



NMDC LIMITED

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Denial by NMDC Limited (“NMDC” or the “Company”) of news items published in certain newspapers

NMDC Limited (“NMDC” or the “Company”) seeks to issue clarifications regarding certain news items published recently in the newspapers mentioned below:

1. Economic Times, issue of March 9, 2010 — NMDC diversifying into the energy, infrastructure and fertiliser sectors.

The article states that NMDC plans to set up conventional and non-conventional power projects, steel manufacturing facilities and fertilizer plants under different joint ventures with prospective partners. NMDC hereby clarifies that:

- In the non conventional power sector, we operate a wind power plant through 7 towers with an aggregate capacity of 10.5 MW. We have no plans to set up conventional power projects.
- In the steel sector, we intend to develop an integrated steel plant project in Jagdalpur in the State of Chhattisgarh with a capacity of 3 mtpa. Additionally, we have been allocated 2,500 acres of land in the State of Karnataka for construction of a steel plant and have obtained power connectivity and water connectivity in the Bellary/Hospet area. This steel plant will have a production capacity of 2 mtpa.
- In the fertilizer sector, we have established an International Investment division called NMDC Global to acquire overseas properties especially in the field of iron ore, coal, manganese and fertilizer minerals, namely rock phosphate and potash. We have entered into an MoU with Nagarjuna Fertilizers for securing and exploring Potash and Rock Phosphate mines, mainly outside India. The Company has no plans to set up a fertilizer plant.

2. DNA, issue of March 9, 2010 — NMDC sees surplus iron ore being consumed at home

This article states that NMDC is expanding production capacity to 50 million tonnes in the near future by opening mines in Chhatisgarh and Karnataka. NMDC hereby clarifies that:

- It has plans to expand its mining activities and products through acquisition of more prospecting licenses and mining licenses in India and abroad and expanding production capacity of the existing mines.
- Mr. Thaigarajan, the Director Finance of NMDC, denies making the statement attributed to him in the news article.

3. The Hindu, issue of March 9, 2010—NMDC plans to set up two steel plants

This article states that NMDC is planning to set up 2 steel plants with an annual capacity of 3 million tones each at Nagarnath in Madhya Pradesh and in Karnataka. NMDC hereby clarifies that:

- It intends to develop an integrated steel plant project in Jagdalpur in the State of Chhattisgarh with a capacity of 3mtpa. The iron ore required for the production of steel would be supplied by our existing mines.
- We have been allocated 2,500 acres of land in the State of Karnataka for construction of a steel plant and have obtained power connectivity and water connectivity in the Bellary/Hospet area. This steel plant will have a production capacity of 2 mtpa.
- C. Hanumantha Rao, General Manager, denies making any statement as reflected in the article and would like to state he has been misquoted.

4. Press Trust of India, news report of March 7, 2010 — NMDC submits joint non binding offer along with two more companies for Atlas Iron-owned mine

This article states that NMDC has made a joint non-binding offer of USD 230mn for a mine belonging to the Australia based Atlas Iron. NMDC hereby denies the information in the news article and would like to state that NMDC does not have any plans to submit any bid/offer for Atlas Iron either on its own or together with any other companies.

NMDC has issued appropriate letters to all the above newspapers stating the factual position as stated above in respect of all the news items and also denied

issue of such statements by the respective officers of NMDC. NMDC has also requested the newspapers to publish the respective letters issued by NMDC.

Disclaimer:

The President of India, the major shareholder of NMDC Limited, acting through the Ministry of Steel, is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an Offer for Sale of the equity shares of NMDC Limited (the “**Company**”). The Company has filed a Red Herring Prospectus with the Registrar of Companies, Andhra Pradesh, at Hyderabad. The Red Herring Prospectus is available on the website of SEBI at www.sebi.gov.in and the websites of the BRLMs at www.ubs.com/indianoffers, www.citibank.co.in, www.edelcap.com, www.kmcc.co.in, www.morganstanley.com/indiaofferdocuments and www.abnamro.co.in. Potential investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the Red Herring Prospectus, including the section titled “Risk Factors”.