

INVITATION FOR EXPRESSION OF INTEREST - COAL MINES

NALCO, one of the largest integrated complex of bauxite mining to aluminium smelting in the world, has its operations in India. NALCO proposes to set up 0.5 million MT aluminium smelter and 1250 MW coal based thermal captive power plant in East Kalimantan province in Indonesia at an estimated investment of USD 4 billion. Alumina of one million MT per annum would be imported from India in bulk shipment through sea route.

NALCO needs 8 - 10 million MTPA of thermal grade coal, 4-5 million MTPA of which is for its East Kalimantan project and rest for its energy requirement elsewhere. NALCO is looking forward for such coal concession/source in Indonesia for its need of coal to set up pithead power plant in East Kalimantan province in Indonesia and other energy needs.

Proposals are invited from competent coal miners or concession holders for coal reserves in East Kalimantan province in Indonesia having coal mines in close proximity to seaport and fresh water source and infrastructure with following criteria:

1	Coal property/Resources	<ol style="list-style-type: none"> 1. JORC complied measured resources of more than 500 million MT in one license area, free of commitment. In case of other commitments, the resources should be enhanced by the volumes so committed. 2. All regulatory license/approvals (IUP-exploitation/AMDAL etc) for next minimum 20 years 3. Mines land acquired in full.
2	Exploration of mines	<ol style="list-style-type: none"> 1. Complete exploration as per JORC parameters 2. Hydrology/Geotechnical reports and Environment management reports duly prepared and completed by reputed consultant.
3	Stripping ratio	Preferably < 1: 1.5 as per current mining plan, can be relaxed upto 1:2 with financial loading.
4	Calorific Value	<ol style="list-style-type: none"> 1. > 5000Kcal/kg (ADB) duly confirmed as JORC 2. Coal suitability study for thermal power plant by reputed institution, if any.
5	Mining Plan	Ready for 10 million MTPA production by 2014 for next 10 years and done by internationally reputed consultant
6	Production schedule	Should be ready to produce 10 million MTPA annum from 2014
7	Seaport and Transportation corridor	<ol style="list-style-type: none"> 1. Coal asset should not be more than 25 km from existing seaport, suitable to handle 35000 DWT vessels or 2. Company/sponsor should have license to develop new seaport to handle 35000DWT vessels. In case of planned seaport, it should: <ol style="list-style-type: none"> 2.1 have coal concession not more than 150 km away from the site of seaport 2.2 submit plans for securing construction permit,

		<p>environmental license and land acquisition for the port with commitment to complete these in one year.</p> <p>2.3 have license for corridor development between mines to port and submit plans for acquisition of land for corridor, to be completed in one year.</p> <p>2.4 submit plans for obtaining construction permit and environmental license for the corridor.</p>
8	Land	Atleast 500 Hectare non-forest and non-litigation land within 3 to 4 km of coal mine should be available for setting up plants
9	Water	50 cusec perennial fresh water, within 5 km from site available for power plant.
10	Transport	The road should be available to plant location for initial project construction.
11	License/Permissions	Authentic and complete
12	Financial capability	Credit rating of A from Standard & Poor's or equal rating from Moody's or Fitch or turnover of USD 500 million in case of offering supply of coal. This would not apply to offer for sale of concession. Government or Sovereign promoted or controlled entities will be preferred.
13	Equity in coal mines	Should offer equity, depending upon total volume of production and volume required by NALCO, in coal mines with first right of refusal to NALCO in case of dilution of majority stake, in case of offer for sale of coal.

All information must be submitted along with supporting documents. Proposal should be submitted within 30 days from date of publication.

NALCO reserves the right to reject any proposal at its own discretion without assigning any reason. No legal challenge on account of rejection would be entertained anywhere. Canvassing in any form would render the offer liable for rejection.

Company not complying with any of the above criteria, need not apply.

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