

IMPORTANT MEDIA STATEMENT

GVK Response to Greenpeace Media Reiterates that Alpha coal is an environment friendly and sound investment

June 12, 2012: GVK is surprised with the Greenpeace media release regarding a complaint today submitted against GVK with the Securities and Exchange Board of India, the National Stock Exchange of India and the Bombay Stock Exchange. The information being portrayed is not only incorrect representation, but it also comprises many misleading statements.

Sequence of Events

- The Alpha Coal Project is a proposed Mine-Rail-Port project with a 30 million tonne per annum high quality thermal coal mine that accesses a 60 mtpa port via a 495 km standard gauge rail line. This Project is being set up with a total investment of USD 10 Billion Dollars.
- Alpha Coal Mine and Rail Project ('Project') was given the EIS (Environment) approval on the 29th May 2012 by the State of Queensland, Australia.
- Subsequent to the State approval, the Federal Government of Australia was expected to give environmental approval within a period of 30 days as per the prevailing agreement between the Federal Government and the State Government.
- However, there has been some difference of opinion between the Federal Government and State Government about the extent of the coverage of the environmental approval which would enable the Federal Government to give its final approval within the 30 days period. Due to this difference, the Federal Environmental Minister Honourable Mr Tony Burke announced that he would 'stop the clock' in relation to the process between the State Government and Federal Government for the environmental clearance for Project.
- As a point of clarification, Minister Burke advising that he is "stopping the clock" by no means is to be interpreted that the project will not proceed, nor is it an indication of the Federal Government's assessment decision. Rather such action is a legislative avenue Minister Burke has available to him so as to seek additional information and/or clarification of existing information directly from the Proponent (GVK) instead of through the state of Queensland.
- Since then the Federal Government Environmental agency (SEWPaC) has had meetings directly with the GVK management and asked for additional information which is available with us and will be provided within a week so that they would have all the necessary detail in order to make a final assessment which we confidently believe will result in a Federal environmental approval for the Project.
- During the last one week, Greenpeace released an advertisement and made some misleading media statements against the Project. In response many senior government ministers and agencies condemned Greenpeace for a motivated campaign some of which are summarized as below.

- Federal Environment Minister, Mr. Tony Burke said, "I am opposed to the advertisement. The advertisement is opposed to any involvement in the coal industry at all, they're opposed to any project involving coal. My view is you want industry to be able to continue in a way that is sustainable."
 - Queensland Resources Council Chief Executive, Mr. Michael Roche describing the ads shrill and irrational, said "Indian companies are looking to Australian coal resources to improve the quality of life for millions of their people, which is possible only through access to affordable and plentiful supplies of electricity." "I am confident that Environment Minister (Tony) Burke will not be swayed in the least by this latest rubbish from Greenpeace and GetUp".
 - Treasurer (Finance Minister), Mr. Wayne Swan had condemned Greenpeace and other groups over ads aimed at deterring Indian investment in Queensland Coal mines. "I think it is deplorable. They should be condemned and I condemn them in the strongest possible way,". He said. "This is obnoxious behaviour from Greenpeace." "Government is committed to responding to the resources industry", he added.
 - Queensland's Deputy Premier, and State Development, Infrastructure and Planning Minister, Mr. Jeff Seeney said "The campaign is harmful to Queensland's economy, the ad is unbalanced and would damage the economy." "We need to have economic growth and environmental protection, it is unfortunate that people focus on just one side, it could damage the future of every Queensland", he added.
 - Australian Coal Association Chief Executive, Dr. Nikki Williams said "The ad ignored the existing regulatory and assessment regimes at state and federal level, and was part of a strategy to kill off the coal export industry."
- From the above quotes it is clear that the entire government and industry has deplored and condemned the Greenpeace campaign.
 - Finding that their campaign has not yielded much response from Australia, Greenpeace has now started campaigning in India hoping to gather some support on this untenable and misinformed representation and campaign.
 - Australian National and State Environmental Government agencies are fully engaged with GVK and continue to provide support for our Project.

Clarification regarding Greenpeace media release today

- GVKPIL had, on 29-05-2012, intimated the Stock Exchanges about a significant development (Environmental Clearance for the Project from the Queensland Government) as a measure of good Corporate Governance. After this date there is no change in the status of this approval and therefore there was no further update sent to the stock exchange. All the media that we have seen subsequent to the approval is due to the reasons explained above.

GVK's Respect and Commitment for the Environment

- GVK is a very environmentally responsible company.

- We have been working with environmental experts, environmental government agencies, landholders and stakeholders for four (4) years (since 2008).
- A rigorous and detailed environmental assessment process has been imposed upon us by Australia that has one of the highest environmental standards in the world – which we welcome.
- GVK has spent in excess of \$25 million in Australia on ensuring that its environmental assessment process is of the highest standard.
- GVK has also employed 275 environmental personnel in its study work to ensure that this project has a very high environmental standard and values.
- GVK chose to invest in Australia because of its low political risk coupled with strong environment and safety standards which align with GVK's corporate philosophy and values.
- GVK has won numerous environment awards recognising GVK as a green company for its Power and Airports Projects across the country.

Fact Verification

We expect an organisation like Greenpeace to verify facts in order to avoid the dissemination of inaccurate and misleading information to the public before any media release / advertisement is published. This could be done by consulting and working together with industry to ensure that economic development and global standards of living can be improved whilst having a high regard for the environment.

About GVK

GVK is India's largest Infrastructure developer with experience and expertise spanning areas such as Energy, Airports, Roads and Urban Infrastructure. As on date GVK has invested over Rs.15, 000 Crore (US\$ 3.3 Billion) in various projects and has on hand projects in the pipeline of over Rs. 30,000 Crore (US\$ 6.6) Billion, besides its Coal Mining, Railway and Port project in Queensland, Australia.

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