

AEGIS LOGISTICS LTD.

PRESS RELEASE

Oil Price Deregulation: A Positive Development

Mumbai, January 24, 2013:

Oil Price Deregulation: Government of India, continuing its policy of reforms in the Oil and Gas sector, partially deregulated the diesel price, allowing for a hike of 40-50 paise a litre per month for retail customers and nearly Rs 11 for bulk consumers.

Cap on Subsidized Cylinders: In addition, the cap on subsidised LPG was raised from six to nine cylinders per household from April 2013 and it was clarified that domestic customers will receive five subsidised cylinders in the remaining months of 2012/13.

Liquid Business – Increase participation by private players

The pricing reforms will improve margins for all companies operating in the petroleum sector, make them more competitive and provide a more level playing field to private companies. Aegis will benefit in the petroleum liquid logistics business from increased participation in the sector by private players.

Gas Sourcing Business – Import volumes back on track

In the wholesale LPG business, the confusion over the cylinder cap policy and KYC norms (Know Your Customer) has impacted LPG import volumes severely since October 2012. However, the welcome policy change to nine subsidised cylinders from April should stabilize LPG demand and imports in 2013 and get the business back on track.

Gas Distribution Business – Higher Volume with Margin Expansion

The retail LPG business has actually seen a boost to sales since October, in both the auto LPG and the commercial cylinder business as diversion of cooking gas for use in vehicles and commercial establishments is gradually being curbed due to the cylinder cap.

The Company is continuing to expand its dealer network of Auto LPG stations and is expected to touch 100 stations by this fiscal end. In December, the Company became the biggest private marketer of Auto LPG in India.

The Company's brand "Aegis Puregas" cylinders is also gaining market share, with an entry into a third state, Karnataka, and the addition of more distributors in the South.

Overall, while the short term effect of the subsidy reforms since September has had a disruptive impact on the whole LPG industry, the long term effect will help the Company greatly in improving sales volumes, margins and market share, particularly in the retail business.

Aadhar Cash Subsidy Transfer Scheme – A True Game Changer

We look forward to the implementation of the Aadhar cash subsidy transfer scheme for LPG, as this will lead to a single market price for cylinders and would be a true game changer for private players.

A more market driven environment for diesel, petrol, LPG, kerosene and eventually natural gas will assure the private industry, including Aegis, of a very positive growth scenario