

GJR Group expands to Indonesia

Signs a Strategic Alliance with PT Earthstone Resources Group To acquire 50% economic rights for Nalo Baru Iron Ore Tenement, Sumatra

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In an unprecedented move, the GJR Group- India's leading mining and steel conglomerate- has partnered with PT Earthstone Resources to develop and explore mining projects in Indonesia. The GJR Group today announced that it has plans to acquire 50 percent economic interest in the Project Tenement located near the village of Nalo Baru, Sumatra .With a total mining area of 438 Hectares, the mine has estimated reserves of 100 million metric tons of high grade 64+ Fe iron ore. As part of the agreement, GJR Group will invest about \$USD 30 million in mine development.

In July 2008 John T Boyd Company (USA) initiated JORC valuation for the Nalo Baru Iron Ore Tenement, Mining Plan and Reserve Estimation Study of the area is expected to be completed by September, 2008. The estimated sale value is 10 Billion USD. The production work will commence on October, 2008 with initial production target of 3 million tons per annum.

'This joint venture provides good synergies for both groups to tie-up for development of the mine. Two SPVs shall be floated to structure the transaction. The first SPV shall carry out mine development and the second SPV would carry out marketing activity of the iron ore produced. GJR Group will deploy its experience and technology to exploit and develop the iron ore mine for captive use as well as selling of iron ore in the international market.' **said Mr. G. Janardhan Reddy, CMD of GJR Group of Companies**

'We are extremely happy to partner with the GJR Group. Earthstone's extensive network in the Indonesian and international mining industry will assist in strengthening GJR Group's regional and international presence.' **said Mr.Mahran Nasution, MD of PT Earthstone Resources.**

'As a very natural next step in GJR Group's development, it's quite obvious that we do need international expansion. This greatly helps to restructure our domestic business and fulfill requirements of our steel plant in construction. We have strong confidence that collaboration with Earthstone may bring a great value to our strategic efforts worldwide.' **Added Mr. G. Janardhan Reddy**

The Project Tenement boasts of unparallel geographical and infrastructural advantages. The nearby town Muara Bungo is a major mining hub, and has the state-of-the-art transportation eco-system. The excellent road infrastructure to all three ports is an added advantage. Teluk Bayur is the largest and the nearest port to the project which is located at the distance of 380 Km, the alternate ports are Bengkulu Port which is 300 Km and Jambi River Port (290 Km).

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About the GJR Group :

The GJR Group- Obulapuram Mining Company and Bramhani Industries Limited - are involved in businesses which span the entire value chain from iron ore mining to the manufacturing of steel.

GJR holds 100% stake in the Obulapuram Mining Company (OMC) - one of the largest private sector mining companies based in Andhra Pradesh, India. The company holds a 134 hectares mineable area and operates a highly efficient, fully mechanized, open cast mine operation.

The GJR Group also owns Bramhani Industries Ltd. (BIL), a company that is in the process of setting up a 10 MTPA integrated steel plant. The plant is being built in Jammalamadugu in the Kadapa district of Andhra Pradesh. Civil work for the first phase of 2.5 MTPA has already been commenced. The complete 10 MTPA ramp up in installed capacity is expected to be accomplished in 5 to 6 years.

About PT Earthstone Resources

PT Earthstone Resources focuses on identification, evaluation, acquisition, exploration and development of precious and base mineral properties in Asia, Africa and other certain countries of the world. The company asserts opportunity oriented strategy and now is evaluating a range of projects in Energy, Airports, Ports, Roads, Rail Networks and other allied Infrastructure Businesses. Initially PT Earthstone Resources is focused on Indonesia, where it enjoys extensive local networking capabilities and operational experience in national environment. Since its inception, operating in Indonesia, the company congregated a portfolio of attractive tenements of iron, manganese and lead ore, coal - all in different stages of development.

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