



GUJARAT NRE MINERAL RESOURCES LIMITED

REGISTERED OFFICE : 22, CAMAC STREET, BLOCK "C", 5TH FLOOR, KOLKATA – 700016
PHONE : +91-33-2289 1471-75, FAX : +91-33-2289-1470, E-MAIL : investor@gujaratnre.com

Gujarat NRE Mineral Resources Ltd (GNMRL), the fountainhead of the Gujarat NRE group, is focussed on Coal Mining, Met Coke production and Oil and gas exploration.

Last year, post merger of eight other core investment companies of the group, GNMRL emerged as the controlling stakeholder in Gujarat NRE Coke Ltd (GNCL) with 33% holding. This in turn allows GNMRL to hold controlling stake in Gujarat NRE Coking Coal Ltd (GNCCL), a subsidiary of Gujarat NRE Coke Ltd., listed on the Australian Stock Exchange (ASX), with market capitalisation of more than A\$ 650 million. GNCCL owns and operates two important mines in Australia carrying high quality premium-hard coking coal resources of over 560 million tonnes.

GNMRL also holds 38% stake in NRE Metcoke Ltd, formed by acquiring three coke oven plants in Gujarat with a combined capacity aggregating 0.1 million tonnes.

Besides, the Company through its Australian wholly owned subsidiary Gujarat NRE Oil Ltd. (GNOL) has 90% interest in two onshore exploration blocks namely EP457 and EP458 covering an area of 10640 sq. km in the highly prospective onshore Canning Basin, Western Australia. The two oil blocks are surrounded by a number of recent petroleum discoveries -there have been oil discoveries in the immediate vicinity-historical evidence and current available data makes the area a highly prospective one.

GNMRL – A snapshot

- ◆ Holds 33% stake in Gujarat NRE Coke Ltd (GNCL) – India's largest independent met coke producer having market capitalization of more than Rs 4500 crores.
 - Steel Plant capacity of 0.31 MTPA
 - Wind Power capacity of 87.5 MW
 - Waste Heat Power projects of 60 MW under implementation
 - Plans of increasing coke making capacity to 3 MTPA in the next 4 years from the present level of 1.25 MTPA.
- ◆ In turn holds controlling stake in Gujarat NRE Coking Coal Ltd (GNCCL), a subsidiary company of GNCL, listed on Australian Securities Exchange (ASX), which owns and operates two high quality premium-hard coking coal resource of over 560 million tonnes.
 - Plans of increasing group coking coal production to 6 MTPA from current levels of 1.5 MTPA in the next 4-5 years.
- ◆ Also holds 38% stake in NRE Metcoke Ltd, formed by acquiring three coke oven plants in Gujarat with a combined capacity aggregating 0.1 million tonnes.
 - Existing capacity is being progressively increased to 1 MTPA.
- ◆ Possesses, through subsidiary, two prospecting licenses in the Canning Basin region of Western Australia covering an area of 10,640 km² – highly prospective in terms of oil resources.

GNMRL-A WEALTH CREATOR IN THE MAKING

Gujarat NRE group has always believed in creating wealth and sharing it with the stakeholders.

In furtherance to this corporate culture, GNMRL, to begin with, had declared two successive dividends in the financial years viz. 2007-08 (10%) and 2008-09 (5%).

The notable effort of the management of the Company to give to the shareholders the maximum benefit is exemplified in the declaration of Bonus shares in the ratio of 1:1 in the year 2009, wherein the Promoters of the

Company in order to make the shareholder the real beneficiary of the Bonus issue, had foregone their Bonus entitlement. This rare action on the part of the management has achieved twin benefits viz. reducing the cost of shareholding of the non-promoter shareholders by half and a very little dilution in equity capital of the Company even after a liberal Bonus issue. It also allowed wider participation of the non-promoter shareholders.

This reflects the foresight of the management to create wealth for its shareholders in the long term.

BOARD OF DIRECTORS

The Board of Directors of Gujarat NRE Mineral Resources Limited comprises of individuals from various fields including mining, coke & steel industry, banking and finance with substantial experience and recognition in their respective fields. The Board has been formed keeping in view the best practices in Corporate Governance.

Mr. Arun Kumar Jagatramka, *Chairman & Managing Director*

Mr. Arun Kumar Jagatramka, a qualified Chartered Accountant with an all India 1st rank and gold medal and a visionary of the rarest distinction, has industrial experience of more than a decade in production of coal and coke, besides a prior experience in management consultancy and merchant banking. He is the Chairman and Managing Director of Gujarat NRE Coke Limited, the largest independent producer of Met Coke in India.

He has been ranked 8th among "India's Most Valuable CEO", (sectorwise ranking) list compiled by Businessworld in November 2009.

Mr. Arun Kumar Jagatramka is a member of a number of boards, like Pike River Coal Ltd, New Zealand, where Gujarat NRE group holds cornerstone stakes. He is on the Boards of Port Kembla Coal Terminal, Australian Coal Research Ltd, Wollongong Hawks and Executive Committee Member of NSW Minerals Council. He is a member of the New South Wales-Asia Business Council under the Department of State and Regional Development.

Mr. Jagatramka has been appointed Honorary NSW "Sydney Ambassador" to India by the Government of New South Wales, Australia and has recently been awarded the prestigious "Person of the Year 2009" title by Illawara Mercury, a leading Australian publication.

Mrs. Mona Jagatramka, *Director*

Mrs. Mona Jagatramka has more than a decade of experience in management & administrative affairs. A Graduate in Home Science, she is actively associated with the human resource development and support managerial services of Gujarat NRE Group.

Mrs. Jagatramka also holds Directorship in the Boards of Gujarat NRE group companies in India and abroad.

Mr. Amit Kumar Majumdar, *Director*

Mr. Amit Kumar Majumdar, a reputed metallurgist from the BHU, is a veteran in the operations and management of large enterprises, specifically the Indian steel industry. He has worked with Steel Authority of India Ltd. (SAIL) for 30 years, across 3 of its plants & its corporate office – moving up to be the Chief Executive of Visvesvaraya Iron and Steel Co. Ltd. (VISL), Bhadravati, Karanataka, that witnessed a turnaround under his able leadership.

He has been associated with the industrial house of Dempo's in Goa since 1993 where he architected the setting up of Aparant Iron & Steel Plant in Goa and continued to serve as its Managing Director till retirement. He continues to be an independent Director in the company.

Mr. Sisir Kumar Mukherjee, *Director*

Mr. Sisir Kumar Mukherjee, retired Chief General Manager of State Bank of India, Ahmedabad Circle is a man of extensive experience in banking industry at various levels.

A humanitarian by nature, Mr. Mukherjee is closely associated with an NGO named Speech & Hearing Action Society (SAHAS) based in Durgapur dedicated to train born-deaf children to speak like you and me, and attend normal schools and colleges and pursue their studies with their hearing peers on equal footing.

RIGHTS OFFER TO THE EQUITY SHAREHOLDERS

Objects of the Offer : The Objects of the Offer is to finance various investment opportunities in the Group that is engaged in coal mining, coke production, and oil exploration development activities of its subsidiaries.

Offer Details : GNMRL offers Rights Issue of 23,36,08,243 Equity Shares of Re. 1/- each (for Class "A" Equity Shares which are being referred to as "Equity Shares" hereinbefore and hereinafter) for cash at a premium of Rs. 4/- per Equity Share (i.e. at an issue price of Rs. 5/- per Equity Share) aggregating to Rs. 116.80 crores (approx.) to the existing shareholders of the Company.

Salient Features of the Offer :

1	Nature of the Offer	Rights Offer of equity shares to the shareholders of Gujarat NRE Mineral Resources Limited in the ratio of 1 (one) equity shares for every 50 (fifty) equity shares held as on 16.04.2010, the Record Date.
2	Minimum Offer to the shareholders	A minimum offer of 10000 equity shares is made to each shareholder of the Company irrespective of his/her shareholding.
3	Issue Opens on	17 th May, 2010
4	Issue Closes on	31 st May, 2010
5	Issue Price	Rs. 5/- per equity share of Re. 1/- (including a premium of Rs. 4/- per equity share)
6	Right to renounce	Shareholders are entitled to renounce their Rights.
7	Application for Additional Shares	Both, shareholders as well as renounees are entitled to apply for additional equity shares. The additional equity shares must be applied for in multiples of 1000 equity shares.

RISK FACTORS

(1) Our revenue and operating results may fluctuate, depending upon the performance and dividend pay outs of the companies where we had invested our funds, which may make it difficult for us to achieve steady earnings growth.

Management Perception : We are holding 33 % of the equity capital of Gujarat NRE Coke Limited (GNCL). GNCL has earned a reputation as one of the most investor friendly company. GNCL has an uninterrupted record of profit making and dividend distribution since 2001. Besides, GNCL has a distinction of making, 6 Bonus issues in last 7 years.

Keeping in view the rich history of constant returns that the group has been offering, the risk would be within acceptable norms.

(2) As a result of the concentration of investments in coal and coke sector, we are subject to risks of cyclical fluctuations in the coal and coke industry.

Management Perception : Low Ash Metallurgical Coke is a critical raw material in steel making and is in short supply globally, India imports most of its coking coal and as the production of steel in India increases, the demand for coke increases too.

GNCL mines this vital commodity – hard coking coal in Australia, washes it in the coal washeries in India and converts it to met coke.

Like all commodities, global prices of both coking coal and met coke have their own cycles and they are linked to the steel pricing cycle. However, being a sibling of India's largest independent producer with its supply firmly secured, the company will have natural synergic benefits.

A host of steel companies have lined up major investment proposals. Furthermore, with an expanding consumer market, the Indian steel industry is moving from strength to strength. The Government is also keen to

support these initiatives. It is estimated that steel production in India will increase to 120 million tonnes in 2012-13 (as stated by the Ministry of Steel, Gol) and to around 300 million tonnes by the year 2020.

Each MT of steel produced requires 1 MT of coking coal. Last year with total steel production of around 60 MT, India had to import about 25 MT of coking coal. With addition of around further 50 MT of steel capacity in say three years time, India would have to import around 75 MT of coking coal.

Hence, a long term slowdown in the coking coal and met coke industry is not foreseen.

(3) We have not entered into any definitive agreements to use the net proceeds of the Issue.

Management Perception : The use of proceeds is at the discretion of our Board of Directors. The objects of the Issue have not been appraised by any bank or other financial institution. The Objects of the Offer is to finance various investment opportunities in the Group that is engaged in coal mining, coke production, and oil exploration development activities of its subsidiaries.

(4) You may not be able to trade the equity shares in any stock exchange.

Management Perception : Presently the Company is an un-listed company and therefore investors will not be able to take the benefits of the listing. However you can trade the shares off market.

We are actively considering the listing of GNMRL in the near future.

(5) Any policy changes in the Oil sector by the Australian Government may have adverse impact on the Oil exploration activities of Gujarat NRE Oil Limited, a subsidiary of the Company.

Management Perception : The Canning Basin houses a lot of industries of the country and its prosperity is critical to the development of the economy of Australia. Hence, it is expected that the Government will not undertake any anti-industry policy that would adversely affect the general growth of the nation.

(6) The Company may not strike oil in Australia at all from the exploration blocks that we own.

Management Perception : Onshore Canning Basin has been adjudged as an area with huge potential for petroleum industry by Department of Mines & Petroleum, Western Australia. There have been oil discoveries in the immediate vicinity. Historical evidence and current available data makes the area a highly prospective one. Based on the data that is available to us, we are extremely optimistic on striking oil. Hence it is perceived that the risk of not striking success is minimal.

REGISTRAR TO THE ISSUE

Niche Technologies Pvt. Ltd.
D-511, Bagri Market, 5th Floor
71, B. R. B. Basu Road
Kolkata – 700001
Phone - +91-33-2235-7270/ 7271
Fax : +91-33-2215-6823
e-mail : nichetechpl@nichetechpl.com
Contact person: Mr. S. Abbas

BANKER TO THE ISSUE

Standard Chartered Bank
19, Netaji Subhas Road
Kolkata – 700001

For further information in detail, please visit : www.gujaratnre.com/GNMRL/Index.html or E-mail your queries to investor@gujaratnre.com

Notes :- This communication is just an information for private circulation to the shareholders of Gujarat NRE Mineral Resources Limited and not an Investment advice or solicitation to any person in any jurisdiction to invest in the equity shares of Gujarat NRE Mineral Resources Limited.

This document may contain some words or phrases or sentences that are forward- looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement.