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## RESS RELEASE

New Delhi, December 10, 2010. NMDC Limited, a Navratna Public Sector Undertaking under the Government of India and OJSC Severstal, a leading vertically integrated international steel and mining company announce that they have signed a Memorandum of Understanding ("MOU") to establish a Joint Venture company to build an integrated steel plant in India.

The JVC proposes to have its captive coking coal mining subsidiary in Russia and iron ore mining subsidiary in India which will ensure long term supply of these critical steelmaking raw materials to the proposed steel plant. The plant, which will be constructed in the state of Karnataka, will have an initial capacity of 2 Million tpa which is expandable to 5 Million tpa.

NMDC and Severstal each will have a 50% shareholding in the Joint Venture and will appoint the senior management team.

**Alexey Mordashov**, Chief Executive Officer of OJSC Severstal, said: "The signing of this MOU is an important strategic development for Severstal as it will establish an integrated steel plant in one of the world's most attractive growth markets".

**Rana Som**, Chairman cum Managing Director of NMDC Limited said: "As both NMDC and Severstal are strong entities in their respective fields, their partnership will integrate their strengths, synergise their capabilities and not only usher in new opportunities for the two companies but also foster the friendship that exists between India and Russia.

  
Kumar Raghavan  
Company Secretary & Executive Director (CC)