

Press Release

Primary Contact: Ed Cairns
Title: Head of Restructuring
Phone: +852-3713-4800

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Additional Contact: Rob Petty
Title: Managing Partner
Phone: +852-3713-4800

CLEARWATER SUPPORTS THE SALE OF GRIFFIN COAL TO LANCO

NEW YORK, NY, DECEMBER 15, 2010: Clearwater Capital Partners, as the largest creditor to Griffin Coal and a member of the Creditors Committees and Noteholder's Working Group, is pleased to support the sale of Griffin Coal Mining Company Pty Ltd. and Carpenter Mine Management to Lanco Resources Australia Pty Ltd., a subsidiary of the listed Indian energy company Lanco Infratech Ltd.

Clearwater has worked closely throughout the year with the administrators and professional advisors to achieve this sale at the right price and to the right buyer. Clearwater believes that this announced transaction will benefit all stakeholders; deliver fair returns to the creditors, transfer the asset to the right long-term strategic investor, and benefit the local community of Collie, Western Australia broadly, as well as the Indian power consumers. Clearwater looks forward to continuing the sale process for the power business next year.

Rob Petty, Managing Partner of Clearwater Capital Partners, commented, "This is a good outcome for all. Lanco has secured a unique long term source of thermal coal that is strategically close to the Indian market, with over one billion tons of resources. Western Australia will gain substantial infrastructure investment in enhanced port access which is key to further foreign investment in the region. The current creditors are getting the right price for this important asset and not a distressed sale outcome as some had speculated.

From a private equity and turnaround transaction perspective, this continues to be a unique situation. Financing such a large business in Voluntary Administration for a year is quite unusual in Australia. We injected new capital, not only to keep the business operational but to preserve and enhance its value for this sale. It has truly been a team effort – the Unions, the Western Australian Government, the Port Authority, the Working Group, the advisors and especially the administrators, orchestrating the entire thing. It has been a difficult process and a testing period over the past year but clearly the right way to have managed this unique situation for the benefit of all."

Edward Cairns, Clearwater's Head of Restructuring, added, "All the professional advisors involved have contributed significantly to this successful outcome but KordaMentha in particular deserves high praise for managing the innumerable intricacies of this administration, from dealing with the legal and accounting complexities of the business to keeping the mining operations running smoothly, all the while keeping the Griffin Power business on a solid financial and operational footing and continuing to deliver uninterrupted power to the businesses and residents of Western Australia."

About Clearwater Capital Partners, LLC

Established in December 2001, Clearwater Capital Partners, LLC is an investment firm with over \$1.7 billion under management. Through its team of 75 professionals, Clearwater utilizes its global and local restructuring and portfolio management expertise by investing in special situations and distressed or otherwise undervalued assets and securities located in Asia, excluding Japan. Clearwater has six primary offices located in New York, Hong Kong, Singapore, Mumbai, Seoul and Beijing. Clearwater's investors include major endowments, foundations, family offices, pension funds and other large institutions. More information can be found at www.clearwatercapitalpartners.com.

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