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The Notes referred to in this Announcement have not been and will not be required to be approved or authorised by or filed or registered as a prospectus with the Registrar of Companies, the Securities Exchange Board of India or the Reserve Bank of India or any other regulator in India.

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HPCL-Mittal Energy Limited

(incorporated with limited liability under the laws of the Republic of India)

announces Consent Solicitations in respect of the

U.S.\$300,000,000 5.45 per cent. Senior Unsecured Notes due 2026
(ISIN: XS2052949968; Common Code: 205294996) (the “**2026 Notes**”)

and

U.S.\$375,000,000 5.25 per cent. Senior Unsecured Notes due 2027
(ISIN: XS1599758940; Common Code: 159975894) (the “**2027 Notes**”)

23 June 2020

HPCL-Mittal Energy Limited (the “**Issuer**”) has today announced consent solicitations (the “**Consent Solicitations**”) in respect of the 2026 Notes and the 2027 Notes (each referred to as a “**Series**” and together, the “**Notes**”). The Notes are listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Issuer is seeking the consent of the holders of each Series of Notes to make certain amendments to the terms and conditions of each Series of Notes as set forth in (i) the consent solicitation memorandum dated 23 June 2020 (the “**Consent Solicitation Memorandum**”) and (ii) the relevant notice of circulating resolution by electronic consent and of meeting dated 23 June 2020 setting out the terms of the relevant Circulating Resolution by Electronic Consent and convening each Meeting (each a “**Notice of Circulating Resolution by Electronic Consent and of Meeting**”).

Copies of the announcements made by the Issuer in connection with the Notes are available on the website of the SGX-ST at www.sgx.com.

Capitalised terms used in this announcement and not otherwise defined herein have the same meaning ascribed to them in the Consent Solicitation Memorandum.

Proposals relating to the Notes

The Issuer is seeking approval of the Noteholders in respect of each Series of Notes by way of Extraordinary Resolution passed by way of Circulating Resolution by Electronic Consent or, where the relevant Extraordinary Resolution has not been approved by Electronic Consent on or prior to the Expiration Time, at

separate meetings in respect of each Series of Notes (each, a “Meeting” and together, the “Meetings”) pursuant to the relevant Terms and Conditions and the Meeting Provisions in respect of such Series of Notes, to make certain amendments to the Terms and Conditions of such Series of Notes as set out in the relevant Trust Deed and as further set out in the form of Notice of Circulating Resolution by Electronic Consent and of Meeting for such Series of Notes scheduled to the Consent Solicitation Memorandum.

The Issuer is seeking assents to the amendments of certain provisions of Condition 4.2(2) (*Limitation on Indebtedness*) and Condition 4.11 (*Definitions*) of the Terms and Conditions of each Series of Notes as set out below and as more fully described in the Consent Solicitation Memorandum and the relevant Notice of Circulating Resolution by Electronic Consent and of Meeting. In particular, the Issuer is seeking in respect of the Terms and Conditions of each Series of Notes, to:

- (i) amend Condition 4.2(2) (*Limitation on Indebtedness*) to reflect an increase in the Consolidated Leverage Ratio to 3.50:1.0 until 31 March 2021, followed by a further increase thereafter to 3.75:1.0 until 31 March 2022, with a decrease thereafter to 3.50:1.0 until 31 March 2023 and then back to its current level of 3.0:1.0 thereafter;
- (ii) amend the definitions of “Tangible Net Worth” and “Total Long-Term Debt” as set out in Condition 4.11 (*Definitions*) to exclude any impact of unrealised losses or gains related to fluctuations in foreign exchange and, solely in the case of the definition of “Tangible Net Worth”, to exclude any “write-off” of the Issuer’s “minimum alternative tax asset” and any benefit to Tangible Net Worth arising as a result of a lower tax rate, up to the limit of any such write off, in connection with the adoption by the Issuer of any new tax regime as proposed by the Government of India; and
- (iii) in recognition of the assents being sought from Noteholders to the aforementioned amendments, to offer to Noteholders the inclusion of an additional comforting event relating to HPCL’s shareholding in the Issuer which would constitute a Change of Control for the purposes of Condition 6.3 (*Redemption for Change of Control Triggering Event*) by amending the definition of “Change of Control” as set out in Condition 4.11 (*Definitions*), namely that any sale by HPCL of any voting stock in the Issuer held by it at any time on or prior to 31 March 2023 would also constitute a Change of Control.

Unless otherwise waived by the Issuer, the implementation of the Extraordinary Resolution in respect of each Series of Notes is conditional on the passing and implementation of the Extraordinary Resolutions in respect of both Series of Notes. Accordingly, if the Extraordinary Resolutions in respect of both Series of Notes are not passed and implemented, unless otherwise waived by the Issuer, the Extraordinary Resolutions will not be implemented for any Series of Notes, and no Consent Fee shall be payable to any Noteholder.

If, and only if, the Extraordinary Resolutions in respect of both Series of Notes are passed, the Proposal in respect of each Series of Notes will be binding on the relevant Registered Holder (as holder and legal owner of the Notes of each Series of Notes), and all beneficial owners of each Series of Notes, including those beneficial owners voting against such Proposal or those who did not vote at all.

The Meetings to consider and, if thought fit, pass the relevant Extraordinary Resolution where the relevant Extraordinary Resolution has not been approved by Electronic Consent on or prior to the Expiration Time will be held at the offices of Linklaters at Level 11, Alexandra House, Chater Road, Central, Hong Kong at the times and dates set out in the indicative timetable below. The Meetings have been convened pursuant to the relevant Notice of Circulating Resolution by Electronic Consent and of Meeting.

Background to the Proposals

On 28 April 2017, the Issuer issued the 2027 Notes, and on 22 October 2019, the Issuer issued the 2026 Notes.

The on-going global COVID-19 outbreak has resulted in both a record decrease in global oil demand, volatility in crude and crude product prices and significant foreign exchange movements, with the Indian rupee having depreciated by approximately 7 per cent. since January 2020. As at the date of this Consent Solicitation Memorandum, the Issuer is also in the process of setting up a petrochemical complex to enhance its polymer production capacity, which is expected to add approximately 1.2 million ton per annum of capacity of dual feed gas cracker and related downstream units upon becoming operational in 2022. The temporary relaxation in the Consolidated Leverage Ratio as set out in the Proposals would allow the Issuer sufficient flexibility to draw down committed credit lines for completion of the expansion to its petrochemical capacity in a timely and efficient manner.

The Issuer generates the bulk of its revenues from the sale of petroleum products which is pegged to international benchmarks quoted in U.S. dollars, while a significant amount of its borrowings is similarly denominated in foreign currencies, primarily U.S. dollars. As the business plan of the Issuer is primarily aligned to U.S. dollars, the Proposals would allow the Issuer to exclude any impact of unrealised foreign exchange gains or losses from calculation of the relevant covenants proposed to be amended in respect of each Series of Notes.

In September 2019, the Government of India reduced income tax rates for corporates. Subsequently, corporates are eligible to move to the new tax regime subject to them no longer availing themselves of any existing tax benefits or concessions. The Issuer is exploring a migration to such new tax regime and the Proposals would allow the Issuer to shift to the adoption of a new tax regime with more favourable rates for the Issuer going forward, while excluding one-time write offs of accumulated tax credit pursuant to such new tax regime and any benefits to Tangible Net Worth arising as a result of a lower tax rate under such new tax regime up to the limit of such write off.

The Issuer continues to be strategically important to Hindustan Petroleum Corporation Limited (“**HPCL**”). As a result, in recognition of the assents being sought from Noteholders to the aforementioned amendments, the Issuer is also proposing to offer to Noteholders the inclusion of an additional comforting event relating to HPCL’s shareholding in the Issuer which would constitute a Change of Control (as defined therein) under the Terms and Conditions of each Series of Notes, namely that any sale by HPCL of any voting stock in the Issuer held by it at any time on or prior to 31 March 2023 would also constitute a Change of Control.

Subject to the passing and implementation of the Extraordinary Resolution in respect of both Series of Notes, the Proposal in respect of each Series of Notes will be documented by, and will become effective upon, the execution of the relevant Supplemental Trust Deed, a draft of which is available for inspection by holders of the Notes of such Series, all as more fully set out under “*Proposed amendments to the relevant Terms and Conditions*” below and in the relevant Notice of Circulating Resolution by Electronic Consent and of Meeting.

Consent Fee

Subject to the terms and conditions of the Consent Solicitation Memorandum, the Issuer will pay to each Noteholder (other than where such Noteholder is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the relevant Extraordinary Resolution is received (i) at or prior to 4.00 p.m. (London time) on 3 July 2020 (in respect of each Series of Notes, the “**Early Voting Deadline**”) (and in each case not revoked), a consent fee of U.S.\$5.00 per U.S.\$1,000 principal amount in respect of the 2026 Notes and U.S.\$5.00 per U.S.\$1,000 principal amount in respect of the 2027 Notes (the “**Early Voting Consent Fee**”), or (ii) after the Early Voting Deadline but on or before 4.00 p.m. (London time) on 14 July 2020 (in respect of each Series of Notes, the “**Expiration Time**”) (and in each case not revoked), a consent fee of U.S.\$2.00 per U.S.\$1,000 principal amount in respect of the 2026 Notes and U.S.\$2.00 per U.S.\$1,000 principal amount in respect of the 2027 Notes (the “**Expiration Time Consent Fee**”, and together with the Early Voting Consent Fee, each a “**Consent Fee**”). For the avoidance of doubt, a Consent Instruction in favour of the relevant Extraordinary Resolution submitted after the applicable Early Voting Deadline but on or before the applicable

Expiration Time will be eligible to receive only the Expiration Time Consent Fee and not the Early Voting Consent Fee. The relevant Consent Fee will be paid as consideration for the Noteholders' (other than where any such Noteholder is a Sanctions Restricted Person) voting in favour of the relevant Proposal (i) at or prior to the applicable Early Voting Deadline (such relevant Consent Fee being the Early Voting Consent Fee) or (ii) if after the Early Voting Deadline, at or prior to the Expiration Time (such relevant Consent Fee being the Expiration Time Consent Fee), and payment thereof is subject to (a) the Extraordinary Resolutions being passed in respect of both Series of Notes, either by way of Circulating Resolution by Electronic Consent or at a Meeting quorate and validly held, and (b) the relevant Supplemental Trust Deeds in respect of both Series of Notes being executed. Only Noteholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions on or before the applicable Early Voting Deadline (and who do not revoke such Consent Instructions) will be eligible to receive the Early Voting Consent Fee, and only Noteholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions after the Early Voting Deadline but on or before the Expiration Time (and who do not revoke such Consent Instructions) will be eligible to receive the Expiration Time Consent Fee.

For the avoidance of doubt, Noteholders will not be eligible to receive any Consent Fee if they (i) attend the relevant Meeting in person, (ii) are not represented at the relevant Meeting, (iii) submit a Consent Instruction against the Proposal or after the Expiration Time, (iv) revoke their instructions or unblock their Notes before the relevant Meeting (in the limited circumstances permitted, and save where Electronic Consent has been granted in respect of the relevant Extraordinary Resolution on or prior to the Expiration Time) or (v) are a Sanctions Restricted Person, and will be eligible for the relevant Consent Fee only if they submit a Consent Instruction in favour of the relevant Proposal which is received by the relevant Clearing System (a) at or prior to the applicable Early Voting Deadline (such relevant Consent Fee being the Early Voting Consent Fee) or (b) if after the applicable Early Voting Deadline, on or before the applicable Expiration Time (such relevant Consent Fee being the Expiration Time Consent Fee), and which is not subsequently validly revoked in accordance with the terms of the Consent Solicitation Memorandum.

The passing of the Extraordinary Resolution in respect of both Series of Notes and execution of the Supplemental Trust Deeds in respect of both Series of Notes are conditions to the payment of any Consent Fee. The amendments to the relevant Trust Deed implementing the relevant Proposal will take effect upon execution of the relevant Supplemental Trust Deed.

Following the passing of the Extraordinary Resolution, either by way of Circulating Resolution by Electronic Consent or at a quorate and validly held Meeting (or adjourned Meeting), Noteholders will be notified through the Clearing Systems of the date on which the relevant Consent Fee will be paid to eligible Noteholders.

Where payable, the relevant Consent Fee shall be paid to each eligible Noteholder into its cash account (or the account through which they hold the Notes) in Euroclear or Clearstream on the Consent Fee Payment Date, which is expected to be no later than the fifth Business Day following the date on which the Supplemental Trust Deeds in respect of both Series of Notes being executed, or such later date as the Issuer may determine subject to the Consent Solicitation Memorandum.

Expected timetable of events

For eligibility for payment of the Early Voting Consent Fee, Consent Instructions in favour of the Proposals must be received by the relevant Clearing System (and not subsequently revoked) by no later than the applicable Early Voting Deadline, unless extended, re-opened or terminated as provided in the Consent Solicitation Memorandum. For eligibility for payment of the Expiration Time Consent Fee, Consent Instructions in favour of the Proposals must be received by the relevant Clearing System (and not subsequently revoked) after the applicable Early Voting Deadline but no later than the applicable Expiration Time, unless extended, re-opened or terminated as provided in the Consent Solicitation Memorandum

The deadline for submission of Consent Instructions is the Expiration Time, unless in each case extended, re-opened or terminated as provided in the Consent Solicitation Memorandum.

In relation to the delivery or revocation of Consent Instructions through the Clearing Systems, Noteholders holding Notes in Euroclear or Clearstream should note the particular practice of the relevant Clearing System, including any earlier deadlines by such Clearing System. Only Direct Participants of Euroclear and Clearstream may submit Consent Instructions to Euroclear and Clearstream. Each Noteholder that is not a Direct Participant of Euroclear or Clearstream must arrange for the Direct Participant through which it holds the relevant Notes or for the broker, dealer, bank, custodian, trust company or other nominee through which it holds the Notes to arrange for their Direct Participant in Euroclear or Clearstream to submit a Consent Instruction, as the case may be, on its behalf to the relevant Clearing System prior to the deadline(s) specified by such Clearing System and so as to be received by the relevant Clearing System at or prior to the applicable Expiration Time.

Subject to applicable law and the Meeting Provisions in respect of each Series of Notes and subject also as provided in the Consent Solicitation Memorandum, the Issuer may, in its absolute discretion, re open, extend, decline, waive any condition of and/or amend the Consent Solicitations (including, but not limited to, the amendment of the Early Voting Consent Fee or the Expiration Time Consent Fee or extension of the applicable Early Voting Deadline or the applicable Expiration Time) in respect of each Series of Notes.

The indicative timetable is as follows:

<u>Date and Time</u>	<u>Event</u>
23 June 2020	Launch Date
4.00 p.m. (London time), 3 July 2020	Early Voting Deadline
4.00 p.m. (London time), 14 July 2020	Expiration Time
3.30 p.m. (Hong Kong time), 15 July 2020	Meeting* of the holders of 2026 Notes, where the relevant Extraordinary Resolution has not been approved by Electronic Consent on or prior to the Expiration Time
4.00 p.m. (Hong Kong time), 15 July 2020	Meeting* of the holders of 2027 Notes, where the relevant Extraordinary Resolution has not been approved by Electronic Consent on or prior to the Expiration Time
As soon as reasonably practicable after Electronic Consent has been granted in respect of the Extraordinary Resolutions for both Series of Notes or after the relevant Meeting(s) and in any case, within 14 days following conclusion of the relevant Meeting(s)	Announcement (i) that Electronic Consent has been granted in respect of the Extraordinary Resolutions for both Series of Notes, (ii) that Electronic Consent has been granted in respect of the Extraordinary Resolution for one Series of Notes and the results of the relevant Meeting of the other Series of Notes, or (iii) the results of both Meetings, as the case may be
As soon as reasonably practicable after Electronic Consent has been granted in respect of the Extraordinary Resolutions for both Series of Notes or after the relevant Meeting(s) and in any case, within 14 days following conclusion of the relevant Meeting(s)	If the Extraordinary Resolutions in respect of both Series of Notes are passed, execution of the Supplemental Trust Deeds in respect of both Series of Notes to implement the Proposals
Consent Fee Payment Date	Expected to be no later than the fifth Business Day following the Supplemental Trust Deeds in respect of both Series of Notes being executed

*If Electronic Consent is granted in respect of the Extraordinary Resolutions for both Series of Notes on or prior to the Expiration Time, then such Extraordinary Resolutions will take effect at the time when Electronic Consent has been granted in respect of the Extraordinary Resolutions for both Series of Notes, as if each Extraordinary Resolution was passed at the relevant Meeting and such Extraordinary Resolutions shall be binding on all holders of the Notes whether or not they participated in such Electronic Consent, and the Notes which were the subject of Consent Instructions will be unblocked with effect from the date falling one Business Day following the announcement by the Issuer that Electronic Consent has been granted in respect of the Extraordinary Resolutions for both Series of Notes. Where Electronic Consent has been granted in respect of the Extraordinary Resolution for one Series of Notes only, the implementation of the Extraordinary Resolution in respect of such Series of Notes remains conditional on the passing and implementation of the Extraordinary Resolution in respect of the remaining Series of Notes (unless otherwise waived by the Issuer).

Where Electronic Consent is granted in respect of either Extraordinary Resolution prior to the Early Voting Deadline, any Consent Instructions received by the relevant Clearing System after such Electronic Consent has been granted but on or before the Early Voting Deadline will remain eligible to receive the Early Voting Consent Fee. Where Electronic Consent is granted in respect of either Extraordinary Resolution after the Early Voting Deadline but on or prior to the Expiration Time, any Consent Instructions received by the relevant Clearing System after such Electronic Consent has been granted will not be eligible to receive a Consent Fee.

In light of the ongoing developments in relation to COVID-19, it may become impossible or inadvisable to hold any Meeting at the offices of Linklaters at Level 11, Alexandra House, Chater Road, Central, Hong Kong. In such event, the Trustee may prescribe further regulations regarding, among other things, the holding of the relevant Meeting(s), which may include holding the relevant Meeting(s) by audio or video conference call. In such circumstances, those Holders who have indicated that they wish to attend any such Meeting in person will be provided with further details about access to such Meeting. Noteholders who have requested that their votes be cast in accordance with a valid Consent Instruction submitted on or prior to the Expiration Time (or, if earlier, before the expiration time and/or date set by the relevant Clearing System) will not be affected by these alternative regulations and will not be required to take any further action.

In the event that the Extraordinary Resolution in respect of either Series of Notes is not passed at the relevant Meeting or adjourned Meeting, then unless otherwise waived by the Issuer, neither Extraordinary Resolution will be implemented for any Series of Notes, neither of the Supplemental Trust Deeds will be executed to implement the Proposal in respect of the relevant Series of Notes and no Consent Fee will be paid in respect of any Series of Notes.

Noteholders are advised to check with the bank, securities broker, Clearing System or other intermediary through which they hold their Notes as to whether such intermediary applies different deadlines for any of the events specified above, and then to adhere to such deadlines if such deadlines are prior to the deadlines set out above.

All of the above dates are subject to earlier deadlines that will be specified by the Clearing Systems or any intermediary.

In the event that the relevant Extraordinary Resolution is not passed at the relevant Meeting and the relevant Meeting is adjourned, an adjourned Meeting will be notified in accordance with the relevant Meeting Provisions and the Consent Solicitation Memorandum, and may be held not less than 14 days and not more than 42 days following the adjournment of the relevant Meeting (exclusive of the date of such meeting and the date fixed for the adjourned meeting).

For further information

A complete description of the procedures in relation to the relevant Meeting, the terms of the Consent Solicitations and the text of the relevant Extraordinary Resolution is set out in the relevant Notice of Circulating Resolution by Electronic Consent and of Meeting and the Consent Solicitation Memorandum.

Further details about the transaction can be obtained from:

The Co-Solicitation Agents

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Canary Wharf
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Tel: (i) In Hong Kong: +852 2903 3266
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Attention: Liability Management Group
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J.P. Morgan (S.E.A.) Limited
17/F, Capital Tower
168 Robinson Road
Singapore 068912

Tel: +852 2800 8019
Attention: Head of Debt Syndicate and Head of Asia ex-Japan Debt Capital Markets
Email: liability_management_asia@jpmorgan.com

Copies of the Consent Solicitation Memorandum and the relevant Notice of Circulating Resolution by Electronic Consent and of Meeting are available to eligible persons upon registration on the Consent Website operated by the Information and Tabulation Agent free of charge.

The Information and Tabulation Agent

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This notice is given by:

HPCL-Mittal Energy Limited

Disclaimer

This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information that should be read carefully before any decision is made with respect to the Consent Solicitations in respect of each Series of Notes.

Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Consent Solicitations.

Consent Solicitations and Distribution Restrictions

Neither this announcement nor the Consent Solicitation Memorandum constitutes or forms part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer or any other entity.

The distribution of this announcement and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Consent Solicitation Memorandum comes are required by the Issuer, the Co-Solicitation Agents and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions. This announcement and any materials relating to the Consent Solicitations do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law.

If a jurisdiction requires that the Consent Solicitations be made by a licensed broker or dealer and any of the Co-Solicitation Agents or their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Consent Solicitations shall be deemed to be made by such Co-Solicitation Agent or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction where it is so licensed and the Consent Solicitations are not being made in any such jurisdiction where none of the Co-Solicitation Agents or their respective affiliates are so licensed.