

VIDEOCON ANNOUNCES SUCCESSFUL APPRAISAL WELL OFFSHORE MOZAMBIQUE

ACHIEVES SIGNIFICANT STEP FORWARD FOR LNG PROJECT

Mumbai, 22nd August, 2011 – Videocon Hydrocarbon Holdings Ltd (VHHL), a wholly owned subsidiary of Videocon Industries Ltd (VIL), advises that the operator M/S Anadarko Petroleum Corporation, USA (Anadarko), has informed that in the ongoing Appraisal program, the Barquentine-2 appraisal well, located in Mozambique's Offshore Area 1 of the Rovuma Basin, encountered more than 230 net feet (70 meters) of natural gas pay in high-quality Oligocene-age reservoirs. Barquentine-2 was the first appraisal well in the Windjammer, Barquentine and Lagosta complex, which is estimated to hold a minimum of 6 trillion cubic feet (Tcf) of recoverable natural gas resources.

It was reported by Anadarko that the first appraisal of the Barquentine discovery matched our expectations, confirming seismic modeling and providing confidence in geologic interpretation of this world-class accumulation. The Joint Venture has also taken a major step toward the development of these substantial resources by awarding contracts for pre-FEED (front-end engineering and design) work for a prospective LNG (liquefied natural gas) plant. Significant ongoing exploration and appraisal programs in the Rovuma Basin are in the anvil and the JV looks forward to advancing this important project that can provide long-term benefits for the people of Mozambique.

The Barquentine-2 appraisal well was drilled to a total depth of approximately 13,500 feet (4,100 meters) in about 5,400 feet (1,650 meters) of water. The results of the Barquentine-2 appraisal well, located approximately 2 miles (3 km) east-southeast of the Barquentine-1 discovery well, also indicated that the Oligocene reservoirs are in static pressure communication between the wells. The drillship is now being mobilized to the south to drill the Camarão exploration well, which will also serve as an appraisal to the Windjammer discovery.

As mentioned, a subsidiary of Anadarko and co-owners in the Offshore Area 1 awarded contracts to KBR and Technip to perform pre-FEED studies for a liquefied natural gas plant in Mozambique. The pre-FEED studies are designed to help the partnership further assess the viability of developing an LNG facility to produce and process natural gas from the region.

Videocon Mozambique Rovuma 1 Limited, an overseas subsidiary of VHHL holds 10% participating interest (PI) in the block. Anadarko Petroleum Mozambique Area 1 Lda, an affiliate of Anadarko is the operator of the 2.6-million-acre (approx. 10,500 square kilometer) block with a PI of 36.5%. Other Co-owners in the area include Mitsui E&P Mozambique Area 1 Limited (20 percent), BPRL Ventures Mozambique B.V. (10 percent), and Cove Energy Mozambique Rovuma Offshore, Ltd. (8.5 percent). Empresa Nacional de Hidrocarbonetos, E.P. a National Oil company of Mozambique, holds the remaining 15-percent interest and is carried through the exploration phase.