



Monnet Ispat & Energy Limited

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E-MAIL MESSAGE

MIEL\CS\2010-11\MH\

July 1, 2010

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 the above clause of the Listing Agreement executed with your exchange and in compliance of all other statutory requirements, this is to inform that Company's subsidiary Monnet Power Company Ltd. (MPCL) has executed an agreement with Blackstone Group (NYSE: BX) whereby Blackstone has acquired 12.50% equity in MPCL for an investment of Rs. 275 crores for its 1050 MW power project at Angul in Orissa.

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.



For Immediate Release

Blackstone to Invest INR 2750 Million in Monnet Power

New York / Mumbai / New Delhi, 1 July, 2010: The Blackstone Group (NYSE: BX) today announced that it will be investing INR 2750 million (approximately USD 60 million) for 12.5% equity stake in Monnet Power Company Limited ("MPCL"), an independent power producer ("IPP"). MPCL is developing a 1,050 MW coal fired power plant in Orissa backed by pit-head captive coal mines, and has a pipeline of a further 2000 MW under development. MPCL is a 100% subsidiary of Monnet Ispat & Energy Limited ("MIEL"), which is India's second largest manufacturer of integrated coal-based sponge iron.

Commenting on the association, Sandeep Jajodia, Executive Vice Chairman and Managing Director of MIEL and Director of MPCL, said: "I am glad to partner with one of the largest private equity investors in the world. Their interest in sharing knowledge with management and their deep understanding of the power industry globally and in India, will add value to MPCL in several ways for the benefit of its shareholders. We will be able to utilize our experience in setting up power plants and developing mines, while leveraging Blackstone's global linkages and knowledge base".

Akhil Gupta, Chairman and Managing Director of Blackstone Advisors India Private Limited, said: "Infrastructure development is critical for India's growth and Blackstone is excited about participating in India's growth through investments in the power sector. We believe that Monnet Power with its mine mouth coal plant has one of the lowest cost of producing power and, hence, is among the best positioned IPPs in the country. In addition, we have been impressed with the track record of Monnet's management team in developing mines and executing projects. Our extensive experience in the power sector globally will enable us to be value-added partners to management and strengthen the Company's position."

Kotak Investment Bank acted as the exclusive financial advisor to MPCL on the transaction.

About Monnet Power Company Limited and Monnet Ispat & Energy Limited:

Monnet Power Company Limited: MPCL is an IPP that is in the process of developing power generation capacity of approximately 3000 MW.

Monnet Ispat & Energy Limited: MIEL is promoted by Mr. Sandeep Jajodia. Its principal activities include manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys. In addition, MIEL is engaged in mining of coal and power generation for captive consumption. The Monnet Group has manufacturing facilities in Raipur and Raigarh in Chhattisgarh and is currently implementing a 1.5 Million Tons integrated steel plant to produce plates, structurals and rebars at its facility at Raigarh in Chhattisgarh to cater to the high growth infrastructure sector.



The Monnet Group recently entered into a JV with National Mineral Development Corporation ("NMDC") to acquire and develop coal blocks in India with reserves of between 200 mm and 300 mm tons, some of which will be used to develop future power plants. Further information is available at <http://www.monnetgroup.com>

About The Blackstone Group

Blackstone is one of the world's leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our alternative asset management businesses include the management of private equity funds, real estate funds, funds of hedge funds, credit-oriented funds, collateralized loan obligation vehicles (CLOs) and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at <http://www.blackstone.com>

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