JINDAL
STEEL & POWER

September 5, 2012

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Sub: Acquisition of CIC Energy Corp., Canada having 6 billion tonnes of coal resources in Botswana

Dear Sir,

We wish to inform you that the Company, through its subsidiary namely, Jindal BVI Limited (JBVI), is acquiring 100% share capital of CIC Energy Corp.(CIC), whose shares are listed on Canada Stock Exchange at C$ 2 per share at a total cost of about US$ 115 million. The Minister of Minerals, Energy and Water Resources of Botswana where CIC has its coal mines, has already approved the change of control from CIC to JBVI and all other approvals for the merger have already been granted and the merger certificate will be issued in the next few days marking the completion of the acquisition.

The deal will provide the Company access to CIC's high quality thermal coal in Greater Mmamabula coalfield in SE Botswana which is estimated to be in excess of 6 billion tonnes (approx) (including Measured and Indicated resource of 2.4bn Tonnes).

The deal will provide the Company the opportunity to tap the highly lucrative and power deficient South African Development Community (SADC) countries and given the huge resource, will also provide an opportunity to set up a Coal to Hydrocarbons project.

A copy of press release in this regard is enclosed. You may please inform the members.

Thanking you

Yours faithfully,
For JINDAL STEEL & POWER LIMITED

T.K.SADHU
COMPANY SECRETARY

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Jindal Steel and Power acquires CIC's Energy Corp. Canada having 6 Billion Tonn coal resources in Botswana

- **JSPL's acquisition of CIC Energy is worth Rs 650 crore.**
- **The acquisition will give JSPL access to CIC's high quality thermal coal assets in Botswana.**
- **The Minister of Minerals, Energy and Water Resources of Botswana has already approved the change of control from CIC to JBVI.**

New Delhi, September 05, 2012: Jindal BVI Limited (JBVI), a subsidiary of steel major Jindal Steel and Power Limited (JSPL) has acquired Canadian listed coal Company CIC Energy Corp. (CIC) for about US$115 million (over Rs 600 crore) by way of a merger of JBVI and CIC.

The Minister of Minerals, Energy and Water Resources of Botswana where CIC has its coal mines, has already approved the change of control from CIC to JBVI and all other approvals for the merger have already been granted and the merger certificate will be issued in the next few days marking the completion of the acquisition.

The deal will provide JSPL access to CIC's high quality thermal coal in Greater Mmamabula coalfield in SE Botswana which is estimated to be in excess of 6 billion tonnes (approx) (including Measured and Indicated resource of 2.4bn Tonnes).

The deal will provide JSPL the opportunity to tap the highly lucrative and power deficient South African Development Community (SADC) countries and given the huge resource, will also provide an opportunity to set up a Coal to Hydrocarbons project.

Pursuant to the merger of JBVI and CIC, JBVI, being the surviving company, will make cash payment of C$ 2 per share to the current CIC shareholders aggregating to C$ 116 Mn approx. JBVI has already transferred the consideration amount to the depository for onward payment to CIC shareholders.

CIC has already been granted water allocation for the mining and power plants and has also received the environmental approvals for its power projects. CIC has done extensive drilling in its coalfields and has drilled approx. 2100 boreholes totaling about 186000 meters. CIC has already incurred development expenditure of C$ 246 Mn on the projects including the manpower costs and overheads.

The ROM coal quality has ash ranging from 23% to 42% and the Gross Calorific value ranges from 3700 to 5500. The total area of the mines is 315 sq km approx.

CIC is the frontrunner for building a 1200 MW power plant in Botswana for supply of power to South Africa.

JINDAL STEEL & POWER LTD. DELHI

JSPL already has acquired stakes in coal mines in South Africa, Mozambique, Australia and Indonesia.

About Jindal Steel & Power Limited (JSPL)

Jindal Steel and Power Limited (JSPL) is one of India's major steel producers with a significant presence in sectors like Steel, Mining, Power Generation and Infrastructure. With an annual turnover of over US $3.5 billion, JSPL is a part of the over US $ 17 billion diversified O. P. Jindal Group. In the recent past, JSPL has expanded its steel, power and mining businesses to various parts of the world particularly in Asia, Africa and Australia.

The company produces economical and efficient steel and power. From the widest flat products to a whole range of long products, JSPL sports a product portfolio that caters to major infrastructure & housing projects in the country. It also has the distinction of producing the world's longest 121 metre rails and large size parallel flange beams, high strength angle irons for transmission towers and high strength earthquake resistant construction rebars.

JSPL, together with Jindal Power limited, has chalked out an ambitious target of having more than 25,000 MW electricity generation capacity by 2020 and in the long run, the deal would potentially provide the company a long-term source of coal.

The organization is equally concerned about the environment and is committed towards restoring nature's balance by maintaining a clean and green environment. JSPL's Corporate Social Responsibility policy aims at bringing about a radical transformation in the quality of people in and around the operation areas of the company through positive intervention in social upliftment programs.

JINDAL STEEL & POWER LTD. DELHI