



NSL Consolidated

18th May 2015

JSW STEEL, INDIA'S LEADING INTEGRATED STEEL PRODUCER AND NSL EXECUTE OFFTAKE AGREEMENT

HIGHLIGHTS

- NSL executes a non-exclusive fines offtake agreement with India's leading integrated steel producer, JSW Steel.
 - JSW Steel is India's leading private sector steel producer and among the world's most illustrious steel companies.
 - JSW Steel is a circa US\$9 billion global conglomerate spread over six locations in India and a footprint that extends to the US, South America and Africa.
 - JSW Steel is the flagship company of circa US\$11 billion JSW Group.
 - NSL product considered a premium product.
 - Robust Indian domestic iron ore pricing and demand conditions continue.
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NSL Consolidated Limited (Company, ASX: **NSL**, **NSLO**) is pleased to advise that NSL has entered into a non-exclusive offtake agreement with India's leading integrated steel producer, JSW Steel Ltd (**JSW**).

JSW is India's leading private sector steel producer and among the world's most illustrious steel companies. JSW Steel is a circa \$9 billion global conglomerate spread over six locations in India and a footprint that extends to the US, South America and Africa.

As the flagship company of the \$11 billion JSW Group, JSW is testament to decades of experience and a dynamic culture that have culminated in the company becoming the leading provider of specialised steels in India.

The offtake agreement, executed with JSW is for 200,000 tonnes per annum of future Phase Two 58-62% Fe wet beneficiation plant fines product. The agreement has the capability of absorbing all the expected output from our wet plant, but being non-exclusive, it allows the Company to also diversify its customer base with other existing or future off takers going forward. Commercial terms are market based.

This second non exclusive fines offtake agreement, is further evidence to robust demand and supply market conditions in the domestic Indian iron ore sector where Indian domestic pricing continued to outperform the global seaborne pricing of iron ore.

Importantly during the course of the offtake discussions, JSW considered the NSL fines product to be a premium product due to its size, grade and low level contaminants. Specifically the NSL wet plant fines product is able to be inserted into the steel process further downstream creating operational, cost and quality advantages. In addition the

low Alumina, Phosphorous and Sulphur offer blending opportunities for the steel manufacturing process.

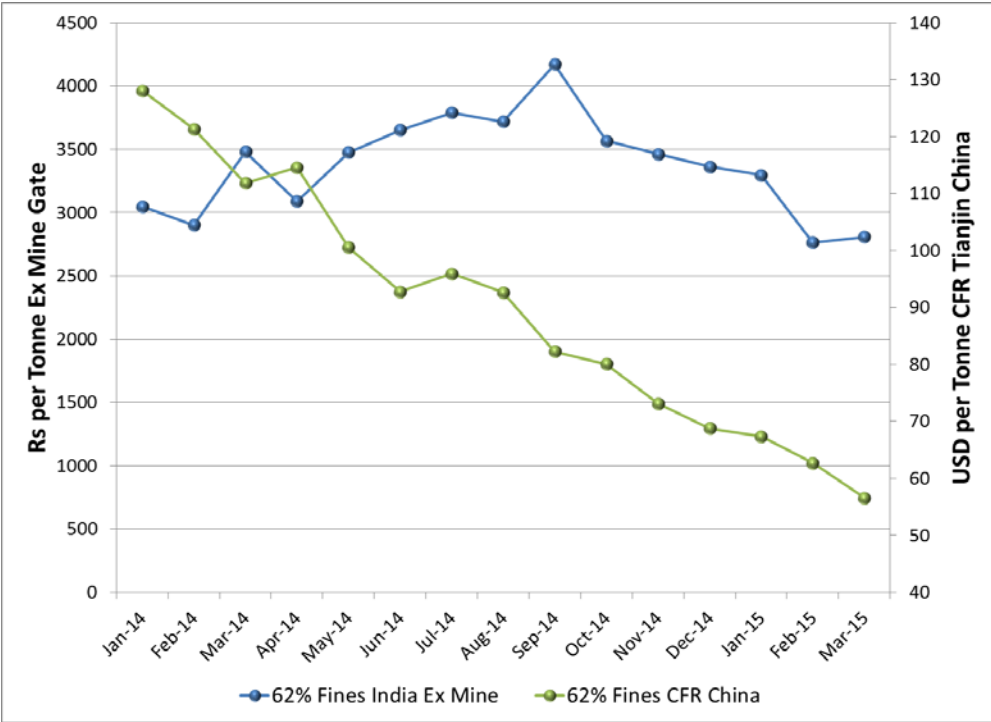
The JSW steel complex is approximately 160kms from NSL operations and located within the Hospet region of Karnataka, southern India’s main steel producing belt.

Production facilities located at the JSW steel complex include; Beneficiation Plant, Pellet Plant, Coke Plant, Hot Metal Plant, Steel Plant, Mill Plant and a R&D Facility. The plant consumes in excess of 20 million tonnes of iron ore per annum and is the largest steel producer in Southern India. The complex has been awarded numerous awards and accolades, including the Prime Ministers special commendation as the Best Integrated Steel Plant in 2012-13.

For further information on JSW, please refer to www.jsw.in/

During the course of the last quarter ex mine gate Indian domestic pricing continued to outperform the global seaborne pricing of iron ore. Transparent pricing in the Company’s operating region is provided by the electronic auction (e-auction) in the neighbouring state of Karnataka.

Detailed analysis continued to be conducted during the last Quarter to assist in commercial negotiations and in defining domestic pricing mechanisms and models. The following chart shows the monthly average ex mine gate pricing data from all auctions in Karnataka, which has then been standardised to 62% Fe equivalent pricing. This has then been charted against the monthly average spot pricing for 62% Fe CFR China.



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