

**GULF OIL Corporation Limited****Corporate Office**

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6th February, 2012

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Fax:022 – 22723121/2027
BSE Code: 506480

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051
Fax: 022- 2659 8237/38
NSE Code: GULFOILCOR

Dear Sir,

Re.: Divestment of 100% shares in IDL Explosives Limited.

The Industrial Explosives Undertaking of the Company was demerged into a wholly owned subsidiary of the Company, IDL Explosives Limited (IDL), during the last financial year, as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

In the Scheme, one of the 'Rationale' was indicated as follows:

"Keeping in view of the future prospects of the Explosives business and risks associated with it, Gulf Oil ultimately propose to divest either fully or partially or Induct either Strategic Partner or Equity partner in this business to grow the business independently."

Accordingly, the Board of Directors at its meeting held today decided to disinvest and sell the entire equity of IDL comprising of 50,000 shares of Rs. 10 each fully paid at Rs. 2000/- per shares, to the highest bidder through the process of competitive bidding. In addition, the Company holds 2,49,000 Preference Shares of Rs. 24.90 crores, which was allotted by IDL, as per the terms of the Scheme.

With this, all assets, loans and liabilities of IDL will also stand divested.

The necessary legal process for giving effect to the above will be completed in due course.

This is for your information and record.

Thanking you,

Yours faithfully,

For Gulf Oil Corporation Limited

S Pramanik
Managing Director