

To
The Secretary,
Petroleum & Natural Gas regulatory Board
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Essar Oil Limited
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Date : 20-05-2011

Sub: Intimation for laying the dedicated Pipeline to Matix Fertilizers and chemicals Limited in Panagarh , Durgapur from our Main Compressor Plant.

Dear Sir,

As you are aware, Essar group is actively working on the Coal bed methane (CBM) development. Essar was awarded Raniganj (East) block and is having a participating interest of 100%. The total area of exploration is 500 sq. km. Essar's Raniganj block of CBM exploration is located in Durgapur, Burdwan district of West Bengal and is very close to Durgapur Industrial area.

The operations at the CBM block is progressing as per work programme approved by the DGH.

We have tied up with M/s Matix Fertilizers and chemicals Limited to supply them the gas (Approx. 2.8 MMSCMD) at Panagarh, Durgapur. They have requested Essar to lay pipeline and commence supplies in Q1 2012.

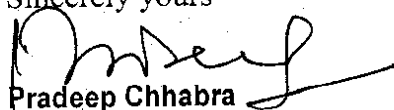
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For supplying gas to M/s Matix Fertilizers and chemicals limited, we intend to lay a dedicated pipeline from our Main Compressor Plant to Matix plant in Panagarh, Durgapur as per the details given below:

- a) Length of the pipeline : ~ 30 Kms
- b) Pipeline diameter : 18"
- c) Design Pressure : 90 Kg/cm²
- d) Capacity in Use : 3 MMSCMD

Indicative diagram for the proposed pipeline along with DFR is enclosed herewith for your kind reference.

This is for your information and records please.

Thanking you,
Sincerely yours


Pradeep Chhabra
Head CBM Marketing
Encl: As above



MATIX
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Mr. Pradeep Chhabra,
Head CBM Marketing,
Essar Oil Limited,
Mumbai.

**Sub: Dedicated Pipeline for Matix Fertilizers and Chemicals Limited, Panagarh,
Dist. Burdwan, from Essar CBM, facility.**

Dear Sir,

We Matix Fertilizers and Chemicals Limited, is coming up with a state of art, Fertilizer Project at Panagarh, Dist Burdwan West Bengal. The first phase of project is in advance stage of construction, which is scheduled to be commissioned in second quarter of 2012. The fertilizer project would consist of a Ammonia and a Urea plant in each phase I & II. The process selected is based on Coal Bed Methane / Natural gas. The CBM would be used both as feed stock and fuel. We intent to take the CBM from Essar Oil Limited.

We would like to mention herewith that our requirement would be around 3 MMSCMD at a pressure of 55 Kg / Cm² g and at Ambient temperature at our battery limit during first stage of the project and would go up to 7 MMSCMD when both Phase I & II are commissioned. Keeping in view of the critical nature of the plant in terms of continuity of the gas supply we would be needing a suitably sized line dedicated for our CBM supply.

We would also like to mention here that we are installing a CBM fuel based power plant of 56 MW capacity at this project site for meeting our power requirement of the process. The above CBM requirement (at 25 Kg/ cm²g and ambient temp) include CBM required for power plant. The small 0.3 MMSCMD of CBM requirement for power plant would start by Nov- Dec 2011.




MATIX GROUP

We would also like to mention that our project is scheduled to be commissioned in the month of March 2012 and the pre-commissioning would be starting in Nov 2011 by which we would be requiring CBM at partial load of 15-20% of rated load. We would be happy to provide you help in terms of any information required to meet the target.

Thanking you,

For Matix Fertilizers and Chemicals Limited.

(1) 
(K.K. Bhatnagar)
Vice President

CC: P.R. Dhariwal M.D. - for information please.

CC: Chaman Gupta Project Director - for information please