

August 07, 2018

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").

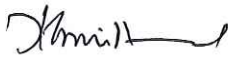
Sub: Press Release

Dear Sir,

We enclose herewith copy of Press Release for your information and records purpose.

Thanking You

Yours Faithfully,
For **Mercator Limited**



H. K. Mittal
Executive Chairman



MERCATOR LIMITED

Q1FY19 FINANCIAL RESULTS

7th August, Mumbai: Mercator Limited today announced its Q1FY19 results. The company reported an operating income on INR 216 crores and an EBITDA of INR 70 crores. The detailed performance summary is given below:

- Operating income jumps 63% to INR 216 crores from Q4FY18
- EBITDA margins doubles to 32% from 15% in Q4 FY18
- Coal operations fully ramped up
- On track to record first Oil sales in August 2018

SEGMENTAL REVIEW

COAL

- Coal and logistics segment saw a significant turnaround with revenues increasing almost 5.4x QoQ as operations ramped up fully.
- Coal sales of 0.43 million tonnes recorded in Q1FY19 despite Ramadan holidays in the month of June.
- Q1FY19 EBITDA margins stood at 32% versus 22% YoY.
- Coal segment contributed the largest share to Q1FY19 consolidated revenues and EBITDA.

OIL & GAS

- After receiving the mining lease at the end of June 2018, mobilization of equipment was completed.
- The company is geared up to record the first sale from the oil blocks in August 2018. This is a beginning of a new era for the company.

DREDGING

- Mercator emerged as the lowest bidder in the tenders of Mormugao Port Trust & Gujarat Maritime Board with a total contract value of INR 17 crores. Mercator's dredging division was also awarded the maintenance-dredging contract worth INR 26 crores¹ from Goa Navy for FY18-20.
- Q1FY19 EBITDA margins stood at 23% versus operating losses in the same period last year
- Strong tenders pipeline

SHIPPING

- All vessels in the shipping business were gainfully deployed in Q1FY19, with VLGC and VLCC vessels deployed on spot and the remainder on time-charter.
- Shipping revenues on a year-on-year basis declined due to sale of 3 carriers in FY18.

¹ Inclusive of GST



- Q1FY19 EBITDA margins at 51% versus losses² in the previous quarter i.e. Q4FY18.

EPC

- The EPC project for ONGC involving conversion of ONGC's mobile offshore drilling unit (Sagar Samrat) into mobile offshore production unit has achieved c. 95% completion.
- The handover process is expected in Q4FY19.

Shalabh Mittal, **CEO of Mercator Limited** commented:

"We are pleased to report an improvement in our Q1FY19 financials driven by strong rebound in all our business segments. The coal business in Indonesia has performed well in Q1FY19 as operations and sales ramped up fully. We are excited about the prospects of our oil & gas business as we approach the first sale from the oil blocks in August 2018. As the shipping rates recovered slightly and our dredging business saw improved traction, we delivered on our stated business strategy. I am confident that Mercator Limited will only see new successes from hereon and will continue to deliver strong performance."



² EBITA in Q4FY18 includes loss on sale of assets of INR 28 Crores