Media Release

Reliance Industries Limited

RELIANCE INDUSTRIES AND RELIANCE PETROLEUM BOARDS APPROVE MERGER

- Merger is India's largest ever
- RPL shareholders to receive **1** (one) share of RIL for every **16** (sixteen) shares of RPL
- RIL's holding in RPL to be cancelled. No fresh treasury stock created
- RIL to be a top 10 private sector refining company globally
- RIL to become the world's largest producer of Ultra Clean Fuels at single location
- Merger to unlock greater efficiency from scale and synergies
- Merger to be EPS accretive
- RIL to have **3.7** million shareholders

MUMBAI, 2 March 2009: The Boards of Directors of Reliance Industries Limited (RIL) and Reliance Petroleum Limited (RPL) today unanimously approved RPL's merger with RIL, subject to necessary approvals. The exchange ratio recommended by both boards is **1** (one) share of RIL for every **16** (sixteen) shares of RPL. RIL will issue **6.92** crore new shares, thereby increasing its equity capital to Rs **1,643** crore.

Commenting on the merger, **Mukesh Ambani, Chairman and Managing Director, Reliance Industries Ltd** said: ***"This merger follows Reliance Industries' philosophy of creating enduring value for all our stakeholders. It is a significant step in our goal to be among the largest global corporations."***

Merger Benefits and Synergies:

The merger will unlock significant operational and financial synergies that exist between RIL and RPL. It creates a platform for value-enhancing growth and reinforces RIL's position as an integrated global energy company.

The merger will enhance value for shareholders of both companies. The merger is EPS accretive for RIL. Through this merger, RIL consolidates a world-class, complex refinery with minimal residual project risk, while complementing RIL's product range. There will be further gains from reduced operating costs arising from synergies of a combined operation.

Registered Office:
Maker Chambers IV
3rd Floor, 222, Nariman Point
Mumbai 400 021, India

Corporate Communications
Maker Chambers IV
9th Floor, Nariman Point
Mumbai 400 021, India

Telephone : (+91 22) 2278 5000
Telefax : (+91 22) 2278 5185
E-mail : ccd1@ril.com
Internet : www.ril.com

The merger is expected to reduce the earnings volatility for RPL shareholders and allows them to participate in the full energy value chain of RIL.

The merger will result in RIL:

- Operating two of the world's largest, most complex refineries
- Owning 1.24 million barrels per day (MBPD) of crude processing capacity, the largest refining capacity at any single location in the world
- Emerging as the world's 5th largest producer of Polypropylene

Merger Details:

Under the terms of the proposed merger, RPL shareholders will receive **1** (one) share of RIL for every **16** (sixteen) RPL shares held by them.

The appointed date of merger of RPL with RIL is **1st April 2008**.

RIL will cancel its holding in RPL.

Based on the recommended merger ratio, RIL will issue **6.92** crore new equity shares to the existing shareholders of RPL. This will result in a **4.4**% increase in equity base from Rs **1,574** crore to Rs **1,643** crore. Consequently, the promoter holding in RIL will reduce from **49.0**% to **47.0**%

Advisors to the merger are as follows:

Valuation Advisors	:	Ernst & Young Pvt. Ltd. and Morgan Stanley India Co. Pvt. Ltd.
Transaction Advisors	:	JM Financial Consultants Pvt. Ltd. and Kotak Mahindra Capital Co Ltd.
Fairness Opinion	:	DSP Merrill Lynch Ltd. (for RIL) and Citigroup Global Markets India Pvt. Ltd (for RPL)
Legal Advisor	:	Amarchand & Mangaldas & Suresh A. Shroff & Co.
Tax Advisor	:	PriceWaterhouse and Coopers Pvt. Ltd.

The proposed merger is subject to all necessary approvals. All other procedural aspects of the proposed merger, and the timetable for implementation, will be communicated separately.

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Reliance Industries Limited

Reliance Industries Limited (RIL) is India's largest private sector company on all major financial parameters with a turnover of Rs. 1,39,269 crore (US$ 34.7 billion), cash profit of Rs. 25,205 crore (US$ 6.3 billion), net profit (excluding exceptional income) of Rs. 15,261 crore (US$ 3.8 billion) and net worth of Rs. 81,449 crore (US$ 20.3 billion) as of March 31, 2008.

RIL is the first private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' and ranks 103rd amongst the world's Top 200 companies in terms of profits. RIL is amongst the 30 fastest climbers ranked by Fortune. RIL features in the Forbes Global list of the world's 400 best big companies and in the FT Global 500 list of the world's largest companies. RIL ranks amongst the 'Worlds 25 Most Innovative Companies' as per a list compiled by the US financial publication-Business Week in collaboration with the Boston Consulting Group.

Reliance Petroleum Limited

Reliance Petroleum Limited (RPL) is a subsidiary of Reliance Industries Limited. RPL is setting up a greenfield petroleum refinery and polypropylene plant in a Special Economic Zone at Jamnagar in Gujarat. With an annual crude processing capacity of 580,000 barrels per stream day (BPSD), RPL will be the sixth largest refinery in the world.

Key Contacts

Manoj Warrier – (022) 42200000 / 98214 14954; manoj.warrier@neucomconsulting.com