

May 27, 2016

To,
**The Singapore Exchange Securities
Trading limited**
2, Shenton Way,
#19-00, SGX Centre 1,
Singapore – 068804

Re: USD 16,000,000 4.75% Convertible Bonds Due 2019 ("The Bonds")

Sub: Press Release

Dear Sir,

We enclose herewith copy of Press Release, for your information and records purpose, receipt of which may please be acknowledged.

Thanking you,

Yours faithfully,
For **Mercator Limited**


Deepesh Joishar
Company Secretary

NEWS RELEASE

Mercator Limited announces audited financial results for the quarter/ year ended March 2016.

Mercator Limited ("the Company" or "Mercator"), an Indian Energy and Shipping major, with business interests in Coal, Oil & Gas, Shipping and Dredging today announced its audited financial results for the quarter/ year ended March 31, 2016 (FY16).

- Consolidated adjusted EBITDA (excluding MLS) of INR ~526 cr.
- Consolidated Term Debt down by ~33% to INR 2155 cr
- On standalone basis, the company has improved its operating margins to ~34% from ~30%.
- Dredging business continues to grow with higher revenue and better margins
- Recommended Dividend @10% on Equity Capital

On consolidated level, the performance was adversely affected in view of heavy losses suffered by step down subsidiary Mercator Lines (Singapore) Ltd. (MLS) engaged in dry bulk shipping. The Company took proactive step to curb the losses being suffered in dry bulk segment and sold this subsidiary during the year. **Going forward, results of MLS will not form part of consolidated results.**

Standalone Financial Highlights:

(Rs. In lakhs)

Particulars	Quarter ended		Year Ended	
	Q4-2016	Q4-2015	FY-16	FY-15
Revenue	12,774.11	21,117.88	58,830.73	65,941.78
EBITDA	4,991.95	6,047.01	20,192.50	19,640.33
Depreciation	3,221.79	2,416.13	12,219.34	9,238.00
Interest	1,738.10	1,187.27	6,186.14	5,247.76
PBT	32.06	2,443.61	1,787.02	5,154.57
Tax	15.00	143.71	100.00	200.00
PAT	17.06	2,299.90	1,687.02	4,954.57

Consolidated financial highlights:

(Rs. In lakhs)

Particulars	With MLS		Without MLS	
	FY-16		FY-16	
	Q4	12 Months	Q4	12 Months
Revenue	58,583	270,642	58,434	255,370
Adjusted EBITDA	1,769	37,486	12,574	52,652
Loss on Sale of FA	434.55	44,844	0.88	0.88
Depreciation	42,190	77,124	9,482	31,891
Interest	6,826	24,471	6,791	20,801
PBT	(47,682)	(108,953)	(3,698)	(39)
Tax	887	1,020	888	1,020
PAT	(48,568)	(109,973)	(4,586)	(1,059)

The Board also recommended dividend @ 10% on equity capital. Further, the Board approved issue of securities not exceeding Rs. 200 cr in India or abroad subject to approval of the shareholders.

Said Mr. H. K. Mittal, Executive Chairman of Mercator "Company took steps to consolidate and sharpen its focus by sale of its Singapore subsidiary and reducing its consolidated debt by over INR 1000 cr. We would continue to optimize operations for better margins and work towards enhancing shareholders value.

Given our strengths, strong order book and diversified business portfolio the group is well positioned to take advantage of the opportunities the current volatile market may offer"

Business Commentary / Highlights

Shipping

All tankers and Gas Carrier were gainfully deployed and continue to run efficiently.

Dredging

Dredging division continues to perform very well with high level of order book for this and next year. Operating efficiencies have further been improved. The sector looks promising with the new governments focus on enhancing marine infrastructure, Mercator would stand to benefit from this as it is well positioned for the growth as India's second largest dredging player. The acquisitions of two dredgers during FY16 substantially enhances the capacity and capability of the Company to serve the coastal dredging activities at major and minor ports of India as well as the Indian Navy.

COAL

Company's mines continue to run satisfactorily. The Company managed to further optimize its mining cost and increase its focus on enhancing its revenues from logistics and Infrastructure business.

Coal, Mining & Trading volumes stood at 4.81 MT during FY16.

In the logistic infrastructure segment; the Company handled 1.45 MT of Coal during FY 16

Oil and Gas

The Group had announced discovery of Oil in two of its wells in the oil blocks awarded by Govt. of India under NELP VII in Cambay Basin, Western Gujarat. The discovery opens up a large corridor of possible hydrocarbon accumulation in the area. Further drilling is planned for FY16-17 and company hopes to start production of these oil blocks within the next 12 months. The discovery is testament to the company's strong team and capability in the Oil & Gas exploration space.

The Group also has been awarded two offshore oil blocks in Myanmar in consortium with Oil India Ltd. & others. These are in the study period prior to the Initial exploration period to better understand the sub-surface characteristics.

The Floating Production Unit (FPU) at the EBOK field in Nigeria continues to operate efficiently.

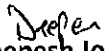
About the Company:

Mercator Limited is one of India's Energy and Shipping group with business interest in Oil & Gas, Coal, Shipping and Dredging.

Mercator's Oil & Gas business owns and operates one Mobile Offshore Production Unit (MOPU) and Floating Storage (FSO), own Oil blocks and is also currently executing a large EPC project for ONGC, India. The Coal division operates a coal mine in Indonesia along with Coal trading and logistics and has a mining license in Mozambique. The Shipping division owns and operates Dredgers, Tankers, Gas Carrier and Bulkers.

The Group services primarily Indian / International Oil Majors, large thermal-based power plants and steel companies, Ports, Indian Navy and has established strong relationships with its reputed end user customers such as Indian Oil Corporation, ONGC, HPCL, BPCL, BG Exploration & Production, some major Indian Ports, to name a few.

For Mercator Limited


Deepesh Joishar
Company Secretary

