

**PRESS RELEASE**

Hon'ble Chief Minister Selvi J Jayalalithaa has been taking incessant efforts to make the State self-sufficient in power generation. It has been the aim of the Hon'ble Chief Minister to provide uninterrupted power supply and create a conducive atmosphere to start major industries and to increase the agricultural production in the State. In order to achieve this, Hon'ble Chief Minister Selvi J Jayalalithaa has taken various initiatives for setting up new power plants to generate electricity using thermal, wind and solar energies.

The Ministry of Coal, Government of India has allocated Gare Pelma-II Coal Block (a coal reserve of about 768 Million Tons) in Chhattisgarh State to Tamil Nadu and Maharashtra States to develop the mine, generate and share power or coal. The share of coal produced from this mine of the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) will be 592 million tons and the Maharashtra State Mining Corporation will be 176 million tons. To develop the above Gare Pelma - II Coal Block, a Joint Venture Company, Maha-Tamil Collieries Ltd (Maha-Tamil) was formed by the Tamil Nadu Generation and Distribution Corporation Ltd. and the Maharashtra State Mining Corporation (MSMC).

To develop the Gare Pelma-II coal block, M/s. Maha-Tamil Collieries Ltd engaged M/s. Mineral Exploration Corporation Ltd (MECL), Nagpur, a Public Sector Undertaking of the Government of India for detailed exploration of the coal block.

Taking into consideration the huge expenditure involved in transportation of the coal to Tamil Nadu from the Gare Pelma-II Coal Block and the difficulties involved in the transportation logistics, it was decided to float a tender for mining the coal from the above Gare Pelma-II Coal Block and set up an on-site Thermal Power Plant. The Maha-Tamil Collieries Ltd. has selected M/s. LANCO Infratech Ltd. as the successful bidder.

Hon'ble Chief Minister Selvi J Jayalithaa today (3.8.2011) handed over the Letter of Award to Thiru G. Baskar Rao, Vice Chairman, M/s. LANCO Infratech Ltd.

On the above occasion, Hon'ble Chief Minister Selvi J Jayalithaa made the following observations:

"I am happy to give this Letter of Award to M/s. LANCO Infratech Ltd. today (3.8.2011) to develop Gare Pelma-II Coal Block in Chhattisgarh State and generate power. For this purpose, a joint venture company, namely, M/s. Maha-Tamil Collieries Ltd. was formed by the Tamil Nadu Electricity Board, and the Maharashtra State Mining Corporation. The Maha-Tamil Collieries Ltd. has selected M/s. LANCO Infratech Ltd. as the successful bidder.

Under this arrangement, the Tamil Nadu Electricity Board will get 630 MW of power, at the rate of Rs.1.99 per unit. The Maharashtra State Mining Corporation will get 23% of the coal produced. Chhattisgarh State will get 740 MW of power. M/s. LANCO Infratech Ltd. will get a share of 630 MW of power for Merchant sale as the developer of coal and generator of power.

On this occasion, I am glad to announce that my Government has planned to undertake a massive capacity addition of 23,140 MW of power to the existing installed capacity of 10,237 MW during the next five years. Of this, 15,140 MW will be through thermal energy, 5,000 MW through wind energy, and 3,000 MW through solar energy.

I extend an invitation to National and International Investors to set up power plants in the Thermal, Wind and Solar Energy Sectors in our State. My Government will provide an enabling environment to the Investors to set up their plants on a fast track mode.

I wish this new project all success."