

Media Release

**Reliance Natural Resources Ltd. (RNRL) to merge with
Reliance Power Ltd. in an over Rs. 50,000 crore (US\$ 11 Billion) all stock deal**

**Boards approve exchange ratio of 1 share of Reliance Power
for every 4 shares of RNRL**

Exchange ratio based on independent valuation by KPMG

**Reliance Power to derive substantial benefit
from RNRL's Gas Supply Master Agreement (GSMA) with RIL**

**Reliance Power's plans for setting up
upto 10,000 MW gas based power plants to be accelerated**

Reliance Power to benefit from gas from RNRL's 4 CBM blocks

**Enhanced reliability and cost efficiency for Reliance Power
through RNRL's coal supply logistics and shipping business**

**RNRL shareholders to benefit from Reliance Power's
diversified generation portfolio of 37,000 MW and substantial coal reserves**

**RNRL shareholders representing approx. 80% of its capital
are also shareholders of Reliance Power**

Over 80% of RNRL shareholders received their shares FREE on demerger from RIL

**Reliance Power to have over 6 million shareholders,
the world's largest shareholding family**

Mumbai, July 4, 2010: The Board of Directors of Reliance Power Limited ("Reliance Power") and Reliance Natural Resources Limited ("RNRL") today approved a Scheme of amalgamation of the two companies in an over Rs. 50,000 crore (US\$ 11 billion) all stock deal, subject to necessary approvals.

The Boards approved an exchange ratio of 1 equity share of Reliance Power for every 4 equity shares of RNRL. The exchange ratio is based on the valuation made by KPMG.

Reliance Power and its shareholders, including inter alia Reliance Infrastructure Ltd., will derive substantial benefits from the proposed amalgamation, as follows:

- Gas supply under RNRL's Gas Supply Master Agreements with Reliance Industries Ltd. facilitating accelerated implementation of Reliance Power's plans for setting up over 8,000 MW of gas based power generation capacity.

- Prospects for gas from RNRL's Coal Bed Methane (CBM) blocks, comprising of **45% interest in 4 CBM blocks** with an acreage of 3,251 sq. kms. and estimated resources of about 193 billion cubic metres; and a **10% share in an oil and gas block in Mizoram**, with an acreage of 3,619 sq. kms. and reserve potential of upto 28 billion cubic metres.
- Enhanced reliability and cost efficiency for fuel supplies through RNRL's coal supply logistics and shipping business.
- Contribution from RNRL's net worth of around Rs. 1,900 crore, leading to an increase in Reliance Power's net worth to over Rs. 16,000 crore.
- Significant further enhancement of Reliance Power's overall growth prospects.

RNRL's shareholders will benefit from the proposed amalgamation, by participating in future growth prospects of Reliance Power's diversified generation portfolio of 37,000 MW, and its substantial coal reserves in India and abroad.

RNRL shareholders representing approx. 80% of its capital are also shareholders of Reliance Power, and over 80% of them received their shares FREE on demerger from RIL.

Reliance Power will have over 6 million shareholders, the world's largest shareholding family, upon completion of the deal.

The proposed Scheme of Amalgamation is, inter alia, subject to approvals of the shareholders of the Reliance Power and RNRL, the stock exchanges, the High Court of Judicature at Bombay, and all other requisite permissions, sanctions and approvals.

Background

Reliance Anil Dhirubhai Ambani Group

The Reliance Anil Dhirubhai Ambani Group currently has a net worth in excess of Rs. 64,000 crore (US\$ 13.6 billion), cash flows of Rs. 13,000 crore (US\$ 2.8 billion), net profit of Rs. 8,400 crore (US\$ 1.8 billion).

Reliance Power Limited

Reliance Power Limited is part of the Reliance Anil Dhirubhai Ambani Group and is established to develop, construct and operate power projects domestically and internationally. The Company on its own and through subsidiaries has a portfolio of almost 37,000 MW of power generation capacity, both operational as well as under development. Reliance Power has substantial coal reserves in India and abroad.

Reliance Natural Resources Limited

Reliance Natural Resources Limited, a part of the Reliance Anil Dhirubhai Ambani Group, is engaged primarily in sourcing, supply and transportation of gas, coal and liquid fuels. It is also engaged in exploration, production and distribution of gas.

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