services: Provides contract drilling and related services to oil and gas companies worldwide, operating both offshore and onshore in diverse countries.
  o Owns a fleet of 13 rigs, which includes 1 semi submersible rig and 12 onshore rigs

UNDER EXECUTION

Sea transportation:
  o Order Book of 12 new building vessels

Oilfields services: Two new jack-up rigs on order
PORTS

CURRENT OPERATIONS

Ports & Terminals: Among India's largest owners and operators of ports

- Vadinar, Gujarat, India: A 58-million tonne port and terminal facility to provide handling, storage and terminalling services for crude oil and petroleum products to refineries and traders.

- Hazira, Gujarat, India: A 30-million tonne all-weather deep draft bulk terminal for import of iron ore, pellets, coal, limestone and export of finished steel products

UNDER EXECUTION

Ports & Terminals:

- Hazira, Gujarat, India: Bulk terminal capacity to increase to 50 million tonnes, with capacity addition of 20 million tonnes

- Salaya, Gujarat, India: A 20-million tonne integrated terminal facility for handling coal and pet coke used in power plants

- Paradip, Orissa, India: A 14-million tonne deep draft coal berth, as part of an agreement with the Paradip Port Trust to execute a BOT (build-operate-transfer) project, with rights to operate the berth for 30 years

- Developing Central Quay-3 to handle a 16-million tonne mechanization terminal under a ten-year License Agreement with Paradip Port Trust for export of iron ore and pellets

• ONE OF INDIA’S LARGEST OPERATOR OF PORTS

• BUILDING A CARGO HANDLING CAPACITY (DRY, BULK AND LIQUID CARGO) OF OVER 158 MILLION TONNES
PROJECTS

- FORTY YEARS OF ENGINEERING, PROCUREMENT & CONSTRUCTION (EPC) CAPABILITIES
- THE SECOND LARGEST EPC COMPANY IN INDIA:
  - BUILT 300,000 BPSD OF REFINING CAPACITY
  - DEVELOPED OVER 10 MILLION TONNES OF STEEL CAPACITY
  - LAID MORE THAN 5,000 KM OF PIPELINES
  - DEVELOPED 1,600 MW OF POWER PROJECTS, WITH OVER 8,000 MW UNDER CONSTRUCTION
- SERVED EXTERNAL CLIENTS SUCH AS ONGC, GAIL INDIA AND BORL; EXECUTING REFINERY PROJECT FOR INDIAN OIL LTD
- OVERSEAS EXPERIENCE OF EXECUTING PROJECTS IN INDONESIA, SRI LANKA, MYANMAR AND MADAGASCAR
- EXECUTING A RANGE OF EPC PROJECTS IN COUNTRIES LIKE SINGAPORE, PAPUA NEW GUINEA AND MYANMAR
- OFFSHORE EPC CAPABILITIES
- OWNS OVER 3,000 NOS. CONSTRUCTION EQUIPMENT WORTH OVER USD 250 MILLION
- OVER 12,000 TPA (TONNES PER ANNUM) OF FABRICATION FACILITY WITH WATERFRONT LOAD-OUT FACILITY
- DEDICATED ENGINEERING CENTERS SPECIALIZING IN PROCESS, ENGINEERING AND DESIGN FOR THE HYDROCARBONS AND INDUSTRIAL SECTORS, WITH OVER 1,200 ENGINEERS
- GLOBAL PROCUREMENT SUPPORT IN MIDDLE EAST, EUROPE AND CHINA