

Corporate Announcement

Ahmedabad, 28th June, 2013:

Operational Update from Gujarat Natural Resources Limited

Heramec Limited (100% subsidiary of Gujarat Natural Resources Limited) has now successfully implemented that work program committed in FY2012-13. Also, work programme and Budget for FY2013-14 has been approved by partners.

Kanawara

3 wells viz. K#1, K#3 , K#7 have been hydro fractured utilizing services from Halliburton. Hydro fracturing has resulted in more than 50% increase in average daily production of oil and substantial increase in gas production from Kanawara field. As against the approved budget of USD 2.05 Million for the FY2012-13 for kanawara, Heramec has completed planned activities for the year at total cost of USD 1.87 Million. Presently the works for up gradation of facilities for marketing enhanced gas production is under progress and is expected to complete shortly.

The average oil production of Kanawara has now increased from 90 boe/day to 350boe/day as on date. In FY13-14, the work program includes introduction of various advanced production enhancement technologies such as drilling of horizontal well in Kanawara field and a budget for FY13-14 USD 10.82 Million has been provisioned.

It is expected that upon execution of planned activities like well stimulation in K-8 and drilling of one additional well would increase the production of kanawara by another 300-500 bbls/day.

Dholasan Field

Two wells drilled by earlier operator ONGC was not under production due to irreparable mechanical damage. Hence, no significant activities have been undertaken in Dholasan field during FY12-13. For the FY13-14, Heramec Limited plans to drill 3 new wells in Dholasan field and a budget USD 12.14 Million has been approved by partners and DGH for implementation of work program.



North Kathana

NK#1 and NK#5 wells are under regular production and have produced average daily production of >15 bopd for the FY12-13. Heramec has carried out necessary workover activities and stimulation through hydrofracturing for NK#4 well in North Kathana field during the FY12-13. However on account of technical difficulties, desired results have not been achieved for NK#4 well. For the FY13-14, Heramec Limited plans to comprehensively test wells NK#4 and NK#5 and to carryout stimulation jobs to establish commercial production. For FY13-14 total budget of USD 1.37 Million has been provisioned to improve the production from existing fields.

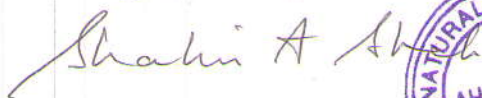
Allora Field

AL#1 and AL#2 wells in Allora field are producing oil intermittently on application of compressor services. Heramec has carried out hydro-fracturing in AL#1 well and the well is under activation. For the FY13-14, Heramec plans to achieve sustained production from existing wells through additional perforations, suitable stimulation and artificial lift technologies. Towards this goal, the budget for FY13-14 (approved by Operating Committee) includes USD 0.5 Million towards development expenditure. The total budget amount including the production & G&A expenses is USD 0.85 Million.

About Heramec Limited

Heramec Limited is a 100% subsidiary of Gujarat Natural Resources Limited (GNRL). Heramec Limited holds 30% participating interests in six oil & gas blocks and is Operator for four of these blocks.

For **Gujarat Natural Resources Limited**



Managing Director

