



JSW ENERGY LTD. ACHIEVES COD OF 3RD UNIT AT BARMER

The Board of JSW Energy Ltd at its meeting held today at Mumbai approved the Results for the quarter ended and half year ended September 30, 2011.

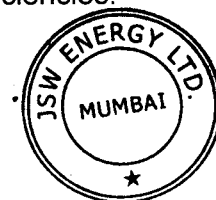
Key highlights:

- Unit 3 of 135 MW at Barmer achieved COD on November 7, 2011.
- 1200 MW power project at Ratnagiri fully implemented with the COD of 4th unit of 300 MW.
- Lignite mines at Kapurdi in Barmer, Rajasthan commenced operations
- Rajasthan Electricity Regulatory Commission (RERC) grants ad hoc interim tariff order for Unit 1 to Unit 4; Unit 1 to 3 commenced generation while Unit 4 is being commissioned.
- Net generation 5016 million units in H1, FY 2012 (3608 million units in H1, FY 2011).
- Total Income at ₹ 2269 crores in H1, FY 2012 (₹ 1,779 crores in H1, FY 2011).
- Entire debt of ₹ 410 crores for transmission project refinanced with effective savings of 2.26% in interest rate.

Operational Performance

The performance for the quarter was severely dented primarily due to

- (i) The on-set of an early and prolonged monsoon resulting in - deferment of power procurement by distribution companies; frequent backdown of the load despite firm orders; loss of operational efficiencies.



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- (ii) Non-availability of tariff for Barmer plant leading to idling of units and
- (iii) Steep depreciation in the foreign currency exchange rate in the last quarter.

The Plant Load Factor (PLF) achieved during Q2, FY 2011-12 was as under:

- Vijayanagar:-

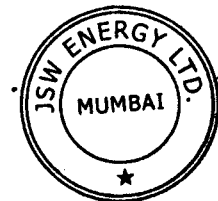
The units have achieved average PLF of 72% as against 91% in the corresponding quarter of previous year. The PLF was lower mainly due to restrictions imposed on scheduling of power, deferment of power procurement by distribution companies and unscheduled plant maintenance.

- Ratnagiri:-

The units operated at an average PLF of 74%, against an average PLF of 62% in the corresponding quarter of previous year. The operations were affected due to the heavy monsoon resulting in lower efficiencies in operations besides frequent back-down of units by the State Load Despatch Centre (SLDC). The heavy monsoons impacted the timely commissioning of the 4th unit and also lead to delays in commissioning of the Jaigad-Karad transmission line.

- Barmer :-

The units continued to remain shut down during the quarter ended September 30, 2011 pending tariff approval by RERC. RERC has since provided an adhoc interim tariff for Unit 1 to Unit 4; consequently 2 units of 135 MW each have commenced operations from October 12, 2011 while Unit 3 achieved COD on November 7, 2011, the commissioning activities for Unit 4 have been taken up. The units are being operated using the lignite being supplied by BLMCL from the Kapurdi mines.



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In order to ensure effective plant utilisation, Company had entered into banking arrangement for 286 million units and the banked power will be available for sale during the period November 2011 to March 2012 in tranches.

During the quarter, company has entered into a Conversion Agreement with JSW Steel Ltd. for conversion of gas provided by them into power on conversion basis.

The Company achieved short term sales of 1658 million units during the quarter ended September 30, 2011 as against 1141 million units sold in the corresponding quarter of the previous year. The company sold 420 million units under long term PPA besides generating 229 million units on conversion basis and 286 million units on Banking Energy as against 640 million units sold under long term PPA during the corresponding quarter of the previous year.

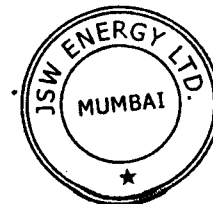
The net generation from the different units were as under:

(Figures in million units)

	Q2, FY 11-12	Q2 FY 2010-11
Vijayanagar	1262	1595
Ratnagiri	1331	123
Barmer	0	63
Total	2593	1781

Fuel

During the current quarter, the prices of imported coal continued to remain firm despite, having risen by approximately 34% between Q2, FY '11 and Q2, FY '12 on API 4 index, even while a lot of commodity prices have witnessed significant



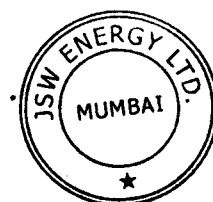
downward correction due to the global slowdown. The fuel cost for the quarter was ₹ 762 crores, an increase of 65% over the corresponding quarter of previous year due to increased volume of generation as also the increase in prices of imported coal. The efforts of the company to increase reliance on consumption of Indonesian coal were impacted due to the heavy monsoon resulting in the operations relying on higher grade coal for sustained operations. However, with the monsoon having receded, the Company is relying on higher proportion of low grade coal to meet its fuel requirements. Also, efforts are being undertaken to identify new sources for coal procurement besides tie-up of requirement for tenors extending upto 12 months.

South African Coal Mining Holding (Pty) Ltd (SACMH):

The Company (through its wholly owned overseas step down subsidiary) had acquired 49.8% stake in Royal Bafokeng Capital (Proprietary) Ltd. (RBC) who hold 54.06% in SACMH. The Company also holds directly (through its wholly owned step down subsidiary) 34.79% in SACMH as on September 30, 2011 resulting in an overall stake (directly and indirectly through RBC) of 61.71% in SACMH. Further, the Company (through its wholly owned overseas step down subsidiary) has acquired:

- i) Balance 50.20% stake in RBC, upon exercise of the put option by Royal Bafokeng Ventures Proprietary Ltd.
- ii) Entire share capital of Mainsail Trading 55 Proprietary Limited (“Mainsail”) and including all amounts owing by the company to Mainsail upon exercise of the put option from RBH Resources Holdings Proprietary Ltd., a subsidiary of Royal Bafokeng Holdings Ltd.

Pursuant to the acquisition, the effective shareholding of the Company in SACMH presently stands at 93.27%.



During the quarter, SACMH has mined 224,075 tons of raw coal from the existing block and sold 119,264 tonnes at an average realisation of USD 111 per tonne. The margin continued to remain under pressure due to higher stripping ratio on account of development of new pits besides transportation bottlenecks resulting in higher logistics cost.

Financial Performance (Consolidated)

During the quarter, the Company achieved a Total Income of ₹ 996 crores, an increase of 18% over the total income for the corresponding quarter of previous year, EBITDA of ₹ 181.02 crores, decline by 52 % over the corresponding quarter in the previous year due to contraction in margins resulting from lower tariff realisation and increased fuel cost. The Company has incurred a Loss after tax during the current quarter of ₹ 109 crores, primarily due to translation losses on foreign exchange monetary items and increased interest & depreciation charge upon commissioning of additional capacities.

The Company has considered the unrealised loss of ₹ 79 crores on the restatement of foreign currency monetary items at the close of the quarter as an exceptional item, due to the unusual and steep depreciation in the value of the Indian Rupee against US Dollar over the last quarter.

During the quarter, the debt of Jaigad Power TransCo Ltd. of ₹ 410 crores was refinanced resulting in reduction in effective interest rate by 2.26%.

During the half year ended September 30, 2011, the company achieved Total Income of ₹ 2269 crores, EBITDA of ₹ 596 crores and Profit after Tax of ₹ 27 crores.



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The consolidated net worth and consolidated debt as at September 30, 2011 was ₹ 5,672 crores and ₹ 9,809 crores respectively resulting in a consolidated debt equity ratio of 1.73 times.

Projects Update:

a) Status of projects under Construction and Implementation

(4 X 300) 1,200 MW – at Ratnagiri, Maharashtra

All the units at Ratnagiri have been put into operation pursuant to the successful COD of Unit 4 on October 16, 2011. The implementation of the FGD is progressing on schedule in compliance with the conditions stipulated by MOEF. The project cost (including FGD) is estimated at ₹ 5,700 crores and project expenditure incurred till September 30, 2011 is ₹ 5,183 crores.

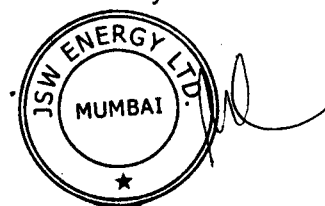
(8 X 135) 1,080 MW – at Barmer, Rajasthan

Pursuant to the award of the adhoc interim tariff by RERC for Unit 3 & Unit 4, Unit 3 achieved COD on November 7, 2011 while commissioning activities for Unit 4 have been initiated in full swing. The work on the balance 4 units is expected to be completed by March 2012 in phases for the commissioning of the units. The project implementation has been hampered due to unavailability of manpower on sustained basis due to the extreme climatic conditions. With the extended time involved in completing the project, the cost is now estimated at ₹ 6,865 crores and project expenditure incurred till September 30, 2011 is ₹ 6,007 crores.

The Government of Rajasthan has granted the “in-principle” consent for the expansion project of (2 x 135) 270 MW at Barmer.

(3 X 80) 240 MW – at Kutehr, Himachal Pradesh (HP)

The process of acquiring land for the project has been initiated with the execution of agreement with land owners while grant of requisite clearances for the project is awaited. The process for order placement for key contracts has also made good



progress. Project expenditure (including premium paid to state government) spent till September 30, 2011 is ₹ 122 crores.

Jaigad Power Transco Ltd.

The work on 110 KM Jaigad – Karad transmission line is almost completed with the trial operations having commenced. The work on the forest area with limited accessibility and hilly terrain were severely impacted due to heavy monsoon. Despite the extreme conditions, the project has been completed in a record time of 38 months. The Project Cost is appraised at ₹ 576 crores and as at September 30, 2011 an amount of ₹ 546 crores has been incurred.

Barmer Lignite Mining Co. Ltd (BLMCL).

The Kapurdi mines commenced supply of lignite to Barmer power project from October 10, 2011, upon the transfer of mining lease in favour of BLMCL as also the grant of adhoc interim order by RERC on the transfer price of lignite to Barmer power project. BLMCL is gearing up to supply the lignite for the first 4 units of Barmer Power Project.

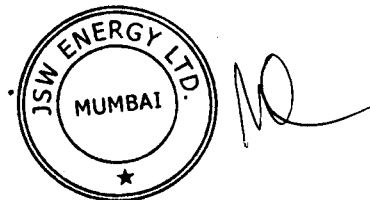
BLMCL has paid the entire amount for acquisition of land for Jalipa mines to RSMML and the land acquisition process is expected to be completed by December 2011.

The project cost is estimated at ₹ 1,800 crores (comprising of both Kapurdi & Jalipa mines) and cost incurred till September 30, 2011 is ₹ 1,177 crores.

(b) Projects under Development

1320 MW Chattisgarh Project

The land acquisition for the project is progressing satisfactorily. The entire land acquisition is targeted to be completed by December 2011. The work on securing the clearances is also progressing satisfactorily.



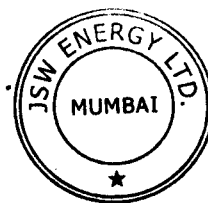
1620 MW West Bengal Project

The works on the preliminary and peripheral activities are progressing as per schedule.

Outlook

While the growth in the generation capacity has been robust in the current plan period, the deficit in the sector continues to persist due to concerns on fuel availability, financial health of the distribution companies resulting from T & D losses and delay in increasing tariffs, etc. The increasing mis-match in the demand and supply of domestic coal coupled with logistical challenges has led to concerns on adequate availability of fuel domestically, while the increasing reliance on imported coal is exerting upward pressure on the prices, in an otherwise subdued environment for commodity prices. The price of imported coal has remained firm over the last 3-6 months, though signs of corrections are witnessed in recent times. The growing uncertainties in the global economy led by the crisis in eurozone has led to steep depreciation of the Indian rupee against the US dollar in a short period, impacting the cost of generation based on imported fuel. Though, the latent demand for power continues to exist, the fiscal health of the distribution companies is leading to deferment of power procurement, which has led to moderation in the merchant prices. These developments are expected to put pressure on the margins in the present fiscal.

We strongly believe that the power sector has a notable role to play in the sustained, balanced and inclusive growth of the economy. The present challenges will look to be of short term in nature if the reforms in the power sector are carried forward on a continuous basis as envisaged in the policy documents to achieve the stated objective of POWER FOR ALL.



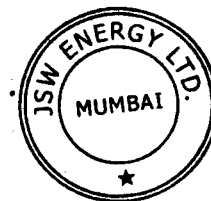
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About JSW Energy Ltd

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities, aluminium, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. The Company has the operational capacity of 2465 MW, apart from 675 MW of generating capacity under construction. By 2016, the Company aims to generate 12,070 MW. The Company is an early entrant in the Power Trading and Power Transmission business and plans to enter into power distribution business, generation through non-conventional energy sources and tie-ups with well known equipment manufacturers and suppliers. It is working towards building a full service integrated energy business.

Forward looking and Cautionary Statement

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Power Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for Power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.



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