



8 June 2018

NSL Phase 3 Expansion Update

HIGHLIGHTS

- Essar Projects Limited engaged for all detailed engineering and design work on expansion of the Kurnool plant
 - In addition, Essar engaged for project delivery, and has established a fully resourced Project Management Office consisting of 7 specialist engineers on the Phase 3 expansion, with project work now in full flow
 - NSL appoints full-time Phase 3 expansion Project Manager with extensive overseas experience, Mr John Clayton
 - Phase 3 expansion targeting increased production to ~400,000 tpa while delivering significantly improved grades and yields; commissioning scheduled for H1 2019
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NSL Consolidated Limited (ASX: NSL) ("NSL" or "the Company") is pleased to provide an update on the Phase 3 expansion ("the Expansion") of the Company's Kurnool wet beneficiation plant in India.

As previously advised (see ASX release dated 14th May 2018), the Expansion is scheduled for commissioning in H1 2019, after which time NSL expects to achieve an annualised production rate of ~ 400,000 tpa.

To achieve improved plant performance, NSL will invest significantly in several key areas to provide higher certainty regarding the project expansion outcomes, including;

- The purchase of additional large-scale equipment, with long lead items expected to be ordered in coming weeks;
- Implementation of improved process and control technologies and equipment;
- Appointment of additional highly experienced project management staff; and
- Appointment of Tier One engineering, design and project management expertise.

Appointment of experienced Project Manager

NSL is pleased to advise that Mr John Clayton has been appointed as Project Manager to oversee the Expansion, based in India.

John has significant experience in the energy and resources industries and has been involved in design, construction, commissioning, and operations across a variety of processing plants.



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John is an experienced and highly qualified EPC Project Director / Senior Project Manager / Technical Consultant who has established a strong track record of delivering exceptional results in Australia, USA, Indonesia, Kazakhstan, Iran, Kuwait, Africa and Egypt with major national and international companies including Kuwait Oil Company, Raytheon, ENNPI, KBR, Citic Pacific, SNC Lavalin and Glencore.

John's experience includes greenfields and brownfields management of large teams in complex, challenging and remote environments whilst consistently achieving high performance standards in safety, timely delivery, quality, compliance, budget and margin with projects of various values up to US\$8billion.

John's previous roles have included not only project management but also design, operations, contracting and procurement, estimating, value management, commercial, planning, project controls, construction, IR, HR, HSEQ, risk, and dispute resolution.

Essar Projects Limited engaged for detailed design and engineering

NSL is also pleased to advise that it has engaged leading engineering procurement and construction company Essar Projects Limited ("Essar Projects") to undertake the detailed engineering and design of the Expansion project.

In addition to the detailed engineering design, Essar Projects has established a fully-resourced project management office to intimately manage the delivering of the Phase 3 Expansion.

The Expansion project work is now in full flow, with team resourcing allocations, kick off meetings and site visits all completed. Further, detailed engineering is well progressed and expected to allow for the ordering of long lead items from China in the coming weeks.

About Essar Projects Limited

Essar Projects is an integral part of the Essar Group which is a global conglomerate and a leading player in the sectors of metals and mining (steel, resources), energy (exploration and production, refining, power), infrastructure (ports, projects) and services (shipping, oilfield services, technology). With operations in more than 25 countries across five continents, the group employs 8,000 people and has revenues of over US\$15 billion.

Some of the major projects completed by Essar Projects include:

- 2 x 4.5 Mtpa Pellet plant at CVRD Vale, Brazil
- Revamping of blast furnace from 950 m³ to 1700m³ for SAIL, Rourkela India
- Construction of 4554m³ blast furnace at JSPL, Angul India
- Revamping of blast furnace-1 from 2581 m³ to 4323 m³ at JSW, Dolvi India
- EPC of 2200m³ blast furnace at Essar Steel India Limited, Hazira India
- 8 mtpa beneficiation plant at Kirandul, Odisha India
- 12 mtpa beneficiation plant at Dabuna, Odisha India
- 267 Km (2nd longest in the world) slurry pipeline from Kirandul to Vizag, India
- 253 km slurry pipeline from Dabuna to Paradeep in Odisha India



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- 3 x 2.5 mtpa beneficiation plant, 1x 7 mtpa pellet plant & 3.5 km slurry pipeline for Essar Steel, Minnesota USA
- 10 mtpa steel plant complex at Hazira India

Additional information of Essar Projects can be found on their website at www.essar.com/projects.

NSL's Managing Director and CEO, Cedric Goode, commented, "NSL is very pleased to be partnering with Essar Projects on the critical engineering and design aspect of the Phase 3 Expansion at Kurnool. Having access to a Tier 1 Indian based contractor to work closely with the Chinese and our Company reduces the complexity of project delivery. Furthermore, the establishment of a fully-resourced site office to oversee the project is a significant step for NSL, as it will ensure the project is delivered on time and to the highest possible standards.

We are also pleased to welcome John Clayton as Project Manager to oversee the expansion. John's wealth of experience, coupled with that of the Essar Project's team, will play a key role in the successful delivery of the expansion project."

For further information please contact:

Cedric Goode
Managing Director / Chief Executive Officer
NSL Consolidated
+61400 408 477

Released through Sam Burns, Six Degrees Investor Relations, +61(0) 400164067