



NSL Consolidated

23 February 2016

NSL AND GOVERNMENT OF ANDHRA PRADESH MOU PROGRESSION

HIGHLIGHTS

- NSL executed MoU to support 5 year growth strategy in Andhra Pradesh directly with State Government of Andhra Pradesh (GoAP).
 - MoU to unlock significant iron ore production potential for NSL in the newly formed State.
 - GoAP land grant to NSL for future expansion of production facilities at final stages.
 - GoAP power connection approval to NSL well progressed and supported by GoAP.
 - MoU and subsequent actions of GoAP reinforces NSL's bona fides and strategy of value addition in the Indian iron ore industry.
 - Andhra Pradesh on track for +14% growth for next 15 years as a result of building a new state.
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Perth-based iron ore miner, NSL Consolidated Limited (Company, ASX: **NSL, NSLO**), is pleased to further update the market regarding progress made by both the Company and the Government of Andhra Pradesh (GoAP), subsequent to the 14 January MoU announcement between the Company and GoAP.

As outlined, the MoU, executed between NSL and the GoAP directly covers the mining, beneficiation and pelletisation of low grade iron ores in the State.

The basis of the MoU would position NSL to be producing in excess of 8 million tonnes per annum of iron ore in the newly formed State. In addition, the MoU includes the construction and operation of a centralised pellet plant, again reinforcing NSL's strategy of value addition in the Indian iron ore industry.

The MoU would also realise the generation of 1,800 jobs directly associated with the Company, and an additional 1,000 supporting jobs.

Since execution of the MoU the Company has been working closely with GoAP on the approvals of additional land grants and power grid connection.

GoAP is in the final stages of granting land to the Company close to its existing stockyard operations. This land will enable the Company to expand its Phase Two wet beneficiation plant further in the near future.

Approval of the power grid connection is well progressed and being supported by GoAP, enabling the stockyard to have access to an industrial specific power grid for all operations at the stockyard.

NSL continues to receive the highest levels of support from the GoAP, and in turn the Chief Minister of the State is constantly pushing to ensure conversion of the MoU executed in January into real growth and employment creation for the fledgling State.

Key Facts

During a World Bank survey in 2015 Andhra Pradesh was rated as #2 state in India for ease of doing business.

The 15-year business plan sees an expected 14% growth rate projected out to 2029 for the State, based on an aggressive infrastructure program for the new State including airports, ports, highways and a new greenfield Capital City located at Amaravati.

Two major initiatives that will impact on the State are the Vizag – Chennai and Bangalore – Chennai infrastructure corridors. The Asian Development Bank is supporting the AP Govt in the development of the Vizag - Chennai corridor. The \$900m project will have \$700m funded by the ADB and \$200m to be provided by the State Govt. This linkage is part of the much larger Pan Asia land bridge connecting India to China and South East Asia.

State GDP	US\$86 Billion
Per Capita Income	\$1,500
Capital City	Amaravati
Largest City	Visakhapatnam
Cities with more than 1m people	27

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