



Monnet Ispat & Energy Limited

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi-110 048 (INDIA)
Ph. : 011-2921 8542/43/44/45/46, Fax : 011-2921 8541
E-mail : monnet@monnetgroup.com

E-MAIL MESSAGE

MIEL\CS\2010-11\MH\

March 21, 2011

The Secretary
Madhya Pradesh Stock Exchange
"Palika Plaza", Phase - II
201, IInd Floor, M.T.H. Compound,
INDORE - 452 001

Sub : Intimation pursuant to Clause 36 etc.

Dear Sir,

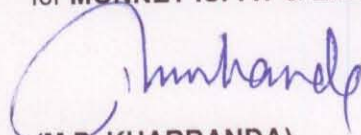
In compliance of clause 36 of the Listing Agreement executed with your exchange and in compliance of all other statutory requirements, this is to inform that Monnet Global Ltd., a wholly owned subsidiary of the Company has completed acquisition of Indonesian coal company PT Sarwa Sembada Karya Bumi at a price of US\$ 24 million.

We are also enclosing a copy of press release for your record and necessary action.

You are requested to take the above information on record and disseminate the same to all concerned including Brokers, Members and Investors.

Thanking you,

Yours faithfully,
for **MONNET ISPAT & ENERGY LIMITED**


(M.P. KHARBANDA)
COMPANY SECRETARY

CC :

Listing Department
National Stock Exchange of India
'Exchange Plaza', Bandra Kurla Complex,
MUMBAI-400051

DGM-Deptt. of Corporate Services
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI-400001.



Monnet Ispat & Energy Limited acquires Indonesian Coal Company

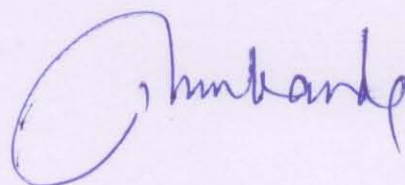
Through its subsidiary *Monnet Global Limited*

Editor's Synopsis:

- **Monnet Global Limited (MGL) acquires PT Sarwa Sembada Karya Bumi, Sumatra & on part exploration the reserves of 65 million tonne on Thermal Coal has been established.**
- MGL gets access to good grade coal with a coal to OB ratio of 1:3.5, having a very low sulphur content of mere 0.14%.
- MGL becomes one of the very few Indian companies to be able to take over the prestigious Coal Contract of Works (CCOW) awarded by the Government of Indonesia.
- MIEL through MGL will use this produce for its planned coast based Power Projects.
- Plans to use coal for captive needs and also for selling the surplus in the open market which will be a long term source of revenue for the Company.

New Delhi, March 21, 2011: Monnet Ispat & Energy Limited (MIEL) through its 100 % owned subsidiary Monnet Global Limited (MGL), **completed the acquisition** of Indonesian Coal Company - **PT Sarwa Sembada Karya Bumi, at US\$ 24 million** in the Jambi province of Sumatra, Indonesia.

The acquisition gives MGL, access to one of the largest Thermal Coal Mine spreading over an area of 25,000 hectares. Presently, only 1500 hectares out of the entire 25,000 hectares have been explored and the company has been able to

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**Press Release
For immediate Publication**



establish 65 million tonne of coal reserves in the mine and expects these reserves to go up substantially after completing exploration of the total land area.

The prestigious Coal Contract of Works (CCOW) also called (*Perjanjian Karya Pengusahaan Pertambangan Batubara*) PKP2B, which was awarded, to PT Sarwa, by the Government of Indonesia, subsequent to the acquisition gets transferred to MGL, making it amongst the very few Indian companies to have CCOW.

Commenting on the successful conclusion of the agreement, **Mr. Sandeep Jajodia, Executive Vice Chairman & Managing Director, Monnet Group said,** "The acquisition of the Indonesian Coal Company PT Sarwa is of strategic importance for the Group as the logistic of the mine is excellent and being located in Sumatra, the shipping cost and low transit time to India will make the coal very cost effective. It will also provide, low cost fuel for our planned coast based Power Projects. We plan to mine more coal than required for our captive needs, for selling in the open market which will be a long term source of revenue, as there seems to be good potential for the reserves to go up substantially. The worldwide coal markets are expected to do very well in the coming years and especially India and China would remain strong buyers."

"Keeping in mind the high coal prices, the valuation of such coal assets have gone up many folds in the recent times. We have been able to close the deal at a very low value as the agreement with PT Sarwa was initially executed in 2008 however the process and regulatory procedures for actual transfer took a long time to finally close the deal."

Mr. Jajodia further shared.

About Monnet Group:



A handwritten signature in blue ink, appearing to read 'Sandeep Jajodia'.

Press Release
For immediate Publication



Monnet Global Limited (MGL): MGL a wholly owned subsidiary of Monnet Ispat & Energy Limited having offices in Dubai, Jakarta and Johannesburg (South Africa), does all the global acquisitions and mergers for the group.

Monnet Ispat & Energy Limited (MIEL): MIEL is promoted by Mr. Sandeep Jajodia. As the second largest coal based sponge iron producer in India and an integrated steel player, the Group has an added advantage of operating largest underground coal mine in the country besides mining other raw material for captive use.

MIEL has manufacturing facilities in Raipur & Raigarh in Chhattisgarh and is currently implementing its ambitious 1.5 MTPA integrated steel plant at Raigarh at a cost of US\$ 1 billion, Chhattisgarh to produce plates, structural and rebar's.

Group's future plans also includes investing another US\$ 3.2 billion in installing power capacity of 3000 MW of which 1050 MW of IPP backed with captive coal mine is fast coming up in Angul, Orissa and would emerge as amongst the lowest cost generating units in the world.

MIEL, a leading enterprise in its field, is making rapid expansion to leverage its competitive edge in advantage by further integrating operations both backwards and forwards and moving up the value chain.

Monnet Power Company Limited (MPCL): MPCL is currently executing a 1050 MW IPP in the state of Orissa backed by captive coal mines. The project consists of 2 units of 525 MW to be supplied by BHEL. The project has all its statutory approvals & clearances in place and has achieved financial closure. Both of these 525 MW each unit is expected to get commissioned between September and December 2012. The Company is now in the process of developing an additional 2000 MW which is expected to come up by June 2014.

Further information is available at <http://www.monnetgroup.com>

Key Contacts:

Ms. Neetal Naarang Head, Corporate Communications neetal.naarang@monnetgroup.com Monnet Group, 011 - 29229652, 53	Mr. Jatin Khattar Dy Manager, Corporate Communications jatin.khattar@monnetgroup.com Monnet Group, 9810751243
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