

Gujarat NRE Coking Coal Limited

ABN 28 111 244 896

Half Yearly Report

For a period ended on 30 September 2011



LONGWALL SHEARER AT NRE NO.1 COLLIERY

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APPENDIX 4D HALF YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Name of entity

GUJARAT NRE COKING COAL LIMITED AND ITS CONTROLLED ENTITIES

ABN or equivalent reference #

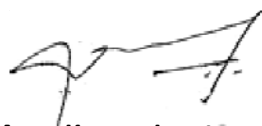
ABN 28 111 244 896

Reporting period

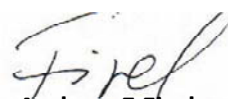
Previous corresponding period

Financial period ended 30 September 2011

Financial period ended 30 September 2010



Arun Kumar Jagatramka
Executive Chairman



Andrew E Firek
Director

Revenue and Net (Loss)/ Profit

**AUD\$
Millions**

Revenue from Ordinary activities	Down	-29%	to	\$	109.85
Net Profit / (loss) from Ordinary activities after tax attributable to members	Down	-125%	to	\$	(7.33)
Net Profit / (loss) for the period attributable to members	Down	-125%	to	\$	(7.33)

Dividends

Directors do not recommend the payment of a dividend in respect of the financial Period.

NET TANGIBLE ASSET BACKING

30-Sep-11

30-Sep-10

Net tangible asset backing per issued ordinary share as at Balance Date	0.57	0.57
EARNINGS PER SHARE	-0.008	0.032
Basic Earnings (Loss) Per Share (Cents)		
Diluted Earnings (Loss) Per Share (Cents)	-0.007	0.032

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Gujarat NRE Coking Coal Ltd and its controlled entities
ABN 28 111 244 896
Consolidated Financial Report for the Half Year ended
30 September 2011

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this is to be read in conjunction with the annual report for the year ended 31st March 2011 and any public announcement made by Gujarat NRE Coking Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

Gujarat NRE Coking Coal Ltd and its Subsidiaries Corporate Directory

GUJARAT NRE COKING COAL LIMITED

CORPORATE DIRECTORY



GUJARAT NRE

GUJARAT NRE COKING COAL LIMITED

ABN 28 111 244 896

ACN 111 244 896

DIRECTORS

Mr. Arun Kumar Jagatramka, Executive Chairman
Mrs. Mona Jagatramka
Dr. Andrew E. Firek
Mr. Maurice Anghie

COMPANY SECRETARY

Mr Sanjay Sharma

PRINCIPAL AND REGISTERED OFFICE

Lot 1, CNR of Bellambi Lane & Princes Highway
Russell Vale, N.S.W 2517
Ph: (02) 42236800 / 818
Fax: (02) 42837368

AUDITORS

BDO AUDIT (NSW – VIC) PTY LTD

Level 19, 2 Market Street, Sydney NSW 2000

SHARE REGISTRY

Registries Limited

Level 7, 207 Kent Street
Sydney, NSW 2000
Ph: (02) 9290 9600
Fax: (02) 9279 0664

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GUJARAT NRE COKING COAL LIMITED

ABN 28 111 244 896

Directors' Report

Your directors submit the financial report of the consolidated group for the half-year ended 30 September 2011.

Directors

The names of the Directors who held office during or since the end of the half-year are:

Mr. Arun Kumar Jagatramka	Executive Chairman (appointed 11/09/2011)
Dr. Andrew Edwin Firek	Director
Mr. Maurice Anghie	Director
Mrs. Mona Jagatramka	Director
Mr. Don Carroll	Director (resigned 29/07/2011)

Principal Activities

The principal activities of the Company and its subsidiaries during the course of the half year were the development of its two premium quality hard coking coal mines and mining & exporting of coal. There has been no change in these activities during the financial period.

Operating Results

The total revenue for continuing operations for the period ended 30th September 2011 was \$109.9 million as compared to \$154.7 million reported for 30th September 2010.

The gross profit for the half year ended 30th September 2011 was \$ 42.2 million as compared to \$53.4 million reported for 30th September 2010.

The net loss before income tax of \$7.49 million for the half year ended 30th September 2011 is after unrealized exchange loss of \$16.7 million and a \$9.6 million impairment on asset held for sale.

GUJARAT NRE COKING COAL LIMITED

ABN 28 111 244 896

Directors' Report

Review of Operations

Consolidated Production and Sales

ROM Coal Production in '000 tonnes	HY ending Sep'11	HY ending Sep'10
Longwall	372	630
Development	196	217
Total Production	568	847
Total Sale	663	905

• *NRE No.1 Colliery:*

Longwall Project

The onsite assembly of the longwall equipment for NRE No.1 colliery was completed during the reporting period. The new longwall equipment consisted of a shearer, 82 powered roof supports, coal clearance system, electrical substation, pump station and retractable monorail. The longwall system has an initial face length of 145 metres with an option to extend it to 390 metres within 5 years. The longwall equipment will have the capacity to shear, load and transport around 3,500 tonnes of coal per hour.

The equipment is to be commissioned underground from early 2012. The Company had held open days on 9th & 10th October 2011 when community members & stakeholders were invited to attend the open day to view a real time simulation of the longwall equipment. Over 1,000 people attended and experienced a real time simulation of the longwall equipment on these two days.

Surface Coal Clearance

Upgrading of the surface coal clearance system to accommodate the longwall production is being planned in two stages.

Stage 1 commissioning is aligned with longwall start and will be available to transfer initial production of ROM coal from the longwall to the primary stockpile.

Stage 2 commissioning of the stockpile reclaim system through to the existing truck loading station.

GUJARAT NRE COKING COAL LIMITED

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Directors' Report

The Stage 1 commissioning is being aligned for with longwall start and is targeted for completion in February 2012. The Company is working to ensure that the system is ready to receive longwall coal in February.

The Stage 1 commissioning also includes a new 2000tph reclaim system from the primary stockpile via a refurbished reclaim tunnel and feed equipment, a new screening and sizing plant to the existing truck loading facility.

- ***Relocation of mine personnel***

During the reportable period, the Company had completed the relocation of approximately 150 personnel from No. 4 shaft site to the Wonga East site thereby enabling three production units to be fully manned for seven day production. A new 114 person bathhouse was completed at NRE No.1 Colliery to accommodate some current & future personnel.

- ***NRE Wongawilli Colliery***

Wongawilli longwall

The extraction of coal from NRE Wongawilli blocks started with LW11 followed by relocation of personnel & equipment to LW19. Production at LW19 commenced in late June with a production of 300kt reported till the period ended 30th September 2011.

Preparatory work to complete relocation to the next longwall block-LW20 has been underway to ensure a smooth changeover.

Wongawilli development

Developmental work at LW15 was carried out in the reportable period. During the July-September period, approximately 600 m of drivage was achieved with the tailgate and installation faces being completed. Following the installation of the installation of the maingate belt, the drivage for the maingate commenced during the July-September quarter.

The development of the N4 panel commenced in late September 2011. The relocation from Eyre panel was completed in the July-September quarter with major works of relocation of trunk conveyor installs, establishment of power, gas monitoring systems, transport & ventilation.

GUJARAT NRE COKING COAL LIMITED

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Directors' Report

• **33 KV Power Project for NRE Wongawilli**

In order to sustain current and proposed operational activities at NRE Wongawilli, the Company had commenced a 33 KV Power Project, owned and operated by Endeavour Energy designed to replace the older lower power capacity supply cables previously installed by BHP Billiton thereby providing a reliable supply of power to the mine.

The Project required construction of a new dedicated 35MVA rated, 33KV Integral Energy feeder between Integral Energy's Springhill Zone Substation and the NRE Wongawilli site. This new feeder was a combination of both overhead power line and underground cable and has a total route length of 11,751 meters.

The necessary changeover from the BHPB-IC supply to the Endeavour Energy network was successfully completed in the month of June 2011.

• **Approvals**

NRE No1

The approval for the \$122 million upgrade of the existing infrastructure at NRE No.1 Colliery was approved by the NSW Planning Assessment Commission (NSW PAC) during the reportable period. The NSW PAC approval included permission to extract up to 1 million tonnes of coking coal per annum from the Bulli and Wongawilli seams for the next 3 years, the continuation of transport of coal through trucks to Port Kembla Coal Terminal and upgrades to the existing facilities and infrastructure.

The Major Expansion Project (Project 2) is being assessed under Part 3A of the Environmental Planning & Assessment Act 1979 (EP & A Act). The project provides for increased production of up to 3 million tonnes per annum and upgrade to operations providing continuance for up to 18 years.

NRE Wongawilli

The Company has simultaneously received the approval for the \$62 million upgrade and expansion at the NRE Wongawilli Colliery from NSW PAC. The approval provides for upgrading and use of the existing infrastructure at the mine, the extraction of remnant coal reserves within existing mine areas, the extraction of two million tonnes of coal a year from the Bulli and Wongawilli seams for up to five years, rail transportation of coal from the mine and rehabilitation of the site. The said approval allows the Company to

GUJARAT NRE COKING COAL LIMITED

ABN 28 111 244 896

Directors' Report

mine in the Wongawilli seam in the north-western part of the lease at the NRE Wongawilli colliery and also includes permission to construct an underground roadway to provide access to the western area of the lease.

Corporate Updates

- ***Appointment of Mr. Arun Kumar Jagatramka as the Executive Chairman of the Company***

Mr. Arun Kumar Jagatramka who was functioning as the non-executive Chairman of the Company since its incorporation was appointed as the Executive Chairman by the Board of Directors effective from 11th September 2011. The appointment of Mr. Jagatramka in the executive role would facilitate him to actively engage in the management and supervision of the Company's operations & affairs.

- ***Acquisition of mining lands associated with NRE No.1 Colliery & settlement of all related litigations***

The Company in June 2011 had concluded the acquisition of mining lands associated with the NRE No.1 colliery measuring approximately 93 hectares and settlement of all related litigation at a settlement cost of \$45 million (plus GST). The acquisition of the mining land has not only brought in the books of account a valuable asset, but also removed any potential obstacle in the form of operational logistics involved in coal handling and stockpiling.

Subsequent Event

- ***US \$100 million facility***

The Company with the help of its ultimate parent company Gujarat NRE Coke Limited as guarantor has successfully negotiated and secured a long term facility agreement to the extent of USD 100 million from AXIS Bank Limited, Hong Kong branch. The funds from the facility agreement would be utilised by the company to meet its capital expenditure program.

GUJARAT NRE COKING COAL LIMITED

ABN 28 111 244 896

Directors' Report

Capital Structure as on 30th November 2011

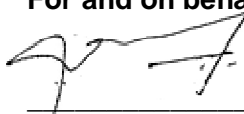
Shares on issue	991,433,858
Unlisted options	38,526,000
Unlisted bonds (\$50,000 face value)	200

Auditor's Independence Declaration

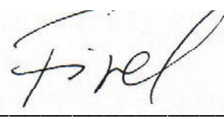
A copy of the auditor's independence declaration by the lead auditor under Section 307C is included on page 9 and forms part of this half-year financial report.

Signed in accordance with a resolution of the Board of Directors

For and on behalf of Board of Directors



Afun Kumar Jagatramka
Director



Andrew E. Firek
Director

Dated: 30/11/2011

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF GUJARAT NRE COKING COAL LIMITED

As lead auditor for the review of Gujarat NRE Coking Coal Limited for the half-year ended 30 September 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Gujarat NRE Coking Coal Limited and the entities it controlled during the period.



Wayne Basford

Director

BDO Audit (NSW-VIC) Pty Ltd

Sydney, 30th November 2011

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Gujarat NRE Coking Coal Ltd and its Subsidiaries Consolidated Statement of Comprehensive Income for the Half Year Ended 30 September 2011

	Note	Consolidated Entity Half -year	
		30-Sep-11 \$	30-Sep-10 \$
Revenue from continuing operations		109,850,956	154,659,842
Cost of sales		(67,554,128)	(101,206,770)
Gross profit		42,296,828	53,453,072
Other income		4,200,738	11,060,047
Administrative expenses		(9,168,502)	(6,484,423)
Distribution expenses		(11,584,584)	(18,900,734)
Environmental expenses		(1,717,146)	(1,960,642)
Finance cost		(4,897,099)	(8,167,201)
Realised exchange(loss) on forward contracts		(244,116)	-
Realised exchange loss		-	(1,371,329)
Unrealised exchange loss		(16,760,740)	-
Impairment on asset held for sale		(9,616,957)	-
Profit / (Loss) before income tax		(7,491,578)	27,628,789
Income tax (expense) benefit		165,093	1,794,841
(Loss)/ Profit for the half year		(7,326,485)	29,423,630
Other Comprehensive Income			
Decrease in fair value of available – for - sale financial asset		(6,765,832)	(673,227)
Income tax on item of other comprehensive income		2,029,750	141,968
Other comprehensive income for the half year net of tax		(4,736,082)	(531,259)
Total Comprehensive income for the half year		(12,062,567)	28,892,371
Overall and continuing operations:			
Basic earnings / (loss) per share		(0.008)	0.032
Diluted earnings /(Loss) per share		(0.007)	0.032

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Gujarat NRE Coking Coal Ltd and its Subsidiaries

Consolidated Statement of Financial Position

As At 30 September 2011

		Consolidated Entity	
		30-Sep-11	31 -Mar-11
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	Note 4	7,679,295	71,855,394
Trade and other receivables		37,422,749	21,923,953
Inventories		13,870,987	18,474,023
Available for sale financial assets		5,843,162	14,960,119
TOTAL CURRENT ASSETS		64,816,193	127,213,489
NON CURRENT ASSETS			
Financial assets available for sale		6,104,536	13,370,368
Deposits		293,102	336,250
Property, plant and equipment	Note 5	879,676,231	740,275,281
Deferred tax asset		11,405,906	18,767,408
Exploration licenses		5,600,100	5,600,100
TOTAL NON-CURRENT ASSETS		903,079,875	778,349,407
TOTAL ASSETS		967,896,068	905,562,896
CURRENT LIABILITIES			
Trade and other payables		81,305,902	65,536,092
Derivatives		2,376,620	1,796,305
Loans		22,348,278	20,727,695
Provisions		11,327,686	9,719,338
TOTAL CURRENT LIABILITIES		117,358,486	97,779,430
NON-CURRENT LIABILITIES			
Loans		247,445,511	191,684,365
Bonds		9,194,649	8,767,750
Restoration guarantee		15,212,879	15,015,444
Deferred tax liability		10,409,855	19,897,623
TOTAL NON-CURRENT LIABILITIES		282,262,894	235,365,182
TOTAL LIABILITIES		399,621,380	333,144,612
NET ASSETS		568,274,688	572,418,284
EQUITY			
Contributed capital		562,240,009	562,238,059
Reserves		19,634,091	16,453,152
Accumulated losses		(13,599,412)	(6,272,927)
TOTAL EQUITY		568,274,688	572,418,284

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Gujarat NRE Coking Coal Ltd and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Half Year ended 30 September 2011

	Contributed equity \$	Accumulated losses \$	AFS reserve/ Revaluation Reserve \$	Share-based payment reserve/ Bonds Reserve \$	Total Equity \$
At 1 April 2010	490,426,809	(30,919,167)	1,256,331	8,145,517	468,909,490
Total comprehensive income for the year:					
Profit for the period	-	29,423,630	-	-	29,423,630
Other comprehensive income:					
Asset available – for – sale reserve	-	-	(531,259)	-	(531,259)
Total comprehensive income for the year:		29,423,630	(531,259)	-	28,892,371
Transactions with owners in their capacity as owners:					
Shares issued	1,336,992	-	-	-	1,336,992
Share based payment reserve	-	-	-	1,525,030	1,525,030
At 30 September 2010	491,763,801	(1,495,537)	725,072	9,670,547	500,663,883
Total comprehensive income for the year:					
(Loss) for the period	-	(4,777,390)	-	-	(4,777,390)
Other comprehensive income:					
Asset available – for – sale reserve	-	-	4,263,364	-	4,263,364
Total comprehensive income for the year:	-	(4,777,390)	4,263,364	-	(514,026)
Transactions with owners in their capacity as owners:					
Shares issued	72,261,000	-	-	-	72,261,000
Issue expenses	(1,786,742)	-	-	-	(1,786,742)
Share based payment reserve	-	-	-	1,794,169	1,794,169
At 31 March 2011	562,238,059	(6,272,927)	4,988,436	11,464,716	572,418,284
Total comprehensive income for the year:					
(Loss) for the period	-	(7,326,485)	-	-	(7,326,485)
Other comprehensive income:					
Asset available – for – sale reserve	-	-	(4,736,082)	-	(4,736,082)
Total comprehensive income for the year:	-	(7,326,485)	(4,736,082)	-	(12,062,567)
Transactions with owners in their capacity as owners:					
Shares issued	1,950	-	-	-	1,950
Share based payment reserve	-	-	-	7,917,021	7,917,021
At 30 September 2011	562,240,009	(13,599,412)	252,354	19,381,737	568,274,688

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Gujarat NRE Coking Coal Ltd and its Subsidiaries

Consolidated Statement of Cash Flows

for the Half Year Ended 30 September 2011

	Consolidated Entity	
	Half –year	
Note	30-Sep-11	30-Sep-10
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	98,308,769	116,185,423
Other receipts	170,292	98,663
Payments to suppliers	(58,228,050)	(82,365,957)
Interest received	304,904	19,468
Interest and other finance costs	(3,264,553)	(3,918,086)
Net cash inflow from operating activities	37,291,362	30,019,511
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(48,063,493)	(20,906,150)
Payment for lease settlement	(35,349,828)	-
Payments for mine development	(60,573,659)	(31,090,656)
Investment in subsidiary/takeovers/shares	-	(81,000)
Naming rights payment	-	(140,000)
Mine restoration expenses	(115,927)	(747,248)
Net cash (outflow) from investing activities	(144,102,907)	(52,965,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from conversion of options	1,950	1,325,000
Pre-shipment advances/(set off) from Gujarat NRE Coke Ltd	(3,348,943)	(9,110,218)
Loan from Hunters Finance	448,677	79,586
Loan proceeds from Gujarat NRE Limited	5,773,870	32,190,670
Overdraft from State Bank of India	5,400,000	-
Loan proceeds from Axis bank Consortium	44,047,817	-
Repayment of Axis consortium loan	(9,687,924)	-
Payment of deposits	-	86,960
Net cash inflow from financing activities	42,635,447	24,571,998
NET (DECREASE) / INCREASE IN CASH	(64,176,098)	1,626,455
Net cash and cash equivalents at beginning of period	71,855,393	4,059,065
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,679,295	5,685,520

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Gujarat NRE Coking Coal Ltd and its Subsidiaries

Notes to the Consolidated Financial statements

for the Half Year Ended 30 September 2011

NOTE 1 – BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

- a) This general purpose financial report for the interim half-year reporting period ended 30 September 2011 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

The historical cost basis has been used, except for investment properties, land and buildings, derivatives and available-for-sale financial assets which have been measured at fair value.

- b) The Group incurred a loss of \$ 7,326,485 after tax, has a deficiency of current assets to the current liabilities of \$52,542,293 and planned substantial capital expenditure to be incurred over the next few years in order to bring the mine to full development and targeted longwall production. Notwithstanding the above the directors believe that going concern basis of accounting is appropriate because funding needs will be met by coal sales and ongoing support of the ultimate parent entity, Gujarat NRE Coke Ltd, and the equity and commercial raisings that will be achieved by the directors as required.
- c) This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 31 March 2011 and any public announcements made by Gujarat NRE Coking Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report.

NOTE 2. SEGMENT INFORMATION

The group segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (executive management committee that makes strategic decisions).

Description of segment

The Group operates in one segment being coal mining, coal preparation and export of coal.

Management has determined this operating segment based on reports reviewed by the Management Committee for making strategic decisions. The management committee comprises the chairman of consolidated entity, Ultimate parent's Group's chief financial officer, a Director of Gujarat NRE FCGL Pty Ltd & Gujarat NRE Coke Ltd and a Management consultant. The committee monitors the business based on the reportable segment.

Segment information provided to the executive management committee for the half year ended 30 September 2011 is as follows:

Gujarat NRE Coking Coal Ltd and its Subsidiaries

Notes to the Consolidated Financial statements

for the Half Year Ended 30 September 2011

	Consolidated	
	30-Sep-11	30-Sep-10
EBITDA		
(LOSS)/PROFIT before income tax	(7,491,578)	27,628,790
Add Interest	3,573,860	4,698,394
Add Depreciation & amortisation (incl. Unwinding of restoration cost& borrowing cost)	9,806,298	19,128,747
Add interest rate swap costs	580,315	-
Add share based payment	4,148,577	1,525,030
Add Unrealised exchange loss/(gain)	16,760,740	(9,397,501)
Add Exceptional item - Impairment loss	9,116,957	-
	36,495,169	43,583,460

The management committee monitors segment performance based on EDITDA. This measure excludes non-recurring expenditure such as unrealized exchange gain loss, and goodwill/ asset impairments.

NOTE 3 – DIVIDENDS

There were no dividends paid or proposed during the period.

NOTE 4

	Consolidated	
	30-Sep-11	31 -Mar-11
Cash and cash equivalents above include restricted cash balance held and maintained for debt service coverage	2,883,141	2,471,984

NOTE 5

During the current half year Interest amounting to \$4,529,164 and \$3,768,444 relating to development proportion of share base payment were capitalized.

NOTE 6 - EQUITY SECURITIES ISSUED

	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	Shares	Shares	\$	\$
Issues of Ordinary Shares				
Options Converted	266,000	3,260,000	1,950	1,325,000
Share issued in swap	-	19,659	-	11,992
	266,000	3,279,659	1,950	1,336,992

Gujarat NRE Coking Coal Ltd and its Subsidiaries Notes to the Consolidated Financial statements for the Half Year Ended 30 September 2011

NOTE 6 EVENTS SUBSEQUENT TO BALANCE DATE

Gujarat NRE Coking coal Limited has successfully negotiated and secured a long term facility agreement to the extent of USD 100 Million with the help of ultimate parent Gujarat NRE Coke Ltd

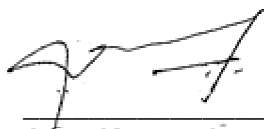
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Directors' Declaration

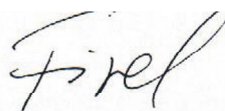
The Directors' of the Company declare that:

- A. The financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements are in accordance with the Corporations Act, 2001 and
- (1) Comply with the Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
 - (2) Give a true and fair view of the consolidated entity's financial position as at 30th September 2011 and of its performance for the half-year ended on that date.
- B. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the Directors' by:



Arun Kumar Jagatramka
Director



Andrew E. Firek
Director

Dated: 30/11/2011

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gujarat NRE Coking Coal Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gujarat NRE Coking Coal Limited, which comprises the statement of financial position as at 30 September 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gujarat NRE Coking Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gujarat NRE Coking Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gujarat NRE Coking Coal Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.



BDO Audit (NSW-VIC) Pty Ltd



Wayne Basford

Director

Sydney 30th November 2011

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