



VIDEOCON

14 August, 2012

The Corporate Relations Department BSE Limited P. J. Towers, Dalal Street Mumbai – 400 001	The Corporate Relations Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051
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Dear Sir,

Sub: Demerger of Oil and Gas Asset(s)

In line with the Board’s earlier decision to appointment of various agencies for working out various options for demerger of oil and gas business for unlocking the shareholders value, the Board asked its Oil and Gas subsidiary companies to present the tentative valuation matrix for portfolio of all Oil and Gas assets.

The Chief Executive Officer of the Videocon Hydrocarbon Holdings Limited, Cayman Islands, an Offshore subsidiary (VHHL) holding Oil and Gas assets, was instructed to give the said valuation matrix.

The CEO of VHHL, as a first step presented the tentative valuation matrix of Mozambique asset based on the bidding outcome of the aggressive bidding war between Royal Dutch Shell Plc (Shell) of Netherlands/UK and PTT Exploration & Production Plc (PTT) of Thailand for acquiring the stake of Cove Energy, a participant with 8.5% Participating Interest in the Mozambique block. Cove Energy, holding 8.5% Participating Interest in the Mozambique block, was sold on a total post tax return of approximate consideration of United States Dollar 1.92 billion. On the basis of that Videocon’s share in Mozambique is worth over United States Dollar 2.26 billion, post tax. This is excluding the large gas discoveries which took place during the period when the Cove Energy sale process was on, which might or might not have been taken into account by PTT.

A similar valuation matrix in respect of other oil assets of the Company is being worked out by VHHL.

Upon receipt of the valuation matrix of all the Oil and Gas assets, the Board shall proceed further so as to unlock the shareholders value.

Kindly do the needful.

For VIDEOCON INDUSTRIES LIMITED

**V N DHOOT
CHAIRMAN & MANAGING DIRECTOR**

VIDEOCON INDUSTRIES LIMITED

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