



Press Release

**MahaTransco and JSW Energy sign agreement for setting up
400 kV Transmission System in Maharashtra**

Mumbai, August 5, 2008: MahaTransco and JSW Energy today announced the formation of Jaigad PowerTransco Ltd., a Special Purpose Vehicle (SPV) formed for setting up of a 400 KV transmission evacuation system in Maharashtra.

The JV agreement was signed by Mr. Subrat Ratho – Managing Director - MahaTransco and Mr. S S Rao – Joint MD & CEO – JSW Energy Ltd. in the presence of Hon'ble Shri.Dilip Walse Patil, Minister of Energy, Medical Education, Higher & Technical Education, Govt. of Maharashtra, Mr. Rahul Asthana, Principal Secretary, Energy, Govt. of Maharashtra, and Mr. Sajjan Jindal, Chairman, JSW Energy Ltd.

The JV has an equity participation in the ratio of 74:26 between JSWEL and MahaTransco respectively. The site mobilization and other related activities have commenced. Jaigad PowerTransco has also applied for Transmission Licensee, which is under process.

JSWEL, which is setting up a 1200 MW Jaigad Power Project in Ratnagiri district of Maharashtra, has taken a lead in delivering its commitment under the MoU with the state Government by expediting the implementation of the Project, which is presently at an advance stage of construction. The Jaigad PowerTransco will evacuate power from the 1200 MW Jaigad Power Project.

Speaking on the occasion, Mr. Subrat Ratho said, "The Government of Maharashtra has taken a path-breaking step to facilitate setting up of power generation capacities by IPPs by allowing Mahatransco to participate in an innovative JV partnership with JSWEL to evacuate power. The JV will help the implementation of the evacuation project through the synergies between the technical expertise of MahaTransco and project execution strengths of JSWEL and pave the way for more such PPPs in larger public interest."

This evacuation arrangement has been approved by MahaTransco for connectivity with State Transmission Utility's (STU) grid at their EHV Substations at Karad and New Koyna and also for technical configuration of the evacuation system considering requirements under the State Grid Code as well as future expansion plans in the region. This evacuation system will also be available for future projects in the vicinity.

Mr. S. S. Rao said, "This Joint Venture agreement for development of Transmission lines in Maharashtra is a unique example of Public Private Partnership in Transmission business and a pioneering effort by MahaTransco and JSW Energy to facilitate power evacuation from the upcoming power projects in Maharashtra."

About MahaTransco:

The Maharashtra State Electricity Transmission Company Ltd. MahaTransco was created as a result of unbundling of the erstwhile Maharashtra State Electricity Board (MSEB) on June 5, 2005, in addition to the MSEB Holding Company Ltd., The Maharashtra State Power Generation Company Ltd., (Mahagenco) and the Maharashtra State Electricity Distribution Company Ltd. (Mahavitaran). MahaTransco is entrusted with the responsibility to plan, build, operate and maintain the intra- state transmission system of Maharashtra to facilitate transmission of electricity from its source to load centers in a secure, reliable and economic manner.

MahaTransco has the largest transmission network among all the states in India. The 500 KV, 1500 MW Chandrapur- Padghe HVDC Link is the unique feature of Maharashtra state system in the country at the state level. The company has a total of 500 transmission substations at various voltage levels from 66kv to 400kv including the 500kv HVDC substations. The total transmission capacity now stands at 61530MVA.

About JSW Energy Ltd.:

JSW Energy Ltd. (JSWEL) is a group company of JSW group headed by Mr. Sajjan Jindal. JSWEL is the first Independent Power Producer (IPP) to be set up in the state of Karnataka. The company has set up 2 units of 130 MW each and both units are generating power using Corex gas and coal.

JSWEL has been awarded the Operation & Maintenance contract of the 100 MW Captive Power Plant in JSW Steel Ltd. The O & M contracts for the 130 MW Captive Power Plant at JSW Steel Ltd. and the 2 x 30 MW Power Plant at SISCOOL being executed by JSW Steel Ltd. will also be entrusted to JSW Energy Ltd. after their commercial operation declaration. Raj West Power Ltd, (RWPL), a subsidiary of JSW Energy Ltd is executing a 1000 MW Lignite based power plant at Barmer, Rajasthan. Another subsidiary, JSW Energy (Ratnagiri) Ltd, (JSWERL) is executing a 1200 MW Coal fired power plant at Jaigad, Ratnagiri Dist, Maharashtra.

JSW Energy (Vijayanagar) Ltd, (JSWEVL) is executing a 2 X 300 MW power plant at Toranagallu, Bellary. JSWEL has also signed a MOU with Govt. of Gujarat to implement a 1000 MW power plant in Junegarh Dist in Gujarat. Plans are also on to execute power projects in West Bengal, Jharkhand and Andhra Pradesh. JSWEL is actively pursuing plans to enter into hydro sector in Himachal Pradesh and Sikkim.

Note

JSW Energy Limited is proposing, subject to market conditions and other considerations, a public issue of its equity shares and has filed its Draft Red Herring Prospectus ("DRHP") with the Securities & Exchange Board of India ("SEBI"). The DRHP is available on the website of SEBI at www.sebi.gov.in and on the respective websites of the BRLMs at www.jmfinancial.in, www.kotak.com, www.icicisecurities.com, www.credit-suisse.com/asiapac/india/, www.db.com/India, www.sski.co.in, www.jpmpi.com, www.sbicaps.com and www.ibb.ubs.com/Corporates/indianipo/.

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connection with, any contract or investment decision. Any potential investor should note that investment in equity shares involves a high degree of risk.

For details, potential investors should refer to the DRHP filed with the SEBI including the section titled "Risk Factors". The Equity Shares of the Company have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States. This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

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