

MEDIA RELEASE

Queensland Government selects GVK's Rail Corridor for connecting Galilee Basin to Abbot Point Port

June 6, 2012: GVK welcomes the State Government's decision (announced in Parliament earlier today) to approve the GVK Rail Corridor from the Galilee Basin to the port of Abbot Point. This again highlights GVK's advanced status and its commitment to 'Opening Up the Galilee Basin'.

Commenting on the announcement, Dr. GVK Reddy, Chairman and Managing Director, GVK, said, *"We welcome the state government's decision to approve the construction of the GVK Rail Corridor from the Galilee Basin to the port of Abbot Point. This investment will deliver wider benefits as it provides both initial and additional capacity to satisfy both Galilee and Bowen Basin rail capacity requirements in the future. This, combined with the continued investment in the Strategic Rail Corridor, underlines the Government's commitment to develop rail infrastructure for many decades to come."*

GVK has maintained that its railway alignment is the most efficient and cost effective option that will benefit the Galilee Basin for several decades to come. It is also the most advanced with agreement reached with a majority of landowners, rail infrastructure manager accreditation in place, advanced design based on extensive operational modelling and ground survey and strong interest for third party rail haulage services from other Galilee Basin proponents and existing Bowen Basin coal producers.

One of the requirements of the government is to allow third party access, which GVK has embraced from the outset, with a public expression of interest process for haulage commenced in September 2011, immediately after GVK's majority acquisition of the project. We remain committed to providing haulage services for proponents in the Galilee and Bowen Basins.

GVK is now looking forward to further cooperation with State and Federal Governments and third party users as it continues to finalise the requisite approvals to enable the construction of the 495km standard gauge multi-user rail system from the Galilee Basin to Australia's closest port to Asia, Abbot Point, just north of Bowen to occur.

Quality export thermal coal will be transported reliably and responsibly by state of the art 25,000 tonne trains utilising rolling stock not seen before in Queensland. The 1 in 320 ruling grade makes it the most efficient bulk haulage route available.

Initial capacity and current approvals are for 60 million tonnes per annum (Mtpa), however the rail line is scalable to 120Mtpa on the single line, whilst duplication and the addition of passing loops in the north would allow for expanded capacity in the coming decades that would satisfy Galilee and Bowen Basin rail capacity requirements.

The north/south corridor announcement today will be of a relief to landholders along the rail corridor and GVK particularly acknowledges the assistance and patience of landholders over the past

three years. We also acknowledge the traditional owners along the route with whom we also have agreement.

About GVK

GVK is India's largest Infrastructure developer with experience and expertise spanning areas such as Energy, Airports, Roads and Urban Infrastructure. GVK has invested over Rs.15, 000 Crore (US\$ 3.3 Billion) in various projects and has projects in hand in the pipeline of over Rs. 30,000 Crore (US\$ 6.6) Billion, excluding its coal, railway and port projects in Queensland, Australia.

For further information, please contact –

Chris Bombolas
Manager - Media and Communications

Level 8, 307 Queen Street, Brisbane QLD 4000

GPO Box 963, Brisbane QLD 4001

T: +61 7 3003 5500

D: +61 7 3003 5650

M: +61 427 820 841

F: +61 7 3229 4788

E: chris.bombolas@gvkresources.com