



# GUJARAT NRE COKE LIMITED

REGISTERED OFFICE : 22, CAMAC STREET, BLOCK-C, 5TH FLOOR, KOLKATA - 700 016  
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## Joint Announcement

**Gujarat NRE Australian Subsidiary India NRE Minerals Ltd proposes to acquire Gujarat NRE Resources NL by way of an off market take over bid with the merged operations creating a major Australian Coal Company**

The Board's of India NRE Minerals Limited (ASX: INR) and Gujarat NRE Resources NL (ASX: GUJ) are pleased to announce that they have today agreed to recommend a merger of the two companies (subject to independent experts' reports) to form a focussed coal mining company with 3 mines in the southern coalfields of New South Wales. The proposed merger will take place by way of a scrip offer by INR for all the issued shares in GUJ. The consideration to be offered is 3 INR shares for every 4 GUJ fully paid shares (**the Offer**) which values the merged company on a fully diluted basis at approximately \$480 million based on INR's closing trading price as at 30 August 2007. Separate offers will be made for the GUJ options on a similar basis. The Offer has been set at a compelling premium. Based on the closing price for India NRE shares on the ASX on 30th August, 2007 of A\$0.59, the implied value of the Offer is A\$0.4425 per Gujarat share. This represents a:

- 13.5% premium to the closing price for Gujarat shares on the closing price on the same day
- 22.9% premium to the VWAP for Gujarat shares in the 5 trading days prior to the date of this announcement
- 22.9% premium to the VWAP for Gujarat shares in the 30 trading days prior to the date of this announcement
- 26.4% premium to the VWAP for Gujarat shares in the 60 trading days prior to the date of this announcement

In the absence of a superior offer, the Board of GUJ has welcomed the Offer and the directors have indicated that they intend to accept the Offer in respect of all shares they control. The Board of GUJ will report to shareholders and provide a recommendation for the Offer in a Target Statement to shareholders following the receipt of the Bidder's Statement.

The Offer is supported by the major shareholder of INR and GUJ, Indian listed, Gujarat NRE Coke Limited (GNCL) which has an interest of approximately 90.83% and 71.52% in INR and GUJ respectively. GNCL Vice Chairman & Managing Director, Mr Arun Kumar Jagatramka, who is also Chairman of both INR and GUJ, said "the timing is right to bring the two companies together and create a stronger company with the ability to take a prominent position in the Australian and global hard-coking coal market." GNCL have indicated that they will be accepting the Offer.

**The Boards of INR and GUJ believe the key benefits from the merger for their shareholders include:**

- Asset portfolio of advanced hard-coking coal projects (NRE No.1 Colliery, Avondale Colliery and Elouera Colliery (subject to completion)) in the Southern Coalfields of New South Wales
- Creation of a significant emerging independent Australian coal mining company





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- Project diversification and diversity
- Combined skills to quickly advance the potential of projects
- Cost synergies in operating 3 collieries in the same region
- Market capitalisation of approximately \$480m on a fully diluted basis
- Highly experienced Board and Management
- Improved liquidity
- Ongoing support from GNCL as major shareholder

Mr Neville Wran, former premier of New South Wales and independent director of GUJ, said today; "The potential merger of both companies with advanced hard-coking coal projects is an exciting opportunity for shareholders. The integration of the operations of both companies provides the opportunity for the best resources to be applied to advancing the Collieries and continue to grow a merged group into a leading Australian mining house."

Mr Maurice Anghie, independent director of INR said today; "Post merger, The new India NRE Minerals will have better liquidity and have increased financial strength, skills and project diversity to take the company to the next level as a major hard coking coal producer."

## Offer Terms

INR is offering 3 INR shares for every 4 GUJ fully paid shares.

The recommended Offer is subject to the following material conditions:

- INR shareholder approval for the purposes of ASX Listing Rule 10.1 to approve the issue by INR of shares to GNCL under the Offer;
- that during, or by the end of the Offer period:
  - (a) INR and its associates have relevant interests in at least 90% (by number) of GUJ shares;
  - (b) INR and its associates acquire at least 75% (by number) of the GUJ shares that INR offers to acquire and
  - (c) INR becomes entitled to compulsorily acquire all GUJ shares (and options) in accordance with Chapter 6A of the Corporations Act;





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- no regulatory action;
- no material adverse change;
- regulatory approval (including, without limitation, FIRB approval (if required)); and
- no prescribed occurrences.

## Offer Process

Further information regarding the Offer will be provided in the Bidder's Statement. It is anticipated that the Bidder's Statement will be delivered to GUJ and despatched to GUJ shareholders early in October 2007. Under this schedule, INR is targeting completion of the Offer in or around mid November 2007.

## Advisers

The lead corporate adviser to INR in relation to the Offer is Ernst & Young Transaction Advisory Services Limited and legal advice is being provided by Steinepreis Paganin.

Legal advice is being provided to GUJ by Herceg Lawyers.

## Enquiries

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