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S&P 500	2,122.54	-0.31	-0.01%
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GLOBAL STEEL TO SPEND \$115 MILLION ON TWO MOZAMBIQUE COAL MINES

(The following is a reformatted version of an email sent by Ispat Industries Ltd. via e-mail and the release was confirmed by the sender.)

Feb. 7 -- Global Steel Holdings Limited (GSHL), the holding company which controls steel and associated business of Ispat Group world-wide, has acquired two coal mining blocks in the republic of Mozambique, adjoining South Africa

The two blocks in Tete coal projects in Mozambique is in close proximity to the license areas of ArcelorMittal and Tata Steel's recent coal asset acquisitions in Mozambique. CVRD is also a major player in this area with recent ongoing projects.

GSHL has acquired exploration licenses for two coking coal blocks in Tete region of Mozambique. The two coal blocks cover license areas of about 30,000 hectares. Exploration work has already started

The two blocks have proven resource of 70 million tons of coking coal with low to medium ash content. The actual reserves may be higher considering potential of the two blocks. GSHL has already worked out plans for mining and coal preparation plant to be set-up on-site.

While the acquisition cost has not been disclosed by GSHL, an investment of over USD 115 million is estimated to be put in by GSHL on development of under ground coal Mines. Coal evacuation from mine to the nearest sea port of BIERA, which is about 600 Km, is proposed to be done through the railway net work under rehabilitation now and likely to be operational within a year. Mining production of coal is expected to start in next 3-4 years.

This project is near ArcelorMittal and Tata Steel's recent coal block acquisitions in Tete blocks in Mozambique. CVRD of Brazil is also prospecting in the same area GSHL, which has now re-focused its strategy to acquire mineral resources to consolidate its steel making and associated businesses, is also looking at other opportunities to acquire mining assets in coal, iron and other captive resources to support its core business of steel making world-wide.

GSHL also entered in energy sector by acquiring two oil blocks in Georgia through its subsidiary Global Oil & Energy Limited (GOEL). One of the two blocks is already producing oil and the second one is under exploration. The two blocks are estimated to have about 550 million barrels of reserves and once production stabilizes GOEL targets production of 4000-5000 barrels a day within next 3 years.

GSHL currently operates and manages about 13.8 million tonnes steel making facilities capacity in countries like Bulgaria, Nigeria, Philippines, Libya and India. It also has associated businesses in coke making, Ferro-alloys, chromite mining, iron ore mining,

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