



ADANI

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**Mundra Port and Special Economic Zone Limited**

Adani House, Nr. Mithakhali Circle  
Navrangpura, Ahmedabad 380 009  
Gujarat, India

## **Media Release**

August 25, 2010  
Ahmedabad

### **Mundra Port and Special Economic Zone Ltd. (MPSEZ) to set-up Port facility in Indonesia**

MPSEZ shall participate in the Indonesian Project to setup the Port facility to handle 35 MMTPA of Coal (Expandable to 60 MMTPA) announced by Adani Enterprises Limited as per attached annexure.

## Annexure

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## **Adani secures “Coal Purchase Rights” and enters into “Take or Pay arrangements” for “Port and Rail Project” in Indonesia**

Adani Enterprises Ltd. (Adani), through its step-down Indonesian subsidiary, PT Adani Global, has entered into a binding Tripartite Agreement for setting up a dedicated “Rail and Port Project” with the Regional Government of Sumatra Selatan, Indonesia and PT Bukit Asam, a Government of Indonesia Coal Mining Company. PT Bukit Asam is one of the leading producers of Coal in Indonesia, and owns second largest coal reserves in Indonesia.

The Tripartite Agreement has been signed by Mr. Alex Noerdin (Governor of South Sumatra), Mr. Sukrisno (President Director - PT Bukit Asam) and Mr. Harsh Mishra (President - Adani) in the presence of Mr. Gita Wiryawan (Minister for Capital Investment Board), Mr. M S Hidayat (Industry Minister), Mr. Freddy Numberi (Transportation Minister) and Mr. Syahlan Lumbangaol (Deputy Mining Sector, Industry, Strategy, Energy & Telecommunication) on 25<sup>th</sup> August, 2010.

This Project provides “Coal Purchase Rights” to Adani and the infrastructure created will be used for transportation of a minimum volume of 35 million metric tonnes per annum (MMTPA) of coal on a “take or pay” basis from PT Bukit Asam concessions in South Sumatra. The Concession is initially valid for a maximum period of 30 years, which can be extended by mutual agreement.

The Project envisages the ownership, construction and operation by Adani (through its various subsidiaries) of 250 KM rail line capable of transporting a minimum 35 MMTPA of Coal (expandable to 60 MMTPA). The rail line will connect Tanjung Enim, a coal mining area to Tanjung Carat, where Adani will



build a port with matching capacity for evacuating the coal. PT Bukit Asam, will sell 60% of such coal to Adani at government notified price and the balance tonnage would be a contract carriage for Bukit Asam. The long term price for the transportation has been linked to CPI and fuel prices in order to provide a fair return to both parties.

The Project is estimated to cost US\$ 1.65 Billion and will be constructed within 48 months. The Government of South Sumatra, Indonesia has undertaken to provide and facilitate all permits and approvals and arrange for all land for rail and port required for the project.

Adani has a large Coal mining setup in East Kalimantan and the present initiative in Sumatra will further strengthen its Coal sourcing reach from Indonesia. It has recently acquired 100% interest in one of the largest Coal tenement in Australia too. The Coal from its Indonesian and Australian sources would support and enable the rapid expansion of its Power and Coal businesses. Adani is also the largest importer of Thermal Coal in India.

These Coal Initiatives in Indonesia and Australia coupled with the Coal Mining Operations in India through the Mine Developer and Operator (MDO) structure, will make Adani one of the largest private sector mining companies in India.

Adani has a clear focus on Energy Sector and constantly strives to enhance the Coal Value Chain. These initiatives will bring Adani closer to achieve its stated target of 20,000 MW of power generation, 200 MMTPA of Coal Mining and 200 MMTPA of Cargo handling by 2020.