

PRESS RELEASE

JSW Energy adds power to the South African economy

The South African economy is set to benefit from the recent entry of the multi-billion dollar conglomerate, JSW Group.

28 November, 2011: International steel and power generation and distribution giant, JSW Group, has identified South Africa as a prime location for substantial investment, as part of the company's overall plans for expanding its rapidly-developing global footprint, focusing on key resource opportunities that support its steel and energy business in India.

JSW Group's India-based JSW Energy Limited has, through its South African subsidiary, invested significant financial resources as a shareholding partner in JSE-listed South African Coal Mining Holdings (SACMH).

JSW Africa director **Antony Rayment** notes that JSW Energy has been a strategic equity partner and funder of SACMH since late 2010, while playing an active role in supporting management in the company's operations and mining assets.

"JSW is currently one of only three major Indian companies investing and operating in South Africa in the resources sector, and the company has shown great commitment towards the sustainability and successful business development strategy of SACMH's Umlabu Colliery, in order to ensure that the colliery is able to deliver a high grade thermal export-quality product," he explains.

What's more, Rayment highlights the fact that JSW Energy has also been shortlisted as a potential developer and operator for two major energy projects in South Africa; a move which he believes will involve substantial investment and job creation for the local economy.

"Two major local mining operations have shown a keen interest in placing JSW Energy Resources as a potential power supplier to their respective energy projects. We expect to receive the final results from the companies by March 2012, and are confident that our presence will not only add value to the relevant projects, but also to the South African economy as a whole," he continues.

Rayment adds that JSW Energy places a strong emphasis on BEE and local job creation. "Equitable job creation is high on the agenda for JSW Energy Resources, and this is already clearly evident in the fact that the company's local operations are entirely staffed by South Africans of various cultures and backgrounds. This is in contrast to many multi-national investors, which often tend to employ expats from the company's country of origin."

Rayment notes that JSW Energy identified South Africa as an important investment destination, due to the country's key economic and political fundamentals and strong standing in Africa. "South Africa has a stable and developing economy and democracy, which has the potential for significant growth in the future. JSW is expanding into the region and is already present with exploration in Mozambique."

As a responsible corporate citizen, the JSW Group in India has committed itself to sustainable community development through the JSW Foundation, which was established in India to provide education and healthcare to the surrounding communities in which the company operates. Rayment is optimistic that a similar programme may be implemented locally as the company continues to establish its presence in South Africa.

Rayment does however note that the company faces a number of local challenges.

“Underinvestment in certain logistics infrastructure and access to qualified technical personnel are among some of the challenges facing JSW Energy Resources, in addition to the manner in which talks of nationalisation are being carried out,” he continues.

Rayment does; however, point out that the Group is fully-committed to South Africa and that the company’s South African operations benefit from the full support of JSW’s head office in Mumbai, India.

“The JSW Group has strong competencies in mining, geology, engineering and energy, and the business and project management teams provide local operations with a wealth of experience and expertise when assisting with any challenges. The advantages of entering the South African market far outweigh the disadvantages and, as a result, the JSW Group is committed to undertaking long-term investment in the country,” he concludes.

From humble beginnings as a steel rolling mill in 1982, the JSW Group has transformed into one of the fastest growing business conglomerates, worth more than US \$7-billion. JSW Group’s Promoter, Mr **Sajan Jindal** is one of the sons of the late Mr **O.P. Jindal**, the founder of one of India’s great industrial families.

About SACMH

South African Coal Mine Holdings (SACMH) is a coal-producing company, specialising in low-seam open cast and underground coal mining.

About JSW Energy

JSW Energy is the dynamic vertical of JSW Group. The company plans to foray in all areas of power: Generation, Transmission, Distribution and Trading. In less than a decade of its operations the company has crossed several milestones working on power solutions in the States of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh.

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Notes to the Editor

There are numerous photographs specific to this press release. Please visit <http://media.ngage.co.za> and click the SACMH link.

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