

**RELIANCE POWER BOARD TO CONSIDER ISSUING FREE BONUS SHARES
TO ALL SHAREHOLDERS (EXCLUDING THE PROMOTER GROUP)**

**PROPOSAL WILL RESULT IN REDUCTION
OF THE COST OF RELIANCE POWER SHARES BELOW IPO PRICE**

**PROMOTER GROUP TO ACCEPT DILUTION OF THEIR SHAREHOLDING
IN BROADER INTEREST OF OVER 4 MILLION INVESTORS**

**SENSEX DOWN 13% FROM TIME OF OPENING OF IPO
RELIANCE POWER DOWN 11% FOR RETAIL INVESTORS
AND 15% FOR OTHER CATEGORIES OF INVESTORS**

**RELIANCE POWER DECLINE COMPOUNDED BY VICIOUS CAMPAIGN
OF MARKET ABUSE AND MANIPULATION BY RIVAL INTERESTS**

Mumbai, February 17, 2008: Reliance Power Ltd. today informed the stock exchanges that a meeting of its Board of Directors has been convened on **Sunday, February 24, 2008.**

The Reliance Power Board will inter alia **consider a proposal for issuing free bonus shares to all categories of shareholders, excluding the promoter group** (comprising of Reliance Energy Ltd. and the ADA Group), and/or other measures, **which will result in reduction of the cost of Reliance Power Ltd. shares below the IPO price of Rs. 430 per share for retail investors, and Rs. 450 per share for institutional and other categories of investors.**

Reliance Power's IPO closed on January 18, 2008, receiving an overwhelming and record breaking response, with commitments of nearly Rs. 7,50,000 crore (US\$ 190 billion), from nearly 500 institutional investors across the globe, and 5 million retail investors. **The sheer scale and unprecedented magnitude of the response clearly reflected the pricing of the IPO as being in line with prevailing valuation benchmarks and market sentiments.**

However, **subsequent to the closing of the IPO, the global and Indian equity markets have suffered an extra-ordinary meltdown**, with all benchmark indices down 15% - 20%, and leading Indian stocks down by an even greater range of 20% - 40%.

In line with this global trend, the Reliance Power stock price has closed below the IPO price, since listing on February 11, 2008.

From the time of opening of the Reliance Power IPO on January 15, 2008, the Sensex is down 13%, while the Reliance Power stock is down 11% from the IPO price for retail investors, and 15% for other categories of investors.

The decline in the Reliance Power stock price has been compounded by:

- a vicious and orchestrated campaign of market manipulation and market abuse
- unleashed by unscrupulous rival corporate interests
- to hammer down all Reliance ADA group stocks
- in an attempt to undermine our fair name and reputation, and
- cause losses to millions of genuine investors.

Reliance Power has formally written to SEBI seeking an investigation into the same.

Equity shares, by their very nature, are risk-bearing instruments, and there is no obligation on behalf of any issuer to insure investors against possible losses.

However, **in keeping with the Reliance ADA Group's fundamental and over-riding philosophy of creating value for genuine long term investors**, the Board of Directors of Reliance Power will be meeting as above, to consider appropriate one-time measures which will result in reduction of the cost of Reliance Power shares below the IPO price.

This will include inter alia consideration of **a proposal for issuing free bonus shares to all categories of shareholders, excluding the promoter group** (comprising of Reliance Energy Ltd. and the ADA Group), **thereby protecting investors even from notional short-term losses on their shareholdings.**

The proposal will result in dilution of the promoter group's shareholding in Reliance Power, which they have indicated they will accept in the broader interest of protecting and enhancing value for over 4 million institutional and retail investors.

Reliance Power has the world's largest shareholder family of **nearly 500 overseas and domestic institutional investors, and over 4 million retail investors.**

Reliance Power has a **market capitalization of Rs. 87,000 crores (US\$ 22 billion) – among India's 10 most valuable private sector companies**, and a **net worth of nearly Rs. 14,000 crore (over US\$ 3.5 billion) – among the top 5 private sector companies in India on this parameter.**

Reliance Power is implementing power projects with aggregate capacity of over 28,000 MW, by far the largest development pipeline in the country.