

GVK Coal Australia signs contract for the construction of a 60 mtpa Port in Queensland, Australia with Samsung C&T of Korea and Smithbridge of Australia

One of the key projects signed during Hon Julia Gillard MP, Prime Minister of Australia's visit to India

Delhi, Wednesday, October 17, 2012: GVK through its subsidiary Hancock Coal Infrastructure Pty. Ltd today signed a construction contract with leading international construction major, Samsung C&T Corporation, a subsidiary of the Korean conglomerate Samsung and Australian based Smithbridge Group Pty. Ltd to build a 60 mtpa T3 Port Terminal Port for the Alpha Coal project at Abbot Point, North Queensland Australia. Announced as one of the key projects during the visit of Hon Julia Gillard MP, Prime Minister of Australia to New Delhi, the award of construction contract comes after GVK received all the Tier 1 approvals for the Alpha Project. This is a 'pit-to-port' project being built at a cost of USD 10 Billion. The first phase of the project involves a 30 mtpa mine, a 500 km railway line and a 60 mtpa port. The other construction contracts for the project such as mine infrastructure, the wash plant and rail will be announced in the next few months.

The signing ceremony was held in the presence of Hon Julia Gillard MP, Prime Minister of Australia, Dr GVK Reddy, Chairman, GVKPIL. Besides G V Sanjay Reddy, Vice Chairman, GVKPIL representing Hancock Coal Infrastructure, the other signatories included Lee Suk, representing Samsung C&T and Albert Smith, MD, Smithbridge Group.

Samsung C&T is the 'major' partner in the construction JV and will provide a majority of the steel and supply ship loaders from the Republic of Korea and other Asian countries. Smithbridge will be responsible for engineering, marine works and providing local Australian expertise. The multi billion dollar deal between Samsung and Smithbridge is to enter into a construction contract with GVK's Hancock Coal Infrastructure Pty Ltd for the Terminal 3 onshore and offshore infrastructure at the port of Abbot Point in North Queensland.

The port of Abbot Point is situated 25 km north of Bowen. It will be serviced by GVK Hancock's new 500 km standard gauge railway, which will deliver 25,000 tonne per train load of coal. Once fully constructed, the port will consist of a stockyard, two rail receiving dumpstations, and a piled jetty structure extending 3.8 km north-north east from the shoreline. This will also consist of two berths and civil infrastructure to support the port project, as well as shiploaders and stacker reclaimers. It is expected to be ready to deliver first coal 36 months from the commencement of construction.

Speaking on the occasion, Dr. GVK Reddy, Chairman, GVKPIL said, "This is a key strategic development for us and further underscores our deep commitment to the Alpha Coal project. After

receiving all the Tier 1 approvals, this is the first major step towards finalising the construction contracts and completing the financing for the project which is well underway."

*Sharing his thoughts on the development, **G V Sanjay Reddy, Vice Chairman, GVKPIL** said " Given the size of this project and the complexities involved, both Samsung C & T and Smithbridge will play a crucial role in areas such as Construction Supervision and Program Management. We are confident that this partnership will yield significant synergies for all parties involved."*

*Speaking on the occasion, **Lee Suk, Samsung C&T** said "We are delighted to partner with GVK and are pleased with the confidence reposed in us by Hancock Coal Infrastructure Pty. Ltd. This decision is based on the numerous opportunities that this project offers. We appreciate the tremendous support that we have received from both GVK and Smithbridge and look forward to working towards the success of this project."*

Smithbridge Group Managing Director, Albert Smith, said, *"We are pleased to be the Australian joint venture partner with Samsung C & T for the design and construction of the Abbot Point Terminal 3 Port project. We look forward to developing a high quality engineering solution built on work already done and delivering a very cost efficient result."*

In addition to Smithbridge, a number of other Australian subcontractors will be involved for the erection and assembly of the land-based equipment through the provision of construction equipment and labour, which will form a significant part of the project.

GVK has received the all-important strategic Federal Environment clearance for its Alpha Coal and Rail Project. The development of GVK's (T3) Terminal 3 at the Port of Abbot Point, near Bowen has also been approved recently by the Federal Govt under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). This signifies GVK's respect and commitment for the environment in providing reliable infrastructure keeping in line with best sustainable practices for the overall development of society. Besides being an environmentally responsible company, GVK has been working with environmental experts, environmental government agencies, landholders and stakeholders since 2008. Moreover a rigorous and detailed environmental assessment process has been followed by GVK in Australia, a country that has one of the highest environmental standards in the world – which GVK fully supports. For instance, GVK has employed 275 environmental personnel in its study work to ensure that this project has a very high environmental standard and values.

With an objective to be the premier, most reliable coal supplier to the world thereby enabling better lives, the number of positive developments witnessed in the last few months with respect to this project

symbolizes GVK's commitment to develop world-class projects in a timely and responsible manner, while complying with all necessary regulations in the countries that it operates in. GVK chose to invest in Australia because of its low political risk, coupled with strong environmental and safety standards which align with GVK's corporate philosophy and values.

About GVK

GVK is a leading Indian conglomerate with a presence across energy, resources, airports, transportation, hospitality and life sciences sectors. GVK set up India's first independent power plant and has around 6,000 MW of projects under generation, construction and development. It is the first company in India to develop a six-lane road project under a PPP model and has around 3,000 lane km expressway projects under operation and construction. As one of India's largest private sector airport operators, GVK handles passenger traffic of 44 mppa through India's first brownfield airport under a PPP model - Chhatrapati Shivaji International Airport in Mumbai and Bengaluru International Airport, Bangalore, and will develop two airports in Indonesia. Having already invested over USD 3.3 billion, GVK has projects worth over another USD 6.6 billion in the pipeline in India.

About Samsung C & T

Samsung C & T was founded in 1938 and has more than 10,400 employees in 133 overseas offices in 50 countries. The Samsung C and T Engineering & Construction Group strives to provide its customers with the highest possible value by utilizing the world's best talents and technological prowess in 23 core products.

SCT established a significant milestone in the history of skyscrapers when they completed the construction of BurjKhalifa in Dubai, the tallest building in the world. SCT has built a strong global reputation by successfully completing major projects, such as the Qurayyah gas fired power plant (world's largest) in Saudi Arabia and the Korean Incheon Grand Bridge (one of the world's 10 largest cable-stayed bridges).

About Smithbridge Group Pty. Ltd

Based in Brisbane, and operating in Australasia for over 48 years the Smithbridge Group comprises several companies operating in the heavy civil engineering construction industry in Australia, New Zealand and the Pacific. Smithbridge is a privately owned company, the majority of the shareholding held by Albert Smith, Group Managing Director who is closely involved in company operations which allows decisions to be made close to the "coalface". The Smithbridge Group of companies includes Universal Cranes, a major crane and equipment rental company operating in Australia, as well as other crane rental companies in NZ and also Smithbridge Guam which operates in similar segments of the market throughout the Northern Pacific area.

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