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- **Reliance Power's 3960 MW Sasan Ultra Mega Power Project (UMPP) concludes the largest project financing by Chinese Banks to an Indian Project across sectors.**
- **Final Commitments by large Chinese Banks signed during the visit of Chinese Premier Mr Wen Jiabao on December 15, 2010.**
- **Financed Amount of over Rs.5,000 crore (USD 1.1 billion) with previously unmatched long maturity of over 13 years**

Mumbai, December 15, 2010: Reliance Power announced that its 3960 MW Sasan Ultra Mega Power Project (SUMPP) has received the final commitment of term loans of Rs 5,000 crore (USD 1,114 million) from Bank of China (BOC), China Development Bank (CDB) and The Export Import Bank of China (C-EXIM) along with Standard Chartered Bank on December 15, 2010. The Chinese Bank financing of over Rs.5,000 crore (USD 1.1 billion) is to support import of power equipment from Shanghai Electric. This is the largest financing provided by Chinese banks to an Indian project across various sectors. The financing was provided after extensive due diligence by international Advisors in the area of Technical, Mining and Insurance and by domestic and international Legal Counsels.

The strong project contractual structure, sturdy projected cash flows and strength of sponsor group has ensured that the project is financed on a non recourse basis with loans maturing over 13 years. The commitment of the Chinese Banks to support the Project over such long maturity also ensures support of the Chinese equipment suppliers during operations phase of the Project.

In October 2010, major Chinese banks (Bank of China, China Development Bank, The Export Import Bank of China, Industrial and Commercial Bank of China) have confirmed their support to various Projects of Reliance Anil Dhirubhai Ambani Group and had signed MOUs with Reliance Power. The financing support envisaged was for an amount of USD 12 billion (about Rs.56,000 crore). The final commitment provided by Chinese Banks to the Sasan Project is the first tranche of the support of the Chinese banks under the MOUs.

The Sasan Ultra Mega Power Project

Reliance Power's Sasan UMPP is a 3,960 MW (6 units of 660 MW each) super-critical technology based pit-head coal-fired power generating plant at Sasan, in Madhya Pradesh, India. This is the first of the three UMPPs awarded to Reliance Power. It involves development of associated captive coal mines allotted to the Company, which ensures fuel security.

Sasan Power has entered into a 25-year Power Purchase Agreement (PPA) with off-takers of power for its entire capacity at a competitive tariff of Rs 1.19 per kWh. The Project would supply power to 14 off-takers in seven states benefitting over 35 crore Indians.

The estimated Project Cost of the Project is about Rs.20,000 crore (USD 4.3 billion). The financial closure for the Project was achieved in April 2009 with large Indian Banks/institutions, led by State Bank of India. The present financing is by way of further optimization of the financing mix which would have a huge positive impact on the capital structure/projected economics. The construction of the Project is progressing at a fast pace.

Reliance Power

Reliance Power Limited, a part of Reliance Anil Dhirubhai Ambani Group, is India's leading private sector power generation Company. Reliance Power is implementing power projects with aggregate capacity of over 37,000 MW, by far the largest development portfolio in the country. The Company also has the largest coal reserves in the private sector estimated at more than two billion tones.

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