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MEDIA RELEASE

GVK FORGES AHEAD IN OPENING UP THE GALILEE BASIN

The GVK Board continues its unwavering support in the development of the Alpha Coal project and the associated rail and port infrastructure. In addition to the several hundred million dollars recently committed (in addition to the \$1.26 billion acquisition costs) the GVK Board has recently approved well in excess of \$100 million dollars, further supporting the development of its World Class mega project. This is at a time when there has been significant media focussed on mine closures and deferrals of proposed mine developments in Australia.

As we line up the many project milestones over the coming 12 months to create history and bring this project into reality, approvals and permitting continue to remain our focus. For instance, we see the project receiving State Development Area approval for the railway in late Q3 2013. We have reviewed our project timeframes and believe that a realistic date for financial close is in the latter part of 2013.

To ensure the construction bids received remain valid until financial close, the organisation is now focussing on EPC commercial terms and conditions with the shortlisted ECI contractors. We will continue to work with those contractors already shortlisted, appointed or with a preferred status to ensure that the above timeframes can be met.

GVK has now honed in to intensify its efforts upon:

- Obtaining appropriate tenure for our infrastructure corridors including rail State Development Area approval (SDA);
- Finalising the Operator Contracts for the Rail & Port;
- Finalising the Contract Mining Agreement for the Alpha Mine;
- Finalising the Procurement Contracts for our Mobile Fleet; and
- Finalising Third Party Rail Customers.

This would then see an alignment of the land tenure process and the completion of the ECI phase to ensure that we enter into Financial Close with binding commercial bids across all facets of the Project and without continuing to incur significant costs at higher risk than necessary prior to the final approval from the State, which we have always acknowledged must be obtained.

In relation to speculation about the viability of the project, given the current prices for thermal coal, we have spent significant effort over the past twelve months on the cost profiling of the project, to the point where we are confident we will sit in the first (lowest) quartile of the global thermal coal cost curve, making us one of the most cost efficient operations in Australia and the World. Cost efficiencies have resulted from the excellent mine site geology, the ability to establish an integrated pit to port operation in a totally greenfield environment using the latest technology and innovation where it suits, and the benefits of a standard gauge, one in 320 grade railway alignment. We have a target FOB cost of \$US 55 per tonne. This positions the project to be economic throughout the various commodity cycles.

We are well placed with our financial advisors (ANZ, Société Générale, Macquarie and Citi) to achieve Financial Close next year whereby all material construction, operation and off-take contracts will be executed. We are ramping up our concurrent activities in order to meet the market demands for our coal in the latter half of 2016.

GVK projects represent the next generation of large scale, cost efficient resource and infrastructure that will drive economic growth in Australia. We will be the benchmark Australian high volume, low cost integrated operation with world class integrated supply chain that will set the standards for rail and port infrastructure efficiencies.

About GVK

GVK is a leading Indian conglomerate with a presence across energy, resources, airports, transportation, hospitality and life sciences sectors. GVK set up India's first independent power plant and has around 6,000 MW of projects under generation, construction and development. It is the first company in India to develop a six-lane road project under a PPP model and has around 3,000 lane km expressway projects under operation and construction. As one of India's largest private sector airport operators, GVK handles passenger traffic of 44 mpa through India's first brownfield airport under a PPP model - Chhatrapati Shivaji International Airport in Mumbai and Bengaluru International Airport, Bangalore, and will develop two airports in Indonesia. Having already invested over \$US 3.3 billion, GVK has projects worth over another \$US 6.6 billion in the pipeline in India.

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