This document which comprises a prospectus relating to the Company has been prepared in accordance with the Prospectus Rules of the Financial Services Authority made under Section 73A of the Financial Services and Markets Act 2000 ("**FSMA**"). Application will be made to the Financial Services Authority and to the London Stock Exchange respectively for admission of all the GDRs to: (i) the Official List; and (ii) the London Stock Exchange's Regulated Market for listed securities (together "**Admission**"). London Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). No application has been made or is currently intended to be made for the GDRs to be admitted to listing or dealt with on any other exchange. It is expected that Admission will become effective and that dealings in the GDRs will commence on 28 May 2010.

The GDRs have not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States any other United States regulatory authority or of Canada, Japan, the Republic of South Africa, the Republic of Ireland or Australia, or any other jurisdiction and no regulatory clearances in respect of the GDRs have been, or will be, applied for in any jurisdiction other than the UK.

Although the whole text of this document should be read, the attention of persons receiving this document is drawn, in particular, to the section headed "Risk Factors" contained in Part 2 of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the risk factors set out in Part 2 of this document.

GREAT EASTERN ENERGY CORPORATION LIMITED

(Incorporated and registered in India under the Companies Act, 1956 with CIN U48985WB1992PLC095301)

Admission to Standard Listing on the Official List and to trading on the London Stock Exchange of up to 116,123,900 GDRs

FINANCIAL ADVISER AND JOINT BROKER

Arden Partners plc

JOINT BROKER

RBC Capital Markets

Arden Partners plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for only the Company and no-one else as its financial adviser, is not advising any other person or treating any other person as its client, and will not be responsible to any person other than the Company for providing the protections afforded to its client nor for providing advice as its financial adviser.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA or paragraph 3.4 of the Prospectus Rules, the publication of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Forward looking statements

Some of the statements in this document include forward looking statements which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Company's products and services). These statements include forward looking statements both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "**expects**", "**intends**", "**plans**", "**believes**", "**projects**", "**anticipates**", "**will**", "**targets**", "**aims**", "**may**", "**would**", "**could**", "**continue**" and similar statements are of a future or forward looking nature.

All forward looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this document entitled "**Risk Factors**", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward looking statements in this document reflect the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Rules or the Listing Rules, the Company undertakes no obligation publicly to update or review any forward looking statement, whether as a result of new information, future development or otherwise. All subsequent written and oral forward looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision.

References to Defined Terms

Certain terms used in this document are defined on pages 299-303.

Copies of this document are available for collection, free of charge, from the date of Admission and for one month thereafter during normal business hours from Arden Partners plc at 125 Old Broad Street London EC2N 1AR.

TABLE OF CONTENTS

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Yogendra Kumar Modi *(Chairman & Managing Director)* Paul Sebastian Zuckerman *(Non-Executive Director)* Pejavar Murari *(Non-Executive Director)* Kashi Nath Memani *(Non-Executive Director)* Haigreve Khaitan *(Non-Executive Director)* Gurvirendra Singh Talwar (Rana Talwar) *(Non-Executive Director)* Ashok Kumar Jha *(Non-Executive Director)*
Company Secretary	Parveen Arora
Registered Office	M10 ADDA Industrial Area District Burdwan Asansol 713 305 West Bengal India
Corporate Office	Signature Towers-A 14th Floor South City NH-8 Gurgaon 122 001 Haryana India
Financial Adviser and Joint Broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR UK
Joint Broker	Royal Bank of Canada Europe Limited (RBC Capital Markets) 71 Queen Victoria Street London EC4V 4DE UK
Competent Person	Netherland, Sewell & Associates, Inc. 1221 Lamar, Suite 1200 Houston, Texas 77010 USA
Solicitors to the Company as to Indian Law	Khaitan & Co. One Indiabulls Centre, 13th Floor, Senapati Bapat Marg Elphinstone Road, Mumbai-400 013 India
Solicitors to the Company as to English Law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA UK

Statutory Auditors	Price Waterhouse Building 8, 7th & 8th Floor Tower-B, DLF Cyber City Gurgaon-122 002 Haryana India
Reporting Accountants	Grant Thornton L-41 Connaught Circus New Delhi-110001 India
Public Relations Advisers: India	Adfactors Public Relations Maharishi Karve Marg, Shalaka Mumbai – 400 021 India
Public Relations Advisers: UK	Pelham Bell Pottinger 12 Arthur Street London EC4R 9AB UK
Depositary Bank	Deutsche Bank Trust Company Americas 60 Wall Street New York, NY 10005 USA
Custodian Bank	ICICI Bank Limited North Tower 2nd Floor ICICI Towers Bandra Kurla Complex Mumbai 400 051 India

PART 1

SUMMARY

The following summary should be read as an introduction to the Prospectus. Any decision to invest in GDRs should be based on consideration of the Prospectus as a whole by the investor. Certain terms used in this document are defined in the section headed "Definitions".

Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each member state of the European Economic Area ("EEA") civil liability attaches to those persons responsible for the summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before legal proceedings are initiated.

Overview

The Company is a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. The Company produces CBM from the Company's Block in Raniganj, West Bengal, which spans an aggregate area of 210 km^2.

Company history

The Company was incorporated in India in 1992 to explore, develop, distribute and market CBM. The Company originally entered into a memorandum of understanding and licence agreement in 1993 with CIL for the exploration and development of CBM within the Raniganj coalfield. Between 1994 and 2001, the Company carried out preliminary exploration activities on the Company's Block.

Following the transfer of CBM administration in India from the Ministry of Coal to the MoPNG, the Company entered into a PSC on 31 May 2001 with the MoPNG. The PSC became effective on 9 November 2001, when the Company executed the formal deed for a PEL with the West Bengal Government. On 4 September 2008 the West Bengal Government granted the Company its mining lease, which is valid for an initial period of 20 years. The mining lease may be extended by the West Bengal Government for a further period of 10 years.

Summary of interests

The Company's principal asset is a large licence area, covering 210 km^2 in the southern part of the Raniganj Coal Field in the state of West Bengal, India, from which the Company produces natural gas in the form of CBM. As on 30 April 2010 a total of 29 wells were in production and average production for the month of April 2010 was 3.55 mmscf/d.

The Raniganj Coal Field

The gas-bearing coals in the Raniganj Basin occur in sediments of Upper Permian age, lying at depths of 20 metres to 1,150 metres below the surface. The Raniganj Formation is up to 700 metres thick and comprises a succession of coal seams, carbonaceous shales, and shales alternating with bands of medium- and coarse-grained arkosic sandstones. There are 10 regionally correlatable coal seams, named RN-1 to RN-10 (bottom to top), as well as various more local coals. The aggregate coal thickness varies from zero on the basin margin to over 60 metres in the basin centre, with an average total thickness of c. 40 metres (in seams > 0.5 metres thick). The coals are classified as High Bituminous B to C, with high moisture (c. 4 per cent.) and a high-to-medium ash content (c. 28 per cent.). Average gas content is 319 scf/ton on a dry ash-free basis, and the desorbed gas composition is 97 per cent. methane, 1.7 per cent. nitrogen, 0.2 per cent. carbon dioxide, with 1.1 per cent. ethane and higher hydrocarbons.

Gas In Place Estimate

An independent assessment of the Company's CBM resources in the Raniganj Basin has been conducted by NSAI, and a full copy of their CPR can be found in Part 8. Based on a detailed technical analysis, on a seam-by-seam basis, of all available core holes and wells in the basin, NSAI have mapped OGIP across the Company's licence. In the Company's Block there is up to 100 mmscf/acre in the richest, central part of the basin along the banks of the Damodar River, with less gas to the south as the coal thins on the flank of the Raniganj Basin. NSAI estimate that the total OGIP for the licence area is 2.0 Tcf.

Recoverable Gas Reserves

NSAI have examined recovery efficiencies for coalbed gas wells drilled in the area, have concluded that the following range of recovery factors are applicable:

Low Estimate	35%
Best Estimate	50%
High Estimate	70%

These recovery factors were then applied to each existing and planned well location using OGIP for an 80 acre spacing, to arrive at a low, best estimate and high estimate for ultimate gas recovery from the well. An economic model was applied to establish commerciality cut-offs, and the resulting recoverable reserve numbers are aggregated below. Note that these figures are net of royalties and shrinkage (fuel, flaring and line losses).

Reserves Category	*Net Bcf*
Proved Developed Producing	11.428
Proved Dev. Non-Producing	2.905
Proved Undeveloped	0.868
Total Proved Reserves	15.202
Probable Reserves	9.676
Possible Reserves	16.115
2P (Proved + Probable)	24.878
3P (Proved+Probable+Possible)	40.993

Prospective Resources

NSAI have also assessed the parts of the licence lying beyond the current project areas, and have calculated potential future gas recoveries based on their evaluation of OGIP distribution. They have assigned these to the category of Prospective Resources, reflecting the fact that no gas production has yet been proven for these parts of the licence, and that the resources remain speculative. The Company intends, however, to explore these areas and establish the existence of reserves through drilling.

Note that the resources numbers below are gross; net resources would be reduced by around 10 per cent.:

Prospective Resources	*Gross Bcf*
Low Estimate	79.596
Best Estimate	164.555
High Estimate	501.910

Further details of the resource assessment of the Company's Block are given in the CPR in Part 8 of this document.

Current trading and prospects

The Company's Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying underground MDPE pipelines connecting the wells to the gas gathering stations. As at 31 March

2010, the Company has completed 37 wells, with 30 additional wells in various stages of completion and has commissioned one gas gathering station. The Company has laid 60.154 km of the MDPE pipeline which connects 42 wells to the gas gathering station, and 11.80 km of the steel pipeline which connects the gas gathering station to the central gathering station in Asansol. The Company has also laid 12.36 km of steel pipeline which connects the central gathering station to Kulti and 53.46 km of steel pipeline which connects the central gathering station to Durgapur. After completing all of the 100 wells in the Company's Development Plan, and subject to the approval of the DGH, the Company currently expects to continue drilling an additional 200 wells in two phases to fully develop the Company's Block by 2016, as well as the construction of additional gas gathering stations and laying additional pipelines.

Since January 2010, the Company has sold a substantial amount of gas to industrial customers through pipelines and truck mounted cascades. For the year ended 31 March 2010, the Company produced 38,402.15 mcm of CBM, and sold 5,554.90 mcm of CBM. The Company completed the pipeline from its gas gathering station to its central gathering station in Asansol, West Bengal in January 2009 and to Kulti in April 2009 and to Durgapur in October 2009.

Summary of financial information

The table below sets out selected historical financial information of the Company, which has been extracted without material adjustment from the Company's audited financial statements for the three years ended 31 March 2009 and the unaudited financial information in respect of the six months ended 30 September 2009, all of which were prepared under IFRS.

	Year ended 31 March 2007 $'000	*Year ended 31 March 2008 (original audited) $'000*	*Year ended 31 March 2008 (rearranged) $'000*	*Six months ended 30 September 2008 $'000*	*Year ended 31 March 2009 $'000*	*Six months ended 30 September 2009 $'000*
Revenue	–	123	123	391	701	526
Net Profit/(Loss) Before Tax	(342)	(2,509)	(2,509)	(2,025)	(6,543)	(3,794)
Net Profit/(Loss)	(342)	(2,510)	(2,510)	(2,025)	(6,543)	(3,794)
Net increase/(decrease) in cash and cash equivalent	3,342	(9,831)	(9,831)	(106)	(1,272)	(357)
Total Assets	46,677	67,796	68,484	73,282	80,939	98,491
Total Liabilities	2,488	22,132	22,820	36,243	50,945	70,474
Total Equity	44,189	45,664	45,664	37,039	29,994	28,017

Reasons for admission to the Official List

The Company has grown and matured appreciably since its admission to AIM in 2005 and the Board now considers, having regard to the Company's market capitalisation, mineral reserves and resources, operations and production profile, the Official List to be the most appropriate platform for the continued growth of the Company.

Furthermore, the Directors believe that a listing on the Official List could further enhance the Company's profile, enable improved access to the capital markets and potentially increase the liquidity of trading in its securities, allowing the GDRs to be acquired by a wider group of investors.

Summary of principal risk factors

The attention of prospective investors is drawn to the fact that the ownership of GDRs in the Company will involve a variety of risks.

Principal risks relating to the Company's business

- CBM OGIP and resources data are only estimates and are inherently uncertain, and the actual amounts may be more or less than these estimates.
- Drilling for and producing natural gas are costly and high-risk activities with many uncertainties that could adversely affect the Company's financial condition or results of operations.
- Adverse developments in the Company's operating area would adversely affect the Company's results of operations.
- The Company may face unanticipated water disposal costs.
- The Company's operations expose it to significant costs and liabilities with respect to environmental and operational safety matters applicable to the Company's operations.
- There is a significant delay between the time the Company drills and completes a well and when the well reaches peak gas production.
- If the Company stops production of gas from a well for an extended period of time, water will accumulate in the coal seams, which will require the well to be de-watered again.
- Using natural gas as fuel is new in West Bengal and may not become a widely-accepted alternative to other fuel sources.
- If either of the Company's three rigs is damaged or the Company is unable to operate these rigs, the Company's drilling plans may be delayed.
- The unavailability or high cost of equipment, supplies and services.
- Shortages of crews could delay the Company's operations and adversely affect its ability to increase production.
- The Company may experience difficulties with the quality of service provided by some of the Company's third party contractors.
- The Company's natural gas reserves will be depleted over time and the Company may be unable to develop or acquire additional natural gas reserves.
- The Company may be unable to successfully distribute the Company's natural gas, which may adversely affect the business and results of operations.
- The Company may have difficulty managing growth in the business or implementing the Company's strategies.
- The Company's business involves many hazards and operational risks, some of which may not be fully covered by insurance.
- The Company's success depends on the Company's ability to retain the current key management personnel, and hire new suitably qualified professionals.
- The Company must obtain and retain governmental permits and approvals for the Company's drilling operations and the construction of pipelines, which can be a costly and time consuming process.
- If the Company does not invest in new technologies and equipment, the Company's current technologies and equipment may become obsolete and the cost of production may increase.

- The Company intends to pursue opportunities outside of the Company's existing markets and may face added business, political, regulatory, operational, financial and economic risks.
- The restrictive covenants imposed on the Company under the Common Loan Agreement could adversely affect the Company's ability to conduct its business.
- The Company believes that certain tax benefits are available to the Company and any change in the tax benefits available to the Company may adversely affect the results of operation.
- If the Company defaults on its obligations under the Common Loan Agreement, the Lenders would be able to convert the outstanding balance of the underlying loan into Equity Shares.
- Increases in interest rates may adversely affect the Company's results of operations.
- The Company may not be able to secure the land necessary to develop its drilling sites within the Company's Block and the pipelines within the Company's Block and in the area surrounding it.
- The Company may not be able to identify or correct any material defects or irregularities in title to the land upon which it has developed or intend to develop its wells.
- The Company's royalty and production level payment obligations are based on a minimum price, although the Company may charge customers less than that for the Company's gas.
- The Company operates in a highly regulated industry and the regulatory environment in which it operates is subject to change, which may indirectly adversely affect its operations.
- The CBM industry in West Bengal lacks infrastructure and expertise.
- Major Shareholders may be able to significantly affect the outcome of Shareholder voting.
- The Company may face competition in the future from natural gas-producing companies in West Bengal.
- The Company is effectively prohibited from exporting CBM in the Company's PSC.
- The Company's production may decrease if the GoI grants another licence to mine coal or other minerals on the Company's Block to a third party.
- Under the terms of the PSC, the GoI has the option to assume ownership of any assets the Company purchases for use in the Company's CBM operations upon the expiry or early termination of the PSC.
- If the GoI terminates the PSC early the Company's results of operation may be affected.

Principal risks relating to operating in India

- The Company's ability to raise foreign capital may be constrained by Indian law.
- A decline in the price of natural gas internationally and in India may have an adverse effect on the Company's revenues and profit margins.
- Political, economic and social changes in India could adversely affect the Company's business.
- The Company's growth is dependent on the Indian economy.
- Depreciation of the INR against foreign currencies may have an adverse effect on the Company's results of operations.
- If the rate of inflation in India increases, the Company's results of operations and financial condition may be adversely affected.
- Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's business.

Principal risks relating to GDRs

- The price of the GDRs may be volatile, or an active trading market for the GDRs may not develop.
- Any future issuance of Equity Shares or GDRs by the Company or any conversion of debt to equity by the Company's creditors may dilute the shareholding.
- Sales of Equity Shares and GDRs by major Shareholders may adversely affect the price of the Equity Shares and GDRs.

PART 2

RISK FACTORS

An investment in GDRs involves a high degree of risk. You should consider all information in this Prospectus, including the principal risks and uncertainties described below, before making an investment in the GDRs. If any of the following material risks or any of the other risks and uncertainties discussed in this Prospectus actually occur, the Company's business, financial condition and results of operations could suffer, the trading price of the GDRs could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that the Company faces; additional risks and uncertainties not presently known or that the Company currently believes to be immaterial may also have a material adverse effect on the Company's business, financial condition and results of operations.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect on the Company's business is not quantifiable and this has not been disclosed in such risk factors. Investors should not invest any funds unless they can afford to take the risk of losing all or part of their investment. You are advised to read the risk factors carefully before taking an investment decision. Before making an investment decision, investors must rely on their own examination.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's results could differ from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus.

PRINCIPAL RISKS RELATING TO THE COMPANY'S BUSINESS

1. ***CBM OGIP and resources data are only estimates and are inherently uncertain, and the actual amounts may be more or less than these estimates***

   Petroleum engineering is a subjective process of estimating underground accumulations of natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable natural gas reserves and rates of production necessarily depend upon several variables and assumptions, including the following:

   - historical production from the area compared with production from other comparable producing areas;
   - interpretation of geological, geophysical and core hole data;
   - interpretation of data from GoI research institutes;
   - assumptions concerning the future performance of wells and surface facilities;
   - assumptions concerning development planning;
   - assumed effects of regulations adopted by governmental agencies;
   - assumptions concerning future natural gas prices;
   - assumptions on capital expenditures; and
   - assumptions concerning future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

   Because all reserves and resources estimates are subjective and judgmental, each of the following items may individually or collectively differ from those assumed in estimating reserves and resources as set out in the CPR, which is reproduced in Part 8 of this document:

   - the quantity and quality of natural gas that is ultimately recovered;

- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future natural gas sales prices.

The assumptions used in estimating reserves and resources are beyond the Company's control and may prove to be incorrect over time. The accuracy of any reserves or resources evaluation depends on the quality of available information and engineering and geological interpretation. Exploration, drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Company's reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves and resources based on the same available data. Changes in the price of natural gas may also adversely affect the estimates of the Company's reserves because the reserves are evaluated based on prices and costs as of the appraisal date. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be significant. If actual production is lower than expected, then the Company's financial conditions and results of operations may be adversely affected.

The Company has substantial Prospective and Contingent Resources. If estimates of the Company's reserves and resources prove to be incorrect, the Company's business and results of operations may be adversely affected.

2. ***Drilling for and producing natural gas are costly and high-risk activities with many uncertainties that could adversely affect the Company's financial condition or results of operations***

The cost of drilling, completing and operating a well is often uncertain, and cost factors can adversely affect the economics of a well. The Company's drilling and producing operations may be curtailed, delayed or cancelled as a result of various factors, including:

- rising costs, shortages or delivery delays of drilling rigs, equipment, labour or other services;
- reductions in natural gas prices;
- limitations in the market for natural gas;
- adverse weather conditions such as seasonal monsoons;
- facility or equipment malfunctions;
- difficulty disposing of water produced as part of the CBM production process;
- equipment failures or accidents;
- title problems on the land required to set up well sites;
- pipe or cement failures or casing collapses;
- compliance with environmental and other governmental requirements;
- environmental hazards, such as gas leaks, pipeline ruptures and discharges of toxic gases;
- lost or damaged drilling and service tools;
- loss of drilling fluid circulation;
- unexpected operational events and drilling conditions;
- unusual or unexpected strata or geological formations;
- formations with abnormal pressures;
- natural disasters, such as fires;

- blowouts, surface craterings and explosions; and
- uncontrollable flows of gas or well fluids.

A productive well may become uneconomic if deleterious substances are encountered which impair or prevent the production of natural gas from the well. The Company may drill wells that are unproductive or, although productive, do not produce natural gas in commercial quantities. Unsuccessful drilling activities could result in higher costs without any corresponding revenues. Furthermore, a successful completion of a well does not ensure a profitable return on the investment. If the Company's wells do not produce as planned, the Company's results of operations may be adversely affected.

3. ***Because of the Company's lack of operational assets and geographic diversification, adverse developments in the Company's operating area would adversely affect the Company's results of operations***

All of the Company's operational assets are currently located in West Bengal, and the Company carries out all its gas operations on the Company's Block in Raniganj, West Bengal. As a result, the Company's business is disproportionately exposed to adverse developments affecting this region. These potential adverse developments could result from, among other things, changes in governmental regulation, political instability in the region, capacity constraints with respect to the pipelines connected to the Company's wells, curtailment of production, disputes with residents on the Company's Block, or adverse weather conditions in or affecting this region. Due to the Company's lack of diversification in asset type and location, an adverse development in the Company's business or in this operating area may affect its financial condition and results of operations.

4. ***The Company may face unanticipated water disposal costs***

The Company is subject to regulations that restrict the Company's ability to discharge water produced as part of the Company's production operations. Coal beds frequently contain water that must be removed in order for the natural gas to detach from the coal and flow to the well bore, and the Company's ability to remove and dispose of sufficient quantities of water from the coal seam will determine whether the Company can produce natural gas in commercial quantities, or at all. Also, the cost to transport and dispose of that water, including the cost of complying with regulations concerning water disposal, may reduce the Company's profitability.

Where water produced from the Company's wells fails to meet the quality requirements of applicable regulatory agencies, the Company may have to close wells in production or upgrade facilities for water handling or treatment. The costs to treat this produced water may increase if any of the following occur:

- the Company cannot obtain permits from applicable regulatory agencies;
- water of lesser quality or requiring additional treatment is produced;
- the Company's wells produce excess water;
- new laws and regulations require water to be disposed in a different manner; or
- costs to transport the produced water increase.

The water produced from the Company's wells is stored in pits, where the water quality is tested. The water is tested as per industry norms and used in the Company's drilling operations. Water produced from existing and new wells in the future may be in larger quantities or of a lesser quality than anticipated and the current storage, testing and disposal capacity may not be sufficient. Further, water treatment and disposal standards may develop and become more stringent. Any of these factors may result in an increase in the Company's water treatment and disposal costs.

If the Company's water treatment and disposal costs increase, or regulations regarding water disposal change, the Company's results of operations may be adversely affected.

5. ***The Company's operations expose it to significant costs and liabilities with respect to environmental and operational safety matters applicable to the Company's operations***

The Company may incur significant costs and liabilities as a result of environmental or health and safety requirements applicable to the Company's operations. These costs and liabilities could arise under national, state and local environmental and health and safety laws and regulations, including enforcement policies. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and criminal penalties, imposition of clean-up and site restoration costs and liens, and the issuance of injunctions to limit or cease operations. In addition, claims for damages to persons or property may result from environmental and other aspects of the Company's operations. Moreover, it is not uncommon for neighbouring landowners and other third parties to file claims for damages as a result of environmental and other accidents.

The Company may be liable for environmental damage caused by the Company's third party contractors. Under arrangements entered into by the Company with certain parties, the Company is responsible and is required to indemnify the contractors for environmental damage and related losses caused by the Company's operations without regard to the negligence of the contractor. Further, certain of the Company's service contracts limit the third party contractors' liability for pollution caused by their activities. The Company's insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by third party contractors or by the Company and any such damage may have an adverse effect on the Company's results of operations.

6. ***There is a significant delay between the time the Company drills and completes a well and when the well reaches peak gas production. As a result, there will be a significant time lag between when the Company makes capital expenditures and when the Company will begin to recognise significant cash flow from those expenditures***

Generally, in the Company's business there are significant periods of time between the time a well is drilled and completed and when the well is connected to the gas gathering system. This period between the time when the Company makes capital expenditures to drill and complete a well and when the Company will begin to recognise significant cash flow from those expenditures may adversely affect the Company's results of operations.

7. ***If the Company stops production of gas from a well for an extended period of time, water will accumulate in the coal seams, which will require the well to be de-watered again***

If the Company stops production at a well, or production is stopped for reasons beyond the Company's control for an extended period of time before all its resources have been produced, water will accumulate in the coal seams and the Company will have to de-water that well again to restart production. This will delay the Company's production plans and may adversely affect the Company's business and results of operations.

8. ***Using natural gas as fuel is new in West Bengal and may not become a widely-accepted alternative to other fuel sources***

Natural gas is not currently a widely-used type of fuel in West Bengal and may not become a common alternative to other fuels. There are currently very few customers using natural gas as fuel in the vicinity of the Company's Block, and there is no guarantee that additional customers will adopt natural gas as their fuel source. There are costs required to switch from other fuel sources to natural gas, and some customers may choose not to proceed with switching if they decide the cost is too high. While the use of natural gas may be established in other markets, there is no track record for development in West Bengal. Further, supply of natural gas in the Company's geographical market is currently limited. If the supply of natural gas in West Bengal does not increase or demand for natural gas does not develop in the Company's geographical market, the Company's business, revenues and results of operations will be adversely affected.

9. ***The Company owns one rig which the Company uses to drill its wells and two workover rigs. If either of these rigs is damaged or the Company is unable to operate these rigs, the Company's drilling plans may be delayed***

The Company owns one rig which it uses to drill its wells, and two workover rigs which are used to maintain each completed well. The Company will continue using these rigs to complete and operate any new wells the Company digs. If the Company's rigs are damaged, or the Company is for some reason not able to use the rigs or acquire new rigs, the Company's drilling plans will be delayed. The Company may be forced to pay for repairs, or lease or purchase new rigs to continue drilling new wells. The Company cannot provide any assurance that it will be able to do this fast enough to keep pace with drilling operations, or at all. Any slowdown in the Company's drilling plans may adversely affect the Company's business and results of operations.

10. ***The unavailability or high cost of equipment, supplies and services could adversely affect the Company's ability to execute its exploration and development plans on a timely basis and within the Company's budget***

During the past few years, there has been a shortage of equipment, supplies and services the Company requires. During these periods, the costs and delivery times of rigs, equipment, supplies and services are substantially greater. As a result of historically strong prices of natural gas, the demand for gas services has risen, and the costs of these services and supplies are increasing. If the unavailability or high cost of drilling rigs, equipment, supplies or services become particularly severe in the areas where the Company operates, the Company's business and results of operations could be adversely affected.

11. ***Shortages of crews could delay the Company's operations and adversely affect its ability to increase production***

Higher natural gas prices generally stimulate increased demand and result in increased wages for crews, with skilled and unskilled personnel, in the Company's production operations, creating a shortage of crews at reasonable costs. Also, some of the Company's third party contractors who perform specialised functions in relation to the Company's operations are non Indian nationals and the specialised skills they provide may not exist in India, and will thus be more difficult to replace. These types of shortages could increase the Company's costs and/or restrict or delay the Company's ability to drill the wells and conduct the operations that the Company currently has planned. The Company's third party contractors may also face difficulties in hiring labourers to execute the drilling and production activities the Company outsources to them. Any increase in labour costs could adversely affect the Company's ability to increase production and may lead to a reduction in revenue. Additionally, higher labour costs could cause an increase in capital expenditures and costs of operation, which may adversely affect the Company's business and results of operations.

12. ***The Company may experience difficulties with the quality of service provided by some of the Company's third party contractors, and operations could be adversely affected***

The Company relies on third party contractors to carry out a substantial portion of the work on the Company's Block, including exploration, engineering, drilling and completion work, infrastructure construction and transportation. As a result, the Company's operations may be affected by the performance of the Company's contractors. Although the Company monitors the work of the Company's third party contractors, the Company may not be able to control the quality, safety and environmental standards of the work done through third party contractors to the same extent as when the work is performed by the Company's own employees. If the third party contractors do not meet the Company's quality standards or violate the contracts or any government regulations or labour laws, if the Company's contractual relationships become the subject of litigation, if the third party contractors fail to conform to generally accepted ethical standards, or if the third party contractors attempt to prematurely end the working relationships, the Company's business could be adversely affected. Further, if the Company's third party contractors fail to pay wages to their employees within the prescribed period and for the prescribed amount, the Company will be liable to those employees for payment of unpaid wages.

13. ***The Company's natural gas reserves will be depleted over time and the Company may be unable to develop or acquire additional natural gas reserves***

The Company's future natural gas reserves, production, and results and cash flows to be derived therefrom are highly dependent on the Company acquiring or discovering new natural gas reserves. Without the addition of new natural gas reserves, the Company's production will decline over time as existing natural gas reserves are exploited. A future increase in the Company's natural gas reserves will depend on the ability to select and acquire suitable producing properties or prospects, the ability to develop new properties, and the Company's application for the rights and licences needed to develop a block being approved by the authorities. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of natural gas, or that the Company will be able to secure licences to develop other blocks in the future.

14. ***The Company may be unable to successfully distribute the Company's natural gas, which may adversely affect the business and results of operations***

The Company is building a distribution network for natural gas which will include pipelines and truck mounted cascades. If the Company is unable to fully develop this network as planned, the Company will be unable to distribute natural gas in significant quantities. The Company may also face construction delays, cost overruns and delays in receiving right of way approvals or other licences needed to build the Company's pipelines, each of which may restrict the ability to distribute gas. If the Company is unable to distribute natural gas in the quantities and on the timeline the Company envisages, the Company's business and results of operations will be adversely affected.

15. ***The Company may have difficulty managing growth in the business or implementing the Company's strategies***

Because of the relatively small size of the Company's current business operations, growth in accordance with business plans, if achieved, could place a significant strain on the Company's financial, technical, operational and management resources. The failure to continue to upgrade the Company's technical, administrative, operating and financial control systems or the occurrence of unexpected expansion difficulties, including the recruitment and retention of the required personnel, could have an adverse effect on the Company's business, financial condition and results of operations and its ability to execute the business plans in a timely manner.

Further, the Company can offer no assurances that it will be successful in implementing the Company's strategies in expanding the scope of operations to sell natural gas to large commercial buyers. If the Company is unsuccessful in implementing this strategy, the business and results of operations could be adversely affected.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the Official List.

16. ***The Company's business involves many hazards and operational risks, some of which may not be fully covered by insurance. If a significant accident or event occurs that is not fully insured, the Company's operations and financial results could be adversely affected***

There are a variety of risks inherent in the Company's operations that may generate liabilities, including contingent liabilities and financial losses, such as:

- damage to wells, pipelines, related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters and acts of terrorism;
- inadvertent damage to construction and utility equipment;

- leaks or losses of natural gas as a result of the malfunction of equipment or facilities or blowouts; and
- other hazards that could also result in personal injury and loss of life, pollution and suspension of operations.

Any of these or other similar occurrences could result in the disruption of the Company's operations, substantial repair costs, personal injury or loss of human life, significant damage to property, environmental pollution, impairment of operations and substantial revenue losses.

In accordance with industry practice, and under the terms of the PSC, the Company currently possesses property and general liability insurance at levels the Company believes are appropriate; however, insurance against all operational risk is not available. The Company is not fully insured against all risks, including drilling and completion risks that are generally not recoverable from third parties or insurance. Pollution and environmental risks generally are not fully insurable. Additionally, the Company may elect not to obtain insurance if the Company believes that the cost of available insurance is excessive relative to the perceived risks presented. Losses could, therefore, occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. Moreover, insurance may not be available in the future at commercially reasonable costs and commercially reasonable terms.

There can be no assurance that the Company will be able to obtain the levels or types of insurance it would otherwise have obtained prior to these market changes or that the insurance coverage the Company does obtain will not contain large deductibles or fail to cover certain hazards or cover all potential losses. Losses and liabilities from uninsured and underinsured events and any delays in the payment of insurance proceeds owed to the Company could have an adverse effect on the results of operations.

17. ***The Company's success depends on the Company's ability to retain the current key management personnel, and hire new suitably qualified professionals***

The Company's success depends to a significant extent on the continued services of the key management personnel. If one or more of these individuals were unable or unwilling to continue in his present position the Company's business might be temporarily disrupted and the Company might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring any such replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely affect the Company's financial results. Due to the current limited pool of skilled personnel in India, competition for senior management, commercial and finance professionals and engineers in the Company's industry is intense. The Company does not maintain key-person life insurance for any of the Company's management personnel or other key employees.

18. ***The Company must obtain and retain governmental permits and approvals for the Company's drilling operations and the construction of pipelines, which can be a costly and time consuming process and may result in restrictions on the Company's operations***

Regulatory authorities exercise considerable discretion in the timing and scope of permit issuance. Requirements imposed by these authorities may be time consuming and may result in delays in the commencement or continuation of the Company's exploration or production operations. For example, the Company is often required to prepare and present to the central, state or local authorities data pertaining to the effect that proposed exploration for or production of natural gas may have on the environment. The Company is also required to apply for right of way permits to build the Company's pipelines on land the Company does not own. Due to these and other factors, permits the Company needs may not be issued, or if issued, may not be issued in a timely fashion, or may involve requirements that restrict the Company's ability to conduct operations or to do so profitably.

19. ***If the Company does not invest in new technologies and equipment, the Company's current technologies and equipment may become obsolete and the cost of production may increase relative to the Company's competitors, which would have an adverse effect on the Company's ability to compete and the results of operations***

The Company's profitability and competitiveness are in large part dependent upon the Company's ability to maintain a low cost of production as the Company sells commodity products with prices it is unable to influence. Unless the Company continues to invest in newer technologies and equipment and is successful at integrating such newer technologies and equipment to make the Company's operations more efficient, the cost of production relative to the Company's competitors may increase and the Company may cease to be profitable or competitive. However, newer technologies and equipment are expensive and the necessary investments may be substantial. Moreover, such investments entail additional risks as to whether the newer technologies and equipment will reduce the Company's cost of production sufficiently to justify the capital expenditures to obtain them. Any failure to make sufficient investments in beneficial newer technologies and equipment or in integrating such newer technologies and equipment into the Company's operations could have an adverse effect on the Company's ability to compete and on the Company's results of operations.

20. ***The Company intends to pursue opportunities outside of the Company's existing markets through acquisition of oil and gas assets outside of India, and may face added business, political, regulatory, operational, financial and economic risks, any of which could increase the Company's costs and hinder growth***

An important element of the Company's business strategy is the expansion of the Company's operations by targeting markets, particularly outside India, in which it does not currently operate. However, the Company has no experience in international expansion, and thus the Company may face considerable challenges in executing this strategy. The Company can give no assurances that it will be able to expand outside of India on a timely basis or at all, which may adversely affect the Company's business, operating results and financial condition. In addition, if the Company expands globally, this may increase the Company's costs of operations and decrease profitability or adversely affect the Company's financial condition.

21. ***The restrictive covenants imposed on the Company under the Common Loan Agreement could adversely affect the Company's ability to conduct its business***

The Common Loan Agreement entered into by the Company with various lenders includes various conditions and covenants that require the Company to obtain lender consents prior to carrying out certain activities and entering into certain transactions. The major corporate actions for which the Company requires the prior written consent of the Company's lenders include, among others, a change in capital structure, any new project or implementing a scheme of expansion or acquiring fixed assets, borrowing arrangements with other banks, declaration of dividends, any transfer of the controlling interest or making drastic changes in the composition of the Company's management and amending the Company's accounting methods. Further information relating to the Common Loan Agreement is contained in Part 9 of this document on page 289.

Compliance with the various terms of the loan is subject to interpretation and there can be no assurance that the Company would receive all consents from the lenders required under the loan agreement. Any failure to comply with consent requirements or perform any condition or covenant could lead to a termination of the Common Loan Agreement, acceleration of amounts due under the loan agreement and cross-defaults under certain of the Company's other financing agreements, any of which may adversely affect the Company's ability to conduct business and have an adverse effect on the Company's financial condition and results of operations.

22. ***Increases in interest rates may adversely affect the Company's results of operations***

As the Company has incurred substantial floating interest rate debt, the Company is exposed to interest rate risk. As at 31 March 2010 the Company had floating interest rate borrowings of INRs 2,548 million. The Company's current debt facilities carry interest at floating rates with a provision for the periodic reset of interest rates. The Company does not currently enter into any swap or interest rate hedging transactions in connection with such loan agreements to mitigate interest rate exposure. Although, the Company may enter into interest rate hedging contracts or other financial arrangements in the future to mitigate the Company's exposure to interest rate fluctuations, the Company can give no assurances however that it will be able to do so on commercially reasonable terms or any of such agreements the Company enter into will protect it fully against interest rate risk. Any increase in interest rates may have an adverse effect on the Company's business and results of operations.

23. ***The Company believes that certain tax benefits are available to the Company and any change in the tax benefits available to the Company may adversely affect the results of operation***

The Company believes it is eligible for a tax benefit envisaged under section 80 (IB)(9) of the Income Tax Act, 1961. The judiciary in India is yet to determine whether CBM will be among those resources deemed to be "mineral oil" for purposes of section 80 (IB)(9) of the Income Tax Act, 1961. If CBM is deemed not to be "mineral oil" and the Company is not eligible for the aforesaid benefits under Section 80 (IB)(9) of the Income Tax Act, 1961, the Company's results of operations will be adversely affected.

24. ***If the Company defaults on its obligations under the Common Loan Agreement, the Company's lenders would be able to convert the outstanding balance of the underlying loan into Equity Shares***

If the Company defaults on the Company's obligations under the Common Loan Agreement the Company's lenders have the right to convert the then outstanding balance of the underlying loan into Equity Shares at a mutually acceptable formula. If the Company's lenders exercise their conversion rights, the resulting issuance of new Equity Shares would dilute the holdings of investors in the Equity Shares, which could adversely affect the market price of the Equity Shares and the GDRs.

25. ***The Company may not be able to secure the land necessary to develop its drilling sites within the Company's Block and the pipelines within the Company's Block and in the area surrounding it***

The Company must purchase or lease the land above prospective natural gas reserves within the Company's Block in order to drill the well and build other infrastructure. The Company's licence does not compel land owners within the Company's Block to sell or lease to it. The Company must negotiate with each land owner on an individual basis. Land owners may decide not to sell or lease the land to the Company for a variety of reasons beyond the Company's control. If the Company is unable to buy or lease the plots of land above prospective natural gas reserves, it will be unable to develop that part of the Company's Block. If parts of the Company's Block remain undeveloped because the Company is unable to buy the land above prospective reserves the results of operations will be adversely affected.

The Company is building pipelines to transport its natural gas to customers. This involves gaining easements or right of way permission from various authorities and land owners. The Company cannot guarantee that it will be able to secure such rights to build its pipelines on a particular parcel of land in a timely fashion or at all, and as a result the Company may have to change the location and length of the Company's pipelines. Any delay in the construction of, or increase in the length of, the Company's pipelines could increase its construction costs and limit the Company's ability to get its CBM to the market, which could adversely affect the business and results of operations.

26. ***The Company may not be able to identify or correct any material defects or irregularities in title to the land upon which it has developed or intend to develop its wells***

There may be legal defects, restrictions, requirements and irregularities in title to the land on which the Company has developed or intends to develop its wells, which the Company may not be able to fully identify, comply with or assess. The Company's rights in respect of such land may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects of which it may not be aware. Any defects or irregularities of title may result in the loss of development rights over land, which will prejudice the success of the well intended for the parcel of land and may require the Company to incur substantial expenditure in respect of that well. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title, may have an adverse effect on the Company's business and results of operations. Any decision to acquire land based on inaccurate, incomplete or dated information may result in risks and liabilities associated with acquiring and owning such parcels of land.

27. ***The Company's royalty and production level payment obligations are based on a minimum price, although the Company may charge customers less than that for the Company's gas***

Under the Company's PSC, the Company's royalty and production level payment obligations are based on a minimum price of $6.79/mmbtu at the well head. If the Company sells the Company's gas below that minimum price, the Company is still obligated to pay the royalty and production level payment at the minimum price. If the Company charges its customers less than the minimum price, the effective royalty and production level payment rate, as a percentage of sales value, will increase. In the event that the Company's effective royalty and production level payment rates increase, the results of operations will be adversely affected.

28. ***The Company operates in a highly regulated industry and the regulatory environment in which it operates is subject to change, which may indirectly adversely affect its operations***

The Company is subject to various central, state and local laws and regulations with respect to its operations and cannot guarantee that it may not be subject to other regulations and licensing requirements including new regulations issued by any legislative, governmental, statutory or administrative authorities in the future which may adversely affect the Company's business, financial condition and prospects.

The extensive regulatory structure under which the Company operates may constrain its ability to respond to market conditions, competition or changes in cost structure. In addition, the Company is required to obtain certain approvals and licences from various regulatory bodies. There can be no assurance that such approvals and licences will be granted on a timely basis or at all, which may result in delays in achieving, or otherwise frustrate the achievement of, certain exploration, development and production targets.

Among other recent developments, the Petroleum and Natural Gas Regulatory Board Act, 2006 (the "PNGRB Act") came into force in India in April 2006 and was renotified on 1 October 2007, the new effective date. The PNGRB Act provides for the creation of a "Petroleum and Natural Gas Regulatory Board" (the "PNG Board") and vests the PNG Board with certain powers and functions, including: (a) the protection of Indian consumers' interests by fostering fair trade and competition among those engaged in or intending to be engaged in refining, processing, storage, transportation, distribution, marketing, import and export of petroleum, petroleum products and natural gas including laying of pipelines for transportation of petroleum, petroleum products and natural gas; (b) ensuring adequate availability in the Indian market of petroleum, petroleum products and natural gas; (c) monitoring prices and taking corrective measures to prevent restrictive trade practices in relation to petroleum, notified petroleum, petroleum products and natural gas; (d) securing equitable distribution of petroleum and petroleum products; (e) imposing fees and other charges; and (f) regulating the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas.

The Company's exploration, development and production activities will continue to be regulated by the MoPNG and the DGH. As the rules, regulations and jurisprudence of the PNG Board in relation to the refining, storage and transportation of crude oil and natural gas are uncertain and under-developed, there can be no assurance that such rules, regulations and jurisprudence will not evolve in a manner which may have an adverse effect on the Company's business, results of operations and financial condition, including through the imposition of different pricing mechanisms for the refining, storage and transportation of natural gas from what have otherwise been agreed or will be agreed in the various contracts governing the refining, storage and transportation of natural gas to which the Company is a party.

There may be other revisions in regulations or policies governing the natural gas industry on terms which may not be favourable to the Company or which may result in uncertainties with respect to their implementation. Any unfavourable change in the regulatory environment may adversely affect the Company's business, financial condition and prospects.

29. ***The CBM industry in West Bengal lacks infrastructure and expertise***

Due to its newness in West Bengal, the CBM industry lacks existing infrastructure and expertise. The Company will be required to build the infrastructure specific to the CBM industry necessary to carry out its business, including gathering stations, public points of sale and pipelines, which will increase the Company's costs, and make it more difficult for the Company to compete with conventional fuel suppliers, for whom the infrastructure is already in place. Further, expertise in operating CBM projects may not exist in West Bengal or in India, and the Company will have to rely on foreign third party consultants until expertise and technical skill develops domestically. Time and resources spent developing infrastructure or dealing with third party contractors may interfere with the Company's ability to compete with conventional fuel suppliers.

The Company is the first private sector company to explore for and commercially produce CBM in India. As such, no similar projects have been executed in this business in India. As a result, the Company may face operational, regulatory or commercial delays which may significantly affect development plans.

30. ***Major Shareholders may be able to significantly affect the outcome of Shareholder voting***

Certain Shareholders hold substantial Equity Shares and GDRs in the Company. Consequently, such Shareholders may be able to, if they act together, control the outcome of any proposal that can be passed with a majority Shareholder vote.

31. ***The Company may face competition in the future from natural gas-producing companies in West Bengal***

The Company may face competition in the future from other natural gas-producing companies in West Bengal. The natural gas industry is intensely competitive with respect to acquiring prospects and productive properties, marketing natural gas and securing equipment and trained personnel, and the Company will compete in the future with other companies that have greater resources. Many of the Company's potential competitors are major and large independent natural gas companies, and they may possess and employ greater financial, technical and personnel resources. These companies may be able to pay more for natural gas properties and evaluate, bid for and purchase a greater number of properties than the Company's financial or human resources currently permit. The Company's inability to compete effectively with future competition could have an adverse effect on the business and results of operations.

32. ***The Company is effectively prohibited from exporting CBM in the Company's PSC***

The PSC signed by the Company prohibits it from exporting natural gas from the Company's Block. Under the terms of the PSC, the Company is only permitted to sell CBM in India. This could restrict the ability to monetise the Company's natural gas reserves.

33. ***The Company's production may decrease if the GoI grants another licence to mine coal or other minerals on the Company's Block to a third party***

As per the terms of the PSC, the GoI reserves the right to grant the right to prospect for and mine minerals or substances other than CBM within the Company's Block to third parties. If any such right is granted to a third party, it may obstruct or interfere with the Company's CBM operations, and have an adverse affect on the Company's business and results of operations.

34. ***Under the terms of the PSC, the GoI has the option to assume ownership of any assets the Company purchases for use in the Company's CBM operations upon the expiry or early termination of the PSC***

Under the terms of the PSC, the GoI has the option to assume ownership of any assets the Company purchases for use in the Company's CBM operations upon the expiry or early termination of the PSC. If the GoI exercises its option to assume ownership of any of the Company's assets related to the Company's CBM operations, it will prevent the Company from selling any of those assets or employing those assets in any other CBM operations the Company may conduct.

35. ***If the GoI terminates the PSC early the Company's results of operation may be affected***

All of the Company's operations currently take place on the Company's Block and are governed by the PSC. If the GoI were to terminate the PSC, the Company's operations on the Company's Block would cease. The GoI may terminate the PSC under certain circumstances constituting breaches of the agreement by the Company. Such breaches of the PSC include, among other actions, submitting false statements to the GoI, extracting resources other than CBM from the Company's Block without the permission of the GoI, or being declared bankrupt. If the PSC were to be terminated (particularly before such time, if any, as the Company shall have acquired other gas-producing properties), such termination would materially adversely affect the Company's business, financial condition and results of operations.

PRINCIPAL RISKS RELATING TO OPERATING IN INDIA

36. ***The Company's ability to raise foreign capital may be constrained by Indian law***

As an Indian company, the Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources for the Company's projects under development or acquisitions and other strategic transactions, and hence could constrain the Company's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, the Company cannot provide assurance that the required approvals will be granted to the Company without onerous conditions being imposed, or at all. Limitations on foreign debt may have an adverse effect on the Company's business growth, financial condition and results of operations.

37. ***A decline in the price of natural gas internationally and in India may have an adverse effect on the Company's revenues and profit margins***

Natural gas is a commodity whose price is determined based on demand, supply and other factors, all of which are beyond the Company's control. Prices for natural gas have fluctuated widely in recent years. Any decline in prices could result in a reduction of net production revenue and profit margins. Certain wells or other projects may become uneconomic as a result of a decline in global natural gas prices. The Company might also elect not to produce from certain wells at lower prices. All of these factors could result in decreases in the Company's future revenue, causing a reduction in natural gas development activities.

38. ***Political, economic and social changes in India could adversely affect the Company's business***

The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. The Company's business, and the market price and liquidity of the GDRs, may be affected by changes in the GoI's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war, and acts of terrorism could also adversely affect the Company's business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the GoI's policies in the future could affect business and economic conditions in India in general and could also affect the Company's business and industry in particular. In addition, any political instability in India or geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Equity Shares and GDRs.

India has also witnessed civil disturbances in recent years. While these civil disturbances have not directly affected the Company's operations, it is possible that future civil unrest, as well as other adverse social, economic and political events in India, could also adversely affect the Company.

39. ***The Company's growth is dependent on the Indian economy***

The Company's performance and the growth of the Company's business is dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect the Company's business, including its ability to implement the Company's strategy and increase participation in the oil and gas sector. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon the Company's business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, has an effect on the growth of the Indian economy, and government policy may change in response to such conditions. While recent governments have been keen on encouraging private participation in the oil and gas sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into oil and gas development. Any downturn in the macroeconomic environment in India or in the oil and gas sector could adversely affect the price of the Equity Shares or the GDRs, the Company's business and results of operations.

40. ***Depreciation of the INR against foreign currencies may have an adverse effect on the Company's results of operations***

While the Company's revenues are currently denominated in INR, the Company imports project-related equipment and procures services from abroad, the costs and fees of which are denominated in foreign currencies. Also, the price of CBM the Company sells is based, in part, on the U.S. dollar prices for natural gas and the current U.S. dollar/INR exchange rates at particular times. Accordingly, any depreciation of the INR against these currencies will increase the INR cost and/or decrease the INR revenue to the Company. If the Company is unable to recover the costs of foreign exchange variations through its tariffs, depreciation of the INR against foreign currencies may adversely impact the Company's results of operations and financial condition.

41. ***If the rate of inflation in India increases, the Company's results of operations and financial condition may be adversely affected***

In 2008 the Wholesale Price Index indicated an increasing inflation trend compared to recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. If this trend continues, the Company may be unable to reduce its costs or pass the Company's increased costs on to consumers and the results of operations and financial condition may be adversely affected.

42. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's business***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm the Company's business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares and GDRs.

PRINCIPAL RISKS RELATED TO THE GDRs

43. ***The price of the GDRs may be volatile, or an active trading market for the GDRs may not develop***

The price of the GDRs on Admission may bear no relationship with the market price of the GDRs thereafter and such market price may be subject to significant fluctuations in response to, among other factors, variations in the Company's operating results, competitive conditions, general economic, social and political factors, volatility in Indian and global securities market or significant developments in India's fiscal regime.

44. ***Any future issuance of Equity Shares or GDRs by the Company or any conversion of debt to equity by the Company's creditors may dilute a shareholding and adversely affect the trading price of the Equity Shares and GDRs***

Any future issuance of Equity Shares or GDRs or conversion of debt to equity by the Company's creditors may dilute a Shareholder's or GDR Holder's holding in the Company, which may adversely affect the trading price of the Equity Shares and GDRs and the Company's ability to raise capital through an issue of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares and GDRs.

45. ***Any Sale of Equity Shares and GDRs by major Shareholders may adversely affect the price of the Equity Shares and GDRs***

Sales of large blocks of Equity Shares and GDRs by any or all of the major Shareholders could adversely affect the market price of the Equity Shares and GDRs. The perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares and GDRs.

PART 3

CONSEQUENCES OF STANDARD LISTING

The GDRs are to be admitted with a standard listing of certificates representing certain securities on the Official List. As a consequence, additional on-going requirements and protections applicable to a standard listing of shares and to a premium listing under the Listing Rules will not apply to the Company.

The Company will be listed under Chapter 18 of the Listing Rules. A significant number of the Listing Rules will not apply to the Company. The listing will be classified as a standard listing under the Listing Rules. GDR Holders will therefore not receive the protections of the Listing Rules otherwise associated with a standard listing of shares nor the full protections associated with a premium listing.

Listing Rule 18.4 (and the cross references within) sets out the continuing obligations applicable to the Company. As the Company is making an application for the admission of the GDRs, a sufficient number of the GDRs (25 per cent.) must, no later than the time of Admission, be distributed to the public in one or more EEA States. There are a number of other continuing obligations set out in Chapter 18 (and the cross references within) of the Listing Rules that will be applicable to the Company.

These include requirements:

- as to the change of depositary and notification of any such changes to a Regulated Information Service;
- as to the provision of contact details of appropriate persons nominated to act as a first point of contact with the FSA in relation to compliance with the Listing Rules and the Disclosure Rules and Transparency Rules Sourcebook of the FSA (the "DTRs");
- as to the form and content of temporary and definitive documents of title; and
- for the Company to consider its obligations under Chapters 4, 5 and 6 of the DTRs.

Chapter 18 of the Listing Rules does not require the Company to comply with the other provisions of the Listing Rules other than those specifically provided for or cross referenced in Chapter 18. The non-applicable provisions include, *inter alia*, the provisions of Chapters 6 to 13 of the Listing Rules, being additional requirements for listing of equity securities (listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars).

Chapters 6 and 7 of the Listing Rules contain additional requirements for listing equity securities, which are only applicable for companies with a "premium" listing. Consequently, the Company is not required, and does not intend, to comply with such provisions.

The Company is not required, and does not intend, to appoint a listing sponsor under Chapter 8 of the Listing Rules to guide the Company in understanding and meeting its responsibilities under the Listing Rules.

The provisions of Chapter 9 of the Listing Rules (continuing obligations) will not apply to the Company as the Company is not listing shares. Chapter 9 includes provisions relating to transactions, including, *inter alia*, requirements relating to further issues of shares and the ability to issue shares at a discount in excess of 10 per cent. of market value.

The Company is not required to comply with the Model Code on Directors' dealings in shares of the Company set out in Chapter 9 of the Listing Rules. However, the Company adopted a share dealing code at the time of its AIM listing of the GDRs and will continue to follow such dealing code following Admission.

The Company is not required to comply with Chapters 10, 11 and 12 under the Listing Rules (significant transactions, related party transactions and dealing in own securities and treasury shares). The Company does, however, currently comply with the requirements of the AIM Rules in relation to substantial transactions, related party transactions, reverse takeovers, fundamental changes of business and aggregation of transactions (AIM Rules 12 to 16) and intends that it will continue to conduct its activities as if such requirements continued to apply to it following Admission (in so far as reasonably practicable). In addition, the Company has entered into a controlling shareholders' agreement with, *inter alios*, certain of its majority shareholders governing arrangements as between the Company and such related parties (details of which are set out in paragraph 8.1 of Part 9 of this document).

Chapter 13 of the Listing Rules contains provisions relating to the content of circulars and is only applicable to companies with a "premium" listing. Consequently, the Company is not required, and does not intend, to comply with such provisions.

The Company confirms that (notwithstanding that upon Admission neither Listing Rule 5.2.5 (cancellation of listing) nor the equivalent protection currently provided under AIM Rule 41 will be applicable) if a cancellation of its listing were to be proposed, it would in any event seek shareholder approval as if AIM Rule 41 was applicable to it. This will mean, *inter alia*, that the Company would notify the market of its preferred cancellation date at least 20 business days prior to such date and the cancellation shall be conditional upon not less than 75 per cent. of votes cast by the GDR Holders at a meeting of GDR Holders.

The Company is not required to comply with Chapter 5 of the DTRs. The Company does, however, currently comply with the requirements of the AIM Rules in relation to the disclosure of miscellaneous information (AIM Rule 17) and following Admission intends that it will disclose changes in shareholdings in the Company as if DTR 5 applies to it as a non-UK issuer.

It should be noted that efforts to ensure compliance with all of the above voluntary requirements shall be made so far as reasonably practicable, to the extent only (where relevant) that the relevant information has been provided to the Company, and subject to such voluntary compliance being deemed by the Directors as being appropriate in all the circumstances.

It should be further noted that the UK Listing Authority will not have the authority to monitor the Company's voluntary compliance with any of the Listing Rules applicable to companies with a standard listing of shares or with a premium listing or with the requirements of the AIM Rules (and will not do so) nor will it impose sanctions in respect of any breach of such requirements by the Company.

PART 4

INFORMATION ON THE COMPANY

SECTION A: INTRODUCTION TO THE COMPANY

1. History and Development

The Company was incorporated in India in 1992 to explore, develop, distribute and market CBM. The Company originally entered into a memorandum of understanding and licence agreement in 1993 with CIL for the exploration and development of CBM within the Raniganj coalfield. Between 1994 and 2001, the Company carried out preliminary exploration activities on the Company's Block.

Following the transfer of CBM administration in India from the Ministry of Coal to the MoPNG, the Company entered into a PSC on 31 May 2001 with the MoPNG. The PSC became effective on 9 November 2001, when the Company executed the formal deed for a PEL with the West Bengal Government. On 4 September 2008, the West Bengal Government granted the Company its mining lease, which is valid for an initial period of 20 years. The mining lease may be extended by the West Bengal Government for a further period of 10 years.

In December 2005, the Company was the first Indian company to list on AIM. The Company currently has 73,839,746 GDRs listed on AIM, representing 36,919,873 underlying Equity Shares (which represents 63.59 per cent. of the issued share capital of the Company). The market capitalisation of the Company on 24 May 2010, the last practicable date prior to the publication of this document, is approximately £570 million (based on the total number of issued Equity Shares). The Company is now applying for admission to a standard listing on the Official List for the reasons set out below. Upon the transfer from AIM to the Official List the AIM listing will be cancelled.

2. Reasons for admission to the Official List

The Company has grown and matured appreciably since its admission to AIM in 2005 and the Board now considers, having regard to the Company's market capitalisation, mineral reserves and resources, operations and production profile, the Official List to be the most appropriate platform for the continued growth of the Company.

Furthermore, the Directors believe that a listing on the Official List could further enhance the Company's profile, enable increased access to the capital markets and potentially increase the liquidity of trading in its securities, allowing the GDRs to be acquired by a wider group of investors.

3. Project Milestones

December 1993	Entered into a memorandum of understanding and licence agreement with the CIL.
January 1994	Paid a signature bonus of INR 10.0 million to CIL, as per the terms of the licence granted by them.
1995 to 1998	Carried out core-hole exploration and commercial viability tests.
May 2001	The PSC was signed with the GoI acting through the MoPNG.
November 2001	Executed the deed for the Company's PEL with the West Bengal Government.
April 2002	Started pilot production program of three wells.
January 2004	Struck gas in the first well. By July 2004, gas observed in all three existing pilot wells.

December 2005	Completed an offering of GDRs to become the first Indian company to list on AIM.
January 2006	Commenced drilling of 20 wells, in addition to the Company's three pilot wells which were completed in 2004.
Fiscal 2007	First group of 23 wells, including the three pilot wells, completed.
August 2007	First company to commercially market CBM in India.
October 2007	Signed a franchise agreement with the IOCL to supply CNG.
November 2007	Delivery of drilling rig to the Raniganj Coalfield.
January 2008	Started drilling an additional 30 wells.
September 2008	The West Bengal Government granted the Company's mining lease for commercial sales of CBM in the Company's Block.
January 2009	Completed the pipeline from the Company's gas gathering station to the Company's central gathering station in Asansol.
April 2009	Completed the pipeline from the Company's central gathering station in Asansol to Kulti.
October 2009	Completed pipeline from the Company's central gathering station in Asansol to Durgapur.
February 2010	Signed a franchise agreement with BPCL to supply CNG.

4. Business Overview: Principal Activities

Overview

The Company is a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. The Company produces CBM from the Company's Block in Raniganj, West Bengal, which spans an aggregate area of 210 square kilometres and according to the CPR has an estimated 2.00 Tcf of OGIP, with a proved (1P), proved and probable (2P) and proved, probable and possible resources reserves (3P) of 15.20, 24.88, 40.99 BCF respectively. The CPR envisages low, best and high estimates of prospective gas resources of 79.60, 164.55 and 501.91 BCF respectively. Furthermore, the CPR also provides for the low, best and high recovery factor to be 35 per cent., 50 per cent. and 70 per cent. respectively.

In May 2001, the GoI made seven CBM blocks available through bidding and by nomination. The Company received the Company's Block by nomination. The Company entered into a PSC with the GoI acting through the MoPNG in May 2001, received the Company's PEL from the West Bengal Government in September 2001 and executed the formal deed for the Company's PEL in November 2001. Collectively, the PEL and the PSC give the Company the sole right to carry out CBM operations on the Company's Block until 2036. Under the terms of the PSC, the Company has permission to exploit, develop and produce CBM on the Company's Block for a period of 35 years from 2001. The first three years were termed as the pilot assessment phase in which the Company accessed geological data, drilled core holes and drilled three pilot wells. The next two years consisted of the market survey and commitment phase in which the Company engaged MECON Limited to prepare a market feasibility report for the Company's Block. Upon completion of the pilot assessment and market survey and commitment phases, and as per the terms of the PSC, the Company submitted the Development Plan to the DGH.

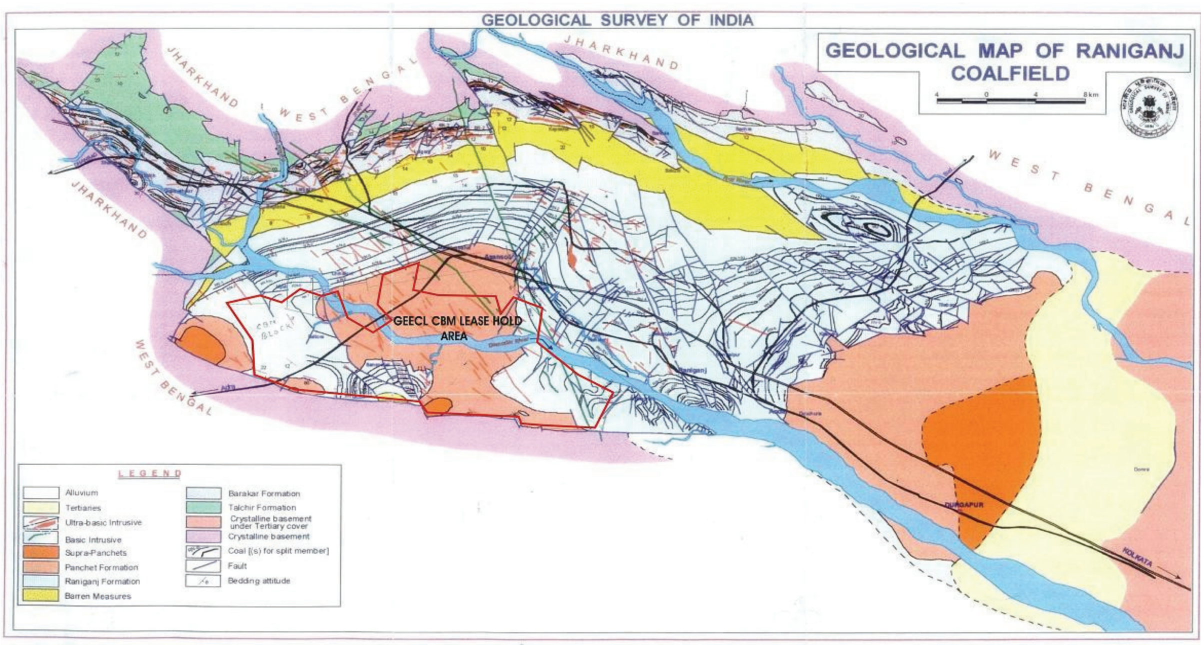
The Company's Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying underground MDPE pipelines connecting the wells to the gas gathering stations. As at 31 March 2010, the Company has completed 37 wells, with 30 additional wells in various stages of completion and has commissioned one gas gathering station. The Company has laid 60.154 km of the MDPE pipeline which connects 42 wells to the gas gathering station, and 11.80 km of the steel pipeline which connects the gas gathering station to the central gathering station in Asansol. The Company has also laid 12.36 km of the steel pipeline which connects the central gathering station to Kulti, 53.46 km of steel pipeline which connects the central gathering station to Durgapur. After completing all of the 100 wells in the Company's Development Plan, and subject to the approval of the DGH, the Company currently expects to continue drilling an additional 200 wells in two phases to fully develop the Company's Block by 2016, as well as the construction of additional gas gathering stations and laying additional pipelines.

Since January 2010, the Company has sold a substantial amount of gas to industrial customers through pipelines and truck mounted cascades. For the year ended 31 March 2010, the Company produced 38,402.15 mcm of CBM, and sold 5,554.90 mcm of CBM. The Company completed the pipeline from its gas gathering station to its central gathering station in Asansol, West Bengal in January 2009, to Kulti in April 2009 and to Durgapur in October 2009.

The Company's Block

The Company entered into the PSC with the MoPNG to explore, develop, produce and distribute CBM gas reserves until 2036 in the Company's Block, which covers 210 square kilometres in the Raniganj coalfield, near Asansol, West Bengal. The Company's Block is in an industrial belt approximately 200 km north of Kolkata, West Bengal. The Raniganj coalfield represents the easternmost coalfield known as the Damodar Valley Gondwana Basin. The Company's Block is bounded on the east by the Salma dyke and on the south by the boundary fault of the Raniganj coal basin. The topography of the Company's Block is comparatively flat with a gentle slope towards the Damodar river. Surface elevations range from 86 to 150 metres above sea level.

The following is a geological map of the Raniganj coalfield, including the Company's Block:

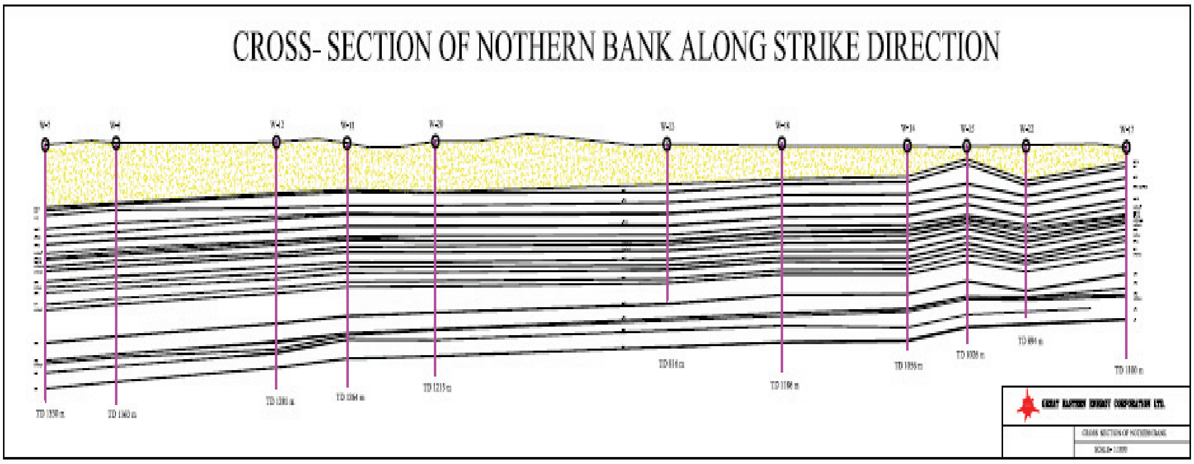


(Source: Geological Survey of India)

Geology

The Raniganj coalfield comprises two coal measures, namely the Raniganj coal measure and the Barakar coal measure.

According to the Company's estimates, the sedimentary sequence present in the Company's Block consists of sandstone, siltstone, shale, and coal, and has 10 identified coal seams, labelled I through X. The Raniganj formation attains a total thickness of up to 1,150 metres.



(Source: Great Eastern Energy Corporation Limited)

The coal seams located beneath the Panchet formation are approximately 600 metres thick. The Company currently spaces its wells at an average of 160 acres. This spacing may be altered for future wells depending upon reservoir parameters.

Key Features of the Company's Production Sharing Contract and Petroleum Mining Lease

Under the terms of the PSC, the Company has a 100 per cent. participating interest in the Company's Block and has the right to exploit, develop and produce CBM within the 210 square kilometres of the Company's Block until 2036. Under the terms of the PSC, the total licence and exploration period shall comprise a five year pilot assessment phase, market survey and commitment phase, followed by a five year development phase and a 25 year production phase. The Company is required to complete a minimum work program, which includes programs formulated and agreed to in the PSC relating to carrying out CBM operations on the Company's Block. In addition to signing the PSC, the Company executed a formal deed for the Company's PEL with the West Bengal Government in November 2001 to carry out exploration and production operations. As per the terms of the PEL, the West Bengal Government granted the Company a petroleum mining lease on 4 September 2008. The petroleum mining lease is valid for 20 years, and may be extended by the West Bengal Government for an additional 10 years.

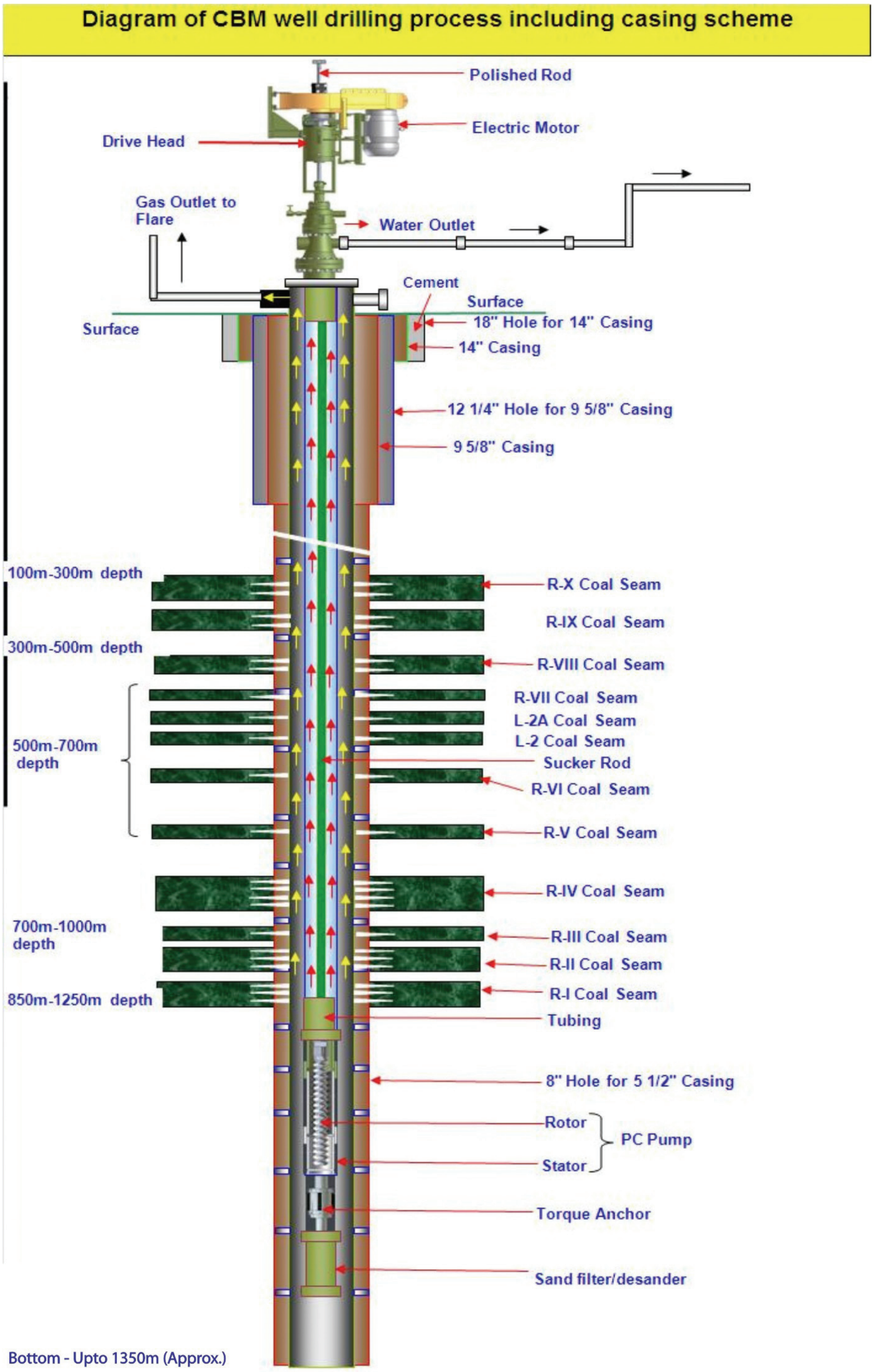
Under the PSC and the petroleum mining lease the Company must pay a royalty on the production of CBM to the West Bengal Government at the rate of 10 per cent. of the *ad valorem* sale value at the well head. The West Bengal Government has the option to take CBM in lieu of royalty payments. Further, besides the annual rental and other charges and taxes, the Company will pay to the GoI monthly production level payments on CBM production at a rate of 2.5 per cent. of the sale value of the CBM produced in the relevant month.

As required by the PSC, the Company submitted its Development Plan to the DGH which was approved by a steering committee comprising of members appointed by the MoPNG and the Company. The steering committee approved the Development Plan in February 2007. The Company also obtained environmental clearance for its three exploratory wells and to drill 100 wells and associated facilities and pipelines from the MoEF in June 2007. After completing the 100 wells of its Development Plan, and subject to the approval of the DGH, the Company currently expects to drill an additional 200 wells and construct additional gas gathering stations by 2016 to fully develop the Company's Block.

Production Process

Drilling

The diagram below shows the drilling and casing process the Company uses:



Dewatering and compression

The Company's gas is compressed and carried from the Company's gas gathering stations to the Company's central gathering station by an underground steel pipeline. As at 31 March 2010 the Company had completed 11.80 km of the pipeline linking the gas gathering station and the central gathering station, 12.36 km of steel pipeline which connects the central gathering station to Kulti and 53.46 km of steel pipeline which connects the central gathering station to Durgapur.

The Company outsources most drilling and well completion activities and the construction of gas gathering infrastructure to independent third party service providers. The Company also owns, but does not directly operate, one drilling rig and two workover rigs.

The Company's third party service providers

In January 2008 the Company signed an agreement with Mitchell Drilling International Pty. Limited for open hole, cased hole, logging and perforation services. In addition, the Company signed a letter of intent in August 2009 with Mitchell Drilling International Pty. Limited to drill a minimum of five core holes for the Company's CBM project within a stipulated time.

The Company entered into a three year service contract with W.J. Towell and Co. LLC on 23 January 2008, for W.J. Towell and Co. LLC to provide persons to run the Company's drilling rig, which the Company uses to drill new wells. In September 2008 the Company entered into a contract with Rasson Energy (India) Pvt. Ltd. (formerly Diesel Power Spares (Gujarat) Private Limited) to provide persons for operating one of the workover rigs. Personnel to operate another workover rig are being provided by Aakash Exploration Services (P) Ltd pursuant to a work order dated 28 October 2009.

In January 2009, the Company issued a work order to Ario Brothers for laying and construction of the Asansol-Durgapur main trunk pipeline. In April 2009, the Company issued a work order for the laying and construction of the underground MDPE pipeline and associated facilities to interconnect CBM wells with the Company's gas gathering station to Gurukrupa Engineering.

The Company signed an agreement with Halliburton Offshore Services Inc. in August 2009 to carry out fracturing services for the Company's drilling operations for a period of 15 months or until completion of 150 fracturing jobs, whichever is earlier, as well as to provide personnel, equipment, consumables and other materials required.

The Company's drilling development plan

The Company's drilling sites are each approximately 1.5 acres in area. The Company has a dedicated team of employees focused solely on acquiring the land needed to set up each well. A HDPE lined reserve pit is constructed at each location to store circulation materials produced during the operation of the well. This pit helps prevent environmental damage by eliminating the discharge of liquids off the drilling pad.

To limit the possibility of environmental damage, the following procedures are in place:

- the size of the drilling pad is as small as practical to reduce the amount of surface area being disturbed; and
- temporary reserve pits are created.

The Company's Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying underground MDPE pipeline connecting the wells to the gas gathering stations. After completing the 100 wells of its Development Plan, and subject to the approval of the DGH, the Company currently expects to drill 200 additional wells and construct additional gas gathering stations by 2016 to fully develop the Company's Block.

The Company completed its first three wells in 2004, and completed the Company's first campaign of drilling with 23 production wells drilled, cased, cemented, logged, perforated and fractured in the year ended 31 March 2007. During the year ended 31 March 2010, the Company produced a daily average of 3.715 mmscfd. The Company currently drills wells in clusters to increase efficiency in drilling operations. The gas the Company currently produces, but does not sell, is flared off at the Company's gas gathering stations and at individual wells, as it is not possible to store the CBM once it is extracted from the coal seams. For the year ended 31 March 2010, the Company produced 38,402.15 mcm of CBM; of this 5,554.90 mcm of CBM was sold, 2,842.06 mcm of CBM was used in the Company's own operations and 30,005.19 mcm of CBM was flared off.

In January 2008, the Company purchased its own drilling rig which affords the Company flexibility in its drilling plans. As at 31 March 2010, the Company has completed 37 wells, with 30 additional wells in various stages of completion.

Water production and disposal

As an integral step in the CBM drilling and production process, water is removed from coal seams. Currently, the water removed from the Company's drilling and production is used in its drilling operations. The Company tests the water each month and submits a report to the MoEF and the West Bengal Pollution Control Board. The Company will expand its water disposal facilities and operations as the number of wells in the de-watering stage increases.

Transportation and delivery of natural gas

The majority of the Company's natural gas is transported to customers through pipelines which the Company owns. Some of the remote customers and CNG stations are delivered gas by trucks mounted with cascades which the Company leases, and hires third party service providers to operate, based on the Company's needs for specific orders. Each truck mounted cascade can hold approximately 21.8 mcf of CBM. The low pressure gas is first compressed in a two stage compressor and passed through a dehydration process for removal of dew from the gas. Thereafter gas is transported either through pipelines or loaded under pressure onto truck mounted cascades. Gas transported through the pipelines is passed through MRS (Metering and Regulating Skid) at the customer's facilities and when transported by trucks with mounted cascades, the gas is unloaded through a delivery terminal where the pressure is reduced and controlled to meet the customer's requirements. The Company's steel pipeline runs from its gas gathering stations to a central gathering station, and then to Kulti and Durgapur for supply to industrial customers through spur lines.

Summary of Resources

The Company's principal asset is the licence area, covering 210 km^2 in the southern part of the Raniganj Coal Field in the state of West Bengal, India, from which the Company produces natural gas in the form of CBM. As on 30 April 2010 a total of 29 wells were in production and average production for the month of April 2010 was 3.55 mmscf/d.

The Raniganj Coal Field

The gas-bearing coals in the Raniganj Basin occur in sediments of Upper Permian age, lying at depths of 20 to 1,150 metres. The *Raniganj Formation* is up to 700 metres thick and comprises a succession of coal seams, carbonaceous shales, and shales alternating with bands of medium- and coarse-grained arkosic sandstones. There are 10 regionally correlatable coal seams, named RN-1 to RN-10 (bottom to top), as well as various more local coals. The aggregate coal thickness varies from zero in the south of the block, on the basin margins to over 60 metres in the basin centre, with an average total thickness of c. 40 metres (in seams > 0.5 metres thick). The coals are classified as High Bituminous B to C, with high moisture (c. 4 per cent.) and a high-to-medium ash content (c. 28 per cent.). Average gas content is 319 scf/ton on a dry ash-free basis, and the desorbed gas composition is 97 per cent. methane, 1.7 per cent. nitrogen, 0.2 per cent. carbon dioxide, with 1.1 per cent. ethane and higher hydrocarbons.

Gas In Place Estimate

An independent assessment of the Company's CBM resources in the Raniganj Basin has been conducted by NSAI, and a full copy of their CPR can be found in Part 8 of this document. Based on a detailed technical analysis, on a seam-by-seam basis, of all available core holes and wells in the basin, NSAI have mapped OGIP across the Company's licence. In the Company's Block there is up to 100 mmscf/acre in the richest, central part of the basin along the banks of the Damodar River, with less gas to the south as the coal thins on the flank of the Raniganj Basin. NSAI estimate that the total OGIP for the licence area is 2.0 Tcf.

Recoverable Gas Reserves

NSAI have examined recovery efficiencies for coalbed gas wells drilled in the area, have concluded that the following range of recovery factors are applicable:

Low Estimate	35%
Best Estimate	50%
High Estimate	70%

These recovery factors were then applied to each existing and planned well location using OGIP for an 80 acre spacing, to arrive at a Low, Best Estimate and High case for ultimate gas recovery from the well. An economic model was applied to establish commerciality cut-offs, and the resulting recoverable reserve numbers are aggregated below. Note that these figures are net of royalties and shrinkage (fuel, flaring and line losses).

Reserves Category	*Net Bcf*
Proved Developed Producing	11.428
Proved Dev. Non-Producing	2.905
Proved Undeveloped	0.868
Total Proved Reserves	15.202
Probable Reserves	9.676
Possible Reserves	16.115
2P (Proved + Probable)	24.878
3P (Proved+Probable+Possible)	40.993

Prospective Resources. NSAI have also assessed the parts of the licence lying beyond the current project areas, and have calculated potential future gas recoveries based on their evaluation of OGIP distribution. They have assigned these to the category of Prospective Resources, reflecting the fact that no gas production has yet been proven for these parts of the licence, and that the resources remain speculative. The Company intends, however to explore these areas and establish the existence of Reserves through drilling.

Note that the resources numbers below are gross; net resources would be reduced by around 10 per cent.:

Prospective Resources	*Gross Bcf*
Low Estimate	79.596
Best Estimate	164.555
High Estimate	501.910

Further details of the resource assessment of the Company's licence are given in the CPR in Part 8 of this document.

The Company's Contingent Resources are those resources which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. The estimation of the resources, and the likelihood that they may in the future be reclassified as reserves, depends on the Company's ability to prove the commercial and technical viability of recovery within a reasonable period of time.

Prospective Resources are those undiscovered, highly speculative resources estimated beyond proved, probable and possible reserves or contingent resources where geological and geophysical data suggest the potential for discovery of gas but where the level of proof is insufficient for classification as reserves of contingent resources. The unrisked prospective resources are those volumes that could reasonably be expected to be recovered upon the successful exploration and development of the Company's Block.

According to SPE definitions, proved and probable reserves can only be allocated after a development plan has been approved, an investment decision has been made and, in the case of CBM, production of gas has been demonstrated.

5. Business Overview: Principal Markets

Since January 2010, the Company has been selling a substantial amount of gas to industrial customers through pipelines and truck mounted cascades. As at 31 March 2010, the Company had completed 11.80 km of the pipeline linking the gas gathering station and the central gathering station, 12.36 km of steel pipeline which connects the central gathering station to Kulti and 53.46 km of steel pipeline which connects the central gathering station to Durgapur.

The Company entered into a franchise agreement with IOCL in October 2007. Under the terms of the agreement, the Company agreed to supply CNG initially through five IOCL outlets in the area surrounding the Company's Block. The Company under the agreement may agree with IOCL to increase the number of outlets. The Company has also entered into a franchisee agreement with BPCL dated 4 February 2010 for the supply of CNG through their outlets. The Company also supplies CNG directly to consumers from one of the Company's completed well sites.

To track the amount of gas the Company transports through pipelines, the Company uses a standard metering system at each spur line.

The Company competes principally with liquid fuel providers, including providers of commercial LPG, furnace oil, petrol and diesel. The Company is competing to draw customers from these fuel sources to natural gas. To do so, the Company highlights the efficient uses of natural gas, the cost savings associated with switching to natural gas and the fact that using natural gas is a cleaner, more environmentally-friendly alternative to traditional fuels.

6. The Company's Competitive Strengths

The Company believes it has significant industry expertise and knowledge. In particular, the Company believes that the following competitive strengths will enable it to compete successfully in the Company's industry:

Early mover advantage

The Company believes the GoI supports the development of alternative energy sources and it has introduced policies such as tax incentives and exemption from import duties for CBM-related equipment and services to encourage the development of the CBM industry. During the first round of bidding for CBM blocks in India, the Company received the Company's Block by nomination and entered into the PSC with the MoPNG in May 2001. The Company believes it was among the first companies to operate a CBM project in India and have accumulated significant experience in evaluating opportunities and operating CBM projects. The Company's experience in exploration, development and production enables it to establish realistic objectives in its current and future development phases. The Company believes this experience can also help it to reduce the time and costs associated with drilling new wells.

The Company believes it was the first company to commercially sell CBM in India in August 2007. The Company's early mover advantage has allowed it to be among one of the first companies to meet the demand for natural gas in West Bengal, and has helped the Company to establish relationships with several large customers.

The Company's Block has coal deposits with CBM content and the Company has a licence to operate on the Company's Block until 2036

Based on results from the Company's drilling operations so far, the Company believes that its Block has development potential, based on the coal thickness, permeability and gas content. According to the CPR the Company's Block has an estimated 2.00 TCF original gas in place with a proved (1P), proved and probable (2P) and proved, probable and possible resources reserves (3P) of 15.20, 24.88, 40.99 BCF respectively. The report envisages low, best and high estimates of prospective gas resources of 79.60, 164.55 and 501.91 BCF, respectively. Further the report also provides for the low, best and high recovery factor to be 35 per cent., 50 per cent. and 70 per cent. respectively. Further, the Company has a licence to carry out CBM operations on the Company's Block until 2036.

Located near large markets for fuel

Currently, demand for fuel in West Bengal is high. A large market for fuel exists within a radius of approximately 50 km of the Company's Block, with several large industrial customers located nearby. This should allow the Company to distribute its natural gas over short distances to reach customers quickly, reducing delivery costs. Further, Kolkata, the fourth largest city in India, is approximately 200 km south of the Company's Block, and should provide a large market for CBM if the Company ultimately choose to exploit it.

Vertically-integrated gas supplier

The Company completed the pipeline from its gas gathering station to the Company's central gathering station in Asansol, West Bengal in January 2009, to Kulti in April 2009 and to Durgapur in October 2009 thereby expanding the market for the Company's natural gas. The Company is a fully vertically-integrated CBM company capable of exploring for, producing, distributing and selling natural gas to end users through an integrated network consisting of drilling, production, compression, transportation and logistics services. The Company has upstream exploration and production operations, midstream distribution operations, including gathering and compressing stations, truck-mounted cascades and a pipeline which connects the Company's Block to its customers and downstream sales and marketing operations. The Company's integrated operations will provide both economic efficiencies and comprehensive control over all aspects of its business.

Experienced management and consultant team with international exposure

The Company believes that the effective operation of the Company depends, to a significant extent, upon the experience and continued efforts of its key management personnel. In particular, the Company relies on the expertise and experience of the Company's Chairman and Managing Director, Mr. Yogendra Kumar Modi, and its President and Chief Operating Officer, Mr. Prashant Modi. Further, other members of the Company's management team also have experience in the oil and gas industry, which enables it to effectively operate the Company's business. In addition, the international consultants the Company hires to manage its drilling and production operations have experience in the industry, adding to its base of knowledge and skill.

The Company owns its own drilling rig

Currently, drilling rigs are in high demand and short supply in India. The Company owns its own drilling rig, which gives the Company control over the availability and deployment of the drilling rig. The Company can schedule drilling operations as needed, without having to pay the high cost of daily rental fees for drilling rigs. Furthermore, the Company sets its own drilling timetables without having to consider the availability or price of leasing rigs from third parties. The Company also owns two of its own workover rigs, which provide flexibility in well maintenance operations.

7. The Company's Strategies

The Company intends to pursue the following principal strategies to become a leading vertically-integrated gas supplier:

Fully develop the Company's Block

The Company's PSC permits it to operate on the Company's Block until 2036. The Company intends to fully develop the Company's Block during this period. To maximize the amount of gas available for sale in the market, the Company is increasing production of CBM and expanding its logistics operations to deliver natural gas by truck mounted cascades to selected destinations for consumption as fuel or, in the case of major industrial customers, through pipelines constructed and owned by the Company. From the GGS to the CGS, underground steel pipelines have been laid to the Company's central gathering station in Asansol to distribute natural gas throughout the region surrounding the Company's Block. The Company will continue to build underground MDPE pipelines within the Company's Block connecting its wells to gas gathering stations. The Company further intends to develop CNG stations along the 200 km of National Highway 2 radiating outward from the Company's Block. These stations will initially be supplied by truck mounted cascades, and ultimately the Company intends to connect these stations to its pipelines.

Increase the Company's licence area in India through acquisitions and bidding

The Company intends to increase its licence area in India by acquiring existing CBM properties, licences and assets, and by competitively bidding for new projects. The Company will use its experience gained operating existing wells to expand the Company's operations, and to increase the efficiency of its future CBM operations.

Pursue opportunities outside India

The Company intends to pursue opportunities to develop CBM projects outside of India. The Company will look for new blocks to develop and existing companies to acquire. The Company believes its expertise and knowledge gained through operations on the Company's Block will allow it to identify new opportunities for development.

Become an integrated oil and gas company

While focusing on expanding the Company's CBM operations in India and abroad, the Company also intends to expand into other related low risk gas and oilfield opportunities. To that end, the Company intends to participate in future NELP and CBM rounds and to bid for or acquire onshore resources and operations close to existing markets and infrastructure.

8. Property, Plants and Equipment, and Environment, Health and Safety

Property

The Company's registered office is located at M-10, ADDA Industrial Area, District Burdwan, Asansol-713 305, West Bengal, India, which the Company leased from Government of West Bengal, pursuant to a lease deed dated 3 August 2007. A workshop is also being built on the same land (approximately 45% completed at the date of this document). The lease agreement runs from 6 July 2006 to 5 July 2066. The Company's 5,700 square foot corporate office is located at Signature Tower-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India, is leased from YKM Holdings Private Limited, pursuant to a lease deed dated 20 April 2006 for a period of 36 months, which was extended until 31 March 2012 pursuant to a renewal of the lease deed dated 30 March 2009.

Further, the Company has 3,180 square feet of office space at 1D, Ballyhigh, 1, Ballygunge Park Road, Kolkata 700 019, which the Company sub-leased from Bokel Investments Limited, which later merged with YKM Holdings Private Limited, pursuant a sub-lease agreement dated 5 September 2005 valid for a period of 99 years with effect from 1 August 1984. In addition, the Company has purchased and leased properties measuring approximately 139.94 acres and 34.61 acres pursuant to sale deeds and lease deeds, respectively, executed among the Company and various land owners.

The Company believes that its existing facilities are adequate for the Company's current requirements and that additional space can be obtained on commercially reasonable terms to meet future requirements.

Plants and Equipment

Location	*Use*	*Tenure*	*Term*	*Annual Rent*
Central gathering station D-6, ADDA Industrial Area PO-Ramkrishna Mission Asansol, Dist-Burdwan	Central gathering station – supply of gas to different trunk lines	60 years-Leasehold	30 Nov 2007 - 29 Nov 2067	INR 100 per acre
M-10, ADDA Indutrial Area PO-Ramkrishna Mission Asansol, Dist-Burdwan	Registered office	60 years-Leasehold	6 July 2006 to 5 July 2066	INR 100 per acre or fraction thereof
Well – 1 Mouza: Kuilapur P.S: Hirapur Dist: Burdwan	Exploration of gas	30 years-Leasehold	31 July 2001 - 30 July 2031	43,840 per annum

Location	*Use*	*Tenure*	*Term*	*Annual Rent*
Well – 14 Monza: Dhurna P.S: Hirapur Dist: Burdwan	Exploration of gas	51 years- Leasehold	31 March 2006 - 30 March 2057	Nil
Gas Gathering Station- Village-Shyamdihi PO-Burnpur P.S-Hirapur Dist-Burdwan	Gas gathering station (including buildings, pump house, Compressors, Dehydration units, control room etc)	Freehold	NA	Nil
Unit No. 1-D 1-Ballygunge Park Road, Kolkata	Office	99 years Leasehold	5 Aug 1984 - 31 July 2083	INR 3,000 per annum
Flat No-3B Sunflower Court Building 7, Lovelock Place Ballygunge Circular Road, Kolkata	Residential	Freehold	NA	Nil
12" Carbon Steel Pipeline[2] 1) GGS-CGS-11.80 km 2) Bhagat Singh More to Kulti-12.36 km 3) CGS to Durgapu-53.46 km	For transport gas from GGS to end users	NA	NA	Nil
MDPE Pipeline[2] Various locations- 60.154 km	Interconnecting of wells - wells to Gas Gathering station	NA	NA	Nil

Note:

1. The Lenders have first mortgages and charges on all the above assets.
2. The value of the assets would be a combination of miscellaneous individual items.
3. Land purchase details is not material as the individual value is not more than US$ 12,000 to 20,000 and have accordingly not been considered in the schedule.

Environment, Health and Safety

The Company has a dedicated team of employees focused on environment and health and safety. Like other natural gas producers, the Company's operations are subject to extensive and rapidly changing environmental, health and safety and other laws and regulations governing air emissions, waste water discharges and solid and hazardous waste management activities. The Company believes it conducts its operations in a manner consistent with the environmental protection and safety laws and regulations issued by the central, state and local governments in India, as well as with international standards. The Company has obtained permission to carry out its operations from the MoEF, the WBPCB and the DGMS.

It is the Company's practice to work to minimize the potential impact on the environment that may arise during the Company's operations. The Company maintains HDPE-lined reserve pits to contain drilling waste, which prevents soil and ground water contamination. The Company's drilling and compression equipment receives regular preventive maintenance to limit potential air or noise pollution.

9. Dividend Policy

The Company has not declared any dividends since its incorporation.

The declaration and payment of dividends will be recommended by the Board and approved by Shareholders at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividends. All dividend payments will be made in cash to Shareholders.

10. Selected Financial Information

The table below sets out selected historical financial information of the Company, which has been extracted without material adjustment from the Company's audited financial statements for the years ended 31 March 2009, 31 March 2008 and 31 March 2007 and the unaudited financial information in respect of the six months ended 30 September 2009 and 30 September 2008, all of which were prepared under IFRS.

You should read this selected financial data together with the information in Part 6 of this document and the discussion contained in Part 6 of this document and should not rely on the summarised information alone.

	Year ended 31 March 2007 $'000	*Year ended 31 March 2008 (original audited) $'000*	*Year ended 31 March 2008 (rearranged) $'000*	*Six months ended 30 September 2008 $'000*	*Year ended 31 March 2009 $'000*	*Six months ended 30 September 2009 $'000*
Revenue	–	123	123	391	701	526
Net Profit/(Loss) Before Tax	(342)	(2,509)	(2,509)	(2,025)	(6,543)	(3,794)
Net Profit/(Loss)	(342)	(2,510)	(2,510)	(2,025)	(6,543)	(3,794)
Net increase/(decrease) in cash and cash equivalent	3,342	(9,831)	(9,831)	(106)	(1,272)	(357)
Total Assets	46,677	67,796	68,484	73,282	80,939	98,491
Total Liabilities	2,488	22,132	22,820	36,243	50,945	70,474
Total Equity	44,189	45,664	45,664	37,039	29,994	28,017

PART 4 SECTION B: MANAGEMENT

1. DIRECTORS AND SENIOR MANAGEMENT

Directors

Mr. Yogendra Kumar Modi, aged 62 years, the executive chairman and managing Director of the Company has been associated with the Company since its incorporation on 29 May 1992. He holds a bachelor's degree in textiles from the University of Punjab. He founded the Company and has 18 years experience in the oil and gas industry. He is a member of the Dean's Council at the John F. Kennedy School of Government, Harvard University, USA. He is a prominent industry spokesman and has held offices in many national level business bodies, including the Federation of Indian Chambers of Commerce & Industry as its president in 2004, a member of its executive committee and standing advisory committee and the International Chamber of Commerce (India) as its president in 2006. He is also a member of the governing body of International Labour Organization, Geneva and also a member of the executive board of the International Chamber of Commerce, Paris.

Mr. Paul Sebastian Zuckerman, aged 64 years, is a former investment banker who is chairman of Zuckerman & Associates Limited, a boutique organisation specialising in start up companies. He holds a B.A. and an M.A. from the University of Cambridge, a Ph.D. from the University of Reading and has 42 years experience in the field of finance. He has spent 14 years with S.G. Warburg & Co. Limited. He has served as an executive director of S.G. Warburg & Co. Limited and vice chairman of S.G. Warburg International, as the deputy chairman of ICAP Plc. Currently he is a director of many companies, including ArcelorMittal Group Companies in Mexico and Brazil and JM Financial Limited in India, and is on the board of a group of hedge funds managed by BlackRock Inc. He joined the Company as a Director on 7 November 2005.

Mr. Pejavar Murari, aged 75 years, has served as a civil servant for 37 years and is a member of various public bodies including committees within the Department of Atomic Energy, and the Ministry of Heavy Industries and Public Enterprises, GoI. He holds a master's degree in economics from Madras University. He qualified at the state civil services and the Indian administrative services in 1955 and 1957 respectively. He has undertaken many special projects for the GoI and has chaired numerous high level commissions and committees. He is also currently the chairman of a committee set up by the Ministry of Home Affairs, GoI on centre-state relations. He joined the Company as a Director on 31 July 2004.

Mr. Kashi Nath Memani, aged 72 years, was the chairman and country managing partner of Ernst & Young in India until 31 March 2004. He is a member of the Institute of Chartered Accountants of India. He was also a member of the Ernst & Young Global Council for 10 years. He was a member of the National Advisory Committee on Accounting Standards, the Accounting Standards Board of the Institute of Chartered Accountants. Further, he was the Co-chairman of the committee formed by the GoI to draft a bill for the amendment to the Act. He was also the chairman of the American Chamber of Commerce in India, and is the former president of PHD Chamber of Commerce & Industry. For two consecutive years, he was a member of the External Audit Committee of the International Monetary Fund. Presently, he is a member of the Executive Committees of Chambers of Commerce. He was also the first chairman of the Quality Review Board set up by the Ministry of Corporate Affairs, GoI.

Having a career of more than 45 years in the field of accountancy and finance, Mr. Memani specialises in, *inter alia*, business and corporate advisory, foreign taxation and financial consultancy and is consulted on corporate matters by several domestic and foreign companies. He has advised several multi-national companies in setting up businesses in India and is currently on the board of various companies including DLF Limited, ICICI Venture Funds Management Company, Aegon Religare Life Insurance Company Limited and HT Media. He joined the Company as a Director on 26 October 2004.

Mr. Haigreve Khaitan, aged 39 years, is a lawyer by profession and is a partner of Khaitan & Co., Advocates, established in 1911. Mr. Khaitan has obtained his law degree from the University of Calcutta and started practicing as lawyer in 1995. He has 15 years experience in the fields of commercial and corporate law, securities law, mergers and acquisitions, tax law, restructuring, foreign collaboration, licensing and financing. He is also on the board of many reputed companies. He was appointed as a Director of the Company on 6 February 2006.

Mr. Gurvirendra Singh Talwar (Rana Talwar), aged 62 years, is the founding chairman and managing partner of Sabre Capital worldwide, a private equity and investment company focused on financial services. He holds a Bachelor of Arts (Hons.) degree in economics from St. Stephen's College, University of Delhi. He was previously chairman of Centurion Bank of Punjab in India and non-executive director of Fortis Group (Belgium and Netherlands), Schlumberger Limited and Pearson PLC. Mr. Talwar is a governor of the Indian School of Business and a former governor of the London Business School and is patron of the Stop Organised Abuse Board of the National Society for Prevention of Cruelty to Children. Prior to joining the Company as a Director on 5 June 2009, he worked for Standard Chartered PLC as group chief executive and for Citigroup in various positions including as its executive vice president.

Mr. Ashok Jha, aged 63 years, is a former IAS officer who joined the civil service in 1969. In his tenure of 38 years in the civil service he held crucial positions in India's State and Central Government. He is one of the very few civil servants to have extensive work experience in Foreign Policy, Industrial Promotion, International Trade as well as Economic Affairs and Finance. For approximately two years, he was in the Finance Ministry of the GoI first as Secretary of Economic Affairs and later as Finance Secretary.

Apart from preparing the Union Budget for two years, he was instrumental in formulating and monitoring macro-economic policies. He was India's Alternate Governor in the World Bank and the Asian Development Bank. Prior to working in the Finance Ministry, Mr. Jha served as the Secretary of the Department of Industrial Policy and Promotion and headed the Foreign Investment Promotion Board. He was earlier Advisor of International Affairs at the Federation of Indian Chambers of Commerce & Industry.

After retiring from the GoI, he served as the Executive President of Hyundai Motor India Ltd. for two years and later joined MCX Stock Exchange Limited, an affiliate of Financial Technologies India Limited where he has been Chairman since 1 August 2009. He joined the Company on 10 March 2010.

Mr. Jha graduated from St. Stephen's college in economics and went on to receive his masters from the Delhi School of Economics. He also has a masters degree in development economics from the Australian National University, Canberra and was a visiting fellow at the University of Oxford, UK.

Senior Management

Mr. Prashant Modi, aged 36 years, is the president and the COO of the Company. He has been associated with the Company since 1996. He is responsible for day-to-day operations and supervised the Company's efforts in relation to the listing of the GDRs on AIM in 2005. He holds a degree in Bachelor of Science in Business Administration from Boston University, USA with a major in finance. He has also undertaken executive education courses from Harvard Business School, USA, one in finance and another on launching new ventures. He is currently undertaking the renowned "Owner President Management Programme" at Harvard Business School. He is a member of National Executive Committee and Environment Task Force Committee of FICCI. He is also a member of Task force on Energy and Commission on Environment and Energy of International Chambers of Commerce (ICC), Paris. Prior to joining the Company, he worked with ANZ Bank, London and Qualcomm Inc, San Diego, USA.

Mr. S. Suriyanarayanan, aged 49 years, is the CFO of the Company. He is responsible for framing its financial policies and managing the financial affairs of the Company. He holds a bachelor's degree in commerce from Madras University. He is an associate member of the Institute of Chartered Accountants of India. He has over 23 years of experience in finance, accounts, mergers and acquisitions, capital markets and corporate governance. He joined the Company as CFO on 17 September 2008. Prior to joining the Company he has worked for over two and four years at Cairn Energy India and British Gas respectively (particularly in relation to the oil and gas business), for six years in Whirlpool India Limited, three years in Sterlite Industries (India) Limited (in their non ferrous metal division), three years in DCL Polyesters Limited and three years in Bharat Yantra Nigam Limited.

Mr. Parveen Arora, aged 46 years, is the company secretary and legal vice president of the Company. He is responsible for the legal, secretarial, statutory compliance and corporate affairs. He holds a bachelor's degree in commerce from Maharshi Dayanand University, Rohtak, and a bachelor's degree in law from Delhi University. He is also a fellow member of the Institute of Company Secretaries of India. He joined the Company as company secretary and legal assistant vice president on 14 August 2006. He has approximately 16 years experience of in the industry. Prior to joining the Company, he was associated with the PSL group for 12 years and the Indian Metal & Ferro Alloys, an Orissa based group for one year. He has also been associated with Allahabad Bank for eight years.

Dr. N.D. Mitra, aged 73 years, is a General Manager (Geology) for the Company's CBM operations in Asansol. He is responsible for analysis of coal seams and production profile of existing wells and other geological activities. He holds a master's degree in science (geology) and a doctorate in geology both from the University of Calcutta. He has been associated with the Company since 15 January 2007. He has approximately 50 years of experience as a geologist. Prior to joining the Company he has worked as a geologist in the Atomic Mineral Division of the Department of Atomic Energy and the Geological Survey of India. He was awarded the National Minerals Award from the Ministry of Steel and Mines for his joint contribution with a group in the field of geological exploration in 1972 and the Coggin Brown Gold Medal for contribution in coal geology by the Mining, Geological and Metallurgical Institute of India in 1970.

Mr. Randel J Croteau, aged 59 years, has over 40 years of experience on oilfields, of which he has acted as a consultant for a period of 31 years in various capacities, including as well-site supervisor, completion/ production-workover-well services superintendent and project manager. He has worked on various oilfield projects in India (West Bengal and Gujarat), Russia (Western Siberia and Sakhalin Island), Hungary, Chad, Turkmenistan, Pakistan, Libya, Kazakhstan, Azerbaijan and Canada. His responsibilities in the Company include CBM completions (perforating, acidizing, fracturing), completion, work-over, electric line, slick line, snubbing, coil tubing and operation activities compliance. He joined the Company on 12 October 2009.

Mr. Bill Leeming, aged 61, has over thirty years experience in the oil and gas industry and was an accomplished production foreman and superintendent for fourteen years with Dome Petroleum and Cabre Exploration. He specialises in consulting on completion, stimulating and testing of gas, oil and CBM wells. He has worked overseas for the six years as a completion consultant, specialising in well stimulations, for Soco Int., First Calgary Petroleum. He joined the Company on 17 January 2010.

Save for Mr. Yogendra Kumar Modi and his son, Mr. Prashant Modi, none of the Directors or senior management is related to any other.

2. Board Practices

The Company complies with the Indian corporate governance regime applicable to it. In addition, the Company complies with the spirit of the corporate governance regime applicable to companies listed in India (although certain provisions of this regime cannot be adhered to as the Company is currently unlisted in India).

Audit Committee

The Audit Committee was constituted by the Board by its resolution dated 31 March 2001 and the scope of the committee was revised by its resolution dated 6 August 2008.

Mr. Kashi Nath Memani (Chairman), Mr. Paul Sebastian Zuckerman, Mr. Ashok Jha and Mr. Pejavar Murari comprise the Audit Committee.

The terms of reference of the Audit Committee include:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. reviewing, with the management of the Company, the annual financial statements before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Act;

   (b) changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgment by the management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with listing and other legal requirements relating to financial statements;

   (f) disclosure of any related party transactions; and

   (g) qualifications in the draft audit report;

5. reviewing, with management, the quarterly financial statements before submission to the Board for approval;

6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;

7. reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

8. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

9. discussion with internal auditors any significant findings and follow up thereon;

10. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

11. discussion with statutory auditors before the audit commences about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;

12. reviewing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

13. reviewing the functioning of the whistle blower mechanism if one exists; and

14. mandatorily review the following information:

   (a) management discussion and analysis of financial condition and results of operations;

   (b) statements of significant related party transactions (as defined by the audit committee), submitted by management;

   (c) management letters/letters of internal control weaknesses issued by the statutory auditors;

   (d) internal audit reports relating to internal control weaknesses; and

   (e) the appointment, removal and terms of remuneration of the chief internal auditor.

Remuneration Committee/Compensation Committee

The Board, pursuant to its resolution dated 20 December 2004 had constituted the Remuneration Committee. The Remuneration Committee was thereafter renamed as the Remuneration Committee/Compensation Committee and the scope of the committee was revised by the Board's resolution dated 6 August 2008.

Mr. Pejavar Murari (Chairman), Mr. Kashi Nath Memani and Mr. Haigreve Khaitan comprise the Remuneration Committee/Compensation Committee.

The terms of reference of the Remuneration Committee/Compensation Committee include:

1. framing the Company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment;
2. framing suitable policies and systems to ensure that there is no violation by an employee of the Company of any applicable laws in India or overseas, including:
    (a) the Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
    (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995;
3. performing such functions as are required to be performed by the Remuneration Committee/Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended; and
4. undertaking such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the committee.

PART 5

OPERATING AND FINANCIAL REVIEW

The following information should be read in conjunction with the financial information in this document, including the notes thereto and the basis of preparation thereof. Prospective investors should read the whole of this document and not rely on the summarised data. The Company's financial information has been prepared in accordance with IFRS. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this document. Factors that may cause such a difference include, but are not limited to, those discussed in "Forward Looking Statements" and "Risk Factors".

This operating and financial review includes information extracted from financial information in respect of the years ended 31 March 2007, 31 March 2008 and 31 March 2009 and the six months ended 30 September 2009 prepared under IFRS and presented in US$ thousands, as set out in Part 6 of this document.

Principal activity and overview

The Company is a natural gas company based in India. The Company focuses on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. The Company produces CBM from a Block in Raniganj, West Bengal, which spans an aggregate area of approximately 210 km^2 with an estimated 2.00 Tcf of gas-in-place.

REVIEW FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2009

	For six months period ended	
	30 September 2009 (In US$'000)	*30 September 2008 (In US$'000)*
Revenue	526	391
Other income	127	66
Total Revenue	653	457
Repairs, stores and consumables	(99)	(155)
Employee benefit expenses	(730)	(510)
Depreciation and amortisation	(1,051)	(230)
Other operating expenses	(1,104)	(1,497)
Foreign exchange gain/(loss)	64	(76)
Operating loss	(2,267)	(2,011)
Finance income	35	0
Finance expense	(1,562)	(14)
Loss before income tax	(3,794)	(2,025)
Income tax expense	–	–
Loss for the period	(3,794)	(2,025)

Revenue

Revenue comprises principally sales of CBM and CNG, with CBM accounting for more than 88 per cent. of total revenue. The increase in revenue was mainly as a result of the increase in the volume of CBM gas sold from 25,775 MCF during the six months ended 30 September 2008 to 42,410 MCF during the six months ended 30 September 2009. The Company increased the number of contracted industrial customers from 18 at the start of the period to 29 by the period end.

The impact of the volume increase on revenue was partially offset by a decrease of 7.25 per cent. in the average tariff rate realised, mainly due to fluctuations in the international oil price and volume discount.

Employee benefit expenses

Employee benefit expenses increased due to the following:

- an increase in salaries, wages and staff welfare following an annual appraisal;
- a retrospective increase of more than 100 per cent. in the remuneration of the COO; and
- an increase in the number of employees from 90 in September 2008 to 97 in September 2009.

Depreciation and amortisation

Depreciation and amortisation increased due to the following:

- depreciation being charged on 19 wells for the period ended 30 September 2009 compared to only nine wells for the period ended 30 September 2008; and
- depreciation being charged on gas gathering stations, pipelines and other major project related assets which were capitalised during the six months ended 30 September 2009 but which formed part of capital work in progress during the six months ended 30 September 2008 and were accordingly not depreciated in the earlier period.

Other operating expenses

Other operating expenses decreased primarily due to lower legal and professional consultancy costs.

Finance income and expense

The increase in finance expense was due to additional secured loans amounting to US$32.7 million being drawn down during this period. During the six months ended 30 September 2008, interest amounting to US$3.8 million was capitalised as pre-operative expenses, and the interest expense was therefore lower for this period.

Cash flows

	For six months period ended	
	30 September 2009 (In US$'000)	*30 September 2008 (In US$'000)*
Net cash used in operating activities	(2,501)	(457)
Net cash flows used in investing activities	(12,711)	(15,564)
Net Cash provided by financing activities	14,855	15,915
Net (decrease) in cash and cash equivalents	(357)	(106)
Cash and Cash equivalents as at beginning of the period	503	2,102
Exchange gain/(losses) on cash and cash equivalents	27	(303)
Cash and Cash equivalents as on 30 September	173	1,693

During the six months ended 30 September 2009, the Company continued its programme of investment in plant and machinery and capital work in progress amounting to US$12.76 million and the drilling of wells, laying of steel and MDPE pipelines and the purchase of fixed assets such as land, pipeline and compressors. The Company did not carry out any fracturing and completion work in relation to drilled wells, mainly in order to minimize flaring of CBM since the necessary infrastructure facilities for transportation of gas were pending installation. This capital expenditure programme was entirely financed by additional borrowings.

Balance sheet

	As at 30 September 2009 (In US$'000)	As at 30 September 2008 (In US$'000)
Assets		
Non-current assets		
Property, plant and equipment	41,539	21,731
Capital work in progress	52,402	44,787
Other non-current assets	1,822	636
Current assets	2,728	6,128
Total assets	98,491	73,282
Equity and liabilities		
Equity	28,017	37,039
Non-current liabilities	64,491	30,747
Current liabilities	5,983	5,496
Total equity and liabilities	98,491	73,282

Non current assets

The increase in non-current assets from US$67.15 million at 30 September 2008 to US$95.76 million at 30 September 2009 was mainly on account of an increase in property, plant and equipment and capital work in progress, as follows:

- drilling of 14 wells during the six months ended 30 September 2009 compared to five wells during the six months ended 30 September 2008;
- laying of 42.06 km steel pipeline from Nigha to Durgapur; and
- laying of 18.75 km MDPE pipelines for inter connection of wells.

Non-current liabilities

The increase in non-current liabilities from US$30.75 million at 30 September 2008 to US$64.49 million at 30 September 2009 was primarily due to an increase in long term borrowings from banks and financial institutions by US$32.68 million to finance project related capital expenditure.

REVIEW FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31 March 2009 (In US$'000)	31 March 2008 (In US$'000)
Revenue	701	123
Other income	134	45
Total Revenue	835	168
Repairs, stores and consumables	(663)	(56)
Employee benefit expenses	(1,145)	(664)
Depreciation and amortisation	(825)	(196)
Other operating expenses	(2,712)	(2,134)
Foreign exchange gain/(loss)	(220)	25
Operating loss	(4,729)	(2,857)
Finance income	39	375
Finance costs	(1,852)	(27)
Loss before income tax	(6,543)	(2,509)
Income tax expenses	–	(1)
Loss for the year	(6,543)	(2,510)

Revenue

Revenue increased significantly in the year ended 31 March 2009, partly because there was a full twelve months of commercial sales as compared to only seven months in the previous year. During the year, the Company put in place contracts to supply gas to a further 14 industrial customers, taking the total number of customers up to 18, and the volume of CBM sold increased from 7,545 MCF during the year ended 31 March 2008 to 54,947 MCF during the year ended 31 March 2009.

The effect on revenue of this volume increase was partly offset by a decrease of 10 per cent. in the average tariff rate realised.

Expenditure

Repairs, stores and consumables

Repairs, stores and consumables increased as a result of the substantial higher level of gas production achieved in the year ended 31 March 2009.

Employees benefit expenses

The higher level of employee expenses was due to the following:

- an increase in salaries, wages and staff welfare following an annual appraisal;
- the appointment of a new CFO in September 2008; and
- an increase in the total number of employees from 76 in March 2008 to 90 in March 2009.

Depreciation and amortisation

The increase in depreciation and amortisation was primarily due to the capitalisation of approximately US$24.38 million of expenditure during year ended 31 March 2009 on ten wells, one gas gathering station, pipelines and other project related assets. Depreciation has been charged on such assets, starting from the date on which the expenditure was capitalised.

Operating expenses

Operating expenses rose during the year primarily due to an increase in the number of wells capitalised, from nine during the year ended 31 March 2008 to 19 during the year ended 31 March 2009. This resulted in corresponding increases in repair, maintenance and other related operating costs being charged to the income statement instead of being carried forward as pre-operative expenses.

Finance income and expense

The increase in finance expenses is primarily due to an increase in indebtedness incurred in connection with financing the drilling and construction of additional wells, and the accrual of associated interest for a period of 12 months during the year ended 31 March 2009 as compared to only two months during the year ended 31 March 2008.

Cash flows

	Year ended 31 March	
	2009	*2008*
	(In US$'000)	*(In US$'000)*
Net cash provided by/(used in) operating activities	1,161	(2,503)
Net cash used in investing activities	(29,134)	(25,838)
Net cash provided by financing activities	26,700	18,511
Net decrease in cash and cash equivalents	(1,272)	(9,831)
Cash and cash equivalents at beginning of year	2,102	11,001
Exchange gains/(losses) on cash and cash equivalents	(327)	930
Cash and cash equivalents at end of year	503	2,102

Cash flows from operating activities

Notwithstanding the loss before tax of US$6.54 million for the year ended 31 March 2009, the Company generated US$1.16 million of cash from operations in the period. This was mainly due to working capital movements and in particular an increase in short term liabilities, principally trade and other payables, at the balance sheet date.

Cash flows from investing activities

During the year ended 31 March 2009 US$29.42 million was spent on purchase of property, plant and equipment and additions to capital work in progress. This expenditure was on account of the following:

- an increase in the number of wells drilled to 14 during the year ended 31 March 2009 (five during the year ended 31 March 2008);
- the installation of one gas gathering station in well number 12; and
- laying of various MDPE pipelines for inter connecting wells and steel pipeline from the gas gathering station to city gathering station at Asansol.

Cash flows from financing activities

Net cash provided by financing activities for the year ended 31 March 2009 comprises mainly of additional bank borrowings drawn down to finance the Company's capital expenditure programmes.

Balance sheet

	As at 31 March 2009 (In US$'000)	*As at 31 March 2008 (rearranged) (In US$'000)*
Assets		
Non-current assets		
Property, plant and equipment	34,227	16,819
Capital work in progress	41,464	45,121
Other non-current assets	1,754	1,329
Current assets	3,494	5,215
Total assets	80,939	68,484
Equity and liabilities		
Equity	29,994	45,664
Non-current liabilities	43,729	19,557
Current liabilities	7,216	3,263
Total equity and liabilities	80,939	68,484

Non-current assets

The increase in non-current assets is mainly due to the following:

- drilling of 14 wells during the year ended 31 March 2009 as compared to five wells during year ended 31 March 2008; and
- completion of three steel pipelines:
  - from the gas gathering station to the central gathering station covering approximately 11.80 km;
  - from Bhagat Singh More/central gathering station, Asansol to Kulti covering approximately 12.36 km; and
  - from the central gathering station to Nigha covering approximately 11.40 km.

Equity

The decrease in equity during the year was due to the US$6.54 million loss for the year together with an adverse movement of US$9.2 million in the Company's translation reserve. This translation reserve movement arose as a result of the weakening during the year of the Indian Rupee against the US dollar.

Non-current liabilities

The increase in non-current liabilities from US$19.56 million at 31 March 2008 to US$43.73 million at 31 March 2009 is mainly due to an increase of long term borrowings from banks and financial institutions by US$23.75 million to finance project capital expenditure.

Current liabilities

The increase in current liabilities from US$3.26 million at 31 March 2008 to US$7.22 million at 31 March 2009 is primarily due to an increase in trade payables from US$2.42 million at 31 March 2008 to US$5.72 million at 31 March 2009 resulting from increased contractual jobs during the year ended 31 March 2009.

Taxation

In accordance with the provisions of Section 80IB (9) of the Indian Income Tax Act, 1961, the Company is entitled to a tax holiday period of 7 years from the date of commencement of production. During the tax holiday period, the Company is allowed a deduction of an amount equal to 100 per cent. of profits derived from business, from taxable income. The benefit of this deduction accruing to the Company expires during the year ended 31 March 2015.

Deferred tax asset on unused losses and unabsorbed depreciation has not been recognised in the financial statement for the year ended 31 March 2009 since the deferred taxes are expected to be reversed within the tax holiday period. The Company expects to adjust the carry forward losses and unabsorbed depreciation of US$14.46 million at 31 March 2009 against the profit generated during subsequent years.

REVIEW FOR THE YEAR ENDED 31 MARCH 2008

	Year ended 31 March 2008	
	2008	*2007*
	(In US$'000)	*(In US$'000)*
Revenue	123	–
Other income	45	49
Total revenue	168	49
Repairs, stores and consumables	(56)	–
Employee benefit expenses	(664)	(386)
Depreciation and amortization	(196)	(44)
Other operating expenses	(2,134)	(1,258)
Foreign exchange gain	25	3
Operating loss	(2,857)	(1,635)
Finance income	375	1,301
Finance costs	(27)	(8)
Loss before income tax	(2,509)	(342)
Income tax expenses	(0)	–
Loss for the year	(2,510)	(342)

Revenue

The Company commenced sales of CBM in August 2007 and sold a total of 7,545 MCF during the year ended 31 March 2008.

Expenditure

Employees benefit expenses

Employee benefit expenses rose primarily due to an increase in the number of employees during the year from 34 in March 2007 to 90 in March 2008.

Depreciation and amortisation

Depreciation and amortisation increased primarily due to capitalisation of nine wells and project related assets (such as cascades) during the year.

Other operating expenses

The rise in other operating expenses is attributable to increases in travelling and conveyance expenses (US$0.22 million), consultancy charges (US$0.18 million) and other miscellaneous operating expenses (US$0.50 million).

Finance income and expense

Finance income decreased due to a reduction in the Company's interest bearing cash deposits from US$10.9 million at the start of the year to US$0.8 million at the end of the year.

Cash flows

	Year ended 31 March	
	2008	*2007*
	(In US$'000)	*(In US$'000)*
Net cash flows used in operating activities	(2,503)	(2,507)
Net cash flows used in investing activities	(25,838)	5,849
Net cash flows from financing activities	18,511	–
Net (decrease)/increase cash and cash equivalents	(9,831)	3,342
Cash and cash equivalents at beginning of year	11,003	7,351
Exchange gains on cash and cash equivalents	930	310
Cash and cash equivalents at end of year	2,102	11,003

Cash flows used in investing activities

Net cash used in investing activities during the year ended 31 March 2008 was US$25.84 million in respect of capital work in progress (development of wells and infrastructure facilities) associated with the following:

- drilling of four wells;
- construction of one gas gathering station;
- commencement of construction and installation of steel pipelines from the gas gathering station to the central gathering station for 11.80 km;
- purchase of land at licensed area on outright and long term lease basis; and
- purchase of other fixed assets such as computer software, pipeline and CNG station parts, pressure reducing skid cascades, car dispenser, gas based generators, drilling rig, compressors, cranes, forklift, automobiles and furniture and other fixtures.

Cash flows from financing activities

Net cash generated from financing activities was US$18.51 million, primarily due to draw down during the year of long term borrowings of US$18.54 million and short term borrowings of US$6.39 million.

Balance Sheet

	As at 31 March 2008 (original audited) (In US$'000)	*As at 31 March 2007 (In US$'000)*
Assets		
Non-current assets		
Property, plant and equipment	16,819	1,181
Capital work in progress	44,478	31,914
Other non-current assets	638	492
Current assets	5,861	13,090
Total assets	67,796	46,677
Equity and liabilities		
Equity	45,664	44,189
Non-current liabilities	18,869	86
Current liabilities	3,263	2,402
Total equity and liabilities	67,796	46,677

Non-current assets

There was a substantial increase of non-current assets from US$33.58 million at 31 March 2007 to US$61.94 million at 31 March 2008 mainly due to an increase in property, plant and equipment and capital work in progress by US$28.20 million, on account of the following:

- drilling of five wells during the year ended 31 March 2008;
- Construction of one gas gathering station;
- commencement of construction and installation of steel pipeline from the gas gathering station to the central gathering station, covering 11.80 km; and
- purchase of other miscellaneous property, plant and equipment.

Non-current liabilities

Non-current liabilities represent long term borrowings, retirement benefit obligations and provisions for demobilisation and site restoration expenses. The increase in non-current liabilities from US$0.09 million at 31 March 2007 to US$18.87 million at 31 March 2008 was primarily due to an increase in long term borrowings from banks and financial institutions by US$18.66 million used to finance project capital expenditure.

REVIEW FOR THE YEAR ENDED 31 MARCH 2007

The Company did not commence commercial operations until the year ended 31 March 2008. Accordingly, during the year ended 31 March 2007 the only income earned represented interest on short term fixed deposits and other miscellaneous income from foreign exchange fluctuations. Expenses (net of other income) for the year ended 31 March 2007 of US$1.64 million primarily consisted of employee benefit expenses, travelling and conveyancing expenses, consultancy charges and expenses incurred in relation to bidding for additional CBM blocks, which were charged to the income statement. The net loss for the year was US$0.3 million.

During the year ended 31 March 2007, the Company incurred US$16.05 million of capital expenditure on account of drilling and completing 20 production wells and the drilling of four core holes. Core holes were drilled to estimate reservoir boundaries. There was no financing activity during the year ended 31 March 2007 as the Company had adequate cash and cash equivalents to carry out project activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically financed its capital expenditure and working capital requirements primarily through financing from banks and other financial companies in the form of term loans and issues of equity, including GDRs.

Prior to the Company's admission to AIM in December 2005, project and operational expenditure was met through equity capital. At the time of admission to AIM, the Company raised approximately US$20.25 million from an equity placement. A further US$47.30 million of equity financing was raised in November 2009.

Debt financing for project development

The Company has been granted a loan facility of INR 3,500 million (US$72.9 million) from a consortium of banks and a financial company led by the State Bank of India (together known as the "Lenders").

Set out below is a brief summary of the Company's significant outstanding secured borrowings of US$55.11 million at 28 February 2010 (US$62.91 million as at 30 September 2009) together with key terms of such financing arrangements.

		Amount outstanding as at (in million US$)		
Name of the Lender	*Loan documentation*	*30 September 2009*	*28 February 2010*	*Interest rate and repayment schedule*
State Bank of India	Common Loan Agreement and sanction letter dated 16 August 2007.	18.78	20.13	State Bank of India's prime lending rate ("PLR") plus 0.25%. Repayment in 18 quarterly instalments consisting of 0.84% of the loan facility in the first quarter, 2.08% of the loan facility in the next six quarters and 7.88% of the loan facility in the remaining 11 quarters with payment for the first quarter being due on 15 March 2011.
State Bank of Indore	Common Loan Agreement and sanction letter dated 1 November 2007.	3.64	3.78	State Bank of Indore's PLR minus 0.25%. Repayment schedule same as State Bank of India as stated above.
L&T Infrastructure Finance Company Limited	Common Loan Agreement and the letter dated 13 September 2007.	13.27	Nil	State Bank of India's PLR plus 0.25%. The loan has been repaid on 15 January 2010.
State Bank of Mysore	Common Loan Agreement and the sanction communication letter dated 23 November 2007.	2.81	2.92	State Bank of Mysore's PLR minus 0.25%. Repayment schedule same as State Bank of India as stated above.

Name of the Lender	Loan documentation	*Amount outstanding as at (in million US$)* 30 September 2009	28 February 2010	Interest rate and repayment schedule
Canara Bank	Common Loan Agreement and the sanction letter dated 29 November 2007	4.48	5.08	Canara Bank's PLR minus 0.25%. Repayment schedule same as State Bank of India as stated above.
State Bank of Patiala	Common Loan Agreement and the sanction letter dated 10 October 2007	7.19	7.90	State Bank of Patiala's PLR. Repayment schedule same as State Bank of India as stated above.
State Bank of Saurashtra	Common Loan Agreement and the sanction letter dated October 2007	1.77	3.24	State Bank of Saurashtra's PLR minus 0.25%. Repayment schedule same as State Bank of India as stated above.
State Bank of Travancore	Common Loan Agreement and the sanction letter dated 25 September 2007	3.65	3.81	State Bank of Travancore's PLR. Repayment schedule same as State Bank of India as stated above.
Union Bank of India	Common Loan Agreement and the sanction letter dated 26 December 2007.	7.32	8.24	Union Bank of India's PLR minus 0.25%. Repayment schedule same as State Bank of India as stated above.

The above borrowings have been secured by charges on all the Company's assets.

Under the terms of the Common Loan Agreement, the deed of hypothecation dated 9 February 2008 and individual sanction letters issued by the Lenders, the Company is subject to certain restrictive covenants which are listed below:

The Company cannot, without the prior consent of the Lenders, undertake, *inter alia*, any of the following:

(a) effect a change in the capital structure and formulate a scheme of merger, compromise, amalgamation, or consolidation with any person or affiliate;

(b) undertake any new project or implement a scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to and approved by the Lenders;

(c) invest by way of share capital in or lend or advance funds or place deposits with any other concern (including group companies) other than in the ordinary course of business or enter into any arrangement, agreement or commitment to make any investment, lend any amounts or issue any guarantees or letters of comfort or any similar arrangement to any person including affiliates or group/associate companies;

(d) enter into borrowing arrangements with other banks, financial institutions, companies or otherwise or accept deposits apart from the arrangements indicated in the funds flow statement submitted from time to time and approved by the Lenders and undertake guarantee obligations on behalf of any other company (including group companies);

(e) declare dividends (since the Lenders have a first charge on the profits after provision of tax);

(f) create any charge, lien or encumbrance over its undertaking or any part in favour of any financial institution, bank, company, firm or person;

(g) sell, assign, mortgage or otherwise dispose of fixed assets charged to the Lenders;

(h) enter into any contractual obligation which is of a long term nature or which affects the Company financially to a significant extent;

(i) change the practice with regard to remuneration of Directors by means of ordinary remuneration of commission, scale of sitting fees, etc;

(j) undertake any trading activity other than sale of products arising from its own manufacturing;

(k) permit any transfer of the controlling interest including any transfer by the Promoters or Group entities or make drastic changes in the management set-up;

(l) repay monies brought in by Promoters, Directors, principal shareholders and their friends and relatives by way of loans, deposits or advances; or

(m) radically change its accounting system.

Under the terms of the Common Loan Agreement, the Lenders have stipulated that the Company maintain the following minimum levels:

(a) total debt gearing ratio of 3.00;

(b) gross debt service coverage ratio of 1.75; and

(c) security margin of 30 per cent.

In the event of an adverse deviation of more than 20 per cent. in respect of any of the aforesaid stipulated levels, for a minimum period of one year, the Company would be liable to pay a penal interest of 1 per cent. on the outstanding loan amount.

Liquidity

Liquidity is provided by the Company's cash resources, which were significantly strengthened by the equity issue in November 2009 and which at 31 March 2010 amounted to approximately US$21.98 million.

Capital Expenditure

Capital expenditure comprises additions to fixed assets (excluding additions to producing properties) and capital work in progress, adjusted for the intra-year movement in the balance of equipment used for exploration. During the six months ended 30 September 2009 and the years ended 31 March 2009, 31 March 2008 and 31 March 2007, the Company incurred US$12.78 million, US$29.42 million, US$25.35 million and US$16.05 million, of capital expenditure, respectively, as follows:

- capital expenditure for the year ended 31 March 2007 primarily consisted of the cost of drilling 14 wells, the implementation of systems applications and the purchase of product software and casing pipes;
- capital expenditure for the year ended 31 March 2008 primarily consisted of the cost of capitalising the rig, the four wells which were drilled, a gas gathering station, pipelines and a central gathering station;
- capital expenditure for year ended 31 March 2009 primarily consisted of the capital cost for the gas gathering station and pipelines, and the incremental cost of 16 wells drilled during the year, the cost of which was included in capital work in progress at the end of the period; and

- capital expenditure for the six months ended 30 September 2009 primarily consisted of the drilling of 14 wells, the laying of steel and MDPE pipelines and the purchase of fixed assets such as land, pipeline and compressors.

During the period from 1 October 2009 to 28 February 2010, the Company incurred capital expenditure of US$13.45 million towards the drilling of eight wells, the completion of steel pipeline from Asansol to Durgapur and the laying of 8 km of MDPE pipelines and other project related costs.

The Company expects to meet its capital expenditure needs for year ended 31 March 2011 and year ended 31 March 2012 from cash generated from operating activities, long term borrowings and cash available with the Company. The capital expenditure of US$13.45 million incurred subsequent to 30 September 2009 has been funded primarily through long term secured borrowings amounting to US$4.23 million and a portion through equity issue in November 2009 amounting to an aggregate of US$47.30 million.

Indebtedness

The Company's borrowings, which consist mainly of term loans from banks and other financial institutions, increased from US$42.42 million at 31 March 2009 to US$63.08 million at 30 September 2009. The increase in borrowings primarily represents increase in funds required for capital expenditure associated with the development and production phases. A detailed financial position of the capitalisation and indebtedness of the Company is set out in Part 5 of this document.

KEY FINANCIAL RISKS

The Company's results from operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Interest rate risk

The Company has substantial floating interest rate debt. Any changes in prevailing interest rates could materially affect the Company's financial position. A significant increase in market interest rates during the Company's development phase will adversely affect returns on capital employed, reduce the amount available for borrowing under the floating interest rate facility and increase the ultimate debt service costs.

The Company has not entered into any swap or interest rate hedging transactions in connection with such rupee loan agreements to mitigate its interest rate exposure. Although the Company may enter into interest rate hedging contracts or other financial arrangements in the future to mitigate its exposure to interest rate fluctuations, the Company cannot assure that it will be able to do so on commercially reasonable terms or any of such agreements that will fully against interest rate risk. Any increase in interest rates may have an adverse effect on the Company's business and results from operations.

Foreign exchange risk

At 28 February 2009, the Company has foreign currency loans of US$8.81 million. A devaluation of the Indian rupee and increase in LIBOR rates will increase the interest liability, increase loan repayment amount and adversely affect return on capital employed.

While most of the Company's revenues and expenses are currently denominated in Indian rupees, the Company imports project-related equipment and services from abroad, the cost and fee of which are denominated in foreign currencies. Accordingly, any depreciation of the India rupee against these currencies will increase the INR cost to the Company. If the Company is not able to recover the cost of foreign exchange variations through tariffs, depreciation of the INR against foreign currencies may adversely affect the results of operations and financial condition.

Financial condition, liquidity and capital resources

The Company has historically financed its capital expenditure and working capital requirements primarily through financing from banks and other financial companies in the form of term loans and sale of equity. The Company believes that there will be sufficient resources from the income from the Company's operations, further offerings of securities and other financings from banks and financial companies to meet its on going and proposed capital requirements for at least the next 18-24 months.

Qualitative and quantitative disclosure of market risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign currency exchange risk and commodities risk. The Company is exposed to foreign currency exchange risk and interest rate risk on the foreign currency loan and also in the normal course of our business, as well as risk associated with worldwide prices of natural gas.

Impact of inflation

Although inflation has not historically had a material impact on the Company's business and results from operations, inflation has recently been increasing and may impact the Company's operations in the future.

Seasonality

The Company's results from operations have not and are not expected to generally exhibit seasonality.

TREND INFORMATION

Until December 2009, sale of CBM remained fairly consistent at approximately 10 per cent. of total CBM production. In December 2009, the Company entered into a contract for the supply of 2.305 mmscfd of CBM, under which supply commenced in February 2010. The contract resulted in increasing sales of CBM to approximately 80 per cent. of total CBM production. The selling price has remained reasonably consistent during the year ended 31 March 2010.

Although production increased from approximately 1.91 mmscfd during the year ended 31 March 2009 to approximately 3.72 mmscfd during the year ended 31 March 2010, monthly production remained fairly constant during the year ended 31 March 2010. This constancy in monthly production levels during the year ended 31 March 2010 was primarily due to discontinuation of the fracturing activity from December 2008 to September 2009. Fracturing was discontinued in order to:

- re-negotiate fracturing rates available to the Company under its contract with its main contractor, Schlumberger. The contract between the Company and Schlumberger expired in December 2008. In August 2009, the Company appointed Halliburton in place of Schlumberger, which resulted in a decline in fracturing rates by approximately 60 per cent.; and

- minimise the flaring of CBM that resulted from the impending installation and implementation of requisite infrastructure facilities for transportation of gas.

The Company re-commenced its fracturing activities in October 2009. Accordingly, production levels are expected to gradually increase on a month-on-month basis during the year ended 31 March 2011.

During the year ended 31 March 2010, costs increased in line with the increase in operations. Furthermore, the Company maintained minimal inventory, primarily representing consumables, stores and spares.

PART 6

FINANCIAL INFORMATION

The historical financial information of the Company is presented in this Part 6 as follows:

- Section A – the unaudited interim condensed financial statements for the six months ended 30 September 2009 with comparatives;
- Section B, Section C and Section D:
  - the audited financial statements for the year ended 31 March 2009 with comparatives;
  - the audited financial statements for the year ended 31 March 2008 with comparatives;
  - the audited financial statements for the period ended 31 March 2007 with comparatives;
- Section E – capitalisation and indebtedness statement for the Company.

Reference to "we" or "our" (and similar terms) in the notes contained in this Part 6 refer to the Company.

PART 6 SECTION A: UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Great Eastern Energy Corporation Limited
Interim Condensed Financial statements (unaudited)
For the six months period ended 30 September 2009

Interim condensed unaudited balance sheet as at 30 September 2009
(All amounts in US Dollars unless otherwise stated)

	Notes	*As at 30 September 2009*	*As at 31 March 2009*
ASSETS			
Non-current assets			
Property, plant and equipment	8	41,538,931	34,227,389
Capital work-in-progress	10	52,402,990	41,464,058
Intangible assets	9	354,463	343,582
Prepayments	5	207827	179,122
Restricted deposits with banks		–	18,646
Deferred income tax assets		1,178,945	1,133,691
Trade and Other receivables		79,656	78,744
		95,762,812	77,445,232
Current assets			
Prepayments	5	1,101,726	943,064
Trade and other receivables		1,225,680	1,158,441
Advance income tax		140,126	343,847
Restricted deposits with banks		88,011	545,584
Cash and cash equivalents	3	172,812	502,714
		2,728,355	3,493,650
Total Assets		98,491,167	80,938,882
Capital and reserve attributable to Equity holders of the Company			
Ordinary Shares		12,246,781	12,246,781
Share premium		33,301,944	33,301,944
Currency translation reserve		(2,489,452)	(4,270,102)
Share-based payment reserve		109,364	73,429
Retained earnings		(15,151,630)	(11,357,955)
Total equity		28,017,007	29,994,097
LIABILITIES			
Non current liabilities			
Borrowings		63,082,437	42,417,694
Deferred income tax liability		1,178,945	1,133,691
Retirement benefit obligations		135,853	105,911
Provisions		93,733	71,545
		64,490,968	43,728,841
Current liabilities			
Borrowings		14,185	23,763
Trade and other payables		5,782,765	6,990,591
Provisions		186,245	201,590
		5,983,195	7,215,944
Total liabilities		70,474,163	50,944,785
Total equity and liabilities		98,491,167	80,938,882

The notes form an integral part of this condensed interim financial information.

On behalf of the Board of Directors

Place: New Delhi
Date: 6 November 2009

Yogendra Kr. Modi
Chairman & Chief Executive Officer

Kashi Nath Memani
Director

Interim condensed unaudited income statement for six months ended 30 September 2009
(All amounts in US Dollars unless otherwise stated)

	Notes	*For six months period ended 30 September* 2009	2008
Revenue		526,234	391,378
Other income		126,656	65,810
Repairs and Stores and Consumables		(98,855)	(155,106)
Employee benefit expenses		(729,908)	(510,053)
Depreciation and amortization	8&9	(1,050,541)	(229,685)
Other operating expenses		(1,103,640)	(1,496,651)
Foreign exchange gain/(loss)		63,528	(76,484)
Operating loss		(2,266,526)	(2,010,791)
Finance income		35,067	59
Finance expense		(1,562,216)	(13,786)
Finance income/costs net		(1,527,149)	(13,727)
Loss before income tax		(3,793,675)	(2,024,518)
Income tax benefit		–	–
Loss for the period		(3,793,675)	(2,024,518)
Loss per share			
– basic and dilutive loss per share		(0.0696)	(0.0372)

The accompanying notes form an integral part of these financial statements.

On behalf of the Board of Directors

Place: New Delhi	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Date: 6 November 2009	*Chairman & Chief Executive Officer*	*Director*

Consolidated statement of changes in equity for the six months ended 30 September 2009
(All Amounts In US Dollars unless otherwise stated)

	Issued capital	*Share premium*	*Retained earnings*	*Translation reserve*	*Share based premium reserve*	*Total equity*
At 1 April 2009	12,246,781	33,301,944	(11,357,955)	(4,270,102)	73,429	29,994,097
Currency translation adjustments	–	–	–	1,780,650	–	1,780,650
Loss for the period	–	–	(3,793,675)			(3,793,675)
Employees share-based payment scheme					35,935	(2209132)
At 30 September 2009	12,246,781	33,301,944	(15151,630)	(2,489,452)	109,364	28,017,007

	Issued capital	*Share premium*	*Retained earnings*	*Translation reserve*	*Total equity*
At 1 April 2008	12,246,781	33,301,944	(4,815,414)	4,930,843	45,664,154
Currency translation adjustments	–	–	–	(6,600,701)	–
Loss for the period	–	–	(2,024,518)	–	(8,739,146)
At 30 September 2008	12,246,781	33,301,944	(6,839,932)	(1,669,858)	36,925,008

(a) Share premium represents the premium paid by Shareholders on issue of shares and is net of equity translation costs, under the Indian Companies Act, 1956 such a reserve has got a restricted usage.

(b) Translation reserve represents exchange difference arising on translation from functional currency to presentation currency in accordance with IAS 21 “The effects of changes in foreign exchange rate”.

The accompanying notes form are an integral part of these financial statements.

On behalf of the Board of Directors

Place: New Delhi	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Date: 6 November 2009	*Chairman & Chief Executive Officer*	*Director*

Interim Condensed Statement of Cash Flows for the six months ended 30 September 2009
(All amounts In US Dollars unless otherwise stated)

	For the six months ended 30 September 2009	*For the year ended 31 March 2009*
Cash flows from operating activities		
Net loss after tax	(3,793,675)	(6,542,541)
Adjustments for:		
Loss(Profit) on disposal of PPE	(3,629)	92
Liabilities written back	–	(78,793)
Finance cost	1,562,216	1,852,227
Finace income	(35,068)	(39,164)
Interest on income tax refund	–	(34,037)
Depreciation and amortization	1,050,541	824,780
Share-based payments charge	38,787	73,429
Foreign exchange loss/(gain)	(28,302)	158,041
Provisions for gratuity and superannuation	28,757	16,722
Provisions for compensated absences	–	3,556
Provisions for advances	–	81,362
Provisions for wealth tax	–	1,199
Operating profit/(loss) before working capital changes	(1,180,373)	(3,604,334)
(Increase)/decrease in Trade receivables	2,902	400,145
(Increase)/decrease in other receivables	550,785	196,454
(Increase)/decrease in prepayments	(120,006)	(938,770)
Increase/(decrease) in payables and accruals	(1,977,582)	5,107,451
Cash flows from operating activities	(2,724,274)	1,160,946
(Current tax paid)/refunded	223586	–
Net cash used in operating activities	(2,500,688)	1,160,946
B. Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(6,301,931)	(13,195,169)
Addition to capital work in progress (development of wells)	(6,461,534)	(16,220,541)
Purchase of intangible asset	(19,283)	(17,185)
Increase/(decrease) in restricted deposits(net)	(67,533)	181,708
Proceeds from sale of PPE	75,247	990
Interest received	63,784	116,578
Net cash flows used in investing activities	(12,711,250)	(29,133,619)
C. Cash flows from financing activities		
Proceeds from share issue	1	–
Proceeds from Borrowings	17,898,012	30,626,079
Interest expense	(3,042,717)	(3,925,710)
Net Cash provided by financing activities	14,855,296	26,700,369
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(356,642)	(1,272,304)
Cash and Cash equivalents as at beginning of the year	502,714	2,102,196
Exchange gain/losses on cash and cash equivalents	26,740	(327,178)
Cash and Cash equivalents as on 30 September	172,812	502,714

(a) Cash and cash equivalents are same as that disclosed under note 3.

The notes are an integral part of these financial information.

On behalf of the Board of Directors

Place: New Delhi
Date: 6 November 2009

Yogendra Kr. Modi
Chairman & Chief Executive Officer

Kashi Nath Memani
Director

Notes to Interim Condensed Financial Information

1. CORPORATE INFORMATION

Great Eastern Energy Corporation Limited ('GEECL' or 'the Company') is a public limited company incorporated in India with its registered office at Fathepur, G. T. Road, Asansol, West Bengal, India.

The Company was incorporated in 1992 to explore, develop, distribute and market Coal Bed Methane or CBM in India. GEECL originally entered into a license agreement in December 1993 with Coal India Limited (CIL) for exploration and development of CBM over an area of approximately 210 Sq. km (approximately 52,000 acres) in the Raniganj coalfields of West Bengal (the Block). Following the transfer of CBM administration in India from the Ministry of Coal to the Ministry of Petroleum and Natural Gas (MoPNG), the Company entered into the existing CBM production sharing contract (PSC) on 31 May 2001 for the Block.

The PSC is effective from 9 November 2001 as a result of the granting by Government of West Bengal of the Petroleum Exploration License on the same date and provides for a five year initial assessment and market development phase, followed by a five year development phase and then a twenty-five year production phase, extendable with the approval of the Government of India (GOI). The PSC also provides that the Company can produce gas during any phase with the prior approval of the GOI. Although GEECL currently is in the development phase, but dewatering is already underway in 30 producing wells and commercial production has already started in 19 of these wells. Further, another 26 wells are in various stages of development.

The Company has its primary listing on Alternative Investment Market.

This condensed interim financial information was approved for issue on 6 November 2009. Condensed interim financial statements for the period ended 30 September 2009 has not been audited.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a. ***Basis of preparation***

The interim condensed financial information for the six months period ended 30 September 2009 have been prepared in accordance with IAS-34 Interim Financial Reporting.

The interim condensed financial information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Company's annual audited financial information as at 31 March 2009.

The financial information are presented in US Dollar ('$') and all values are rounded to the nearest US dollar except when otherwise indicated.

Significant Accounting Policies and estimates

The accounting polices adopted in preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual audited financial information for the year ended 31 March 2009.

Standards, amendment and interpretations effective as at 30 September 2009

There are no standards, amendments and interpretations to published standards that are mandatory for accounting periods beginning on or after 1 April 2008 and are also relevant for Company's operations.

Standards, amendments and interpretations effective in the period ended 30 September 2009 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 April 2008 but they are not relevant to the Company's operations:

(a) IFRIC 12, 'Service concession arrangements'; and

(b) IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

b. ***Foreign currency translation***

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Indian Rupees ("Rs." or "INR"). The financial statements are presented in US Dollar (US $), which is the Company's presentation currency.

For the purpose of conversion from the functional currency to the presentation currency the assets and liabilities except for equity for each balance sheet presented is translated at the closing rate at the date of that balance sheet. Income and expense for each income statement presented are converted using an average rate and all resulting exchange difference is recognized as a separate component of equity.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rates ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items or translation at rates that are different from those at which they were initially recorded, are recognized as income or expense in the period in which they arise. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

c. ***Property, plant and equipment***

Property, plant and equipment is stated at historical cost including initial estimate of dismantling and site restoration cost, less accumulated depreciation and any impairment in value. Land is measured at cost. Historical cost includes expenditure that is directly attributable to the acquisition or self-construction of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. When any major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Depreciation (other than Gas producing wells) is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	:	30
Plant and Machinery	:	5–10
Furniture, Fixture and Office Equipment	:	5–15
Vehicles	:	10
Pipeline	:	10

The property, plant and equipment acquired under finance lease are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation on Gas producing wells is calculated based on unit of production method.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of inflows. The recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

d. ***Capital work in progress***

Expenses incurred for development and construction of wells are capitalized and included under the head capital work-in-progress until the wells are ready for their intended use using the Full Costing method. The cost of drilling, wire line logging and perforation services, cementing and fracturing services, which have been outsourced, has been included in well development costs. All other expenses directly attributable in respect to developing and constructing wells are capitalized and included under capital work in progress. Once the wells are ready for their intended use depreciation is charged on the unit of production method.

Inventories consumed as well as inventories lying in stock for the purpose of well development are grouped as part of capital work in progress. These items are not meant for sale in the ordinary course of business or for use as supplies in the production process of saleable gas, but are to be used towards well development and hence, are treated as Capital Work in Progress. Advances paid for supply of capital goods and services are also grouped as part of capital work in progress.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, are deducted from the cost of the related asset in the current period provided that the amount deducted shall not exceed the carrying amount of the asset.

e. ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

f. ***Intangible Assets***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Company's intangible assets is as follows:

- Gas exploration rights and Right of way are capitalized at historical costs.

- Computer Software-Costs associated with identifiable and unique software products controlled by the Company having probable economic benefits exceeding the costs beyond one year are recognized as intangible assets. Costs incurred during the development stage of computer software are shown as intangible assets under development and are not amortized till the software is ready for its intended use. These costs are amortized using the straight line method over their useful lives not exceeding 5 years.

	Gas exploration rights	*Computer software*	*Right of way*
Useful lives	Finite	Finite	Finite
Amortization method used	Amortized on a straight line basis over the period of 25 years	Amortized on a straight line basis over the period of 5 years	Amortized on a straight line basis over the period of 5 years
Internally generated or acquired	Acquired	Acquired	Acquired
Impairment testing/recoverable amount testing	Where an indicator of impairment exists	Where an indicator of impairment exists	Where an indicator of impairment exists
Remaining unamortized period	Twenty three years and three months	Three and half years	Four years and nine months

g. ***Financial assets***

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. The classification of financial assets depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this classification at each financial year end.

The financial assets held by the company consist of loans and receivables only. These financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of these financial assets. Subsequent to initial recognition, these are carried at amortised cost using the effective interest method.

- *Loans and receivables*

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date in which case, these are classified as noncurrent assets. The Company's loans and receivables comprise of 'trade and other receivables', 'restricted deposits with banks' and 'cash and cash equivalents' on the balance sheet date. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and any impairment loss is required to be recognised in the income statement. Impairment testing of receivables is discussed in note 2(h) below.

  The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

h. ***Trade and other receivables***

Trade and other receivables are initially recognized at fair value. Subsequent to initial recognition, trade and other receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The allowance for impairment of receivables reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the ageing of accounts receivable balances, historical write-off experience and customer credit worthiness. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When the receivable is uncollectible, it is written off against the allowance account.

i. ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, balances with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j. ***Inventories***

Inventories of stores and spares are valued at the lower of cost and net realisable value. Costs include expenses incurred in bringing each product to its present location and condition and is determined using the weighted average cost method. Net realizable value is the replacement cost of the stores, spares and consumables.

k. ***Trade and other payables***

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

l. ***Borrowings***

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

m. ***Provisions***

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as other finance expense.

These provisions are capitalized where they are expected to increase the economic benefits flowing from the use or eventual disposal of the asset, or when they represent an obligation to remediate at the end of the asset's life and are recoverable from future economic benefits of using the asset. In all other cases, they are charged to the income statement.

n. ***Employee costs, Pensions and other post-employment benefits***

Employee retirement benefits

The company has both defined benefit and defined contribution plans. The defined benefit plans are the gratuity plan and superannuation plan and the defined contribution plan is the state administered provident fund.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

(i) The Gratuity Plan

The gratuity plan is a defined benefit plan that provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment based on the respective employee's last drawn salary and length of employment.

The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past- service costs. The defined benefit obligation is, each year, determined by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in Indian Rupees, being the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income statement in the period in which they arise.

(ii) Superannuation

The Superannuation (pension) plan for the company is a defined benefit scheme where monthly contribution at the rate of 15 per cent. of salary is payable. These contributions will accumulate at the prevailing rate of interest. At the time of retirement, termination or separation of employee, accumulated contribution will be utilized to buy pension annuity from an insurance company. The company makes provision of such pension liability in the books of accounts on the basis of actuarial valuation.

(iii) State administered provident fund

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a pre-determined rate (currently 12.0 per cent.) of the employee's basic salary to a government recognized provident fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue. Upon retirement or separation, an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund.

(iv) Compensated absences

Compensated absences comprises of leave balances accrued by employees. The leave balance is en-cashable for a maximum of 30 days. These balances can be accumulated up to a maximum of 60 days and carried forward for a period of 3 years. The leave lapses after 3 years if unutilized, or on the employee leaving the Company or on retirement. Compensated absences are being provided on the basis of actuarial valuation.

(v) Share-based compensation

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

o. ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement.

(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially been included in the lease term.

(c) There is a change in the determination of whether fulfillment is dependent on a specified asset.

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

- *Company as a lessee*

  Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

  Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

  Lease where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

p. ***Revenue Income***

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, excise duty, sales tax, returns, rebates and discounts.

Sales revenue is recognised on individual sales when persuasive evidence exist that the significant risks and rewards of ownership of the product have been transferred to the buyer.

These conditions are generally satisfied when the product is delivered, at a fixed or determinable price, and when inflow of economic benefits is reasonably assured. Delivery is defined based on the terms of the sale contract.

Revenue on sale of Coal Bed Methane ('CBM') is recognized on sale of gas to customers at delivery point. Revenue on sale of Compressed Natural Gas ('CNG') is recognized on sale of gas to customers at retail outlet.

q. ***Interest income***

Income is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

r. ***Government grants***

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all the conditions attached to it will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are adjusted against the carrying amount of the related asset.

s. ***Taxes***

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t. ***Equity instruments***

Equity instruments, convertible into fixed number of equity shares at a fixed predetermined price, and which are exercisable after a specific period, are accounted for as and when such instruments are exercised. The transaction costs pertaining to such instruments are adjusted against equity.

u. ***Segment Reporting***

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of components operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company considers that it operates in a single geography being India and in a single business segment being the production and sale of CBM gas.

3. Cash and Cash equivalents

	As at 30 September 2009	*As at 31 March 2009*
Cash in hand	1309	4,106
Cash at banks	171,503	498,608
	172,812	502,714

4. Restricted deposits with bank

	As at 30 September 2009	*As at 31 March 2009*
Fixed deposits maturing within 12 months	88,011	545,584
Fixed deposits maturing beyond 12 months	–	18,646
	88,011	564,230

All the restricted deposits are denominated in INR

These fixed deposits earn fixed interest at the respective bank deposit rates. These are margin money deposits against bank guarantee issued by banks on behalf of the company. Restrictions on such deposits are released on the expiry of terms of respective arrangements.

5. Prepayments

Prepayments include an amount of $30,256 (31 March 2009: $19,289) on account of advance rent to related party YKM Holdings Pvt. Ltd.

6. Income tax

There is no current tax liability in view of losses for the period. The Company has not carried forward the losses incurred till 31 March 2005, however from the year ended 31 March 2006 the Company has carried forward losses for set-off against future taxable profits. Further as the Company will be enjoying a tax holiday period in accordance with the Income Tax Act in India, no deferred tax assets has been recognized during this period.

7. Segment reporting

The Company operates in a single geographical segment, being India, and in a single business segment, being the production and sale of gas. Hence, no separate segment information has been furnished herewith.

8. Property, plant and equipment

During the six months ended 30 September 2009, the Company has capitalized pipelines, buildings, land, and other machinery.

	As at 30 September	
	2009	*2008*
Opening net book balance as on 1 April	34,227,389	16,818,701
Additions	6302127	8,461,876
Disposal	(71618)	
Depreciation	(1,046,234)	(330,129)
Foreign exchange fluctuation on translation	2,127,267	(3,219,764)
Closing net book balance as on 30 September	41,538,931	21,730,684

9. Intangible assets

Intangible assets comprises of cost of SAP implementation,cost of acquisition of rights for gas exploration, Right of way. The amortization during six months ended 30 September 2009 charged to statement of income amounts to $29,112 (30 September 2008: $17,276). The Company has acquired SAP license during six months ended 30 September 2009 capitalized as intangible of $19,283 (30 September 2008: $18,447)

Cost of SAP implementation is being amortized over a period of five years which is the useful life of such software as assessed by the management. Gas Exploration rights are being amortized over a period of 25 years commencing from the year when commercial production has started.

10. Capital work-in-progress

During the six months period ended 30 September 2009, the Company has drilled fourteen new wells which are under various stages of completion. During the period, the Company has incurred $14,238,657 (30 September 2008: $14,592,025) as additions to capital work-in-progress.

	As at 30 September	
	2009	*2008*
Opening net book balance as on 1 April	41,464,058	44,477,852
Additions	14,073,038	14,592,025
Disposal/Retirement	(1,278)	–
Capitalization	(5,731,302)	(7,004,592)
Exchange Fluctuation	2,598,474	(7,278,445)
Closing net book balance as on 30 September	52,402,990	44,786,840

11. Well Capitalisation

(a) During the six months period ended 30 September 2009 the Company has capitalized NIL wells (2008-09: Nine wells $11,241,220). All exploration cost involved in drilling, cementing, fracturing and drilling of exploratory core holes are initially capitalized as Capital work-in-progress till the time these are ready for commercial use.

(b) Depletion: Commercially producing wells are depleted using unit of production method based on related proved reserves. Proved reserves of gas per well are technically re-assessed in house every year at the end of period/year based on technical data available.

12. Retirement benefits

The Company has two post employment unfunded benefit plans, namely gratuity and superannuation and one state administered provident fund, which is a funded defined contribution plan. Gratuity and superannuation are defined benefit schemes. The Company has made provision for gratuity and superannuation benefits on the basis of actuarial valuation.

13. Leases and arrangements containing lease

The Company has entered into Equipment lease and other arrangements with various contractors for development of its wells, whereby the specific assets leased by the contractors are used only at the company's well development site and such arrangements convey the right to use the assets. Some of these arrangements contain lease as per IFRIC 4. The significant terms and arrangements are described below.

(a) The company has entered into arrangements with Mitchell Drilling International PTY Limited for logging and wiring of production wells and core holes respectively. The terms of contract include comprehensive payment rates to include both lease and non – lease elements which are not separable. The arrangement is cancelable at the option of either party to the contract.

(b) Work Over Rig which was taken on lease from Aakash Exploration Services Pvt. Ltd, the contract for same has expired in the month of April 2009.

(c) For Cementing and fracturing services, equipment and personnel from Schlumberger Asia Services limited have been hired. The contract has been cancelled in the month of July 2009.

(d) The above mentioned arrangements include non-lease elements also and are being treated as well development costs along with other costs. The segregation of lease and non- lease elements under some of the arrangements is not possible. The details of total expenses during the six months period ended 30 September 2009 are as follows:

Nature	*As at 30 September 2009*	*As at 30 September 2008*
Towards Minimum Lease Payments:		
Cementing and Fracturing Charges	201,819	3,329,049
Logging and Wire Line Charges	171,514	359,462
Towards lease payments under arrangements where lease and non – lease payments are combined		
Drilling Charges	254,585	–
Work Over Expenses	41,658	114,016

(e) The Company has taken a building on finance lease, the net carrying amount of which is $235,950 (30 September 2008: $250,257). The entire consideration has been paid during the previous year 2005-06 and there are no future lease rentals payable.

(f) The Company has acquired a property under an operating lease for an initial period of three years renewable by mutual consent on mutually agreeable terms. The lease is also cancelable at the option of either party by service of appropriate notice. The lease rental of $79,093 (30 September 2008: $56,931) incurred has been charged to profit and loss account.

(g) The company has taken different pieces of land on lease on which the wells are being developed. The lease period for these pieces of land generally ranges from 30 to 99 years. The Company is required to pay the entire amount of consideration as lease premium upfront upon entering into agreement for acquisition of these pieces of land and no further periodic lease rentals are payable for use of these pieces of land. The premiums paid till 30 September 2009 amounts to $200,045 (30 September 2008: $174,261) and the same have been recognized as prepayments and are being amortized over their respective lease periods.

14. Commitments and Contingencies

	As at 30 September 2009	*As at 31 March 2009*
M/s Adkins Services Inc.	9,693,765	8,783,048
M/s M.R Associates	18,090	15,948
M/s D.S Steels	190,182	162,760
Claims made by Government of India (Ministry of Petroleum and Natural Gas)	234,708	212,831
Claims made by Income Tax Authorities	48,430	45,664
	10,185,175	9,220,251

There are no new contingencies existing for the Company, other than those mentioned above arising out of activities and operations during the six months period ended 30 September 2009.

15. Capital Commitments

At 30 September 2009, the Company has following Capital Commitments.

	As at 30 September	
	2009	*2008*
Capital Assets	8,169,515	15,435,345

16. Key business developments

(a) During the period the Company has awarded a contract to Halliburton Offshore Services Inc to provide a crew and equipment to carry out fracturing operations.

(b) During the period the Company has made substantial progress in laying of pipeline from Asansol to Durgapur.

(c) During the period Company has entered into contract/MOU with new 10 new industrial customers bringing total number to 28. The total quantity of gas under the contract is currently 9.43 mmscfd.

17. Events occurring after Balance sheet date

12" steel pipeline of 54.443 Km from Asansol to Durgapur has been completed.

18. Foreign Currency Translation

The Company has converted Indian Rupees ('INR') balances to $ equivalent balances on the following basis:

- For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:
  - as at 30 September 2008: $1 = INR 46.94
  - as at 30 September 2009: $1 = INR 48.04
  - as at 31 March 2009: $1 = INR 50.95
- For conversion of all expenses and income on income statement and the cash flow statement, for the respective periods, periodic average exchange rates have been used, which are as follows:
  - For the six months period ended 30 September 2009: $1 = INR 48.54
  - For the six months period ended 30 September 2008: $1 = INR 42.77

	As at 30 September 2009		*As at 31 March 2009*	
	Receivable	*Payable*	*Receivable*	*Payable*
YKM Holdings Private Limited*	60,512	146,862	38,579	329
Mr. Yogendra Kr. Modi	–	10,833	–	13,072
Mr. Prashant Modi	–	8,033	–	7,189
Khaitan & Co.	4,155	–	6,378	14,165
	64,667	165,728	44,957	34,755

* Amounts recoverable from YKM Holdings Private Limited consists of $30,256 (2008: $19,290) on account of security deposits paid for property taken on lease recoverable on expiry of lease agreement and $30,256 (2008: $19,289) on account of advance paid in rent adjustable against future occupation of property taken on lease.

- For conversion of issued Share Capital and Share Premium, historical exchange rates prevailing on the respective dates of issue of shares have been taken into consideration.
- For conversion of authorized share capital, historical exchange rates prevailing on the respective dates of authorization of such share capital have been taken into consideration.

19. Related Party Disclosures

The Company has transactions with following related parties during the periods ended 30 September 2009 and 2008.

	September 2009	*September 2008*
	• CBM Investments Limited	• CBM Investments Limited
Key managerial personnel	• Mr. Yogendra Kr. Modi • Mr. Prashant Modi • Mr. P Murari • Mr. Kashi Nath Memani • Mr. Haigreve Khaitan • Mr. Paul Sebastian Zuckerman • Mr. Rana Talwar	• Mr. Yogendra Kr. Modi • Mr. Prashant Modi • Mr. P Murari • Mr. Kashi Nath Memani • Mr. Haigreve Khaitan • Mr. Serajul Haq Khan (resigned w.e.f. 5 December 2008) • Mr. Paul Sebastian Zuckerman
Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual or close family member of such individual Referred to in (b) above	• YKM Holdings Private Limited • YKM Holding International Limited • Khaitan and Co. • KNM Advisory Private Limited	• YKM Holdings Pvt. Limited • YKM Holding International Limited • Bokel Investments Limited • Indian Purchase.com Infoware Limited** • Khaitan and Co. • Centurian Bank of Punjab Limited (Since merged with HDFC Bank Ltd.)** • KNM Advisory Private Limited

* Amounts recoverable from YKM Holdings Private Limited consists of $30,256 (2008: $19,290) on account of security deposits paid for property taken on lease recoverable on expiry of lease agreement and $30,256 (2008: $19,289) on account of advance paid in rent adjustable against future occupation of property taken on lease.

** These entities are not controlled by key management personnel as of 31 March 2009.

a. ***The following tables provide the total amount of transactions which have been entered into with related parties during the period ended 30 September 2009 and 2008.***

Related Party	*Nature of transaction*	*For Six Month period ended* 2009	2008
YKM Holdings Private Limited	Lease rentals	66,057	44,976
	Payment for services rendered	–	2,421
	Advance Rent paid	9,697	–
	Security Deposit given	9,697	–
	Unsecured loan taken	144,211	–
	Interest on unsecured loan	1,138	–
Khaitan & Co.	Reimbursement of Expenses	44,488	13,688
	Payment for services rendered	2,472	982
KNM Advisory Private Limited	Reimbursement of Expenses	1475	–
Centurion Bank of Punjab (Since merged with HDFC Bank Ltd.)	FD Matured during the year	–	–

b. ***Compensation paid to Key Management Personnel***

	As at 31 September 2009	*As at 30 September 2008*
Short term Employee Benefits	281,969	211,401
Provision for gratuity and superannuation	35,522	18,356
Compensated absences	11,020	7,979
Defined Contribution Plan	16,354	11,489
	344,865	249,225

In addition to above payments, the Company has also paid $3708.00 (2008: $7481.80) as sitting fees to the independent directors for attending various meetings and the same are included in 'other operative expenses' in the income statement.

c. ***Terms and conditions of transactions with related parties***

The transactions with the related parties are made at normal market prices. Outstanding balances at the yearend are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2009, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2008: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

On behalf of the Board of Directors

Yogendra Kr. Modi
Chairman & Managing Director

Kashi Nath Memani
Director

Place: New Delhi
Date: 6 November 2009

PART 6 SECTION B: AUDITED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE YEAR ENDED 31 MARCH 2009

Great Eastern Energy Corporation Limited

All amounts in US dollars unless otherwise stated

Auditors Report

To the Shareholders and Board of Directors of Great Eastern Energy Corporation Limited

We have audited the accompanying financial statements of Great Eastern Energy Corporation Limited ('the Company') which comprise the balance sheet as of 31 March, 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ('IFRS'). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 March 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Price Waterhouse

Date: 5 June 2009
Address: Building 8, 7th & 8th Floor
Tower-B, DLF Cyber City
Gurgaon- 122002, Haryana

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Balance Sheet

	Notes	*As at 31 March* 2009	2008
ASSETS			
Non-current Assets			
Property, plant and equipment	5	34,227,389	16,818,701
Capital work-in-progress	6	41,464,058	45,121,201
Intangible assets	7	343,582	370,944
Prepayments	8	179,122	202,637
Restricted deposits with banks	10	18,646	–
Deferred income tax assets	18	1,133,691	687,767
Trade and Other receivables	9	78,744	67,173
		77,445,232	63,268,423
Current assets			
Prepayments	8	943,064	123,848
Trade and other receivables	9	1,158,441	1,291,056
Advance income tax		343,847	770,744
Restricted deposits with bank	10	545,584	927,938
Cash and cash equivalents	11	502,714	2,102,197
		3,493,650	5,215,783
Total assets		80,938,882	68,484,206
Capital and reserves attributable to equity holders of the Company			
Ordinary Shares	12	12,246,781	12,246,781
Share premium		33,301,944	33,301,944
Currency translation reserve		(4,270,102)	4,930,843
Share-based payment reserve		73,429	–
Retained earnings		(11,357,955)	(4,815,414)
Total equity		29,994,097	45,664,154
LIABILITIES			
Non-current liabilities			
Borrowings	14	42,417,694	18,663,070
Deferred income tax liabilities	18	1,133,691	687,767
Retirement benefit obligations	15	105,911	98,304
Provisions	17	71,545	107,588
		43,728,841	19,556,729
Current Liabilities			
Borrowings	14	23,763	–
Trade and other payables	16	6,990,591	3,263,323
Provisions	17	201,590	–
		7,215,944	3,263,323
Total liabilities		50,944,785	22,820,052
Total equity and liabilities		80,938,882	68,484,206

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board of Directors

V. Nijhawan	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Membership No: F-87228	*Chairman and Chief Executive Officer*	*Director*

Place: Gurgaon
Date: 5 June 2009

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Income Statement

	Notes	*Year ended 31 March* 2009	2008
Income			
Revenue		701,146	122,761
Other income	21	133,419	44,801
Repairs and Stores and Consumables		(662,737)	(56,051)
Employee benefit expenses	20	(1,144,651)	(663,829)
Depreciation and amortization		(824,779)	(196,438)
Other operating expenses	19	(2,712,222)	(2,133,769)
Foreign exchange gain/(Loss)		(219,654)	25,458
Operating Loss		(4,729,478)	(2,857,067)
Finance income	22	39,164	375,243
Finance costs	23	(1,852,227)	(27,287)
Finance income/costs net		(1,813,063)	347,956
Loss before income tax		(6,542,541)	(2,509,111)
Income tax benefit		–	(820)
Loss for the year		(6,542,541)	(2,509,931)
Loss per share	25		
– basic and diluted loss per share		0.0120131	0.0046086

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board of Directors

V. Nijhawan
Membership No: F-87228

Yogendra Kr. Modi
Chairman and Chief Executive Officer

Kashi Nath Memani
Director

Place: Gurgaon
Date: 5 June 2009

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Statement of Changes in Equity

	Issued capital	*Share premium*	*Retained earnings*	*Translation reserve*	*Share based premium reserve*	*Total equity*
At 1 April 2007	12,246,781	33,301,944	(2,305,483)	945,822	–	44,189,064
Currency translation adjustment	–	–	–	3,985,021	–	3,985,021
Loss for the period	–	–	(2,509,931)	–	–	(2,509,931)
As at 31 March 2008	12,246,781	33,301,944	(4,815,414)	4,930,843	–	45,664,154

	Issued capital	*Share premium*	*Retained earnings*	*Translation reserve*	*Share based premium reserve*	*Total equity*
At 1 April 2008	12,246,781	33,301,944	(4,815,414)	4,930,843	–	45,664,154
Currency translation adjustment	–	–	–	(9,200,945)	–	(9,200,945)
Loss for the period	–	–	(6,542,541)	–	–	(6,542,541)
Employees share-based payment scheme	–	–	–	–	73,429	73,429
As at 31 March 2009	12,246,781	33,301,944	(11,357,955)	(4,270,102)	73,429	29,994,097

(a) Share premium represents the premium paid by shareholders on issue of shares and is net of equity transaction costs. Under the Indian Companies Act, 1956 such a reserve has got a restricted usage.

(b) Translation reserves represent exchange differences arising on translation from functional currency to presentation currency in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rate."

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board of Directors

V. Nijhawan
Membership No: F-87228

Yogendra Kr. Modi
Chairman and Chief Executive Officer

Kashi Nath Memani
Director

Place: Gurgaon
Date: 5 June 2009

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Cash Flow Statement

	Note	*For the year ended 31 March* 2009	2008
Cash flows from operating activities			
Net cash flow from operating activities	24	1,160,946	(2,503,366)
Interest paid		–	–
Income tax paid		–	–
Net cash used in operating activities		1,160,946	(2,503,366)
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)		(13,195,169)	(4,387,486)
Additions to capital work-in-progress (Development of wells)		(16,220,541)	(20,957,104)
Purchase of intangible assets		(17,185)	(3,056)
Increase/(decrease) in restricted deposits, (net)		181,708	(890,039)
Proceeds from sale of PPE		990	24,401
Interest received		116,578	375,243
Net cash used in investing activities		(29,133,619)	(25,838,041)
Cash flows from financing activities			
Proceeds from borrowings		30,626,079	24,924,526
Repayment of borrowings		–	(6,386,680)
Interest expense		(3,925,710)	(27,287)
Net cash provided by financing activities		26,700,369	18,510,559
Net (decrease)/increase cash and cash equivalents		(1,272,304)	(9,830,848)
Cash and cash equivalents at beginning of year		2,102,196	11,002,941
Exchange gains/losses on cash and cash equivalents		(327,178)	930,104
Cash and cash equivalents at end of year		502,714	2,102,197

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board of Directors

V. Nijhawan	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Membership No: F-87228	*Chairman and Chief Executive Officer*	*Director*

Place: Gurgaon
Date: 5 June 2009

1. GENERAL INFORMATION

Great Eastern Energy Corporation Limited ('GEECL' or 'the Company') is a public limited company incorporated in India with its registered office at G. T. Road, Fatehpur, Asansol, West Bengal, India. The financial statements of the Company for the year ended 31 March 2009 were authorized for issue in accordance with a resolution of the directors on 5 June 2009. GEECL is a public limited company incorporated in India, with shares listed as Global Depository Receipts in the Alternate Investment Market, London.

The Company was incorporated in 1992 to explore, develop, distribute and market Coal Bed Methane or CBM in India. GEECL originally entered into a license agreement in December 1993 with Coal India Limited (CIL) for exploration and development of CBM over an area of approximately 210 Sq. km (approximately 52,000 acres) in the Raniganj coalfields of West Bengal (the Block). Following the transfer of CBM administration in India from the Ministry of Coal to the Ministry of Petroleum and Natural Gas (MoPNG), the Company entered into Production Sharing Contract (PSC) for CBM on 31 May 2001 for the Block.

The PSC is effective from 9 November 2001 as a result of the granting by Government of West Bengal of the Petroleum Exploration License on the same date and provides for a five year initial assessment and market development phase, followed by a five year development phase and then a twenty-five year production phase, extendable with the approval of the Government of India (GOI). The PSC also provides that the Company can produce gas during any phase with the prior approval of the GOI. Although GEECL currently is in the development phase, but dewatering is already underway in 30 producing wells and commercial production has already started in 19 of these wells. Further, another 12 wells are in various stages of development.

These financial statements were approved by the Board of Directors on 5 June 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. *Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board ('IASB') applicable to the company's reporting for the year ended 31 March 2009. The financial statements have been prepared on an accrual basis and under historical cost convention. The financial statements are presented in US Dollar and all values are rounded to the nearest US dollar except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in the note 4.

- ***Standards, amendment and interpretations effective as at 31 March 2009***

  There are no standards, amendments and interpretations to published standards that are mandatory for accounting periods beginning on or after 1 April 2008 and are also relevant for Company's operations.

- ***Standards, amendments and interpretations effective in the period ended 31 March 2009 but not relevant***

  The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 April 2008 but they are not relevant to the Company's operations:

  (a) IFRIC 12, 'Service concession arrangements'; and

  (b) IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

b. ***Foreign currency translation***

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Indian Rupees ("Rs." or "INR"). The financial statements are presented in US Dollar (US$), which is the Company's presentation currency.

For the purpose of conversion from the functional currency to the presentation currency the assets and liabilities except for equity for each balance sheet presented is translated at the closing rate at the date of that balance sheet. Income and expense for each income statement presented are converted using an average rate and all resulting exchange difference is recognized as a separate component of equity.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rates ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items or translation at rates that are different from those at which they were initially recorded, are recognized as income or expense in the period in which they arise. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

c. ***Property, plant and equipment***

Property, plant and equipment is stated at historical cost including initial estimate of dismantling and site restoration cost, less accumulated depreciation and any impairment in value. Land is measured at cost. Historical cost includes expenditure that is directly attributable to the acquisition or self-construction of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. When any major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Depreciation (other than Gas producing wells) is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	:	30
Plant and Machinery	:	5-10
Furniture, Fixture and Office Equipment	:	5-15
Vehicles	:	10
Pipeline	:	10

The property, plant and equipment acquired under finance lease are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation on Gas producing wells is calculated based on unit of production method.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of inflows. The recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

d. ***Capital work in progress***

Expenses incurred for development and construction of wells are capitalized and included under the head capital work-in-progress until the wells are ready for their intended use using the Full Costing method. The cost of drilling, wire line logging and perforation services, cementing and fracturing services, which have been outsourced, has been included in well development costs. All other expenses directly attributable in respect to developing and constructing wells are capitalized and included under capital work in progress. Once the wells are ready for their intended use depreciation is charged on the unit of production method.

Inventories consumed as well as inventories lying in stock for the purpose of well development are grouped as part of capital work in progress. These items are not meant for sale in the ordinary course of business or for use as supplies in the production process of saleable gas, but are to be used towards well development and hence, are treated as Capital Work in Progress. Advances paid for supply of capital goods and services are also grouped as part of capital work in progress.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, are deducted from the cost of the related asset in the current period provided that the amount deducted shall not exceed the carrying amount of the asset.

e. ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

f. ***Intangible Assets***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Company's intangible assets is as follows:

- Gas exploration rights and Right of way are capitalized at historical costs.

- Computer Software-Costs associated with identifiable and unique software products controlled by the Company having probable economic benefits exceeding the costs beyond one year are recognized as intangible assets. Costs incurred during the development stage of computer software are shown as intangible assets under development and are not amortized till the software is ready for its intended use. These costs are amortized using the straight line method over their useful lives not exceeding 5 years.

	Gas exploration rights	*Computer software*	*Right of way*
Useful lives	Finite	Finite	Finite
Amortization method used	Amortized on a straight line basis over the period of 25 years	Amortized on a straight line basis over the period of 5 years	Amortized on a straight line basis over the period of 5 years
Internally generated or acquired	Acquired	Acquired	Acquired
Impairment testing/ recoverable amount testing	Where an indicator of impairment exists	Where an indicator of impairment exists	Where an indicator of impairment exists
Remaining unamortized period	Twenty three years and three months	Three and half years	Four years and nine months

g. ***Financial assets***

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. The classification of financial assets depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this classification at each financial year end.

The financial assets held by the company consist of loans and receivables only. These financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of these financial assets. Subsequent to initial recognition, these are carried at amortised cost using the effective interest method.

- *Loans and receivables*

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date in which case, these are classified as non-current assets. The Company's loans and receivables comprise of 'trade and other receivables', 'restricted deposits with banks' and 'cash and cash equivalents' on the balance sheet date. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and any impairment loss is required to be recognised in the income statement. Impairment testing of receivables is discussed in note 2(h) below.

  The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

  All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

h. ***Trade and other receivables***

Trade and other receivables are initially recognized at fair value. Subsequent to initial recognition, trade and other receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The allowance for impairment of receivables reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the ageing of accounts receivable balances, historical write-off experience and customer credit worthiness. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When the receivable is uncollectible, it is written off against the allowance account.

i. ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, balances with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j. ***Inventories***

Inventories of stores and spares are valued at the lower of cost and net realisable value. Costs include expenses incurred in bringing each product to its present location and condition and is determined using the weighted average cost method. Net realizable value is the replacement cost of the stores, spares and consumables.

k. ***Trade and other payables***

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

l. ***Borrowings***

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

m. ***Provisions***

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as other finance expense.

These provisions are capitalized where they are expected to increase the economic benefits flowing from the use or eventual disposal of the asset, or when they represent an obligation to remediate at the end of the asset's life and are recoverable from future economic benefits of using the asset. In all other cases, they are charged to the income statement.

n. ***Employee costs, Pensions and other post-employment benefits Employee retirement benefits***

The company has both defined benefit and defined contribution plans. The defined benefit plans are the gratuity plan and superannuation plan and the defined contribution plan is the state administered provident fund.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

(i) *The Gratuity Plan*

The gratuity plan is a defined benefit plan that provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment based on the respective employee's last drawn salary and length of employment.

The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past- service costs. The defined benefit obligation is, each year, determined by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in Indian

Rupees, being the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income statement in the period in which they arise.

(ii) *Superannuation*

The Superannuation (pension) plan for the company is a defined benefit scheme where monthly contribution at the rate of 15 per cent. of salary is payable. These contributions will accumulate at the prevailing rate of interest. At the time of retirement, termination or separation of employee, accumulated contribution will be utilized to buy pension annuity from an insurance company. The company makes provision of such pension liability in the books of accounts on the basis of actuarial valuation.

(iii) *State administered provident fund*

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a pre-determined rate (currently 12.0 per cent.) of the employee's basic salary to a government recognised provident fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue. Upon retirement or separation, an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund.

(iv) *Compensated absences*

Compensated absences comprises of leave balances accrued by employees. The leave balance is en-cashable for a maximum of 30 days. These balances can be accumulated up to a maximum of 60 days and carried forward for a period of 3 years. The leave lapses after 3 years if unutilized, or on the employee leaving the Company or on retirement. Compensated absences are being provided on the basis of actuarial valuation.

(v) *Share-based compensation*

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

o. ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement.

(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially been included in the lease term.

(c) There is a change in the determination of whether fulfillment is dependent on a specified asset.

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

- *Company as a lessee*

  Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

  Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

  Lease where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

p. ***Revenue Income***

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, excise duty, sales tax, returns, rebates and discounts.

Sales revenue is recognised on individual sales when persuasive evidence exist that the significant risks and rewards of ownership of the product have been transferred to the buyer.

These conditions are generally satisfied when the product is delivered, at a fixed or determinable price, and when inflow of economic benefits is reasonably assured. Delivery is defined based on the terms of the sale contract.

Revenue on sale of Coal Bed Methane ('CBM') is recognised on sale of gas to customers at delivery point. Revenue on sale of Compressed Natural Gas ('CNG') is recognised on sale of gas to customers at retail outlet.

q. ***Interest income***

Income is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

r. ***Government grants***

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all the conditions attached to it will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are adjusted against the carrying amount of the related asset.

s. ***Taxes***

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t. ***Equity instruments***

Equity instruments, convertible into fixed number of equity shares at a fixed predetermined price, and which are exercisable after a specific period, are accounted for as and when such instruments are exercised. The transaction costs pertaining to such instruments are adjusted against equity.

u. ***Segment Reporting***

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of components operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company considers that it operates in a single geography being India and in a single business segment being the production and sale of CBM gas.

All amounts in US dollars unless otherwise stated

3. Financial risk management

3.1 ***Financial Risk Factors***

The company's activities expose it to a variety of financial risk such as market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(a) *Market Risk*

(i) Foreign Exchange Risk

The Company's exposure to foreign currency risk arises from foreign-currency denominated liabilities on account of purchase of services and materials from foreign contractors and suppliers. The Company does not hold any financial assets in any currency other than INR.

The Company measures the foreign currency exchange risk as a product of the carrying value of its financial assets and liabilities denominated in currencies other than the functional currency of the company and the forward rate between INR and the foreign currency as at the next reporting date. It has not entered into any forward contracts to hedge such exposure in absence of practice of taking cover against such risk.

The following table gives a quantitative summary of the exposures by foreign-currency (carrying amounts of foreign currency financial assets and financial liabilities) as at the balance sheet date:

Particulars	*Denomination Currency*	*As at 31 March 2009*	*As at 31 March 2008*
Financial Liabilities:			
Trade and other payables	USD	2,600,826	348,267
	GBP	15,950	33,900
Provisions for demobilisation	USD	180,000	25,000
		2,796,776	407,167

The above amounts are disclosed on the basis of information provided internally to the key management personnel of the company.

At 31 March 2009, if INR had weakened/strengthened by 5 per cent. against the US dollar with all other variables held constant, pre-tax loss for the year would have been $154,305 (2008: $12,431) higher/lower, mainly as a result of foreign exchange gains/losses on translation of year-end balances of US dollar-denominated financial assets and liabilities. The amount of loss is more sensitive to movement in currency/US dollar exchange rates in 2009 than 2008 because of the increased amount of fluctuations in INR versus US Dollar rates.

At 31 March 2009, if INR had weakened/strengthened by 5 per cent. against the Sterling with all other variables held constant, pre-tax loss for the year would have been $1,266 (2008: $3,350) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Sterling denominated financial assets and liabilities.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the Indian rupee computed from historical data and is representative of the foreign exchange currency risk inherent in financial assets and financial liabilities reported at the balance sheet date.

(ii) Interest Rate Risk

All the financial assets and financial liabilities of the Company are either interest-free or at a fixed rate of interest except for secured term loan taken from a consortium of 7 nationalised banks and one finance company at different floating rates linked to prime lending rates of respective banks. The carrying value of this loan as at 31 March 2009 is $42,441,455 (2008: $18,663,070). Accordingly, the company is exposed to cash flow interest rate risk on its secured loans.

All amounts in US dollars unless otherwise stated

The company analyses its interest rate exposure regularly. Various scenarios are analysed taking into consideration refinancing, alternative financing etc. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift.

At 31 March 2009, if lending rates had weakened/strengthened by 100bp with all other variables held constant, post-tax loss for the year would have been $471,007 (2008: $185,378) higher/lower, mainly as a result of fluctuation in floating interest rates for term loan.

The above amounts are disclosed on the basis of information provided internally to the key management personnel of the company.

The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data and is representative of the interest rate risk inherent in financial assets and financial liabilities reported at the balance sheet date.

(b) *Credit Risk*

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company makes advances to suppliers and vendors in the normal course of its business and generally requires bank guarantees from them against these advances. The Company also makes advances to employees and places security deposits with related parties and restricted margin money deposits with banks. The majority of the Company's sales to its customers are on credit and it generally requires these customers to provide bank guarantees against the sales made to them. These transactions expose the Company to credit risk on account of default by any of the counterparties. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of counterparties.

The Company classifies all of its financial assets as 'loans and advances'.

The below table discloses by class of financial instruments, the maximum amounts of exposures to credit risk as at the balance sheet date without taking into account any collateral or credit enhancements.

Class of financial instrument	*Description of collateral/ other credit enhancements*	*31 March 2009*	*31 March 2008*
Trade and other receivables			
Trade receivables	Bank guarantee*	45,799	21,445
Due from related parties		25,668	26,464
Advances to employees		84,730	4,129
Security deposits		38,217	38,582
Interest receivable		20,959	–
Others		16,978	21,642
		232,351	112,262
Cash and cash equivalents			
Balance with banks		498,608	1,319,867
Short term deposits with banks		–	782,219
		498,608	2,102,086
Restricted deposits with banks		564,230	927,938
		1,295,189	3,142,286

* The Company holds bank guarantees against trade receivables amounting to $26,774 (2008: $21,209).

All amounts in US dollars unless otherwise stated

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available) or to historical information about counterparty default rates. The below table provides information in that respect.

	31 March 2009	*31 March 2008*
Trade receivables:		
Customers without external credit rating and with no defaults in the past	45,799	21,445
	45,799	21,445
Other receivables:		
Counterparties without external credit rating and with no defaults in the past	186,552	90,817
	186,552	90,817
Cash with banks and short-term deposits with banks:		
A1+	2,036	3,178
AAA	–	25,019
BA2	438,033	2,061,825
P1	1,258	1,603
Rating not available	57,281	10,462
	498,608	2,102,087
Restricted deposits with banks:		
BA2	494,553	927,938
Rating not available	69,677	–
	564,230	927,938

(c) *Liquidity Risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The company ensures flexibility in funding by maintaining availability under committed credit lines. The unused amount under the line of credit as of the balance sheet date is to the tune of $26,303,233 (2008:$68,801,601). These unused amounts pertain to the credit facility availed from the consortium of banks. The management prepares quarterly budgets based on the business plans and needs and submits the same to the bank for disbursement of funds in the following quarter. In addition, the company's liquidity management policy involves considering the level of liquid assets necessary to meet the funding requirement; monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

The Company classifies all of its financial liabilities as 'financial liabilities at amortised cost'. The following tables sets forth the Company financial liabilities to make future payments as at 31 March 2009 and 2008.

All amounts in US dollars unless otherwise stated

As at 31 March 2009	*Within 1 Year*	*1–3 Years*	*3–5 Years*	*After 5 Years*	*Total*
Borrowings	23,761	6,318,572	35,336,605	762,519	42,441,457
Interest on Borrowings	5,247,736	16,507,276	7,121,746	–	28,876,758
Trade and Other Payables					
Trade Payables	5,721,023	–	–	–	5,721,023
Other Payables	211,963	–	–	–	211,963
Due to related parties	34,755	–	–	–	34,755
Security deposits	181,961	–	–	–	181,961
Interest accrued	203,846	–	–	–	203,846
	11,625,045	22,825,848	42,458,351	762,519	77,671,763
Provisions	201,590	–	–	71,545	273,135
	11,826,635	22,825,848	42,458,351	834,064	77,944,898

As at 31 March 2008	*Within 1 Year*	*1–3 Years*	*3–5 Years*	*After 5 Years*	*Total*
Borrowings	–	–	18,663,070	–	18,663,070
Interest on Borrowings	2,297,408	4,684,314	2,648,753	–	9,630,475
Trade and other Payables					
Trade Payables	2,422,450	–	–	–	2,422,450
Other Payables	191,200	–	–	–	191,200
Due to related parties	19,028	–	–	–	19,028
Security deposits	75,664	–	–	–	75,664
Interest accrued	148,667	–	–	–	148,667
	5,154,417	4,684,314	21,311,823	–	31,150,554
Provisions	–	45,000	–	62,588	107,588
	5,154,417	4,729,314	21,311,823	62,588	31,258,142

As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the balance sheet for borrowings.

3.2 ***Capital risk management***

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the balance sheet. Currently, the Company primarily monitors its capital structure in terms of evaluating the funding of potential new investments. The Directors are in the process of further enhancing the Company's systems for monitoring capital use.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

All amounts in US dollars unless otherwise stated

	As at 31 March 2009	*As at 31 March 2008*
Total Borrowings	42,441,457	18,663,070
Less: Cash and Cash Equivalents	502,714	2,102,197
Net Debt	41,938,743	16,560,873
Total Equity	29,994,097	45,664,154
Total Capital	71,932,840	62,225,027
Capital Gearing Ratio	0.58	0.27

The above amounts are disclosed based on information provided internally to the key management personnel of the company.

3.3 ***Fair value estimation***

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The company has not classified financial instruments by categories and classes as all the financial assets have been classified as 'loans and receivables' and all the financial liabilities have been classified as 'financial liabilities at amortised cost' and the carrying amounts of assets are assumed to approximate their fair values.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company invests in the development and production of coal bed methane gas. The assessment as to whether this expenditure will achieve a complete product for which the technical feasibility is assured is a matter of judgment, as is the forecasting of how the product will generate future economic benefit. Finally, the period of time over which the economic benefit associated with the expenditure occurred will arise is also a matter of judgment.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Pension and other employment benefits*

The cost of defined benefit plans consisting of the gratuity plan, superannuation and compensated absences plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability for these three plans at 31 March 2009 is $210,697 (2008: $180,890) (refer note 15).

(ii) *Income taxes*

The Company is subject to income taxes in a single jurisdiction. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

All amounts in US dollars unless otherwise stated

5. Property, plant and equipment

	Freehold Land	*Building*	*Plant and machinery*	*Pipeline*	*Gas producing wells*	*Furniture, fixture and office equipment*	*Vehicles*	*Total*
Carrying amount as at 1 April 2007, net of accumulated depreciation	138,428	436,875	449,243	–	–	61,194	95,284	1,181,024
Additions during the year	210,789	128,942	3,326,612	377,242	11,241,220	328,156	151,367	15,764,328
Disposals/retirements	–	–	(6,890)	–	–	(13,211)	(48,581)	(68,682)
Depreciation charge for the year	–	(17,578)	(204,842)	(7,627)	(35,258)	(14,993)	(14,893)	(295,191)
Depreciation Retirement	–	–	6,473	–	–	8,893	13,163	28,529
Exchange Fluctuation	13,961	41,580	59,265	2,497	75,697	6,613	9,080	208,693
As at 31 March 2008, net of accumulated depreciation	363,178	589,819	3,629,861	372,112	11,281,659	376,652	205,420	16,818,701
Carrying amount as at 1 April 2008, net of accumulated depreciation	363,178	589,819	3,629,861	372,112	11,281,659	376,652	205,420	16,818,701
Additions during the year	198,700	1,323,014	5,618,495	4,254,243	12,894,721	45,648	43,603	24378,424
Disposals/retirements	(1,592)	–	(1,767)	–	–	–	–	(3,359)
Depreciation charge for the year	–	(37,180)	(661,368)	(155,963)	(124,881)	(31,841)	(22,281)	(1,033,514)
Depreciation Retirement	–	–	685	–	–	–	–	685
Exchange Fluctuation	(97,765)	(254,305)	(1,272,509)	(485,597)	(3,694,457)	(82,537)	(46,378)	(5,933,549)
As at 31 March 2009, net of accumulated depreciation	462,521	1621,348	7,313,397	3,984,795	20,357,042	307,922	180,364	34,227,389
As at 31 March 2008								
Gross Carrying Amount	363,178	636,241	3,944,984	379,739	11,316,917	402,174	227,421	17,270,654
Accumulated Depreciation	–	(46,422)	(315,123)	(7,627)	(35,258)	(25,522)	(22,001)	(451,953)
Net Carrying Amount	363,178	589,819	3,629,861	372,112	11,281,659	376,652	205,420	16,818,701
As at 31 March 2009								
Gross Carrying Amount	462,521	1,704,950	8,289,203	4,148,385	20,517,181	365,285	224,646	35,712,171
Accumulated Depreciation	–	(83,602)	(975,806)	(163,590)	(160,139)	(57,363)	(44,282)	(1,484,782)
Net Carrying Amount	462,521	1621,348	7,313,397	3,984,795	20,357,042	307,922	180,364	34,227,389

Depreciation amounting to $273,905 (2008: $134,528) has been transferred to capital work in progress.

The carrying value of buildings acquired under finance lease at 31March 2009 is $226,517 (2008: $299,052) net of accumulated depreciation of $28,870 (2008: $26,492).

All amounts in US dollars unless otherwise stated

Items of stores and spares included in property, plant and equipment are net of excise duty and customs duty which have been exempted by the Government of India. The Company enjoys exemption from paying excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India. The amount of such exemption relating to items of Property, Plant and Equipment is as follows:

	As at 31 March 2009	*As at 31 March 2008*
Towards excise duty	39,552	248,143
Towards customs duty	173,632	268,918
	213,184	517,061

There are no unfulfilled conditions or contingencies attaching to these grants.

Borrowings costs have been capitalised at a weighted average rate of capitalization of 12.98 per cent. (2008: Nil) during the year ended 31 March 2009. Property, plant and machinery include borrowing costs capitalised for $382,775 at 31 March 2009 (2008: Nil).

Buildings include:

(a) Premises acquired for $393,622 (2008: $501,752) which are yet to be registered in the name of the company.

(b) Warehouse constructed at a cost of $4,141 (2008: $5,279) on land not owned by the company.

Refer note 14 for security details.

6. Capital work-in-progress

	As at 31 March 2009	*As at 31 March 2008*
Cost as at beginning of the year	45,121,201	31,913,627
Additions during the year	17,662,494	21,927,225
Disposals	–	(433,691)
Capitalization	(10,929,769)	(11,241,220)
Exchange fluctuation	(10,389,868)	2,955,260
Cost as at end of the year	41,464,058	45,121,201

Items of stores and spares included in Capital Work in Progress are net of excise duty and customs duty which have been exempted by the Government of India. The Company enjoys exemption from paying Excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India.

The amount of such exemption relating to items of Capital Work in Progress is as follows:

	As at 31 March 2009	*As at 31 March 2008*
Towards excise duty	720,507	1,746,856
Towards customs duty	1,173,957	3,800,932
	1,894,464	5,547,788

There are no un-fulfilled conditions or contingencies attaching to these grants.

All amounts in US dollars unless otherwise stated

Borrowings costs have been capitalised at a weighted average rate of capitalization of 12.98 per cent. (2008: Nil) during the year ended 31 March 2009. Capital work in progress includes borrowing costs capitalised for 382,775 at 31 March 2009 (2008: Nil).

As at 31 March 2009, CWIP includes advances to capital equipment supply vendors amounting to $676,886 (2008: 641,173), net of provision for impairment of advances amounting to $42,461 (2008: $54,125. Movement in the provision for impairment of advances is on account of exchange difference on translation. The creation of provision for impaired advances to vendors is included in "other operative expenses" in the income statement.

Refer note 14 for security details.

7. Intangible Assets

	Gas Exploration Right	*Right of way*	*Computer Software*	*Total*
Cost as at 31 March 2007, net of accumulated amortization	229,410	–	139,161	368,571
Additions during the year	–	–	3,056	3,056
Exchange fluctuation	20,778	–	12,395	33,173
Amortization charge for the year	–	–	(33,856)	(33,856)
As at 31 March 2008, net of accumulated amortization	250,188	–	120,756	370,944
Additions during the year	–	103,137	18,524	12,1661
Exchange Fluctuation	(52,440)	(8,672)	(24,602)	(85,714)
Amortization charge for the year	(14,943)	(15,470)	(32,896)	(63,309)
As at 31 March 2009, net of accumulated amortization	182,805	78,995	81,782	343,582
As at 31 March 2008				
Cost	250,188	–	171,703	421,891
Accumulated amortization	–	–	(50,947)	(50,947)
Net Carrying Amount	250,188	–	120,756	370,944
As at 31 March 2009				
Cost	196,270	92,935	151,392	440,597
Accumulated amortization	(13,465)	(13,940)	(69,610)	(97,015)
Net Carrying Amount	182,805	78,995	81,782	343,582

Refer note 14 for security details.

8. Prepayments

	As at 31 March 2009	*As at 31 March 2008*
Prepayments for leasehold	162,264	206,571
Prepaid Expenses	959,922	119,914
	1,122,186	326,485
Less: Non current portion		
– Prepayments for leasehold	159,116	202,637
– Prepaid Expenses	20,006	–
Current portion	943,064	123,848

All amounts in US dollars unless otherwise stated

Leasehold land represents non current portion of payments made for taking different pieces of land on lease for 30-99 years for the Company's site at Asansol, West Bengal, India. An amount of $1,860 (2008: $1,919) representing amortization for the current year has been charged to revenue.

Prepaid expenses include:

(a) an amount of $19,289 (2008: $24,588) on account of rent paid in advance to a related party YKM Holdings Private Limited (refer note 28).

(b) share issue expenses amounting to $844,820 (2008: $Nil) incurred by the Company for raising of funds through public issue of ordinary shares in India. Out of this, $416,484 (2008: $Nil) is recoverable from existing shareholders participating in offer for sale on public issue of ordinary shares and balance $428,336 (2008: $Nil) shall be adjusted with share premium on successful raising of funds through public issue.

Refer note 14 for security details.

9. Trade and other receivables

	As at 31 March 2009	*As at 31 March 2008*
Trade receivables	45,799	21,445
Less: provision for impairment of receivables	–	–
	45,799	21,445
Statutory dues recoverable	1,003,688	1,247,843
Due from related parties (refer note 28)	25,668	26,464
Advances to employees	84,730	4,129
Security deposits	38,217	38,582
Interest receivable	20,959	–
Others	18,124	19,766
Total trade and other receivables	1,237,185	1,358,229
Less: Non current portion:		
Due from related parties	–	26,464
Advances to employees	78,744	2,127
Security deposits	–	38,582
Current portion	1,158,441	1,291,056

Statutory dues recoverable includes service tax recoverable of $1,025,988 (Previous Year $1,246,108) as Service Tax Credit taken on input services. The Company is in the process of examining options available for setting off the said service tax credit against future excise duty payable, as appropriate. However, out of abundant caution a provision of $73,314 (Previous Year $Nil) has been made against possible under recovery in the future. The creation of provision for service tax recoverable has been included in "other operative expenses" in the income statement (refer note 19).

The advance to employees has not been discounted to its present value as the impact of the discounting is not expected to be material.

Movements in the provision for impairment of advances were as follows:

	As at 31 March 2009	*As at 31 March 2008*
As at beginning of the year	–	–
Provision for advances impairment	81,362	
Exchange difference on translation	(8,048)	–
As at end of the year	73,314	–

The fair value of financial trade and other receivables approximates their carrying value in the balance sheet. Fair value has been estimated by discounting the cash flows at the market rate at the balance sheet date.

As of 31 March 2009, trade receivables of $45,799 (2008: $21,445) were fully performing. Out of these, trade receivables amounting to $26,774 (2008: $21,209) are secured through a performance bank guarantee received from the customers.

As of 31 March 2009, none of the trade receivables are either past due but not impaired or impaired and provided for.

The carrying amount of trade and other receivables are all denominated in INR.

The other classes within trade and other receivables do not contain impaired assets.

Refer note 14 for security details.

10. Restricted deposits

	As at 31 March 2009	*As at 31 March 2008*
Fixed deposits maturing within 12 months	545,584	927,938
Fixed deposits maturing beyond 12 months	18,646	–
	564,230	927,938

All the restricted fixed deposits are denominated in INR.

These fixed deposits earn fixed interest at the respective bank deposit rates. These are margin money deposits against bank guarantee issued by banks on behalf of the company. Restrictions on such deposits are released on the expiry of terms of respective arrangements.

Other Financial Assets – Current

11. Cash and cash equivalents

	As at 31 March 2009	*As at 31 March 2008*
Cash in hand	4,106	110
Cash at banks	498,608	1,319,867
Short Term Deposits	–	782,220
	502,714	2,102,197

Cash at banks is non-interest bearing.

Short-term deposits are made for varying periods ranging from one day to three months depending on the immediate cash requirements of the Company, and earn fixed interest at the respective short-term deposit rates.

The carrying amounts of Cash and cash equivalents are representative of their fair values as at the respective balance sheet dates.

The carrying amounts of the cash and cash equivalents are all denominated in INR.

Cash at banks include $Nil (2008: $25,338) on account of deposit with a related party (refer note 28).

Refer note 14 for security details.

12. Share Capital

	As at 31 March 2009	*As at 31 March 2008*
Authorised share capital		
650,000,000 ordinary shares of INR 1 each	14,724,745	14,724,745
[USD equivalent 0.0196 (2008: 0.0226)]	14,724,745	14,724,745
Issued, Subscribed and Paid-up		
544,619,499 ordinary shares of INR 1 each	12,246,781	12,246,781
[USD equivalent 0.0196 (2008: 0.0226)]	12,246,781	12,246,781

13. Share-based payments

Share options are granted to non-executive directors and eligible employees under the stock option plan established and operated by the Company. The plan is an equity settled plan. The Plan was established by the Company on 27 May 2008.

These options are fair valued using Black-Scholes model. The share based payment charge on these options granted are amortised over the vesting period of 60 months in accordance with the vesting schedule below, provided that the holders of the options continue to be an employee on the vesting date. The options must be exercised before the expiry of 9 years from the date of first vesting.

The options vest on a graded basis from the grant date as follows:

On completion of one year	20%
On completion of two years	20%
On completion of three years	20%
On completion of four years	20%
On completion of five years	20%

A reconciliation of option movements for the Plan is as follows:

	2009		*2008*	
	Number of equity shares	*Weighted average exercise price (in USD per share)*	*Number of equity shares*	*Weighted average exercise price (in USD per share)*
Beginning of the year	–	–	–	–
Granted	485,578	0.87	–	–
Forfeited	(49,963)	0.87	–	–
End of the year/period	435,615	0.87	–	–
Exercisable at the end of year	–	–	–	–

All amounts in US dollars unless otherwise stated

No options were exercisable as of 31 March 2009 (2208: Nil).

All the options outstanding as of 31 March 2009 carry an exercise price of $0.87 (2008: Nil) and their remaining weighted average contractual life is 9.38 years (2008: Nil).

The fair value of each option award is estimated on the date of grant using the Black- Scholes Option Pricing model. The weighted average fair value of options granted during the year ended 31 March 2009 determined using the Black-Scholes Option Pricing valuation model was $0.63 (2008: Nil). The following table gives the weighted-average assumptions used to determine fair value:

	2009 Options granted on		
	1 August 2008	*1 December 2008*	*2008*
Weighted average share price on grant date (in USD)	1.00	0.67	–
Weighted average exercise price (in USD)	0.87	0.87	–
Dividend yield	0%	0%	–
Expected volatility	50.88%	54.85%	–
Risk-free interest rate	9.29% to 9.30%	7.17% to 7.51%	–
Expected term (in years)	5.50 to 7.50	5.50 to 7.50	–

Expected volatility was computed on the basis of the historical daily volatility of the closing price of the equity share of Company on Alternate Investment Market, London over the expected life of the option.

The total charge for the year ended 31 March 2009 and 2008 relating to employee share-based payment plans was $73,429 (2008:Nil).

14. Borrowings

	As at 31 March 2009	*As at 31 March 2008*
Non current		
Borrowings from banks and finance company	42,391,566	18,663,070
Borrowing from others	26,128	–
	42,417,694	18,663,070
Current		
Borrowings from others	23,763	–
	23,763	–
Total	42,441,457	18,663,070

The fair value of borrowings equals their carrying amount, as the debts are at floating rates of interest.

Borrowings from banks and finance company have been taken from consortium of banks and a finance company and are secured by:

(a) First mortgage and charge over all the immovable properties and assets of the project, both present and future.

(b) First charge by way of hypothecation on all the movables (including movable plant and machinery, machineries, spares, tools and accessories and other current assets) of the project, both present and future.

(c) First charge/assignment and/creation of security interest on (i) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project documents, any letter of credit, guarantee or performance bond that may be provided by any party to any project document in favour of the Company, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in or under the authorization.

(d) First charge on all Company's bank account in relation to the project including, without limitation, the project capex account and each of the other accounts required to be created by the Company under any project document or contract.

(e) First charge and or creation of security interest on the trust and retention account (TRA) established by the Company for the revenue generated from the project.

The aforesaid mortgage and charge shall rank pari-passu with mortgages and charges created/to be created in favour of the participating institutions/banks to the project (refer notes 5, 6, 7, 8, 9 and 11).

Borrowings from others are secured by way of hypothecation of vehicle.

Borrowings from banks and finance company mature until 2016.

The average annual interest rates for the borrowings as of 31 March 2009 is 12.98 per cent. (2008: 12.56 per cent.)

The carrying amounts of the Group's borrowings are all denominated in INR.

The unused amounts available under the line of credit with consortium of banks and a finance company as of 31 March 2009 are $26,303,233 (2008: $68,801,601).

15. Retirement benefit obligations

The following tables summarize the components of net benefit expense recognised in the income statement and the amounts recognised in the balance sheet for the respective plans

	For the year ended 31 March 2009			*For the year ended 31 March 2008*		
	Super-annuation	*Gratuity*	*Total*	*Super-annuation*	*Gratuity*	*Total*
Current service cost	27,347	18,125	45,472	30,277	18,910	49,187
Interest cost on benefit obligations	3,087	3,315	6,402	1,906	1,019	2,925
Expected return on plan assets	–	–	–	–	–	–
Actuarial (gains)/losses recognised in the period	1,026	(20,482)	(19,456)	(843)	21,609	20,766
Past service costs	–	–	–	–	–	–
	31,460	958	32,418	31,340	41,538	72,878
Less transferred in capital work in progress	18,875	(3,179)	15,696	18,846	22,035	40,881
Charged to revenue	12,585	4,137	16,722	12,494	19,503	31,997

Changes in the present value of the defined benefit obligation are as follows:

	As at 31 March 2009			*As at 31 March 2008*		
	Super-annuation	*Gratuity*	*Total*	*Super-annuation*	*Gratuity*	*Total*
Opening defined benefit obligation	47,270	51,034	98,304	26,984	13,138	40,122
Current service cost	27,347	18,125	45,472	30,277	18,910	49,187
Interest cost	3,087	3,315	6,402	1,906	1,019	2,925
Actuarial (gains) and losses	1,026	(20,482)	(19,456)	(843)	21,609	20,766
Exchange Fluctuation	(13,299)	(11,048)	(24,347)	2,562	2,021	4,583
Benefits paid	–	(464)	(464)	(13,616)	(5,663)	(19,279)
Closing defined benefit obligation	65,431	40,480	105,911	47,270	51,034	98,304

The principal actuarial assumptions used for gratuity and superannuation plans were as follows:

	As at 31 March 2009	*As at 31 March 2008*
Particulars		
Salary growth	6.00%	6.00%
Inflation Factor	5.00%	6.00%
Discount rate	7.50%	8.50%
Mortality rates have been taken as per	LIC (1994–96) Ultimate Table	LIC (1994–96) Ultimate Table

Both the gratuity and the superannuation plan are unfunded.

16. Trade and other payables

	As at 31 March 2009	*As at 31 March 2008*
Trade Payables	5,721,023	2,422,450
Other Payables	211,963	191,200
Due to related parties (refer note 28)	34,755	19,028
Employee benefit liability	267,075	209,204
Statutory dues	366,729	193,738
Security deposits	181,961	75,664
Interest accrued	203,846	148,667
Other liabilities	3,239	3,372
	6,990,591	3,263,323
Less: Non current portion:	–	–
Current portion	6,990,591	3,263,323

Trade and other payables are non-interest bearing.

The carrying amounts of trade and other payables approximate their fair values at respective balance sheet dates.

Except for financial liabilities denominated in USD and GBP for $2,606,826 (2008: $373,267) and $15,950 (2008: $33,900), respectively, all other trade and other payables are denominated in INR.

All amounts in US dollars unless otherwise stated

Employee benefit liabilities include:

(a) ***Defined contribution plans – Provident fund***

The liability for provident fund payable to fund is $12,182 (2008: $82,586). The Company contributed $72,067 (2008: $56,201) to the Provident fund. Out of total contributions, $43,842 (2008: $25,459) has been charged to income statement and $28,225 (2008: $30,742) has been transferred to Capital work in progress.

(b) ***Compensated absences plan***

The liability for compensated absences plan is $104,786 (2008: $82,586). During the year $3,556 (2008: $2,335) been charged to income statement and an amount of $21,447 (2008: $53,808) has been transferred to Capital work in progress on account of compensated absences plan.

17. Provisions

	As at 31 March 2009	*As at 31 March 2008*
Provision for equipment demobilization	201,590	45,000
Provision for site restoration	71,545	62,588
	273,135	107,588
Less: Non current portion		
– Provision for site demobilization	–	45,000
– Provision for site restoration	71,545	62,588
Current portion	201,590	–

	Provision for site demobilization	*Provision for site restoration*
As at 1 April 2007	13,765	45,882
Arising during the year*	45,000	12,550
Exchange fluctuation	–	4,156
Utilized during the year	(13,765)	–
As at 31 March 2008	45,000	62,588
Arising during the year*	184,543	24,910
Exchange fluctuation	(27,953)	(15,953)
Utilized during the year	–	–
As at 31 March 2009	201,590	71,545

* The provisions created during the year ended 31 March 2009 and 2008 have been capitalised and no amount has been charged off to the income statement.

Provision for Equipment Demobilization

A provision is recognized in the accounts for demobilization of equipments payable to various service providers, as and when the equipments reach the site. All obligations under this provision are expected to be settled within the next 12 months as of balance sheet date and hence have been treated as current liability. The provisions under this head are not discounted to their present value as the impact of the discounting is not expected to be material.

Site Restoration Costs

A provision for restoring the land back to its originality is created by way of site restoration costs, on a well by well basis. Such expenses are provided when the wells have been drilled substantially. These are expected to be incurred when the company has commercially exploited the proved reserves of the well or when a well which has been drilled has been declared as a dead well.

All amounts in US dollars unless otherwise stated

18. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The break-up of deferred tax assets and liabilities is as follows:

	As at 31 March 2009	*As at 31 March 2008*
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 Months	1,133,691	687,767
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	1,133,691	687,767
Deferred tax asset/(liabilities), net	–	–

The gross movement on deferred income tax account is as follows:

	Property, plant and equipment	*Total*
Deferred tax liabilities		
At 1 April 2007	77,992	77,992
Charged to the income statement	598,667	598,667
Exchange differences	11,108	11,108
At 31 March 2008	687,767	687,767
Charged to the income statement	659,366	659,366
Exchange differences	(213,442)	(213,442)
At 31 March 2009	1,133,691	1,133,691

	Retirement benefit obligation	*Unabsorbed tax losses*	*Provision for doubtful advances*	*Total*
Deferred tax assets				
At 1 April 2007	22,238	55,754	–	77,992
Credited to the income statement	44,642	535,751	18,274	598,667
Exchange differences	2,316	8,669	123	11,108
At 31 March 2008	69,196	600,174	18,397	687,767
Credited to the income statement	19,235	612,476	27,655	659,366
Exchange differences	(16,815)	(189,927)	(6,700)	(213,442)
At 31 March 2009	71,616	1,022,723	39,352	1,133,691

The Company is entitled to tax holiday for 7 years under sec. 80IB (9) of the Indian Income Tax Act, 1961, These incentives provide a deduction from taxable income of an amount equal to 100 per cent. of profits derived from the business for 7 years from the date of commencement of production. The benefit of this deduction would expire during the year ending 31 March 2015.

A reconciliation between tax expense and the product of accounting loss multiplied by India's domestic tax rate for the years ended 31 March 2009 and 2008 has not been disclosed as there is no current tax expense and no deferred tax expense/(income) during the year ended 31 March 2009 and 2008.

Except to the extent of reversal of taxable temporary differences, deferred tax asset on unused losses has not been recognized as the same are expected to reverse within the tax holiday period.

All amounts in US dollars unless otherwise stated

The following are the unused tax losses, and unused tax credits (on account of unabsorbed depreciation) for which no deferred tax asset is recognised in the balance sheet:

Unused Tax Losses

	As at 31 March 2009	*As at 31 March 2008*	*Expiry Date*
2005–06	138,017	138,017	2013–2014
2006–07	309,324	309,324	2014–2015
2007–08	2,586,281	2,586,281	2015–2016
2008–09	2,254,147	–	2016–2017
	5,287,769	3,033,622	

Unused tax credit towards unabsorbed depreciation

2005–06	158,876	158,876	Can be carried
2006–07	109,497	109,497	forward
2007–08	1,867,046	1,867,046	indefinitely
2008–09	7,040,991	–	
	9,176,410	2,135,419	

19. Other Operative Expenses

	As at 31 March 2009	*As at March 2008*
Audit fees	84,148	86,200
Training expenses	8,812	–
Electricity charges	11,459	9,360
Repair and maintenance	230,283	71,937
Insurance	47,465	44,398
Operating lease rentals	156,583	147,431
Rates and taxes	44,928	18,529
Postage, printing and stationery	16,199	13,076
Telephone/fax charges	88,198	72,827
Traveling and conveyance	423,609	435,329
Advertisement and publicity	13,648	66,238
Consultancy charges	553,354	612,289
Survey and information expenses	449	73,125
Fee and legal charges	162,006	35,124
Loss on disposal of stores and spares	–	108,234
Sitting fees paid to non-executive directors (refer note 28(d))	12,198	12,922
Freight and cartage	1,159	1,068
Chemical consumption	192,567	56,716
Hire charges	86,292	30,488
Security expenses	107,896	23,849
Selling and distribution expenses	191,161	48,531
Conference and subscription	74,797	54,450
Miscellaneous expenses	123,557	111,648
Provision for impairment of advances (refer note 9)	81,362	–
Loss on sale of assets	92	–
	2,712,222	2,133,769

All amounts in US dollars unless otherwise stated

20. Employee benefit expenses

	As at 31 March 2009	*As at 31 March 2008*
Wages and salaries	915,331	503,945
Defined contribution plans (refer note 16)	43,842	25,459
Provision for gratuity and superannuation (refer note 15)	16,722	31,997
Compensated absences (refer note 16)	3,556	2,335
Staff Welfare	8,053	–
Share-based payment charge (refer note 13)	73,429	–
Director's Remuneration	83,718	100,093
	1,144,651	663,829

21. Other Income

	As at 31 March 2009	*As at 31 March 2008*
Interest on Income Tax refund	34,036	–
Notice Pay Recovery	1,565	975
Profit on Sale of Assets	–	690
Liability Written Back	78,793	37,797
Miscellaneous Income	19,025	5,339
	133,419	44,80123

22. Finance Income

	As at 31 March 2009	*As at 31 March 2008*
Interest on bank deposit	55	375,243
Interest Others	39,109	–
	39,164	375,243

23. Finance Costs

	As at 31 March 2009	*As at 31 March 2008*
Interest on borrowings and finance company	1,811,897	–
Interest on borrowings from others	5,290	–
Bank charges	35,040	27,287
	1,852,227	27,287

All amounts in US dollars unless otherwise stated

24. Cash generated from operations

	As at 31 March 2009	*As at 31 March 2008*
Cash flows from operating activities		
Net loss after income tax	(6,542,541)	(2,509,111)
Adjustments for:		
Liabilities written back	(78,793)	(37,797)
Loss on disposal of PPE and CWIP written off	92	125,191
Finance costs	1,852,227	27,287
Finance Income	(39,164)	(375,243)
Interest on income tax refund	(34,037)	–
Depreciation and amortization	824,780	196,438
Unrealised foreign exchange losses/(gains)	158,041	(7,629)
Provision for gratuity and superannuation	16,722	31,997
Provision for compensated absences	3,556	2,335
Share-based payments charge	73,429	–
Provision for advances	81,362	–
Provisions for wealth tax	1,199	–
Income tax charge	–	(820)
Operating profit before working capital changes	(3,683,127)	(2,547,352)
(Increase)/decrease in trade receivables	400,145	(1,923,289)
(Increase)/decrease in other receivables	196,454	962,618
(Increase)/decrease in prepayments	(938,770)	242,495
Increase/(decrease) in trade and other payables	5,186,244	762,162
Net cash flows from operating activities	1,160,946	(2,503,366)

25. Loss per Share

	As at 31 March 2009	*As at 31 March 2008*
Loss after tax attributable to equity share holders for the year	6,542,541	2,509,931
Weighted average number of ordinary shares for basic loss per share	544,619,499	544,619,499
Diluted weighted average number of shares	544,619,499	544,619,499
Basic and Diluted Loss per Share	0.0120131	0.0046086

Basic Loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The effect of potential shares to be issued on exercise of stock options has not been taken into account for determination of diluted loss per share as their impact is anti-dilutive.

All amounts in US dollars unless otherwise stated

26. Commitments and Contingencies

Claims made against the Company not acknowledged as debts are as follows

	As at 31 March 2009	*As at 31 March 2008*
M/s Adkins Services Inc.	8,783,048	10,287,998
M/s M.R Associates	15,948	–
M/s D.S Steels	162,760	
Claims made by Government of India (Ministry of Petroleum and Natural Gas)	212,831	249,775
Claims made by Income Tax Authorities	45,664	6,136
	9,220,251	10,543,909

(a) Capital Advances include $42,461 (2008: $54,125) recoverable from M/s Adkins Services Inc., (Adkins), a drilling contractor, which has been fully impaired. The Contract with Adkins was terminated by the Company on the ground of non-performance and continued breach of contract. The Company in addition to the above amount has made a claim of $3,887,223 (2008: $4,955,066) along with interest at a fixed rate for damages on account of delay in providing the services by the said contractor.

The contractor had filed a counter claim of $4,747,792 (2008: $6,960,000) against the Company for loss of profit, damages etc. which the Company disputes. The contractor had also further claimed interest with retrospective effect at a fixed rate till the date of realization of its claim along with cost incurred on litigation. The Company had filed an application before Honorable High Court at Calcutta for the appointment of presiding arbitrator for the arbitral proceedings. The matter is subjudice before the arbitration panel and necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

(b) The company entered into an Exploration & Production Contract with Government of India (‘GoI’), Ministry of Petroleum & Natural Gas in the year 2001, pursuant to which, PSC was signed between GoI and the company to carry out CBM operations in the contract area. In terms of the said contract, the company was required to pay a signature bonus of $300,000 to GoI on signing of the PSC in 2001 and the amount of Rs. 10,000,000 already paid by it to Coal India Limited in 1994 was to be adjusted against such amount. After signing of the PSC, GoI, (Ministry of Petroleum & Natural Gas) on the basis of the exchange rate applicable on the date of the contract, has worked out the signature bonus as Rs. 14,100,000 and claimed the balance amount of Rs. 4,100,000 after adjusting the amount of Rs. 10,000,000, which has been opposed by the company. In the opinion of the management and based on legal advise obtained, no further amount is payable in this regard as in their opinion the prevailing rate on the date of payment of such amount of Rs 10,000,000 and not the rate prevailing on the date of the contract was applicable. This dispute has been referred to arbitration pursuant to the terms & conditions of the said contract.

Till the year end, GOI has claimed a sum of Rs 6,750,000 (2008: Rs 5,890,000) towards interest for non payment in addition to the amount initially claimed. Further, the Company has filed a claim for refund of Rs. 630,000 along with interest. Necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

This dispute has been referred to arbitration pursuant to the terms & conditions of the said contract and company filed a claim for refund of Rs. 627,400 along with fixed interest of 21 per cent. from 27 January 1994. GoI filed a counterclaim of above mentioned amount of Rs. 4,100,000 along with interest at the rate of 21 per cent. from 31 May 2001. The matter is subjudice before the arbitration panel and necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

All amounts in US dollars unless otherwise stated

An aggregate amount of $212,831 (2008: 249,775) converted at USD/INR exchange rate of Rs. 50.95 (2008: 39.97) is included in the table above.

27. Capital Commitments

	As at 31 March 2009	*As at 31 March 2008*
Purchase of Land	150,052	114,830
Capital Assets	11,440,799	11,418,365
	11,590,851	11,533,195

28. Related Party Disclosures

(a) ***Relationship with the related parties***

The Company is controlled by Mr. Yogendra Kr. Modi, who is also the Company's ultimate controlling party.

	2009	*2008*
Shareholders having significant influence	CBM Investments Limited	CBM Investments Limited
Key managerial personnel	Mr. Yogendra Kr. Modi Mr. Prashant Modi Mr. P Murari Mr. Kashi Nath Memani Mr Haigreve Khaitan Mr. Serajul Haq Khan (resigned w.e.f. 5 December 2008) Mr Paul Sebastian Zuckerman	Mr. Yogendra Kr. Modi Mr. Prashant Modi Mr. P Murari Mr. Kashi Nath Memani Mr. Haigreve Khaitan Mr. Serajul Haq Khan Mr. Paul Sebastian Zuckerman
Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual or close family member of such individual Referred to in (b) above	YKM Holdings Private Limited YKM Holding International Limited Bokel Investments Limited Khaitan and Co. KNM Advisory Private Limited.	YKM Holdings Pvt. Limited YKM Holding International limited Bokel Investments Limited. Indian Purchase.com Infoware Limited* Khaitan and Co. Centurian Bank of Punjab Limited* KNM Advisory Private Limited.

* These entities are not controlled by key management personnel as of 31 March 2009.

All amounts in US dollars unless otherwise stated

(b) ***The following tables provide the total amount outstanding with related parties as at the financial year-end***

	As at 31 March 2009		*As at 31 March 2008*	
	Receivable	*Payable*	*Receivable*	*Payable*
YKM Holdings Private Limited (refer notes 8, 9 and 16)*	38,579	329	49,177	370
Indian Purchase.com Infoware Limited (refer note 16)**	–	–	–	1,416
Mr. Yogendra Kr. Modi (refer note 16)	–	13,072	–	5,729
Mr. Prashant Modi (refer note 16)	–	7,189	–	5,279
Khaitan & Co. (refer notes 9 and 16)	6,378	14,165	1,875	6,234
Centurion Bank of Punjab Limited (refer note 11)**	–	–	25,338	–
	44,957	34,755	76,390	19,028

* Amounts recoverable from YKM Holdings Private Limited consists of $19,290 (2008: $24,589) on account of security deposits paid for property taken on lease recoverable on expiry of lease agreement (refer note 9) and $19,289 (2008: $24,588) on account of advance paid in rent adjustable against future occupation of property taken on lease (refer note 8).

** These entities are not controlled by key management personnel as of 31 March 2009.

(c) ***The following tables provide the total amount of transactions which have been entered into with related parties during the years ended 31 March 2009 and 2008***

		For the year ended 31 March	
Related Party	*Nature of transaction*	*2009*	*2008*
YKM Holdings Private Limited	Lease rentals	94,405	102,579
	Reimbursement of expenses	1,706	128
	Payment for services rendered	4,503	4,754
Indian Purchase.com Infoware Limited	Payment for Services Rendered	–	3,171
	Rental Received	–	1,342
Khaitan & Co.	Reimbursement of Expenses	10,438	1,810
	Payment for services rendered	77,603	121,443
KNM Advisory Private Limited	Reimbursement of Expenses	–	2,041
Centurion Bank of Punjab	FD Matured during the year		4,193,072
Bokel Investments Ltd	Provision of Services	–	–
	Loan taken	–	146,620
	Loan Repaid	–	146,620
	Interest Paid	–	552
Mr. Y K Modi	Borrowing cost paid	–	718,191

(d) ***Compensation paid to Key Management Personnel***

	As at 31 March 2009	*As at 31 March 2008*
Short term Employee Benefits	376,080	387,316
Provision for gratuity and superannuation	28,123	58,746
Compensated absences	237	47,525
Defined Contribution Plan	20,349	22,425
	424,789	516,012

All amounts in US dollars unless otherwise stated

In addition to above payments, the Company has also paid $12,198 (2008: $12,922) as sitting fees to the independent directors for attending various meetings and the same are included in 'other operative expenses' in the income statement (refer note 19). These independent directors have also been issued stock options by the Company under the stock options plan (refer note 13) and the expense for the same recognised in income statement during the year ended 31 March 2009 amounts to $14,741 (2008: Nil).

(e) ***Terms and conditions of transactions with related parties***

The transactions with the related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2009, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2008: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. Segment Reporting

The Company operates in a single geographical segment, being India, and in a single business segment, being the extraction and sale of CBM gas. Hence, no separate segment information has been furnished herewith.

30. Production and consumption

The details of actual production and consumption in cubic meters during the year ended 31 March 2009 and 2008 are as follows:

	Year ended 31 March 2009	*Year ended 31 March 2008*
Opening stock	–	–
Production during the year	19,779,789	3,595,101
Sales during the year	(1,556,135)	(213,693)
Internal consumption during the year	(1,473,675)	(336,982)
Flaring during the year	16,749,979	(3,044,426)
Closing stock	–	–

31. Leases and Arrangements containing lease

The Company has entered into Equipment lease and other arrangements with various contractors for development of its wells, whereby the specific assets leased by the contractors are used only at the company's well development site and such arrangements convey the right to use the assets. Some of these arrangements contain lease as per IFRIC 4. The significant terms and arrangements are described below.

(a) The company has entered into an arrangement with Mitchell Drilling International PTY Limited for logging and wireline services of production wells and core holes. The terms of contract include comprehensive payment rates to include both lease and non-lease elements which are not separable. The arrangement is cancelable at the option of either party to the contract.

(b) The Company has taken a drilling rig on lease form Aakash Exploration Services Pvt. Limited for an initial period of one year starting form 3 June 2008. This arrangement has terms describing the operating rate per hour, the standby rate per hour and the repair rate per hour. The total lease payments made under this contract during the year are $324,719 (2008 $Nil). The lease has expired on 14 April 2009.

(c) The Company has hired some equipment and personnel from Schlumberger Asia Services limitedfor cementing and fracturing services,. This arrangement is cancelable at the option of either party to the contract. After completion of a specified minimum commitment, fracturing services have been demobilized on 12 December 2008. However, cementing services are still in progress.

All amounts in US dollars unless otherwise stated

(d) The above mentioned arrangements include non-lease elements also and are being treated as well development costs along with other costs. The segregation of lease and non- lease elements under some of the arrangements is not possible. The details of total expenses during the year ended 31 March 2009 are as follows:

Nature	*As at 31 March 2009*	*As at 31 March 2008*
Towards equipment lease payments:		
Cementing and fracturing charges	4,749,106	145,632
Logging and wireline charges	700,428	115,644
Towards lease payments under arrangements where lease and non–lease payments are combined		
Work Over Expenses	324,719	389,260

(e) The Company has taken a building on finance lease, the net carrying amount of which is $226,517 (2008: $299,052). The entire consideration has already been paid during the year ended 31 March 2006 and there are no future lease rentals payable.

(f) The Company had acquired a property under an operating lease for an initial period of three years renewable by mutual consent on mutually agreeable terms during the year ended 31 March 2006. The lease is cancelable at the option of either party by service of appropriate notice. The lease rental of $94,405 (2008: $102,579) has been charged to income statement.

(g) The company had acquired compressors from Indian Compressors Limited on operating lease, which was cancelable subject to certain conditions. The lease period was for two years and was further renewable for the same period of time. The lease rental of $32,836 (2008: $31,524) has been paid during the year. The lease has expired on 31 January 2009.

(h) The company takes different pieces of land on lease on which the wells are being developed. The lease period for these pieces of land generally ranges from 30 to 99 years. The Company is required to pay the entire amount of consideration as lease premium upfront upon entering into agreement for acquisition of these pieces of land and no further periodic lease rentals are payable for use of these pieces of land. The premiums paid till 31 March 2009 amounts to $170,028 (2008: $170,028) and the same have been recognised as prepayments and are being amortized over their respective lease periods.

32. Business Developments

(a) During the current year, the Company has filed the Draft Red Herring Prospectus ('DRHP') with Securities Exchange Board of India ('SEBI') on 26 December 2008 for public issue of upto 91,280,501 equity shares with a face value of Rs. 1.00 each at a price to be determined through book building process. The equity shares are proposed to be listed in Bombay Stock Exchange ('BSE') & National Stock Exchange ('NSE') of India. Total issue consist of 46,280,501 fresh issue equity shares and offer for sale of 45,000,000 equity shares by selling shareholders. The book running lead managers to the Issue are Enam Securities Private Ltd, ABN AMRO Asia Equities (India) Limited and SBI Capital Markets Limited. The issue would constitute approximately 15.45 per cent. of the fully diluted post issue paid up capital of the company. The Company is awaiting the approval from SEBI for proceeding ahead with the public issue.

(b) The Company has received Grant of Petroleum Mining Lease under Rule 5(1)(ii) of the PNG Rules and Oil Fields (Regulation and Development) Act, 1948 on 4 September 2008 from the Government of West Bengal. The period of lease shall be valid for a period of 20 years from the effective date i.e. the date of grant of this lease or as agreed in the lease deed signed thereof. The government of West Bengal and the Company are in the process of finalising the lease deed.

(c) The Company had awarded a contract to M/S Schlumberger Asia Services Limited for cementing and fracturing of 20 new drill wells, and fracturing of additional existing 20 wells on 9 April 2008. After completion of minimum commitment of 80 fracs, fracturing services of Schlumberger have been demobilized on 12 December 2008. However, cementing services are still in progress.

(d) During the current year, two more online mother stations, in addition to two existing mother stations, have been installed at well no. 12 and 20 for supplying the CBM gas through vehicle mounted cascades to customers in the adjoining areas not yet connected through pipeline.

(e) During the current year, two more daughter stations, in additions to two existing daughter stations, have been installed at the petrol pumps of Indian Oil Corporation Limited ('IOCL') situated at Mahindra Auto in Neamatpur and City Fuels in Durgapur for retail sales of CNG. These CNG dispensers have been installed under the franchise agreement entered with IOCL on 30 October 2007.

(f) During the current year, one Gas Gathering Station ('GGS') has been commissioned at village Shyamdihi in Raniganj Block. 19 wells have already been connected to this GGS and another 20 more wells are expected to be connected to this GGS during the year ending 31 March 2010. Further, one City Gathering Station ('CGS') has also been commissioned in Asansol city in West Bengal.

(g) During the current year, 11.80 Km of 12" steel pipeline has been commissioned for connecting GGS and CGS in Asansol. The online supply of CBM gas has already started to a few customers through this pipeline.

(h) During the current year, the Company has also made substantial progress on laying of two more pipelines from Asansol to Kulti and from Asansol to Durgapur by laying approx 30 Km 12" steel pipeline.

33. Translation to Presentation Currency

The company has converted INR balances to $equivalent balances on the following basis:

For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:

- as at 31 March 2009: $1 = INR 50.95
- as at 31 March 2008: $1= INR 39.97

For conversion of all expenses and income on income statement and the cash flow statement, for the respective periods, periodic average exchange rates have been used, which are as follows:

- For the year ended 31 March 2009: $1 = INR 45.91
- For the year ended 31 March 2008: $1 = INR 40.24

For conversion of issued Share Capital and Share Premium, historical exchange rates prevailing on the respective dates of issue of shares have been taken into consideration.

34.

A. ***Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company***

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2009 or later periods, but the Company has not early adopted them:

IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Company will apply IFRS 2 (Amendment) from the effective date and is currently assessing the impact on the Company's financial statements.

IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Company will apply IFRS 3 (Revised) prospectively to all business combinations from 1 April 2009.

IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 (Revised) from 1 April 2009.

IAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. The Company will apply the IAS 39 (Amendment) from 1 April 2009. It is not expected to have an impact on the Company's financial statements.

IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.

- The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.

- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.

- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.

- IAS 37, 'Provisions, contingent liabilities and contingent assets, requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Company will apply the IAS 19 (Amendment) from 1 April 2009.

IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009). The benefit of a below market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39, 'Financial instruments:

Recognition and measurement', and the proceeds received with the benefit accounted for in accordance with IAS 20. This amendments is not expected to have any impact on the Company's accounts.

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. This standard is not expected to have any impact on Company's financial statements as the Company has already been capitalizing the eligible borrowing costs as allowed by this standard before amendment.

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39 'Financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between IAS 39 and IAS 23. The Company will apply the IAS 23 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets from 1 January 2009. This amendment is not expected to have an impact on the Company's financial statements.

IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Company will apply the IAS 32 and IAS 1(Amendment) from 1 April 2009. This amendment is not expected to have an impact on the Company's financial statements.

IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Company will apply the IAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 April 2009.

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment deletes the wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortisation than the straight-line method. This amendment is not expected to have any impact on Company's accounts as no intangible assets are amortised at a rate lower than the straight-line method.

There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Company's accounts and have therefore not been analyzed in detail.

B. ***Interpretations to existing standards that are not yet effective and not relevant for the Company's operations***

The following interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2008 or later periods but are not relevant for the Company's operations:

IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009). The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from

IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRSs. The Company will apply the amendment prospectively to all partial disposals of subsidiaries from 1 April 2010. It is not expected to have an impact on the Company's financial statements.

IFRS 8, 'Operating segments'(effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. IFRS 8 is not relevant to the Company's operations because the company operate only in one segments.

IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Company's operations because Company's ordinary activities does not comprise renting and subsequently selling assets.

IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with non controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Company will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 April 2009.

IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in a subsidiary that is accounted for under IAS 39, 'Financial instruments: recognition and measurement', is classified as held for sale under IFRS 5, 'Non-current assets held-forsale and discontinued operations', IAS 39 would continue to be applied. The amendment will not have an impact on the Company's operations because it is the Company's policy for an investment in subsidiary to be recorded at cost in the standalone accounts of each entity.

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation', and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. An investment in associate is treated as a single asset for the purposes of impairment testing. Any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Company will apply the IAS 28 (Amendment) to impairment tests related to investments in subsidiaries and any related impairment losses from 1 April 2009.

IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The guidance has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Company's operations, as the Company does not operate in hyperinflationary economies.

IAS 31 (Amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial instruments: Presentation', and IFRS 7 'Financial instruments: Disclosures'. The amendment will not have an impact on the Company's operations as none of the joint ventures are accounted for in accordance with IAS 39.

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment is not applicable to the Company as the Company has not entered into any such transactions.

IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.

- This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes the example of a segment so that the guidance is consistent with IFRS 8, 'Operating segments', which requires disclosure for segments to be based on information reported to the chief operating decision-maker.
- When re measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used.

The Company will apply the IAS 39 (Amendment) from 1 April 2009. It is not expected to have an impact on the Company's income statement.

IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the Company's operations, asthere are no investment properties are held by the Company.

All amounts in US dollars unless otherwise stated

IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. It requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Company's operations as no agricultural activities are undertaken.

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the Company's operations because the company does not operate any loyalty programmes.

IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009). The interpretation clarifies whether IAS 18, 'Revenue', or IAS 11, 'Construction contracts', should be applied to particular transactions. It is likely to result in IAS 18 being applied to a wider range of transactions. IFRIC 15 is not relevant to the Company's operations as all revenue transactions are accounted for under IAS 18 and not IAS 11.

IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from 1 October 2008). IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the Company. The requirements of IAS 21, 'The effects of changes in foreign exchange rates', do apply to the hedged item. IFRIC 16 is not relevant to the Company's operations because the company does not hold any investments in foreign operations.

The minor amendments to IAS 20 'Accounting for government grants and disclosure of government assistance', and IAS 29, 'Financial reporting in hyperinflationary economies', IAS 40, 'Investment property', and IAS 41, 'Agriculture', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments will not have an impact on the Company's operations as described above.

On 13 October 2008, the IASB agreed to amend IAS 39 "Financial instruments; recognition and measurement", to allow the reclassification of certain financial assets previously classified as held for trading or available for sale to another category under limited circumstances. Various disclosures are required where a reclassification has been made. Derivatives and assets designated as "at fair value through profit or loss" under the fair value option are not eligible for this reclassification. Given the urgency of the issue due process has been suspended and there will be no comment period. The amendment has an effective date of 1 July 2008. It is not expected to have an impact on the Company's financial statement.

35. Figures of the previous period have been regrouped/rearranged wherever considered necessary. Figures in brackets represent amounts relating to year ended 31 March 2008

As per our report of even date attached

On behalf of the Board of Directors

Yogendra Kr. Modi	**Kashi Nath Memani**
Chairman and Chief Executive Officer	*Director*

Place: Gurgaon
Date: 5 June 2009

PART 6 SECTION C: AUDITED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE YEAR ENDED 31 MARCH 2008

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

AUDITORS REPORT

To the Board of Directors and the Members of the Great Eastern Energy Corporation Limited

We have audited the accompanying balance sheet of the Great Eastern Energy Corporation Limited (the Company) as of 31 March 2008, and the related statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The financial statements of the Company as of 31 March 2007, were audited by another auditor whose report dated 5 June 2007, expressed an unqualified opinion on those statements.

Auditor responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Price Waterhouse
Date: 02.06.2008
Address: Plot No. Y-14, Block-EP
Bidhan Nagar, Kolkata - 700091

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

BALANCE SHEET

		As at 31 March	
	Notes	*2008*	*2007*
ASSETS			
Non-current Assets			
Property, plant and equipment	5	16,818,701	1,181,024
Capital work in progress	6	44,477,852	31,913,627
Intangible assets	7	370,944	368,571
Prepayments	8	202,637	66,122
Trade and Other receivables	9	65,297	57,689
		61,935,431	33,587,033
Current assets			
Prepayments	8	123,848	54,267
Trade and other receivables	9	1,936,281	1,374,093
Advance income tax		770,744	629,129
Restricted deposits with bank		927,938	29,239
Cash and cash equivalents	10	2,102,197	11,002,941
		5,861,008	13,089,669
Total assets		67,796,439	46,676,702
EQUITY			
Ordinary Shares	11	12,246,781	12,246,781
Share premium		33,301,944	33,301,944
Other reserves		4,930,843	945,822
Retained earnings		(4,815,414)	(2,305,483)
Total equity		45,664,154	44,189,064
LIABILITIES			
Non-current liabilities			
Borrowings	12	18,663,070	–
Deferred income tax liabilities		–	–
Retirement benefit obligations	13	98,304	40,122
Provisions	15	107,588	45,882
		18,868,962	86,004
Current Liabilities			
Borrowings	12	148,667	–
Trade and other payables	14	3,114,656	2,387,869
Provisions	15	–	13,765
		3,263,323	2,401,634
Total liabilities		22,132,285	2,487,638
Total equity and liabilities		67,796,439	46,676,702

The notes are an integral part of these financial statements

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board Of Directors

Prabal Kumar Sarkar	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Membership No: 52340	*Chairman and Chief Executive Officer*	*Director*

Place: Kolkata
Date: 02.06.2008

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

INCOME STATEMENT

	Notes	*Year ended 31 March* 2008	2007
Income			
Revenue		122,761	–
Other income		44,801	49,488
Repairs and Stores and Consumables		(56,051)	–
Personnel expenses	18	(663,829)	(385,862)
Depreciation and amortization		(196,438)	(43,533)
Other operating expenses	17	(2,133,769)	(1,257,622)
Foreign exchange gain/(Loss)		25,458	2,818
Operating profit/(Loss)		(2,857,067)	(1,634,711)
Finance income	19	375,243	1,301,176
Finance costs	20	(27,287)	(8,432)
Finance income/expenses net		347,956	1,292,744
Profit/(Loss) before income tax		(2,509,111)	(341,967)
Income tax expenses		(820)	–
Profit/(Loss) for the year		(2,509,931)	(341,967)
Loss per share	22		
– basic and diluted loss per share		0.0046086	0.0005976

The notes are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board Of Directors

Prabal Kumar Sarkar
Membership No: 52340

Yogendra Kr. Modi
Chairman and Chief Executive Officer

Kashi Nath Memani
Director

Place: Kolkata
Date: 02.06.2008

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Statement of Changes in Equity

	Issued capital	*Share premium*	*Retained earnings*	*Translation Reserve*	*Total equity*
At 1 April 2006	12,246,781	33,301,944	(1,963,516)	(103,291)	43,481,918
Currency translation adjustment	–	–	–	1,049,113	1,049,113
Profit/(Loss) for the period	–	–	(341,967)		(341,967)
As at 31 March 2007	12,246,781	33,301,944	(2,305,483)	945,822	44,189,064

	Issued capital	*Share premium*	*Retained earnings*	*Translation Reserve*	*Total equity*
At 1 April 2007	12,246,781	33,301,944	(2,305,483)	945,822	44,189,064
Currency translation adjustment	–	–	–	3,985,021	3,985,021
Profit/(Loss) for the period	–	–	(2,509,931)	–	(2,509,931)
As at 31 March 2008	12,246,781	33,301,944	(4,815,414)	4,930,843	45,664,154

(a) Share premium represents the premium paid by shareholders on issue of shares and is net of equity transaction costs. Under the Indian Companies Act, 1956 such a reserve has got a restricted usage.

(b) Translation reserves represent exchange differences arising on translation from functional currency to presentation currency in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rate.

The notes are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board Of Directors

Prabal Kumar Sarkar
Membership No: 52340

Yogendra Kr. Modi
Chairman and Chief Executive Officer

Kashi Nath Memani
Director

Place: Kolkata
Date: 02.06.2008

Great Eastern Energy Corporation Limited
All amounts in US dollars unless otherwise stated

Cash Flow Statement

		For the year ended 31 March	
	Note	*2008*	*2007*
Cash flows from operating activities			
Net cash flow from operating activities	21	(2,503,366)	(2,506,633)
Interest paid		–	–
Income tax paid		–	–
Net cash flows from operating activities		(2,503,366)	(2,506,633)
Cash flows from investing activities			
Cash paid for purchase of property, plant and equipment		(4,387,486)	(303,119)
Cash paid for capital work in progress (Development of wells)		(20,957,104)	(15,592,140)
Cash paid for purchase of intangibles		(3,056)	(128,691)
Proceeds/(payments) on encashment/(acquisitions) of short term bank deposits (net)		(890,039)	20,548,488
Sale proceeds from Fixed Assets		24,401	–
Interest received from investments		375,243	1,324,294
Net cash flows from investing activities		(25,838,041)	5,848,832
Cash flows from financing activities			
Proceeds from issue of shares		–	–
Proceeds from borrowings		24,924,526	–
Repayment of borrowings		(6,386,680)	
Interest expense		(27,287)	–
Net cash flows from financing activities		18,510,559	–
Net (decrease)/increase cash and cash equivalents		(9,830,848)	3,342,199
Cash and cash equivalents at beginning of year		11,002,941	7,350,980
Exchange gains/losses on cash and cash equivalents		930,104	309,762
Cash and cash equivalents at end of year		2,102,197	11,002,941

1. Cash and cash equivalents are the same as that disclosed under note 10.
2. Cash and Cash Equivalents exclude $463,822 (2007:$29,239) which are restricted deposits with less than three months maturity. These constitute margin money deposits against letters of credit issued by banks on behalf of the company. Restrictions on such deposits are released on the expiry of terms of respective arrangements.

The notes are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board Of Directors

Prabal Kumar Sarkar	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Membership No: 52340	*Chairman and Chief Executive Officer*	*Director*

Place: Kolkata
Date: 02.06.2008

1. GENERAL INFORMATION

Great Eastern Energy Corporation Limited ('GEECL' or 'the Company') is a public limited company incorporated in India with its registered office at ID, 'Bally High', 1 Ballygunge Park Road, Kolkata, India. The financial statements of the Company for the year ended 31 March 2008 were authorized for issue in accordance with a resolution of the directors on 27 May 2008. GEECL is a public limited company incorporated in India, with shares listed as Global Depository Receipts in the Alternate Investment Market, London.

The Company was incorporated in 1992 to explore, develop, distribute and market Coal Bed Methane or CBM in India. GEECL originally entered into a license agreement in December 1993 with Coal India Limited (CIL) for exploration and development of CBM over an area of approximately 210 Sq. km (approximately 52,000 acres) in the Raniganj coalfields of West Bengal (the Block). Following the transfer of CBM administration in India from the Ministry of Coal to the Ministry of Petroleum and Natural Gas (MoPNG), the Company entered into the existing CBM production sharing contract (PSC) on 31 May 2001 for the Block.

The PSC is effective from 9 November 2001 as a result of the granting by Government of West Bengal of the Petroleum Exploration License on the same date and provides for a five year initial assessment and market development phase, followed by a five year development phase and then a twenty-five year production phase, extendable with the approval of the Government of India (GOI). The PSC also provides that the Company can produce gas during any phase with the prior approval of the GOI. GEECL currently is in the development phase, with dewatering and production underway in18 producing wells out of 23 production wells. GEECL commenced its next drilling campaign of 30 new wells with effect from 26 January 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") applicable to the company's reporting for the year ended 31 March 2008. The financial statements have been prepared on a historical cost basis. The financial statements are presented in US Dollar and all values are rounded to the nearest US dollar except where otherwise indicated.

The financial statements of Great Eastern Energy Corporation Limited have been prepared on the basis of all the IFRSs applicable to the company's reporting for the year ended 31 March 2008.

These financial statements were approved by the Board of Directors on 27 May 2008

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in the critical Accounting Estimates and Judgments section.

- *Standards, amendment and interpretations effective in the period ended 31 March 2008*

  IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments, or the disclosures relating to taxation.

- *Standards, amendments and interpretations effective in the period ended 31 March 2008 but not relevant*

  The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 April 2007 but they are not relevant to the Company's operations:

- IFRS 4, 'Insurance contracts';
- IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies';
- IFRIC 8, 'Scope of IFRS 2', and
- IFRIC 9, 'Re-assessment of embedded derivatives' and

- *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company*

  The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2008 or later periods, but the Company has not early adopted them:

  IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The standard is not expected to have significant impact on the Company's financial information as the Company has adopted the option of capitalization of borrowing costs under current version of IAS 23.

  IFRIC 11, 'IFRS 2-Company and treasury share transactions' (effective from 1 January 2009). IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving Company entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Company's financial statements.

  IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Company has not applied the provisions of IFRIC 14. This interpretation does not have any impact on Company's financial statement.

  IFRS 8, 'Operating segments'(effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. IFRS 8 is not relevant to the Company's operations because the company does not operate any segments.

- *Interpretations to existing standards that are not yet effective and not relevant for the Company's operations*

  The following interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2008 or later periods but are not relevant for the Company's operations:

  IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. This interpretation does not have an impact on the Company's financial statements.

  IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the Company's operations because the company does not operate any loyalty programmes.

b. ***Foreign currency translation***

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Indian Rupees ("Rs." or "INR"). The financial statements are presented in US Dollar (US $), which is the Company's presentation currency.

For the purpose of conversion from the functional currency to the presentation currency the assets and liabilities except for equity for each balance sheet presented is translated at the closing rate at the date of that balance sheet. Income and expense for each income statement presented are converted using an average rate and all resulting exchange difference is recognized as a separate component of equity.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated into functional currency at the exchange rates ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items or translation at rates that are different from those at which they were initially recorded, are recognized as income or expense in the period in which they arise. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

c. ***Property, plant and equipment***

Property, plant and equipment is stated at historical cost including initial estimate of dismantling and site restoration cost, less accumulated depreciation and any impairment in value. Land is measured at cost. Historical cost includes expenditure that is directly attributable to the acquisition or self-construction of Property, Plant and Equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. When each major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Depreciation (other than Gas producing wells) is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	:	30
Plant and Machinery	:	5 – 10
Furniture, Fixture and Office Equipment	:	5 – 15
Vehicles	:	10
Pipeline	:	10

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year. Depreciation on Gas producing wells is calculated based on unit of production method.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of inflows. The recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

d. ***Capital work in progress***

Expenses incurred for development and construction of wells are capitalized and included under the head capital work-in-progress until the wells are ready for their intended use. The cost of drilling, wire line logging and perforation services, cementing and fracturing services, which have been outsourced, has been included in well development costs. All other expenses directly attributable in respect to developing and constructing wells are capitalized and included under capital work in progress. Once the wells are ready for their intended use depreciation is charged on the unit of production method.

Inventories consumed and lying in stock for the purpose of well development are grouped as part of capital work in progress. These items are not meant for sale in the ordinary course of business or for use as supplies in the production process of saleable gas, but are to be used towards well development and hence, are treated as Capital Work in Progress.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, are deducted from the cost of the related asset in the current period provided that the amount deducted shall not exceed the carrying amount of the asset.

e. ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

f. **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Company's intangible assets is as follows:

- Gas Exploration Rights are capitalized at historical costs.

- Computer Software-Costs associated with identifiable and unique software products controlled by the Company having probable economic benefits exceeding the costs beyond one year are recognized as intangible assets. Costs incurred during the development stage of computer software are shown as intangible assets under development and are not amortized till the software is ready for its intended use. These costs are amortized using the straight line method over their useful lives not exceeding 5 years.

	Gas exploration rights	*Computer software*
Useful lives	Finite	Finite
Amortization method used	Currently, since the asset is not ready for its intended use, no amortization is being done.	Amortized on a straight line basis over the period of 5 years
Internally generated or acquired	Acquired	Acquired
Impairment testing/ recoverable amount testing	Where an indicator of impairment exists	Where an indicator of impairment exists
Unamortized Period	Twenty five years	Three and half years

g. ***Financial assets***

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. The classification of financial assets depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this classification at each financial year end.

The financial assets held by the company are loans and receivables only. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

- *Loans and receivables*

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date in which case, these are classified as non-current assets. The Company's loans and receivables comprise of 'trade and other receivables' and 'cash and cash equivalents' on the balance sheet date (Notes 9, 2(h) and 10, 2(i) respectively). The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of receivables is discussed in note 2(h) below.

  The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

  All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

h. ***Trade and other other receivables***

Trade and other receivables are initially recognized at fair value. After initial measurement, trade and other receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The allowance for impairment of receivables reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the ageing of accounts receivable balances, historical write-off experience and customer credit worthiness. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When the receivable is uncollectible, it is written off against the allowance account.

i. ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, balances with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j. ***Inventories***

Inventories of raw materials, stores and spares are valued at the lower of cost and net realisable value. Costs include expenses incurred in bringing each product to its present location and condition and is determined using the weighted average cost method. Net realizable value is the replacement cost of the stores, spares and consumables.

k. ***Trade and other payables***

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

l. ***Borrowings***

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

m. ***Provisions***

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as other finance expense.

n. ***Employee costs, Pensions and other post-employment benefits***

Employee retirement benefits

The company has both a defined benefit and a defined contribution plan. The defined benefit plan is the gratuity plan and superannuation and the defined contribution plan is the state administered provident fund.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

(i) *The Gratuity Plan*

The gratuity plan is a defined benefit plan and provides a lump sum payment to vested employees at retirement or on termination of employment based on the respective employee's salary and length of employment.

The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past- service costs. The defined benefit obligation is, each year, determined separately for each employee's plan by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in Indian Rupees, being the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income statement in the period in which they arise.

(ii) *Superannuation*

The Superannuation (pension) plan for the company is a defined benefit scheme where monthly contribution at the rate of 15 per cent. of salary is payable. These contributions will accumulate at the prevailing rate of interest. At the time of retirement, termination or separation of employee, accumulated contribution will be utilized to buy pension annuity from an insurance company. The company makes provision of such pension liability in the books of accounts on the basis of actuarial valuation.

(iii) *State Administered Provident Fund*

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a pre-determined rate (currently 12.0 per cent.) of the employee's basic salary. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue.

(iv) *Leave Encashment*

Vacation benefit comprises of leave balances accrued by employees. The Leave balance is not en-cashable.* These balances can be accumulated up to a maximum of 60 days and carried forward for 1 year. The leave lapses after 1 year if unutilized, on the employee leaving the Company or on retirement. Vacation benefit has been measured at cost to the Company basis.

* except for 2 employees under the old policy.

o. ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement.

(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term.

(c) There is a change in the determination of whether fulfillment is dependant on a specified asset.

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

- *Company as a lessee*

  Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

  Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

  Lease where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

p. ***Revenue Income***

Sales represent invoiced value of goods supplied less excise duty and sales tax.

q. ***Interest income***

Income is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

r. ***Government grants***

Government grants are recognized where there is reasonable assurance that the grant will be received and all the conditions attached to it will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are adjusted against the carrying amount of the related asset.

s. ***Taxes***

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t. ***Equity instruments***

Equity instruments, convertible into fixed number of equity shares at a fixed predetermined price, and which are exercisable after a specific period, are accounted for as and when such instruments are exercised. The transaction costs pertaining to such instruments are adjusted against equity.

u. ***Segment Reporting***

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of components operating in other economic environments. A Business Segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company considers that it operates in a single geography being India and in a single business segment being the production and sale of gas.

3. Financial risk management

3.1 *Financial Risk Factors*

The company's activities expose it to a variety of financial risk such as market risk, credit risk and liquidity risk.

All amounts in US dollars unless otherwise stated

a. *Market Risk*

(i) Foreign Exchange Risk

The company's exposure to foreign currency risk arises from foreign-currency denominated liabilities on account of purchase of services and materials from foreign contractors and suppliers.

The Company measures the foreign currency exchange risk as a product of the carrying value of its financial assets and liabilities denominated in currencies other than the functional currency of the company and the forward rate between INR and the foreign currency as at the next reporting date. It has not entered into any forward contracts to hedge such exposure in absence of practice of taking cover against such risk.

The following table gives a quantitative summary of the exposures by foreign-currency (carrying amounts of foreign currency financial assets and financial liabilities) as at the balance sheet date:

Particulars	*Denomination Currency*	*As at 31 March 2008*	*As at 31 March 2007*
Financial Assets:			
Trade and other receivables			
Capital Advances, net of provision	USD	122,972	129,429
Financial Liabilities:	USD	373,267	645,153
	GBP	33,900	36,412

The above amounts are disclosed on the basis of information provided internally to the key management personnel of the company.

At 31 March 2008, if INR had weakened/strengthened by 5 per cent. against the US dollar with all other variables held constant, post-tax loss for the year would have been $12,431 higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities. The amount of loss is more sensitive to movement in currency/US dollar exchange rates in 2008 than 2007 because of the increased amount of fluctuations in INR versus US Dollar rates.

At 31 March 2008, if INR had weakened/strengthened by 5 per cent. against the Sterling with all other variables held constant, post-tax loss for the year would have been $3,350 higher/lower, mainly as a result of foreign exchange gains/losses on translation of Sterling denominated financial assets and liabilities.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the Indian rupee computed from historical data and is representative of the foreign exchange currency risk inherent in financial assets and financial liabilities reported at the balance sheet date.

(ii) Interest Rate Risk

The company has taken secured term loan from a consortium of banks consisting of State Bank of India, State Bank of Patiala, State Bank of Mysore, Union Bank of India, and L&T Infrastructure finance Limited at different floating rates. The carrying value of the Loan as at 31 March 2008 and 2007 is $18,663,070 and NIL respectively. The company is exposed to cash flow interest rate risk on its secured loans.

The company analyses its interest rate exposure regularly. Various scenarios are simulated taking into consideration refinancing, alternative financing etc. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift.

All amounts in US dollars unless otherwise stated

At 31 March 2008, if lending rates had weakened/strengthened by 100bp with all other variables held constant, post-tax loss for the year would have been $185,378 higher/lower, mainly as a result of fluctuation in floating interest rates for term loan.

The above amounts are disclosed on the basis of information provided internally to the key management personnel of the company.

The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data and is representative of the interest rate risk inherent in financial assets and financial liabilities reported at the balance sheet date.

b. *Credit Risk*

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company has made advances to vendors in the normal course of its business, advances to employees and placed security deposits with related parties and restricted margin money deposits with banks. These transactions expose the company to credit risk on account of default by any of the counterparties. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of counterparties.

The below table discloses by class of financial instruments, the maximum amounts of exposures to credit risk as at the balance sheet date without taking into account any collateral or credit enhancements.

Class of Financial Instrument	*Description of Collateral/Other credit enhancements*	*31 March 2008*	*31 March 2007*
Trade and Other receivables			
Trade receivables	Bank Guarantee	21,445	–
Capital Advance (net of provision)	Bank Guarantee	641,473	407,291
Due from related parties		26,464	23,120
Advances to employees		4,129	4,153
Others		61,959	42,795
		755,470	477,359
Cash and Cash Equivalents			
Balance with banks		1,319,867	105,399
Short term deposits with banks		782,219	10,897,193
		2,102,086	11,002,592
Restricted deposits with Bank		927,938	29,239
		3,785,494	11,509,190

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available) or to historical information about counterparty default rates. The below table provides information in that respect.

Class of financial asset	*31 March 2008*	*31 March 2007*
Non current trade and other receivables	65,297	57,689
Counter parties without external credit rating:	65,297	57,689
Due from parties with no defaults in the past	65,297	57,689
Due from parties with some defaults in the past	–	–
Counter parties with external credit rating:	–	–
Due from parties with no defaults in the past	–	–
Due from parties with some defaults in the past	–	–
	65,297	57,689

All amounts in US dollars unless otherwise stated

Class of financial asset	*31 March 2008*	*31 March 2007*
Current Trade and other receivables		
Counter Parties without external credit rating:		
Due from parties with no defaults in the past	1,936,281	1,374,093
Due from parties with some defaults in the past	–	–
Counter Parties with external credit rating:		–
Due from parties with no defaults in the past	–	–
Due from parties with some defaults in the past	–	–
	1,936,281	1,374,093
Cash and Cash Equivalents:		
Short Term deposits with banks and bank balance		
Due from parties with no defaults in the past	2,102,086	11,002,592
Due from parties with some defaults in the past	–	–
Restricted deposits with banks:	–	–
Due from parties with no defaults in the past	927,938	29,239
Due from parties with some defaults in the past	–	–
	3,030,024	11,031,831

The below table discloses an ageing analysis of financial assets that are past due as at the reporting date but not impaired.

	31 March 2008		*31 March 2007*	
Class of Financial Asset	*Up to 6 months*	*More than 6 months*	*Up to 6 months*	*More than 6 months*
Trade Receivables	–	–	–	–
Capital Advance (net of provision)	–	2,752	–	803
		2,752		803

c. *Liquidity Risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The company ensures flexibility in funding by maintaining availability under committed credit lines. The unused amount under the line of credit as of the balance sheet date is to the tune of $68,801,601. The management prepares quarterly budgets based on the business plans and needs and submits the same to the bank for disbursement of funds in the following quarter. In addition, the company's liquidity management policy involves considering the level of liquid assets necessary to meet the funding requirement; monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans. The company plans to fund its short term liabilities from borrowings and internal accruals arising from commercial production of gas.

All amounts in US dollars unless otherwise stated

The following table sets forth group's financial liabilities to make future payments as at 31 March 2008.

As at 31 March 2008	*Within 1 Year*	*1–3 Years*	*3–5 Years*	*After 5 Years*	*Total*
Borrowings			18,663,070	–	18,663,070
Interest on Borrowings	2,297,408	4,684,314	2,648,753	–	9,630,475
Trade and Other Payables					
Trade Payables	2,422,450	–	–	–	2,422,450
Other Payables	191,200	–	–	–	191,200
Due to related parties	19,028	–	–	–	19,028
Employee benefit liability	209,204	–	–	–	209,204
Statutory dues	193,738	–	–	–	193,738
Other liabilities	79,036	–	–	–	79,036
	3,114,656	–	–	–	3,114,656
Provisions	–	45,000	–	62,588	107,588
	5,412,064	4,729,314	21,311,823	62,588	31,515,789

As at 31 March 2007	*Within 1 Year*	*1–3 Years*	*3–5 Years*	*After 5 Years*	*Total*
Borrowings					
Interest on Borrowings	–	–	–	–	–
Trade and other payables	–	–	–	–	–
Trade Payables	1,875,234	–	–	–	1,875,234
Other Payables	123,426	–	–	–	123,426
Due to related parties	29,405	–	–	–	29,405
Employee benefit liability	185,866	–	–	–	185,866
Statutory dues	114,037	–	–	–	114,037
Other Liabilities	59,901	–	–	–	59,901
	2,387,869	–	–	–	2,387,869
Provisions	13,765	45,882	–	–	59,647
	2,401,634	45,882	–	–	2,447,516

As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the balance sheet for borrowings.

d. *Commodity Price Risk*

As per representations received from the management, the Government of India has approved the sale of gas to customers above floor price. With increasing oil prices, the company is exposed to risks of rising production costs on account of diesel costs etc.

3.2 ***Capital risk management***

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the balance sheet. Currently, the Company primarily monitors its capital structure in terms of evaluating the funding of potential new investments. The Directors are in the process of further enhancing the Company's systems for monitoring capital use.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

All amounts in US dollars unless otherwise stated

	As at 31 March 2008	*As at 31 March 2007*
Total Borrowings	18,663,070	–
Less: Cash and Cash Equivalents	2,102,197	11,002,941
Net Debt	16,560,873	–
Total Equity	45,664,154	44,189,064
Total Capital	62,225,027	44,189,064
Capital Gearing Ratio	0.27	–

The above amounts are disclosed based on information provided internally to the key management personnel of the company.

3.3 ***Fair value estimation***

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The company has not classified financial instruments by categories and classes since the carrying amounts of assets are assumed to approximate their fair values.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company invests in the development and production of coal bed methane gas. The assessment as to whether this expenditure will achieve a complete product for which the technical feasibility is assured is a matter of judgment, as is the forecasting of how the product will generate future economic benefit. Finally, the period of time over which the economic benefit associated with the expenditure occurred will arise is also a matter of judgment.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Pension and other post employment benefits*

The cost of defined benefit pension plans and other post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 31 March 2008 is $98,304 (2007: $40,122). Further details are given in Note 13.

All amounts in US dollars unless otherwise stated

(ii) *Income taxes*

The company is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Property, plant and equipment

	Freehold Land	*Building*	*Plant and machinery*	*Pipeline*	*Gas producing wells*	*Furniture, fixture and office equipment*	*Vehicles*	*Total*
Carrying amount as at 31 March 2006, net of accumulated depreciation	57,189	442,461	399,717	–	–	37,478	102,795	1,039,640
Additions during the year	79,901	–	96,987	–	–	28,800	797	206,485
Depreciation charge for the year	–	(15,619)	(56,787)	–	–	(6,000)	(10,495)	(88,901)
Exchange fluctuation	1,338	10,033	9,326	–	–	916	2,187	23,800
As at 31 March 2007, net of accumulated depreciation	138,428	436,875	449,243	–	–	61,194	95,284	1,181,024
Carrying amount as at 1 April 2007, net of accumulated depreciation	138,428	436,875	449,243	–	–	61,194	95,284	1,181,024
Additions during the year	210,789	128,942	3,326,612	377,242	11,241,220	328,156	151,367	15,764,328
Disposals/retirements	–	–	(6,890)	–	–	(13,211)	(48,581)	(68,682)
Depreciation charge for the year	–	(17,578)	(204,842)	(7,627)	(35,258)	(14,993)	(14,893)	(295,191)
Depreciation Retirement	–	–	6,473	–	–	8,893	13,163	28,529
Exchange Fluctuation	13,961	41,580	59,265	2,497	75,697	6,613	9,080	208,693
As at 31 March 2008, net of accumulated depreciation	363,178	589,819	3,629,861	372,112	11,281,659	376,652	205,420	16,818,701
As at 31 March 2007								
Gross Carrying Amount	138,428	466,232	562,353	–	–	79,436	114,909	1,361,358
Accumulated Depreciation	–	(29,357)	(113,110)	–	–	(18,242)	(19,625)	(180,334)
Net Carrying Amount	138,428	436,875	449,243	–	–	61,194	95,284	1,181,024
As at 31 March 2008								
Gross Carrying Amount	363,178	636,241	3,944,984	379,739	11,316,917	402,174	227,421	17,270,654
Accumulated Depreciation	–	(46,422)	(315,123)	(7,627)	(35,258)	(25,522)	(22,001)	(451,953)
Net Carrying Amount	363,178	589,819	3,629,861	372,112	11,281,659	376,652	205,420	16,818,701

1. Depreciation amounting to $134,528 (2007: $45,757) has been transferred to capital work in progress.
2. The carrying value of buildings acquired under finance lease at 31March 2008 is $299,052 (2007:$275,503).
3. Items of stores and spares included in property, plant and equipment are net of excise duty and customs duty which have been exempted by the Government of India. The Company enjoys exemption from paying excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India. The amount of such exemption relating to items of Property, Plant and Equipment is as follows:

	As at 31 March 2008	*As at 31 March 2007*
Towards excise duty	248,143	11,198
Towards customs duty	268,918	8,375
	517,061	19,573

There are no un-fulfilled conditions or contingencies attaching to these grants.

4. Buildings include:

(a) Premises acquired for $501,752 (2007: $460,084) which are yet to be registered in the name of the company.

(b) Warehouse constructed at a cost of $5,279 (2007: $4,841) on land not owned by the company.

All amounts in US dollars unless otherwise stated

6. Capital Work In Progress

	As at 31 March 2008	*As at 31 March 2007*
Cost as at beginning of the year	31,913,627	15,418,158
Additions during the year	21,283,876	15,411,494
Disposals	(433,691)	(22,195)
Capitalization	(11,241,220)	–
Exchange fluctuation	2,955,260	1,106,170
Cost as at end of the year	44,477,852	31,913,627

Notes:

(i) Items of stores and spares included in Capital Work in Progress are net of excise duty and customs duty which have been exempted by the Government of India. The Company enjoys exemption from paying Excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India. The amount of such exemption relating to items of Capital Work in Progress is as follows:

	As at 31 March 2008	*As at 31 March 2007*
Towards excise duty	1,746,856	15,360
Towards customs duty	3,800,932	1,199,974
	5,547,788	1,215,334

There are no unfulfilled conditions or contingencies attaching to these grants.

(ii) During the year ended 31 March 2008, the Company has written off/disposed damaged and unusable materials amounting to $433,691 (2007: $22,195). The same has been disclosed under disposals in the above schedule.

7. Intangible Assets

	Gas Exploration Right	*Computer Software*	*Total*
Cost as at 31 March 2006, net of accumulated amortization	224,165	20,175	244,340
Additions during the year		128,681	128,681
Exchange fluctuation	5,245	5,156	10,401
Amortization charge for the year		(14,851)	(14,851)
As at 31 March 2007, net of accumulated amortization	229,410	139,161	368,571
Additions during the year		3,056	3,056
Exchange Fluctuation	20,778	12,395	33,173
Amortization charge for the year		(33,856)	(33,856)
As at 31 March 2008, net of accumulated amortization	250,188	120,756	370,944
As at 31 March 2007			
Cost	229,410	154,622	384,032
Accumulated amortization		(15,461)	(15,461)
Net Carrying Amount	229,410	139,161	368,571
As at 31 March 2008			
Cost	250,188	171,703	421,891
Accumulated amortization	–	(50,947)	(50,947)
Net Carrying Amount	250,188	120,756	370,944

All amounts in US dollars unless otherwise stated

8. Prepayments

	As at 31 March 2008	*As at 31 March 2007*
Prepayments for leasehold	206,571	67,615
Prepaid Expenses	119,914	52,774
	326,485	120,389
Less: Non current portion		
– Prepayments for leasehold	202,637	66,122
– Prepaid Expenses	–	–
Current portion	123,848	54,267

(i) Leasehold land represents non current portion of payments made for taking land on lease for 30–99 years for the Company's site at Asansol, West Bengal, India. An amount of $1,919 (2007: $1,432) representing amortization for the current year has been charged to revenue.

(ii) Prepaid expenses include an amount of $24,589 (2007: $22,837) on account of advance rent to related party YKM Holdings Private Limited.

9. Trade and other receivables

	As at 31 March 2008	*As at 31 March 2007*
Trade receivables	21,445	–
Less: provision for impairment of receivables	–	–
	21,445	–
Capital advance, net of provision	641,473	407,291
Service and value added tax due from Statutory authorities	1,246,108	954,423
Due from related parties	26,464	23,120
Advances to employees	4,129	4,153
Others	61,959	42,795
Total trade and other receivables	2,001,578	1,431,782
Less: Non current portion:		
Due from related parties	24,588	22,546
Advances to employees	2,127	2,581
Other Deposits	38,582	32,562
Current portion	1,936,281	1,374,093

As at 31 March 2007, Advance to Vendors at nominal value of $54,125 (2007: $49,631) were impaired and fully provided for. Movements in the provision for impairment of advances were as follows:

	As at 31 March 2008	*As at 31 March 2007*
As at beginning of the year	49,631	48,496
Exchange difference on translation	4,494	1,135
As at end of the year	54,125	49,631

Other Financial Assets – Current

All amounts in US dollars unless otherwise stated

10. Cash and cash equivalents

	As at 31 March 2008	*As at 31 March 2007*
Cash at banks and in hand	1,319,978	105,748
Short Term Deposits	782,219	10,897,193
	2,102,197	11,002,941

Notes:

(i) Cash at banks is non-interest bearing.

(ii) Short-term deposits are made for varying periods ranging from one day to three months depending on the immediate cash requirements of the Company, and earn fixed interest at the respective short-term deposit rates.

(iii) The carrying amounts of Cash and cash equivalents are representative of their fair values as at the respective balance sheet dates.

(iv) Cash and Cash Equivalents exclude $463,822 (2007:$29,239) which are restricted deposits with less than three months maturity. These constitute margin money deposits against letters of credit issued by banks of behalf of the company. Restrictions on such deposits are released on the expiry of terms of respective arrangements. These are included in restricted deposits.

11. Share Capital

	As at 31 March 2008	*As at 31 March 2007*
Authorised share capital		
650,000,000 ordinary shares of INR. 1 each	14,724,745	14,724,745
[USD equivalent 0.0226 (2007: 0.0226)]	14,724,745	14,724,745
Issued, Subscribed and Paid-up		
544,619,499 ordinary shares of INR. 1 each	12,246,781	12,246,781
	12,246,781	12,246,781

(i) During the year ended 31 March 2007, the Company has increased its authorized share capital by $2,153,316 comprising of 100,000,000 equity shares of INR 1 each.

(ii) During the year ended 31 March 2007, the Company has issued sponsored Global Depository Receipts (GDRs) comprising of 57,418,843 GDRs against 287,094,215 equity shares of Re 1 each offered by the existing shareholders of the company, at a price of 127.50 pence per GDR.These GDRs have been listed in the Alternative Investment Market (AIM) of the London Stock Exchange. However, this does not increase the amount of issued capital of the Company.

12. Borrowings

	As at 31 March 2008	*As at 31 March 2007*
Non current		
Borrowings from financial institutions	18,663,070	–
Current		
Interest accrued and due on borrowings	148,667	–
	18,811,737	–

The fair value of borrowings equals their carrying amount, as the debts are at floating rates of interest.

Total borrowings are secured against first charge by way of hypothecation of all immovable properties including plant and machinery and all other movable properties both present and future, and mortgage of land and buildings and all other immovable properties both present and future.

All amounts in US dollars unless otherwise stated

The average annual interest rates for the borrowings are:

	As at 31 March 2008	*As at 31 March 2007*
	%	%
Average rate of borrowings	12.56	–

The carrying amount of financial assets pledged as collateral for liabilities as on 31 March 2008 is $5,031,713 (2007: NIL)

13. Retirement benefit obligations

The following tables summarize the components of net benefit expense recognised in the income statement and the amounts recognised in the balance sheet for the respective plans:

	For the year ended 31 March 2008			*For the year ended 31 March 2007*		
	Superannuation	*Gratuity*	*Total*	*Superannuation*	*Gratuity*	*Total*
Current service cost	30,277	18,910	49,187	8,330	4,634	12,964
Interest cost on benefit obligations	1,906	1,019	2,925	1,518	738	2,256
Expected return on plan assets	–	–	–	–	–	–
Actuarial (gains)/losses recognised in the period	(843)	21,609	20,766	(6,917)	(2,069)	(8,986)
Past service costs	–	–	–	–	–	–
	31,340	41,538	72,878	2,931	3,303	6,234
Less transferred in capital work in progress	18,846	22,035	40,881	949	1,182	2,131
Charged to revenue	12,494	19,503	31,997	1,982	2,121	4,103

Changes in the present value of the defined benefit obligation are as follows:

	As at 31 March 2008			*As at 31 March 2007*		
	Superannuation	*Gratuity*	*Total*	*Superannuation*	*Gratuity*	*Total*
Opening defined benefit obligation	26,984	13,138	40,122	23,386	10,004	33,390
Current service cost	30,277	18,910	49,187	8,330	4,634	12,964
Interest cost	1,906	1,019	2,925	1,518	738	2,256
Actuarial (gains) and losses	(843)	21,609	20,766	(6,917)	(2,069)	(8,986)
Exchange Fluctuation	2,562	2,021	4,583	667	(169)	498
Benefits paid	(13,616)	(5,663)	(19,279)	–	–	–
Closing defined benefit obligation	47,270	51,034	98,304	26,984	13,138	40,122

	As at 31 March 2008	*As at 31 March 2007*
Particulars		
Salary growth	6.00%	5.00%
Inflation Factor	6.00%	2.00%
Discount rate	8.50%	7.50%

All amounts in US dollars unless otherwise stated

14. Trade and other payables

	As at 31 March 2008	*As at 31 March 2007*
Trade Payables	2,422,450	1,875,234
Other Payables	191,200	123,426
Due to related parties	19,028	29,405
Employee benefit liability	209,204	185,866
Statutory dues	193,738	114,037
Other liabilities	79,036	59,901
	3,114,656	2,387,869
Less: Non current portion:	–	–
Current portion	3,114,656	2,387,869

Notes:

(i) Trade and Other Payables are non-interest bearing and are generally payable within one year.

(ii) The carrying amounts of Trade and Other payables are representative of their fair values at respective balance sheet dates and are contractually payable within a period of 1 year or less.

15. Provisions

	As at 31 March 2008	*As at 31 March 2007*
Provision for equipment demobilization	45,000	13,765
Provision for site restoration	62,588	45,882
	107,588	59,647
Less: Non current portion		
– Provision for site demobilization	45,000	45,882
– Provision for site restoration	62,588	–
Current portion	–	13,765

	Provision for site demobilization	*Provision for site restoration*
As at 1 April 2006	169,366	13,450
Arising during the year	25,373	30,848
Exchange fluctuation	544	1,584
Utilized during the year	(181,518)	–
As at 31 March 2007	13,765	45,882
Arising during the year	45,000	12,550
Exchange fluctuation	–	4,156
Utilized during the year	(13,765)	–
As at 31 March 2008	45,000	62,588

Notes

1. Provision for Equipment Demobilization

A provision is recognized in the accounts for demobilization of equipments payable to various service providers, as and when the equipments reach the site. All obligations under this provision are expected to be settled within the next 12 months and hence is treated as current liability.

2. Site Restoration Costs

A provision for restoring the land back to its originality is created by way of site restoration costs, on a well by well basis. Such expenses are provided when the wells have been drilled substantially. These are expected to be incurred when the company has commercially exploited the proved reserves of the well or when a well which has been drilled has been declared as a dead well. The provisions under this head are not discounted as the impact of the same is not expected to be material.

All amounts in US dollars unless otherwise stated

16. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	As at 31 March 2008	*As at 31 March 2007*
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	687,767	77,992
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	687,767	77,992
Deferred tax asset/(liabilities), net	–	–

The gross movement on deferred income tax account is as follows:

	As at 31 March 2008	*As at 31 March 2007*
Deferred tax liabilities		
Beginning of year/period	77,992	18,372
Accelerated tax depreciation	598,667	57,487
Effect of Foreign Exchange	11,108	2,133
End of year/period	687,767	77,992

	As at 31 March 2008	*As at 31 March 2007*
Deferred tax assets		
Beginning of year/period	77,992	18,372
Retirement benefit obligation	133,940	9,143
Unabsorbed business losses	410,964	48,344
Provision for doubtful debts	53,763	–
Effect of Foreign Exchange	11,108	2,133
End of year/period	687,767	77,992

(1) A reconciliation between tax expense and the product of accounting loss multiplied by India's domestic tax rate for the years ended 31 March 2008 and 2007 has not been disclosed as there is no current tax expense and no deferred tax expense/(income) during the year ended 31 March 2008 and 31 March 2007.

(2) The Company is entitled to Tax holiday for 7 years under sec. 80IB (9) under the Indian Income Tax Act.

(3) Except to the extent of reversal of taxable temporary differences, deferred tax asset on unused losses has not been recognized as the same will expire during the tax holiday period.

(4) The following are the unused tax losses, and unused tax credits (on account of unabsorbed depreciation) for which no deferred tax asset is recognised in the balance sheet:

	As at 31 March		
Particulars	*2008*	*2007*	*Expiry date*
Unused Tax Losses			
2005–2006	138,017	138,017	2013–2014
2006–2007	309,324	309,324	2014–2015
2007–2008	2,586,281	–	2014–2015

All amounts in US dollars unless otherwise stated

Particulars	*As at 31 March* 2008	2007	*Expiry date*
Unused Tax Credits-Towards Unabsorbed Depreciation			
2005–2006	158,876	158,876	Can be carried forward
2006–2007	109,497	109,497	
2007–2008	1,867,046	–	
	5,169,041	715,714	

The tax rate has been increased by from 33.66 per cent. to 33.99 per cent. on account of 1 per cent. increase towards higher education cess.

(Space intentionally left blank)

17. Other Operative Expenses

	As at 31 March 2008	*As at 31 March 2007*
Audit Fees	86,200	56,102
Training Expenses	–	32,170
Electricity Charges	9,360	12,425
Repair and Maintenance	71,937	37,291
Insurance	44,398	52,553
Rent	147,431	92,175
Rates and Taxes	18,529	24,647
Postage, Printing and Stationery	13,076	7,035
Telephone/Fax Charges	72,827	30,834
Traveling and Conveyance	435,329	218,241
Advertisement and Publicity	66,238	14,479
Consultancy Charges	612,289	432,902
Survey and Information Expenses	73,125	91,917
Fee and Legal Charges	35,124	40,855
Loss on Disposal of items of Stores	108,234	22,195
Sitting Fees	12,922	13,221
Freight and Cartage	1,068	–
Chemical Consumption	56,716	–
Hire Charges	30,488	–
Security Expenses	23,849	1,912
Selling and Distribution Expenses	48,531	–
Conference and Subscription	54,450	29,497
Miscellaneous Expenses	111,648	47,171
	2,133,769	1,257,622

All amounts in US dollars unless otherwise stated

18. Personnel Expenses

	As at 31 March 2008	*As at 31 March 2007*
Wages and salaries	506,280	272,105
Social Security	25,459	18,122
Other pension cost	31,997	4,103
Director's Remuneration	100,093	91,532
	663,829	385,862

Notes:

Other pension cost as above is exclusive of $40,881(2007: $2,131) debited to Capital Work in Progress.

1. Leave pay expenses amounted to $30,399 and $20,530 for the years ended 31 March 2008 and 2007 respectively. Accrued employee cost includes $105,273 and $70,817 leave pay obligation of GEECL as of 31 March 2008 and 2007 respectively, except for 2 employees under the old policy.

19. Finance Income

	As at 31 March 2008	*As at 31 March 2007*
Interest on bank deposit	375,243	1,301,176
	375,243	1,301,176

20. Finance Costs

	As at 31 March 2008	*As at 31 March 2007*
Interest expense	988	354
Bank charges	26,299	8,078
	27,287	8,432

All amounts in US dollars unless otherwise stated

21. Cash generated from operations

	As at 31 March 2008	*As at 31 March 2007*
Cash flows from operating activities		
Profit/(loss) after tax	(2,509,111)	(341,967)
Adjustments for:		
Liabilities written back	(37,797)	–
Loss on sale of assets/CWIP written off	125,191	–
Finance costs	27,287	–
Interest Income	(375,243)	(1,301,275)
Depreciation/Amortization	196,438	139,507
Foreign exchange loss/(gain)	(7,629)	(49,488)
Provisions for employee benefits	34,829	(155,849)
Income tax charge	(820)	–
Operating profit before working capital changes	(2,546,855)	(1,709,072)
(Increase)/decrease in trade receivables	(1,923,289)	–
(Increase)/decrease in other receivables	962,618	(939,167)
(Increase)/decrease in prepayments	242,495	(281,613)
Increase/(decrease) in payables and accruals	761,665	423,219
Net cash flows from operating activities	(2,503,366)	(2,506,633)

22. Loss per Share

	As at 31 March 2008	*As at 31 March 2007*
Loss after tax attributable to equity share holders for the year	2,509,931	341,967
Weighted average number of ordinary shares for basic loss per share	544,619,499	544,619,499
Diluted weighted average number of shares	544,619,499	544,619,499
Basic and Diluted Loss per Share	0.0046086	0.0005976

Basic Loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

23. Commitments and Contingencies

Claims made against the Company not acknowledged as debts are as follows:

Capital commitments	*As at 31 March 2008*	*As at 31 March 2007*
Claims made by Contractors		
M/s Adkins Services Inc.	10,287,998	6,379,904
Claims made by Government of India (Ministry of Petroleum and Natural Gas)	249,775	154,373
Claims made by Income Tax Authorities	6,136	–
	10,543,909	6,534,277

(a) Trade and other receivables (Current) includes $54,125 (31 March 2007– $49,630) recoverable from M/s Adkins Services Inc., (Adkins), a drilling contractor which has been fully impaired. The contract with Adkins was terminated by the Company on the ground of non-performance and continued breach of contract. The Company in addition to the above amount has made a claim of $4.96 million (31 March 2007 – $4.54 million) for damages on account of delay in providing the services by the said contractor. The Contractor has also filed a counter claim of $6.96 million (31 March 2007 – $6.38 million) against the Company for loss of profit, damages etc which the Company disputes. The contractor has also claimed interest at the rate of 15 per cent. per annum from August 2004 till the date of realization, interim award and costs incurred on litigation. Total counter-claim including interest as on 31 March 2008 is $.10.29 million. The Company had filed an application before Hon'ble High Court at Calcutta for the appointment of Presiding Arbitrator for the arbitral proceedings to be started. The Hon'ble High Court at Calcutta vide its order dated 18 March 2004 has appointed the Presiding Arbitrator. Necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

All amounts in US dollars unless otherwise stated

(b) The Directorate General of Hydrocarbons, Government of India, has raised claims amounting to $102,577 (31 March 2007 – $94,058) towards additional fee for Gas Exploration License. The Company has taken a legal opinion on the possibility of liability against the claim devolving on the company. In view of such opinion, which is in favor of the Company, the claim has been treated as a contingent liability. During the period, DGH has also raised claim towards interest on the amount of shortfall, since the date of the contract. Such additional amount of interest comes to $147,178 (2007: $115,203) computed upto 31 March 2008, which along with the original claim has been treated by the Company as a Contingent Liability. This dispute has been referred to Arbitration pursuant to the terms and conditions of the Production Sharing Contract signed with the Government of India. The arbitration proceedings have already been initiated.

(c) The Company has entered into arrangements with Mitchell Drilling Operations PTY Limited for drilling of production wells. The work was completed on 6 October 2007 under these arrangements. As per the terms of the agreement, the Company had paid mobilization cost $166,492 (2007: $166,492), for drilling equipment to be brought at Company's site, subject to the condition that after completion of work, if the same equipment is moved to another location within India, a proportionate amount would be reimbursed to the company by the overseas supplier plus the obligation for demobilization expenses will be extinguished. Obligation of demobilization expenses amounting to $13,765 has been reduced from the cost of the related asset (CWIP) in accordance with IFRIC 1.

24. Capital Commitments

	As at 31 March 2008	*As at 31 March 2007*
Purchase of Land	114,830	58,968
Capital Assets	11,418,365	4,942,958
	11,533,195	5,001,926

(Space intentionally left blank)

25. Related Party Disclosures

(a) ***Relationship with the related parties***

	2008	*2007*
Shareholders having significant influence	• CBM Investments Limited	• CBM Investments Limited
Key managerial personnel	• Mr. Yogendra Kr. Modi • Mr. Prashant Modi • Mr. P Murari • Mr. Kashi Nath Memani • Mr. Haigreve Khaitan • Mr. Serajul Haq Khan • Mr. Paul Sebastian Zuckerman	• Mr. Yogendra Kr. Modi • Mr. Prashant Modi • Dr. P K Roy • Mr. P Murari • Mr. Kashi Nath Memani • Mr. Haigreve Khaitan • Mr. Serajul Haq Khan • Mr. Paul Sebastian Zuckerman

	2008	*2007*
Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual or close family member of such individual Referred to in (b) above	• YKM Holdings Private Limited • YKM Holding International Limited • Bokel Investments Limited	• YKM Holdings Pvt. Limited • YKM Holding International Limited • Bokel Investments Limited.
	• Indian Purchase.com Infoware Limited • Khaitan and Co. • Centurian Bank of Punjab Limited	• Indian Purchase.com Infoware Limited • Khaitan and Co. • Centurian Bank of Punjab Limited
	• KNM Advisory Private Limited	• KNM Advisory Private Limited

(Space intentionally left blank)

(b) ***The following tables provide the total amount outstanding with related parties as at the financial year-end***

	As at 31 March 2008		*As at 31 March 2007*	
	Receivable	*Payable*	*Receivable*	*Payable*
YKM Holdings Private Limited	49,177	370	45,383	18,212
Indian Purchase.com Infoware Limited	–	1,416	–	92
Khaitan & Co.	1,876	6,234	574	–
KNM Advisory Private Limited	–	–	–	–
Centurion Bank of Punjab	25,338	–	3,870,824	–
Bokel Investments Limited	–	–	–	–

(c) ***The following tables provide the total amount of transactions which have been entered into with related parties during the years ended 31 March 2008 and 2007***

		For the year ended 31 March	
Related Party	*Nature of transaction*	*2008*	*2007*
YKM Holdings Private Limited	Lease rentals	102,579	123,168
	Reimbursement of expenses	128	279
	Payment for services rendered	4,754	3,477
Indian Purchase.com Infoware Limited	Payment for Services Rendered	3,171	3,012
	Rental Received	1,342	1,652
Khaitan & Co.	Reimbursement of Expenses	1,810	–
	Payment for services rendered	121,443	51,066
KNM Advisory Private Limited	Reimbursement of Expenses	2,041	3,346
Centurion Bank of Punjab	FD Matured during the year	4,193,072	2,065,470
Bokel Investments Ltd	Provision of Services	–	13,928
	Loan taken	146,620	–
	Loan Repaid	146,620	–
	Interest Paid	552	–
Mr. Y K Modi	Borrowing cost paid	718,191	–

All amounts in US dollars unless otherwise stated

(d) ***Compensation paid to Key Management Personnel***

	As at 31 March 2008	*As at 31 March 2007*
Short term Employee Benefits	434,841	207,458
Post employment benefits	58,746	7,605
Defined Contribution Plan	22,425	7,741
	516,012	222,804

The company has paid $12,922 (2007: $13,765) as sitting fees to the non-executive directors for attending various meetings.

(e) ***Terms and conditions of transactions with related parties***

The transactions with the related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2008, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2007: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26. Segment Reporting

The Company operates in a single geographical segment, being India, and in a single business segment, being the production and sale of gas. Hence, no separate segment information has been furnished herewith.

27. Leases and Arrangements containing lease

The Company has entered into Equipment lease and other arrangements with various contractors for development of its wells, whereby the specific assets leased by the contractors are used only at the company's well development site and such arrangements convey the right to use the assets. Some of these arrangements contain lease as per IFRIC 4. The significant terms and arrangements are described below.

(1) The company has entered into arrangements with Mitchell Drilling International PTY Limited for logging and wiring of production wells and core holes respectively. The terms of contract include comprehensive payment rates to include both lease and non – lease elements which are not separable. The arrangement is cancelable at the option of either party to the contract.

(2) Drilling Rig taken on lease from John Energy Limited, for initial period of six months, has been renewed for a further period of six months starting on 13 June 2007.The arrangements have terms describing the operating rate per hour, the standby rate per hour and the repair rate per hour. The lease arrangement is not cancelable and terminates only on happening of a '*force majeure* event'. The total lease payments made under this contract during the period are $389,260 (2007:$283,025). The lease has expired on 12 December 2007.

(3) For Cementing and fracturing services, equipment and personnel from Schlumberger Asia Services limited have been hired. The arrangement is cancelable at the option of either party to contract.

(4) The above mentioned arrangements include non-lease elements also and are being treated as well development costs along with other costs. The segregation of lease and non- lease elements under some of the arrangements is not possible. The details of total expenses during the year ended 31 March 2008 are as follows:

All amounts in US dollars unless otherwise stated

Nature	*As at 31 March 2008*	*As at 31 March 2007*
Towards Minimum Lease Payments		
Cementing and Fracturing Charges	145,632	2,772,810
Logging and Wire Line Charges	115,644	1,205,941
Towards lease payments under arrangements where lease and non-lease payments are combined		
Well Testing Charges	–	95,841
Drilling Charges (including core hole drilling)		4235,455
Work Over Expenses	389,260	–

(5) The Company has taken a building on finance lease, the net carrying amount of which is $299,052 (2007:$275,503). The entire consideration has been paid during the previous year 2005 – 06 and there are no future lease rentals payable.

(6) The Company has acquired a property under an operating lease for an initial period of three years renewable by mutual consent on mutually agreeable terms. The lease is also cancelable at the option of either party by service of appropriate notice. The lease rental of $102,579 (2007:$90,186) incurred has been charged to profit and loss account.

(7) The company has acquired compressors on operating lease, which is cancelable subject to certain conditions. The lease period is of two years and is further renewable for the same period of time. The lease rental of $31,524(2007:$17,717) has been paid during the year.

(8) The company has taken land on lease on which the wells are being developed. The lease period ranges from 30-99 years. The entire amount of consideration as lease premium has been paid upon acquisition. The premium paid as on 31 March 2008 is $206,571 (2007:$67,615).

28. Payment for approval of Debt Facility

The company has during the year paid an amount of Rs $723,042 to Mr. Y.K.Modi, a director of the company, in relation to approval of debt facility of $87,565,674 from the consortium of banks led by State Bank of India (SBI).

The bankers had withheld approval of the aforesaid loan as an old personal guarantee furnished by Mr. Modi to SBI for the borrowings of Spark Plug Limited (SPL), a company of which he was then a director, was outstanding, and the dues of SPL were not cleared. Mr. Modi contested the matter and it was subjudice for a long period.

On the grounds of commercial expediency and after taking into account the interests of the company the board after obtaining legal advice has approved payment of the aforesaid amount. The company has paid the amount to Mr. Modi after obtaining the sanction letter for the term loan from SBI and ensuring that such sum was actually paid by him to the bank.

The above payment has been included under the head “Capital Work in Progress” as a part of Borrowing Cost.

29. Mining Lease

The company had entered into a production sharing contract(PSC) with the Ministry of Petroleum & Natural Gas(MoPNG) on 31 May 2001 in relation to exploration and development of coal bed methane(CBM) gas in Raniganj, West Bengal. The company has also been granted a Petroleum Exploration License (PEL) by the Government of West Bengal on 9 November 2001 for the aforesaid purpose.

The terms of the PEL require the company to obtain a mining lease in place of the PEL prior to making any commercial sale. However, the Central Government vide its letter dated 14 February 2008 approved the Gas Price Formula of CBM paving way for its commercial sale. Along with the ongoing process of issuance of

Mining Lease the company has commenced commercial production and has deposited the royalty and production level payment (PLP) payable on such sale to the State Government and Central Government authorities respectively as required by the PSC and PEL.

The company has already submitted an application to the West Bengal Government on 30 August 2006 for obtaining CBM mining lease and has obtained the necessary approval from the MoPNG, in this regard. The State Government is in the process of obtaining necessary departmental clearances and the management of the company expects to obtain the mining lease in the near future.

30. Business Developments

(1) The Company has applied for License for mining activity on the freehold and leasehold lands and is awaiting the receipt of such license.

(2) The Company has entered into a Memorandum of Understanding with Indian Oil Corporation Limited (IOC) on 24 August 2006, for sale of Coal Bed Methane Gas and developing City Gas Distribution network including CNG retailing in the state of West Bengal in India. The terms and arrangements for sale of CBM Gas are under negotiation with IOC. In the meantime, the company has signed franchise agreement with IOC on 30 October 2007 to sell the CBM gas through the retail outlets and dealer network of IOC.

(3) The Company has awarded a contract to M/S Schlumberger Asia Services Limited for Cementing and Fracturing of 20 new drill wells, and fracturing of additional 20 wells drilled in the previous campaign as on 9 April 2008.

(4) During the year two online mother stations have been installed on well head at well no. 10 and 16. CBM gas is supplied to nearby customer through vehicle mounted cascades.

(5) Two ‘Daughter Stations have been installed at IOC petrol pumps situated at Siddeshwer in Barakar and Jubilee Petrol pump in Asansol for Retail Sales of CNG. This CNG dispensers are installed under the franchise agreement with IOC.

(6) Gas Gathering station(GGS) is being set up at village Shyamdihi in Raniganj Block and pipeline laying from GGS upto City Gate Station at Asansol city is under implementation. Nearly 30-40 wells will be connected to GGS.

31. Translation to Presentation Currency

The company has converted INR balances to $ equivalent balances on the following basis:

For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:

- as at 31 March 2008: $1 = INR 39.97
- as at 31 March 2007: $1= INR 43.59

For conversion of all expenses and income on income statement and the cash flow statement, for the respective periods, periodic average exchange rates have been used, which are as follows:

- For the year ended 31 March 2008: $1 = INR 40.24
- For the year ended 31 March 2007: $1 = INR 45.38

For conversion of issued Share Capital and Share Premium, historical exchange rates prevailing on the respective dates of issue of shares have been taken into consideration.

32. Figures of the previous period have been regrouped/rearranged wherever considered necessary. Figures in brackets represent amounts relating to year ended 31 March 2008

As per our report of even date attached

For and on behalf of
Price Waterhouse
Chartered Accountants

On behalf of the Board Of Directors

Prabal Kumar Sarkar	**Yogendra Kr. Modi**	**Kashi Nath Memani**
Membership No: 52340	*Chairman and Chief Executive Officer*	*Director*

Place: Kolkata
Date: 02.06.2008

PART 6 SECTION D: AUDITED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE YEAR ENDED 31 MARCH 2007

Great Eastern Energy Corporation Limited

(Amounts in US Dollars, except per share data and unless otherwise stated)

Auditors Report

To the Board of Directors of Great Eastern Energy Corporation Limited

We have audited the accompanying financial statements of Great Eastern Energy Corporation Limited (the Company), which comprise the balance sheet as at 31 March 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Balance Sheet as at 31 March 2006 was audited by other independent accountants whose report dated 30 May 2006 expressed an unqualified opinion on the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

This report is solely to the Company's Board of Directors, as a body, in accordance with our engagement letter dated 2 November 2006. Our audit work has been undertaken so that we might state to the Company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for other opinions we have formed.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of the Company as of 31 March 2007 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Place: Delhi
Date: 05.06.2007

Great Eastern Energy Corporation Limited
(Amounts in US Dollars, except per share data and unless otherwise stated)

Balance Sheet as at 31 March 2007

	Notes	*As at 31 March 2007*	*As at 31 March 2006*
ASSETS			
Non-current Assets			
Property, plant and equipment	3	1,181,024	1,039,640
Capital work in progress	4	31,913,627	15,418,158
Intangible assets	5	368,571	244,340
Prepayments	6	66,122	36,768
Other Financial Assets	7	57,689	44,348
		33,587,033	16,783,254
Current Assets			
Prepayments	8	459,929	195,299
Advance Income Tax	13	629,129	314,533
Other Financial Assets	9	968,431	21,225,631
Cash and Cash Equivalent	10	11,032,180	7,350,980
		13,089,669	29,086,443
Total Assets		46,676,702	45,869,697
EQUITY AND LIABILITIES			
Issued capital	11	12,246,781	12,246,781
Share premium		33,301,944	33,301,944
Retained earnings		(2,305,483)	(1,963,516)
Translation reserves		945,822	(103,291)
Total Equity		44,189,064	43,481,918
Non-current Liabilities			
Provisions	15	45,882	13,450
Employee benefit liability	12	40,122	33,390
Deferred tax liability	13	–	–
		86,004	46,840
Current Liabilities			
Trade and other payables	14	2,387,869	2,171,573
Provisions	15	13,765	169,366
		2,401,634	2,340,939
Total Liabilities		2,487,638	2,387,779
TOTAL EQUITY AND LIABILITIES		46,676,702	45,869,697

The notes are an integral part of these financial statements.

As per our report of even date attached

On behalf of the Board of Directors

Ernst & Young	**Yogendra Kumar Modi**	**Kashi Nath Memani**
	Chairman and Chief Executive Officer	*Director*

Place: Delhi
Date: 5 June 2007

Great Eastern Energy Corporation Limited
(Amounts in US Dollars, except per share data and unless otherwise stated)

Income Statement
for the year ended 31 March 2007

		Year ended 31 March	
	Notes	*2007*	*2006*
Income			
Other Income	16	49,488	198,322
Expenses			
Administrative and general expenses	17	1,684,199	1,138,302
Operating Loss		1,634,711	939,980
Interest Income		1,301,176	916,936
Finance Costs		8,432	6,054
Loss before taxes		341,967	29,098
Income Tax Expenses	13	–	2,732
Loss for the year		341,961	31,830
Loss per share			
– basic and diluted loss per share-after rectification of error vide Note No. 26		0.0006279	0.0000676
– basic and diluted loss per share – Before rectification of error vide Note No.26	19	0.0005976	0.0000961

The notes are an integral part of these financial statements.

As per our report of even date attached

On behalf of the Board of Directors

Ernst & Young	**Yogendra Kumar Modi**	**Kashi Nath Memani**
	Chairman and Chief Executive Officer	*Director*

Place: Delhi
Date: 5 June 2007

Great Eastern Energy Corporation Limited
(Amounts in US Dollars, except per share data and unless otherwise stated)

Statement of changes in equity
for the year ended 31 March 2007

	Issued Share Capital	*Share premium account*	*Translation reserves*	*Retained earnings*	*Total*
As at 1 April 2006	12,246,781	33,301,944	(103,291)	(1,963,516)	43,481,918
Foreign Currency Translation			1,049,113		1,049,113
Loss during the year				(341,967)	(341,967)
Total Income and expense for the year			1,049,113	(341,967)	707,146
As at 31March 2007	12,246,781	33,301,944	945,822	(2,305,483)	44,189,064

Statement of changes in equity
for the year ended 31 March 2006

	Issued Share Capital	*Advance Share Capital*	*Share premium account (net off equity transaction cost)*	*Translation reserves*	*Retained earnings*	*Total*
As at 1 April 2005	8,040,722	1,264,344	1,031,826	5,441	(1,934,925)	8,407,408
Input Credit for Service tax recognized (refer note no. 26)					3,239	3,239
As at 1 April, 2005 restated	8,040,722	1,264,344	1,031,826	5,441	(1,931,686)	8,410,647
Foreign Currency Translation				(108,732)		(108,732)
Loss during the year					(31,830)	(31.830)
Total Income and Expenses for theyear	–	–	–	(108,732)	(31,830)	(140,562)
Shares issued during the year	4,206,059		35,221,397			39,427,456
Advance received during the year		(1,264,344)				(1,264,344)
Share Issue Expenses			(2,951,279)			(2,951,279)
As at 31March 2006	12,246,781	–	33,301,944	(103,291)	(1,963,516)	43,481,918

Nature and Purpose of Reserves:

(a) Share premium represents the premium paid by shareholders on issue of shares and is net of equity transaction costs. Under the Indian Companies Act, 1956 such a reserve has got a restricted usage.

(b) Other reserves represent exchange differences arising on translation from functional currency to presentation currency in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"

Great Eastern Energy Corporation Limited
(Amounts in US Dollars, except per share data and unless otherwise stated)

Statement of Cash Flows
for the year ended 31 March 2007

	Year ended 31 March *2007*	*2006*
A. Cash flows from operating activities		
Profit/(loss) after tax	(341,967)	(31,830)
Liabilities written back	–	(196,682)
Adjustments for:		
Interest Income	(1,301,275)	(916,936)
Depreciation	124,655	40,643
Amortization	14,852	–
Foreign Exchange Loss/(Gain)	(49,488)	9,093
Provisions	(155,849)	240,962
Income tax charge	–	2,732
Operating Profit before working capital changes	(1,709,072)	(852,018)
(Increase)/Decrease in other receivables	(939,167)	(300,650)
(Increase)/Decrease in prepayments	(250,577)	(192,339)
Increase/(Decrease) in payables & accruals	423,219	235,915
Net cash flows from operating activities	(2,475,597)	(1,109,092)
B. Cash flows from investing activities		
Cash paid for purchase of property, plant and equipment	(303,119)	(915,776)
Cash paid for Capital Work in Progress	(15,592,140)	(5,783,846)
Cash paid for purchase of Intangibles	(128,691)	(20,316)
Cash paid for purchase of Leasehold land	(31,036)	(29,395)
Proceeds/(Payments) on encashment/(acquisitions) of Short Term Bank Deposits (Net)	20,577,058	(21,078,711)
Interest Received from Investments	1,324,294	836,799
Net cash flows from investing activities	5,846,366	26,991,245
C. Cash flows from financing activities		
Cash Proceeds from issue of Shares	–	35,622,422
Repayments of borrowings	–	(121,400)
Net cash flows from financing activities	–	35,501,022
Net changes in cash & cash equivalents (A+B+C)	3,370,769	7,400,685
Cash and Cash Equivalents as on 1 April	7,350,980	1,756
Foreign Currency Translation Difference on Cash Balances	310,431	(51,461)
Cash and Cash Equivalents as on 31 March	11,032,180	7,350,980

(a) Cash and cash equivalents are same as that disclosed under note 10.

(b) Closing Cash and Cash equivalents include restricted deposits amounting to USD 29,239 (2006: USD 3,082,621). These are margin money deposits against letter of credit issued by banks on behalf of the Company. Restrictions on such deposits are released on the expiry of the terms of the respective arrangements.

1. CORPORATE INFORMATION

Great Eastern Energy Corporation Limited ('GEECL' or 'the Company') is a public limited company incorporated in India with its registered office at ID, 'Bally High', 1 Ballygunge Park Road, Kolkata, India. The financial statements of the Company for the year ended 31 March 2007 were authorised for issue in accordance with a resolution of the directors on 5 June 2007. GEECL is a public limited company incorporated in India, with shares listed as Global Depository Receipts in the Alternate Investment Market, London.

The Company was incorporated in 1992 to explore, develop, distribute and market Coal Bed Methane or CBM in India. GEECL originally entered into a license agreement in December 1993 with Coal India Limited (CIL) for exploration and development of CBM over an area of approximately 210 Sq. km (approximately 52,000 acres) in the Raniganj coalfields of West Bengal (the Block). Following the transfer of CBM administration in India from the Ministry of Coal to the Ministry of Petroleum and Natural Gas (MoPNG), the Company entered into the existing CBM production sharing contract (PSC) on 31 May 2001 for the Block.

The PSC is effective from 9 November 2001 as a result of the granting by Government of West Bengal of the Petroleum Exploration License on the same date and provides for a five year initial assessment and market development phase, followed by a five year development phase and then a twenty-five year production phase, extendable with the approval of the Government of India (GOI). The PSC also provides that the Company can produce gas during any phase with the prior approval of the GOI. GEECL is currently still in the exploratory and market development phase, with dewatering and production testing underway. To date, 3 Pilot wells, 20 production wells and 8 core holes have been drilled.

2. (i) ***Basis of Preparation***

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The financial statements have been prepared on a historical cost basis. The financial statements are presented in $ and all values are rounded to the nearest US dollar except when otherwise indicated.

(ii) ***Statement of Compliance***

The financial statements of Great Eastern Energy Corporation Ltd. have been prepared on the basis of all the IFRSs effective for the company's reporting for the year ended 31 March 2007.

(iii) ***Changes in Accounting Polices***

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations (wherever applicable) did not have any effect on the financial position of the company. They did however give rise to additional disclosures.

- IFRS 6 Exploration for and Evaluation of Mineral Resources
- IAS 19 Amendment-Employee Benefits.
- IFRIC 4 Determining Whether an Arrangement Contains a Lease
- IAS 21 Amendment – The Effects of Changes in Foreign Exchange Rates. The amendment is not relevant to the Company's operations.
- IAS 39 Amendments – Financial Instruments: Recognition and Measurement. The amendment is not relevant to the Company's operations.

- IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006). IFRIC 5 is not relevant to the Company's operations.

- IFRIC 6 Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment (effective from 1 December 2005). IFRIC 6 is not relevant to the Company's operations.

  The principal effects of these changes are as follows:

- IFRS 6 Exploration for and Evaluation of Mineral Resources

  IFRS 6 ("Exploration for and Evaluation of Mineral Resources") is applicable to the company with effect from 1 January 2006. However, since the technical feasibility and commercial viability of extracting CBM (the mineral resource) have been demonstrated before the application of IFRS-6, the provisions of the standard are not applicable to the company

- IAS 19 *Employee Benefits*

  As of 1 April 2006, the Company adopted the amendments to IAS 19. As a result, additional disclosures are made providing information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the components of the defined benefit cost. This change has resulted in additional disclosures being included for the years ending 31 March 2007 and 31 March 2006 but has not had a recognition or measurement impact, as the Company chose not to apply the new option offered to recognize actuarial gains and losses outside of the income statement.

- IFRIC 4 *Determining Whether an Arrangement contains a Lease*

  IFRIC 4 requires determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The leasing arrangements have been assessed with respect to this amendment and necessary disclosures have been made. (Please refer note 21 below).The adoption of above did not affect the Company's results of operations or financial position.

(iv) ***Significant accounting judgments and estimates***

Critical judgments in applying the entity's accounting policies

The Company invests in the development and production of coal bed methane gas. The assessment as to whether this expenditure will achieve a complete product for which the technical feasibility is assured is a matter of judgment, as is the forecasting of how the product will generate future economic benefit. Finally, the period of time over which the economic benefit associated with the expenditure occurred will arise is also a matter of judgment.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Pension and Other Post Employment Benefits**

  The cost of defined benefit pension plans and other post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 31 March 2007 is $40,122 (2006: $33,390). Further details are given in Note 12.

- **Income taxes**

  The Company is subject to the provisions of income taxes. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for experience based adjustment on taxation issue which are open at the year end. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which tax determination is made.

- **Deferred Tax Assets**

  Deferred Tax Assets have not been recognized for all unused tax losses as it is not probable that taxable profit will be available against which such losses will be utilized. The carrying value of recognized tax losses and further details are contained in Note 13.

(v) ***Summary of Significant Accounting Policies***

(a) *Foreign currency translation*

- Functional and presentation Currency-The financial statements are presented in $, which is the Company's presentation currency. The functional currency of the Company is INR. The Company converts INR balances to $ equivalent balances.Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Indian Rupee (INR). The financial statements are presented in United States dollars, which is the presentation currency. For the purpose of conversion from the functional currency to the presentation currency the assets and liabilities except for equity for each balance sheet presented is translated at the closing rate at the date of that balance sheet. Income and expense for each income statement presented are converted using a periodic weighted average rate. All resulting exchange difference is recognized as a separate component of equity. (Refer Note No.27)

- Transactions and Balances- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated into functional currency at the exchange rates ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items or translation at rates that are different from those at which they were initially recorded, are recognized as income or expense in the period in which they arise. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(b) *Property, Plant and Equipment*

Plant, equipment and buildings are stated at historical cost including intial estimate of dismantling and site restoration cost, less accumulated depreciation and any impairment in value. Land is measured at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year.

Capital Work in progress
Expenses incurred for developing and constructing wells are capitalized and included under the head Capital Work-in-progress until the wells are ready for their intended use. The cost of drilling, wire line logging and perforation services, cementing and fracturing services, which have been outsourced, has been taken to Well Development Costs. Besides, all other expenses incurred with respect to developing and constructing wells are capitalized and included under Capital Work in progress. Once the wells are ready for their intended use depreciation is charged on the Unit of Production method.

Inventories consumed and lying in stock for the purpose of Well Development are grouped as part of Capital Work in progress. These items are not meant for sale in the ordinary course of business or for use as supplies in the production process of saleable Gas, but are to be used towards Well Development and hence, are treated as Capital Work in Progress.

(c) *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

(d) *Intangible Assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Company's intangible assets is as follows:

- Gas Exploration Rights are capitalized at historical costs.
- Computer Software-Costs associated with identifiable and unique software products controlled by the Company having probable economic benefits exceeding the costs beyond one year are recognized as intangible assets. Costs incurred during the development stage of computer software are shown as intangible assets under development and are not amortized till the software is ready for its intended use. These costs are amortized using the straight line method over their useful lives not exceeding 5 years:

	Gas exploration rights	*Computer Software*
Useful lives	Finite	Finite
Amortisation Method used	Currently, since the asset is not ready for its intended use, no amortization is being done.	Amortized on a straight line basis over the period of 5 years
Internally generated or acquired	Acquired	Acquired
Impairment testing/ recoverable testing	Annually	Where an indicator of impairment exists
Unamortized Period	Twenty five years	Four and half years

(e) *Leasehold Land*

Lease hold land represents prepayment of lease rentals for land taken on lease. The same is recognised at cost. Prepaid lease rent is charged over the period of lease.

(f) *Financial assets*

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

(i) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(g) *Impairment of financial assets*

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) *Assets carried at amortized cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(h) *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) *Derecognition of financial assets and liabilities*

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

- *Financial liabilities*

  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

  Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) *Provisions*

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as other finance expense.

(k) *Employee costs, Pensions and other post-employment benefits*

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the company.

The Company has three retirement benefit plans in operation Gratuity, State Administered Provident Fund and Superannuation. Superannuation and Gratuity are unfunded. The cost of providing benefits under superannuation and gratuity is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense as and when they arise. The method of recognition of acturial gain/losses, when the net accumulative unrecognised acturial gains and losses for each individual plan at the end of the previous reporting period exceeded 10 per cent. of the higher of the defined benefit obligation and the fair value of plan assets at that date is not followed by the Company.

The State Administered Provident Fund is a defined contribution scheme whereby the company has to deposit a fixed amount to the fund every month.

(l) *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(i) There is a change in contractual terms, other than a renewal or extension of the arrangement.

(ii) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term.

(iii) There is a change in the determination of whether fulfillment is dependant on a specified asset.

(iv) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (i), (iii) or (iv) and at the date of renewal or extension period for scenario (ii).

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRJC 4.

• *Company as a lessee*

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Lease where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(m) *Interest income*

Income is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(n) *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are adjusted against the carrying amount of the related asset.

(o) *Taxes*

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(p) *Equity instruments*

Equity instruments, convertible into fixed number of equity shares at a fixed predetermined price, and which are exercisable after a specific period, are accounted for as and when such instruments are exercised. The transaction costs pertaining to such instruments are adjusted against equity.

(q) *Segment Reporting*

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of components operating in other economic environments. A Business Segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company considers that it operates in a single geography being India and in a single business segment being the production and sale of gas.

(r) *Financial risk management*

The Company's activities expose it to a variety of financial risks; market risk (for example, currency risk, interest rate risk and liquidity risk).

- Currency Risk

  The Company is exposed to currency risk on contracts relating to purchase of services for development of wells, which are denominated in $, whereas the functional currency of the Company is INR. The Company does not have a practice of taking any cover against such exposures at present. The Company's exposure to commodity price risk is minimal at present as it is at a very preliminary stage of operations and activities.

- Interest rate risk

  The Company has a practice of borrowing funds at fixed rates of interest, which exposes it to interest rate risk. The Company does not enter into derivative financial instruments to hedge its exposure to such interest rate risk.

- Liquidity risk

  Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

- Credit risk

  The Company has not yet commissioned the production facilities commercially. Long term arrangements with the customers are being deliberated on and the Company intends to scrutinize transactions in a commercially viable manner to mitigate any possible credit risk.

(Amounts in US Dollars, except per share data and unless otherwise stated)

3. Property, Plant and equipment

	Freehold Land	*Building*	*Plant & Machinery*	*Furniture, Fixture & Office Equipment*	*Vehicles*	*Total*
Carrying amount as at 1 April 2005, net of accumulated depreciation	20,294	28,207	37,847	9,577	5,804	101,729
Additions during the year	37,336	423,256	384,376	31,172	103,961	980,101
Disposals/Retirements			(240)	(355)		(595)
Exchange Fluctuation	(441)	(393)	(724)	(184)	(112)	(1,854)
Depreciation charge for the year		(8,609)	(21,542)	(2,732)	(6,858)	(39,741)
As at 31 March 2006, net of accumulated depreciation	57,189	442,461	399,717	37,478	102,795	1,039,640
Carrying amount as at 1 April 2006, net of accumulated depreciation	57,189	442,461	399,717	37,478	102,795	1,039,640
Additions during the year	79,901		96,987	28,800	797	206,485
Disposals/Retirements						
Exchange Fluctuation	1,338	10,033	9,326	916	2,186	23,800
Depreciation charge for the year		(15,619)	(56,787)	(6,000)	(10,495)	(88,901)
As at 31 March 2007, net of accumulated depreciation	138,428	436,875	449,243	61,194	95,283	1,181,024
As at 1 April 2006						
Gross Carrying Amount	57,189	456,199	456,040	49,720	111,925	1,131,073
Accumulated Depreciation		(13,738)	(56,323)	(12,242)	(9,130)	(91,433)
Net Carrying Amount	57,189	442,461	399,717	37,478	102,795	1,039,640
As at 31 March 2007						
Gross Carrying Amount	138,428	466,232	562,353	79,436	114,909	1,361,358
Accumulated Depreciation	–	(29,357)	(113,110)	(18,242)	(19,625)	(180,334)
Net Carrying Amount	138,428	436,875	449,243	61,194	95,284	1,181,024

Note:

(i) The estimated useful lives of property, plant and equipment are:

Class of Asset	*31 March 2007 (yrs)*	*31 March 2006 (yrs)*
Buildings	30	30
Plant & Machinery	5–10	5–10
Furniture, Fixture & Office Equipment	5–15	5–15
Vehicles	10	10

(ii) Depreciation amounting to $45,757 (2006: $18,874) has been transferred to Capital work in progress.

(iii) The carrying value of buildings acquired under finance lease at 31 March 2007 is $275,503 (2006: $283,372).

(iv) Items of stores and spares included in Property, Plant and Equipment are net of excise duty and customs duty which have been exempted by the Government of India and are being treated as Government Grants. The Company enjoys exemption from paying Excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India. The amount of such exemption relating to items of Property, Plant and Equipment is as follows:

Particulars	*As at 31 March 2007*	*As at 31 March 2006*
Towards Excise Duty	11,198	–
Towards Customs Duty	8,375	778,511
Total	19,573	778,511

There are no unfulfilled conditions or contingencies attaching to these grants.

(Amounts in US Dollars, except per share data and unless otherwise stated)

4. Capital Work In Progress

	As at 31 March 2007	*As at 31 March 2006*
Cost as at beginning of the year (reinstated)	15,418,158	8,580,338
Additions during the year	15,411,494	7,002,217
Disposals	(22,195)	–
Exchange Fluctuation	1,106,170	(164,397)
Cost as at end of the year	31,913,627	15,418,158

Notes:

(i) The company has disclosed certain items as Inventory in its annual financial statements for the year ended 31 March 2006; however, these items have now been grouped as part of Capital Work in Progress as on 31 March 2007. Inventory amounting to $2,766,311 (2006:$376,932) has been accordingly included in Capital Work in Progress. These items are not meant for sale in the ordinary course of business or for use as supplies in the production process of saleable Gas, but are towards Well Development and hence, are treated as Capital Work in Progress. This regrouping has no impact on the operating results of the company and on earnings per share.

(ii) Items of stores and spares included in Capital Work in Progress are net of excise duty and customs duty which have been exempted by the Government of India and are being treated as Government Grants. The Company enjoys exemption from paying Excise duty and Customs Duty on the purchase of goods under the Deemed Export category as per EXIM policy of the Government of India. The amount of such exemption relating to items of Capital Work in Progress is as follows:

Particulars	*As at 31 March 2007*	*As at 31 March 2006*
Towards Excise Duty	15,360	7,973
Towards Customs Duty	1,199,974	160,355
Total	1,215,334	168,328

There are no unfulfilled conditions or contingencies attaching to these grants.

(iii) During the year ended 31 March 2007, the Company has written down damaged and unusable materials amounting to $22,195 (2006:NIL). The same has been disclosed under Disposals in the above schedule.

(Amounts in US Dollars, except per share data and unless otherwise stated)

5. Intangible Assets

	Gas Exploration Right	*Computer Software*	*Total*
As at 1 April 2005			
Cost as at 31 March 2005, net of accumulated amortisation	228,571	20,175	248,746
Additions during the year			
Disposals/Retirements			
Exchange Fluctuation	(4,406)		(4,406)
Amortisation charge for the year			
As at 31 March 2006, net of accumulated amortisation	224,165	20,175	244,340
Additions during the year		128,681	128,681
Disposals/Retirements			
Exchange Fluctuation	5,245	5,156	10,401
Amortisation charge for the year		(14,851)	(14,851)
As at 31 March 2007, net of accumulated amortisation	229,410	139,161	368,571
As at 31 March 2006			
Cost	224,165	20,175	244,340
Accumulated amortization			
Net Carrying Amount	224,165	20,175	244,340
As at 31 March 2007			
Cost	229,410	154,622	384,032
Accumulated amortization		(15,461)	(15,461)
Net Carrying Amount	229,410	139,161	368,571

Note:

(i) Additions to Computer Software include additional SAP user licence costs acquired during the year. It has a finite useful life and is amortised as per the company's amortisation policy, over a period of 5 years.

6. Prepayments

	As at 31 March 2007	*As at 31 March 2006*
Prepayments for leasehold land	66,122	36,768
	66,122	36,768

Note:

(i) Leasehold land represent non current portion of payments made for taking land on lease for 30-51 years for the Company's site at Asansol, West Bengal, India.

7. Other Financial Assets – Non Current

	As at 31 March 2007	*As at 31 March 2006*
Advances recoverable in cash or in kind or for value to be received	2,580	2,522
Other Deposits	55,109	41,826
Total	57,689	44,348

(Amounts in US Dollars, except per share data and unless otherwise stated)

(i) Other Financial Assets includes Advance to Employees & Security Deposit to Others (Receivable from a related party $27,254 (2006: $26,331)). These are non-interest bearing balances.

(ii) Advances and Deposits are due within three years and are carried at amortised cost.

(iii) Terms and conditions with the related party are mentioned in the note no 28.

8. Prepayments

	As at 31 March 2007	*As at 31 March 2006*
Advances to Vendors	455,293	190,256
Less : Impairment of Prepaid Advances	(49,631)	(48,496)
Advances to vendors (Net)	405,662	141,760
Prepaid Expenses	52,774	52,751
Leasehold Land	1,493	788
	459,929	195,299

Notes:

(i) As at 31 March 2007, Advance to Vendors at nominal value of $49,631 (2006: 48,496 USD) were impaired and fully provided for. Movements in the provision for impairment of advances were as follows:

	As at 31 March 2007	*As at 31 March 2006*
As at beginning of the year	48,496	49,449
Exchange difference on translation	1,135	(953)
As at end of the year	49,631	48,496

(ii) Leasehold Land represent current portion of payments made for taking land on lease for 30–51 years for the Company's site at Asansol, West Bengal, India.

9. Other Financial Assets – Current

	As at 31 March 2007	*As at 31 March 2006*
Advances recoverable in cash or in kind or for value to be received	3,201	–
Short term bank Deposits	3,788	20,932,233
Other Deposits	7,019	80,144
Service Tax/Tax Receivable (refer to note 26)	954,423	213,254
Total	968,431	21,225,631

Notes :

1. Advances recoverable include Advance to Employees. These are non-interest bearing balances.
2. The carrying amounts of other current assets are representative of their fair values at respective balance sheet dates and have an original maturity period of less than a year.
3. Terms and conditions with the related party are mentioned in the note no. 28.

10. Cash and cash equivalents

	As at 31 March 2007	*As at 31 March 2006*
Cash at banks and in hand	105,748	4,271,906
Short Term Deposits	10,926,432	3,079,074
Total	11,032,180	7,350,980

Notes:

(i) Cash at banks is non-interest bearing.

(ii) Short-term deposits are made for varying periods ranging from one day to two months depending on the immediate cash requirements of the Company, and earn fixed interest at the respective short-term deposit rates. These short term deposits are exposed to fair value interest rate risk.

(iii) The carrying amounts of Cash and cash equivalents are representative of their fair values as at the respective balance sheet dates.

(iv) Fixed deposits with banks include $29,239 (2006: $3,082,621) kept as margin money deposits against letter of credit issued by banks on behalf of the Company. Restrictions on such deposits are released on the expiry of the terms of the respective arrangements.

11. Share Capital

	As at 31 March 2007	*As at 31 March 2006*
Share Capital		
Authorised		
650,000,000 ordinary shares of INR. 1 each [USD equivalent 0.0226 (2006:0.0228)]	14,724,745	12,571,429
Issued, Subscribed and Paid-up		
544,619,499 ordinary shares of INR. 1 each	12,246,781	12,246,781

	Share (Number)	*Value (US Dollars)*
At 1 April 2005	358,436,900	8,040,722
Issued on 14 April 2005 on preferential basis for cash for INR 1 each (USD equivalent 0.223)	60,613,573	1,385,453
Issued on 13 September 2005 on preferential basis for cash for INR 1 each (USD equivalent 0.223) on conversion of warrants	65,569,026	1,498,554
Issued on 13 December 2005 on preferential basis for cash for INR 1 each (USD equivalent 0.223) against 120,00,000 GDRs	60,000,000	1,322,052
At 31 March 2006	544,619,499	12,246,781
At 1 April 2006	544,619,499	12,246,781
At 31 March 2007	544,619,499	12,246,781

Notes:

(i) During the year ended 31 March 2006, the Company has issued 126,182,599 equity shares of Re 1/- each to various investors in India and abroad on preferential/private placement basis. An amount of USD 1,179,651 representing the expenses on this issue has been adjusted against the share premium account. Out of above, names of holders of 65,569,026 equity shares of Re. 1/- each have been entered into register of members on surrender of share warrants.

(ii) During the year ended 31 March 2006, the Company has issued Global Depository Receipts (GDR's) comprising of 12,000,000 GDRs against fresh issue of 60,000,000 equity shares of Re. 1 each and 6,803,504 sponsored GDRs representing 34,017,520 equity shares offered by the existing shareholders of the company, at a price of 101 pence per GDR.These GDR's have been listed in Alternative Investment Market (AIM) of the London Stock Exchange. A part of the GDR issue expenses amounting to USD 984,489 incurred by the Company were recovered from the proceeds of the sponsored GDRs on a proportionate basis and the balance remitted to the shareholders who had offered their shares for sale under the sponsored GDR scheme. An amount of USD 1,771,628 representing the balance issue expense has been adjusted against the share premium account.

(Amounts in US Dollars, except per share data and unless otherwise stated)

(iii) During the year ended 31 March 2007, the Company has increased its Authorized Share Capital by $2,153,316 comprising of 100,000,000 equity shares of INR 1 each.

(iv) During the year ended 31 March 2007, the Company has issued sponsored Global Depository Receipts (GDRs) comprising of 57,418,843 GDRs against 287,094,215 equity shares of Re 1 each offered by the existing shareholders of the company, at a price of 127.50 pence per GDR.These GDRs have been listed in the Alternative Investment Market (AIM) of the London Stock Exchange. However, this does not increase the amount of issued capital of the Company.

12. Employee Benefit Obligations

The company has two post employment unfunded benefit plans, namely gratuity and superannuation and one state administered fund, which is a funded plan.

Gratuity

Gratuity is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation.

Superannuation Plan

The Superannuation (pension) plan for the company is a defined benefit scheme where the eligible employees are entitled to 15 per cent. of salary every year. These entitlements will accumulate the rate of interest prevailing at the time of retirement/resignation/termination. At the time of retirement, termination or separation of employee, accumulated entitlement (including interest) will be utilized to buy pension annuity from an insurance company. The company makes provision of such pension liability in the books of accounts on the basis of actuarial valuation.

Provident Fund

The State administered Provident Fund is a defined contribution scheme whereby the company deposits an amount determined as a fixed percentage of basic pay to the fund every month.

Vacation Benefit

Vacation benefit comprises of leave balances accrued by employees. The Leave balance is not en-cashable*. These balances can be accumulated up to a maximum of 60 days and carried forward for 2 years. The leave lapses after 2 years if unutilized, on the employee leaving the Company or on retirement. Vacation benefit has been measured at cost to the Company basis.

Leave pay expenses amounted to $21,614 and $20,530 for the years ended 31 March 2006 and 2007 respectively. Accrued employee cost includes $40,105 and $70,817 leave pay obligation of GEECL as of 31 March 2006 and 2007 respectively.

* except for 3 employees under the old policy.

The following tables summarize the components of net benefit expense recognised in the income statement and the amounts recognised in the balance sheet for the respective plans.

Net benefit expense/(gain)

	For the year ended 31 March 2007		*For the year ended 31 March 2006*	
	Superannuation Plan	*Gratuity Plan*	*Superannuation Plan*	*Gratuity Plan*
Current service cost	8,330	4,634	12,938	6,047
Interest cost on benefit obligations	1,518	738	954	332
Expected return on plan assets	–	–	–	–
Actuarial (gains)/losses recognised in the period	(6,917)	(2,069)	–	80
Past service costs	–	–	–	–
Total	2,931	3,303	13,892	6,459

(Amounts in US Dollars, except per share data and unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended 31 March 2007		*For the year ended 31 March 2006*	
	Superannuation Plan	*Gratuity Plan*	*Superannuation Plan*	*Gratuity Plan*
Opening defined benefit obligation	23,386	10,004	9,311	3,477
Current service cost	8,330	4,634	12,938	6,047
Interest cost	1,518	738	954	332
Actuarial (gains) and losses	(6,917)	(2,069)	-	80
Exchange Fluctuation	667	(169)	183	68
Benefits paid	–	–	–	–
Closing defined benefit obligation shown below:	26,984	13,138	23,386	10,004
Particulars				
Salary growth	Not Applicable	5%	Not Applicable	3.00%
Inflation Factor	Not Applicable	2%	Not Applicable	2.00%
Discount rate	Not Applicable	7.50%	Not Applicable	7.50%

	Superannuation Plan (March 31)				
	2007	*2006*	*2005*	*2004*	*2003*
Defined Benefit obligations	26,984	23,386	9,311	5,805	3,816
(Deficit)/Surplus	26,984	23,386	9,311	5,805	3,816
Experience Adjustment on plan liabilities	0%	0%	0%	0%	0%

	Gratuity Plan (March 31)				
	2007	*2006*	*2005*	*2004*	*2003*
Defined Benefit obligations	13,138	10,004	3,477	1,867	966
(Deficit)/Surplus	13,138	10,004	3,477	1,867	966
Experience Adjustment on plan liabilities	12.25%	0%	7.52%	2.11%	0%

13. Taxes

(i) Advance tax represents tax deducted at source on interest income and from deposits with banks. These are refundable from the Government on completion of tax proceedings of the respective years.

(ii) A reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2007 and 2006 has not been disclosed as there is no current tax expense and no deferred tax expense/(income) during the year ended 31 March 2007 and 31 March 2006.

(iii) The Company is entitled to Tax holiday for 7 years under sec. 80IB (9) under the Indian Income Tax Act which is expected in the future once the commercial production commences.

(iv) Deferred Income Tax as on 31 March 2007 related to the following:

	Balance Sheet		*Income Statement*	
	31 March 2007	*31 March 2006*	*31 March 2007*	*31 March 2006*
Deferred tax (liability)				
Accelerated depreciation for tax purposes	(77,992)	(18,372)	(77,992)	(18,372)
Total	(77,992)	(18,372)	(77,992)	(18,372)

(Amounts in US Dollars, except per share data and unless otherwise stated)

	Balance Sheet		*Income Statement*	
	31 March 2007	*31 March 2006*	*31 March 2007*	*31 March 2006*
Deferred income tax assets				
Liabilities for various expenses that are deducted for tax purposes only when paid	–	18,372	–	24,744
Unused tax credit – Unabsorbed Depreciation	77,992	–	91,237	
Total	77,992	18,372	91,237	24,744
Deferred Tax Asset restricted to Deferred Tax Liability	–	–	–	–
Net Deferred Tax (Liability)/Asset	–	–	–	–
Deferred income tax income/(expense)	–	–	–	(2,732)

(v) Deferred tax asset has not been recognized on unused tax losses as the same will expire during the tax holiday period which the company enjoys.

(vi) The deferred tax in respect of temporary differences which originates during the tax holiday period and reversed during the tax holiday period has not been recognized.

(vii) The following are the unused tax losses, and unused tax credits (on account of unabsorbed depreciation) for which no deferred tax asset is recognised in the balance sheet:

Particulars	*As at 31 March 2007*	*As at 31 March 2006*	*Expiry Date*
Unused Tax Losses			
2005–2006	138,017	134,861	2013–2014
2006–2007	309,324	–	2014–2015
Unused Tax Credits-Towards Unabosrbed Depreciation			
2005–2006	158,876	156,329	Can be carried forward for a unlimited time
2006 – 2007	109,497		-do-
Total	715,714	291,190	

(viii) The tax rate has been increased by from 33.66 per cent. to 33.996 per cent. on account of 1 per cent. increase towards higher education cess.

14. Trade and other payable

	As at 31 March 2007	*As at 31 March 2006*
Trade Payables	1,901,107	1,693,715
Other Payables	123,426	337,204
Employee Benefit Liability	196,967	40,106
Other Liabilities	166,369	100,548
Total	2,387,869	2,171,573

(Amounts in US Dollars, except per share data and unless otherwise stated)

Notes:

1. Trade and Other Payables are non-interest bearing and are generally payable within one year.
2. The carrying amounts of Trade and Other payables are representative of their fair values at respective balance sheet dates and are contractually payable within a period of 1 year or less.
3. Other liability includes amount deposits received, statutory dues and other miscellaneous dues.
4. Terms and conditions with the related party are mentioned in the note no. 28.

15. Provisions

	Provision for Site Demobilisation Current	*Provision for Site Restoration Non Current*
At 1 April 2005	48,643	4,571
Arising during the year	169,366	8,969
Exchange Fluctuation	–	(90)
Utilised during the year	(48,643)	–
At 31 March 2006	169,366	13,450
At 1 April 2006	169,366	13,450
Arising during the year	25,373	30,848
Exchange Fluctuation	544	1,584
Utilised during the year	(181,518)	–
At 31 March 2007	13,765	45,882

Notes:

(i) Provision for Equipment Demobilisation

A provision is recognized in the accounts for demobilization of equipments payable to various service providers, as and when the equipments reach the site. All expenses under this provision are expected to be incurred within the next 12 months are treated as current expense.

(ii) Site Restoration Costs

A provision for restoring the land back to its originality is created by way of site restoration costs, on a well by well basis. Such expenses are provided when the wells have been drilled substantially. All expenses which are expected to be incurred within the next 12 months are treated as current expense. These are expected to be incurred when the company has commercially exploited the proved reserves of the well or when a well which has been drilled has been declared as a dead well. The provisions under this head are not discounted as the impact of the same is not expected to be material.

16. Other income includes foreign exchange fluctuation on imports during the year

(Amounts in US Dollars, except per share data and unless otherwise stated)

17. Administrative and general expenses

	For the year ended 31 March 2007	*For the year ended 31 March 2006*
Depreciation	28,682	20,867
Amortisation of Computer Software	14,851	–
Exchange Fluctuation (Net)	–	9,082
Audit fees	56,102	39,503
Employee Benefit Expenses (Refer Note No. 18)	294,330	96,289
Training Expense	32,170	–
Electricity Charges	12,425	10,463
Repairs & Maintenance	37,291	28,003
Insurance	52,553	22,243
Rent	92,175	79,438
Rates & Taxes	24,647	7252
Postage, Printing & Stationery	7,035	13,367
Telephone/Fax Charges	30,834	20,968
Travelling & Conveyance	218,241	247,017
Advertisement & Publicity	14,479	–
Consultancy Charges	432,902	275,301
Survey and Information Expenses	91,917	–
Fee & Legal Charges	40,855	1,012
Loss on disposal of items of Property Plant & Equipment	22,195	–
Director Remuneration	91,532	128,753
Sitting Fees	13,221	13,318
Freight & Cartage	–	747
Miscellaneous Expenses	75,762	124,679
Total	1,684,199	1,138,302

Note:

1. Personnel expenses include amounts paid under defined contributions schemes amounting to $18,122 (2006: $19,212).

18. Employee Benefit Expenses

	For the year ended 31 March 2007	*For the year ended 31 March 2006*
Wages and salaries	272,105	75,938
Social Security	18,122	19,212
Other pension cost	4,103	1,139
Total	294,330	96,289

Note:

1. Other pension cost as above is exclusive of $2,131(2006: NIL) debited to Capital Work in Progress.

19. Loss per Share

Basic Loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

(Amounts in US Dollars, except per share data and unless otherwise stated)

The following reflects the income and share data used in the computation of basic loss per share calculation:

	For the year ended 31 March 2007	*For the year ended 31 March 2006*
Loss after tax attributable to equity share holders for the year	341,967	31,830
Weighted average number of ordinary shares for basic loss per share	544,619,499	470,737,675
Diluted weighted average number of shares	544,619,499	470,737,675
Basic & Diluted Loss per Share – after rectification of error Vide Note No. 26	0.0006279	0.0000676
Basic & Diluted Loss per Share – before rectification of error Vide Note No. 26	0.0005976	0.0000961

20. Segment Reporting

The Company operates in a single geographical segment, being India, and in a single business segment, being the production and sale of gas. Hence, no separate segment information has been furnished herewith.

21. Leases and Arrangements containing lease

The Company has entered into Equipment lease and other arrangements with various contractors for development of its wells, whereby the specific assets leased by the contractors are used only at the company's well development site and such arrangements convey the right to use the assets. Some of these arrangements contain lease as per IFRIC 4. The significant terms and arrangements are described below.

(a) Drilling Rig has been taken on Lease from John Energy Limited, for a six months period. The arrangements have terms describing the operating rate per hour, the standby rate per hour and the repair rate per hour. The Lease arrangement is not cancelable and terminates only on happening of a '*force majeure*' event. The total lease payments made under this contract during the period are 283,025 (2006: NIL).

The future minimum rentals payable under such type of lease are:

	As at 31 March 2007	*As at 31 March 2006*
Within one year	122,792	Nil
After one year but not more than five years	Nil	Nil

(b) Wire-line logging of Core holes has been contracted to Scintrex Geophyscial Services (India) Private Limited, which includes hiring of drilling equipments along with the services of its crew. The lease terms include rate of equipments hiring along with the payments towards non-lease elements. The Lease arrangement is not cancelable and terminates only on happening of a '*force majeure*' event. There are no specific terms of renewal or purchase options and escalation clauses. There are no other restrictions imposed in the arrangement. The work has been completed as on 31 March 2007 under this arrangement.

(c) The Wire-line logging and perforation services for Production Wells have been contracted to HLS Asia Limited. The terms of contract include separate payment arrangements towards lease and non-lease payments. The lease arrangement is cancelable at the option of either party to the contract. There are no specific terms of renewal or purchase options and escalation clauses. There are no other restrictions imposed in the arrangement.

(d) The Company has entered into two different arrangements with Mitchell Drilling Operations PTY Limited and Mitchell Drilling International PTY Limited for drilling of production wells and core holes respectively. The terms of contract include comprehensive payment rates to include both lease and non-lease elements which are not separable. The arrangement is cancelable at the option of either party to the contract. There are no specific terms of renewal or purchase options and escalation clauses. There are no other restrictions imposed in the arrangement. The work has been completed on 6 October under these arrangements.

(Amounts in US Dollars, except per share data and unless otherwise stated)

(e) For Cementing and fracturing of wells, equipment and personnel from BJ Services Company Middle East Limited have been hired. The arrangement is cancelable at the option of either party to the contract. The terms of contract include separate payment arrangements towards lease and non-lease elements. There are no specific terms of renewal or purchase options and escalation clauses. There are no other restrictions imposed in the arrangement.

(f) Core hole desperation study, has been contracted to CMRI Dhanbad and bore hole testing including permeability tests of the coal seams have been arranged with Mesy India Pvt. Ltd. Under both the arrangements equipment and personnel have been hired by the service providers. The arrangement is cancelable at the option of either party to the contract. There are no specific terms of renewal or purchase options and escalation clauses. There are no other restrictions imposed in the arrangement.

The above mentioned arrangements include non-lease elements also and are being treated as well development costs along with other costs. The segregation of lease and non-lease elements under some of these arrangements is not possible. The details of total expenses during the year ended 31 March 2007 are as follows:

Nature	*31 March 2007*	*31 March 2006*
Towards Minimum Lease payments:		
Cementing and Fracturing Charges	2,772,810	616,174
Logging and Wire line charges	1,205,941	88,423
Towards Lease payments under arrangements where lease and non-lease payments are combined		
Well Testing Charges	95,841	17,534
Drilling Charges (including core hole drilling)	4,235.455	211,876

(g) The company has taken a building on finance lease, the net carrying amount of which is $275,503 (2006: $283,372). The entire consideration has been paid during the previous year and there are no future lease rentals payable.

(h) The Company has acquired a property under an operating lease for an initial period of three years renewable by mutual consent on mutually agreeable terms. The lease is also cancelable at the option of either party by serving of appropriate notice. The lease rental of $90,186 (2006: $48,759) incurred has been charged to the profit and loss account.

(i) The Company has acquired Compressors on operating lease, which is cancelable subject to certain conditions. The lease period is of two years and is further renewable for the same period of time. The lease rental of $17,717 (2006: Nil) has been paid as advance during the year.

(j) The Company has taken. Land on lease on which the Wells are being developed. The lease period ranges from 30 – 51 years. The entire amount of consideration as lease premium has been paid upon acquisition. The premiums paid as on 31 March 2007 is $67,615 (2006: $37,556), which has been disclosed respectively under the current and non-current assets.

(Amounts in US Dollars, except per share data and unless otherwise stated)

22. Commitments and Contingencies

		Year Ended 31 March 2007 Rs.	*Year Ended 31 March 2006 Rs.*
Claims made against the Company not acknowledged as debt.			
Claims made by Contractors			
(i)	M/s Adkins Services Inc. (Refer Note no. 22(a))	6,379,904	6,234,028
(ii)	Claims made by Government of India (Ministry of Petroleum & Natural Gas) (Refer Note no. 22(b))	154,373	91,908

Future cash outflows in respect of the above are determinable on receipt of judgements/decisions pending with various forum/authorities.

(a) Prepayments (Current) include $49,630 (31 March 2006 – $48,496) recoverable M/s Adkins Services Inc., (Adkins), a drilling contractor which has been fully impaired. The contract with Adkins was terminated by the Company on the ground of non-performance and continued breach of contract. The Company in addition to the above amount has made a claim of $4.54 million (31 March 2006 – $4.44 million) for damages on account of delay in providing the services by the said contractor. The Contractor has also filed a counter claim of $6.38 million (31 March 2006 – $6.23 million) against the Company for loss of profit, damages etc which the Company disputes. The contractor has also claimed, interest at the rate of 15 per cent. per annum from August 2004 till the date of realization, interim award and costs incurred on litigation. The Company had filed an application before Hon'ble High Court at Calcutta for the appointment of Presiding Arbitrator for the arbitral proceedings to be started. The Hon'ble High Court at Calcutta vide its order dated 18 March 2004 has appointed the Presiding Arbitrator. Necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

(b) The Directorate General of Hydrocarbons, Government of India, has raised claims amounting to $94,058 (31 March 2006 – $91,908) towards additional fee for Gas Exploration Licence. The Company has taken a legal opinion on the possibility of liability against the claim devolving on the company. In view of such opinion, which is in favor of the Company, the claim has been treated as a contingent liability. During the period, DGH has also raised claim towards interest on the amount of shortfall, since the date of the contract. Such additional amount of interest comes to $209,271 (2006: $93,278) computed upto 31 March 2007, which along with the original claim has been treated by the Company as a Contingent Liability.

This dispute has been referred to Arbitration pursuant to the terms & conditions of the Production Sharing Contract signed with the Government of India. The arbitration proceedings have already been initiated.

23. Contingent Assets

The Company has entered into arrangements with Mitchell Drilling Operations PTY Limited for drilling of production wells. The work has been completed on 6 October under these arrangements. As per the terms of the agreement, the Company has paid mobilization cost $166,492 (2006: Nil), for drilling equipment to be brought at Company's site, subject to the condition that after completion of work is the same equipment is moved to another location within India, a proportionate amount would be reimbursed to the company by the overseas supplier. However, no' gain has been recognized in the financial statements since there is no virtually certainty of realization of such amount.

24. Capital Commitment

	As at 31 March 2007	*As at 31 March 2006*
Purchase of Land	58,968	50,661
Capital Assets	4,942,958	3,505,928

25. Business Developments

(a) The Company has applied for License for mining activity on the freehold and leasehold lands and is awaiting the receipt of such license.

(b) The work on Route Survey, Pipeline network and the Gas Gathering Station (GGS) has also commenced during the period. The survey and design work is nearing completion and the physical work has started in December 2006. The Company has awarded a contract to MECON Limited for providing project management and engineering services for this scheme. The GGS is expected to be operational by June 2007.

(c) The Company has entered into a Memorandum of Understanding with Indian Oil Corporation Limited (IOC) on 24 August 2006, for sale of Coal Bed Methane Gas and developing City Gas Distribution network including CNG retailing in the state of West Bengal in India. The terms and arrangements for sale of CBM Gas are under negotiation with IOC.

(d) The Company has issued letter of intent to M/S Schlumberger Asia Services Limited for Cementing and Fracturing of 20 new drill wells, and fracturing of additional 20 wells drilled in the previous campaign as on February 2007. The terms and conditions of the final contract are still being negotiated. The value of the contract will be approximately $16,021,440.

26. Tax Credit Receivable

The Company is eligible for Input Tax Credit for Service Tax paid by it on purchase of services, in accordance with the relevant Service tax rules in India, against Excise Duty to be paid by it once commercial sale of gas begins. Accordingly, $954,423 (2006: $213,254) have been recognised as current assets disclosed under current loans and advances, as Input Tax credit availed but yet to be utilized. The above amount includes $213,254 paid until 31 March 2006. As at 31 March 2006, these amounts were not separately treated as current assets but were partly grouped under Well Development Costs, and partly charged to Income Statement. The following accounting adjustments have been made for rectification of this error.

(a) For the amount of credit relating to earlier years ending on or before 31 March 2005, adjustment has been made to Well Development Costs $11,958 and Retained earnings $3,239, as applicable, as on 1 April 2005.

(b) For the amount relating to year ended 31 March 2006, adjustment has been made to Well Development Costs $184,620 and Administrative and General Expenses $13,437 as applicable, as at and for the period ended 31 March 2006.

27. Translation to Presentation Currency

The company has converted INR balances to $ equivalent balances on the following basis:

- For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:
  - as at 31 March 2007: $1 = INR 43.59
  - as at 31 March 2006: $1= INR 44.61
- For conversion of all expenses and income on income statement and the cash flow statement, for the respective periods, periodic average exchange rates have been used, which are as follows:
  - For the year ended 31 March 2007: $1 = INR 45.38
  - For the year ended 31 March 2006: $1 = INR 44.30
- For conversion of issued Share Capital and Share Premium, historical exchange rates prevailing on the respective dates of issue of shares have been taken into consideration.
- For conversion of authorized share capital, historical exchange rates prevailing on the respective dates of authorization of such share capital have been taken into consideration.

(Amounts in US Dollars, except per share data and unless otherwise stated)

28. Related Party Disclosures

		For the year ended 31 March 2007	*For the year ended 31 March 2006*
(a)	Shareholders having Significant influence	• YKM Holdings Pvt. Ltd. • YKM Holding International Limited • Bokel Investments Limited • CBM Investments Ltd.	• YKM Holdings Pvt. Ltd. • Bokel Investments Limited • CBM Investments Ltd.

(b) **The following tables provide the total amount of transactions which have been entered into with related parties during the years ended 31 March 2007 and 2006**

Related Party	*Lease rentals*	*Payment towards building of finance lease*	*Reimbursement of expenses*	*Provision of Services Lease premium*	*Amount owed to (receivable from) related Party*
YKM Holdings Pvt. Ltd:					
March 2007	123,168	–	279	3,477	(45,010)
March 2006			6,667	88,291	29,716
CBM Investment Ltd					
March 2007					
March 2006	12,78,781	–	–	–	–
Indian Purchase.com Infoware Limited:					
March 2007	(1,652)	–	3,012	–	92
March 2006	(1,652)		1,743		917
Khaitan & Co.:					
March 2007	–	–	–	51,066	(574)
March 2006				125,559	6,784
KNM Advisory Pvt. Ltd.					
March 2007	–	–	3,346	–	–
March 2006					
Bokel Investments Ltd					
March 2007	–	–	–	13,928	–
March 2006	–	293,725	–	8,369	–

Centurian Bank of Punjab Ltd.

	31 March 2007	*31 March 2006*
FD made/(matured) during the Year	(2,065,470)	936,295
Closing Balance	3,870,824	5,936,295

(c) ***Compensation paid to Key Management Personnel***

	As at 31 March 2007	*As at 31 March 2006*
(i) Short Term Employee Benefits	207,458	184,213
(ii) Post employment benefits	7,605	17,337
(iii) Defined Contribution Plan	7,741	9,672
Total compensation paid to key management personnel	222,804	211,222

The company has paid $13,765 (2006: $13,318) as sitting fees to the non-executive directors for attending various meetings.

(d) ***Terms and conditions of transactions with related parties***

The transactions with the related parties are made at normal market prices. Outstanding balances at the yearend are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2007, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2006: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after 1 April 2006 or later periods but which the Company has not early adopted, as follows:

(i) ***IFRIC 8, Scope of IFRS 2***

This IFRIC Interpretation 8, applicable for all accounting periods commencing on or after 1 May 2006, requires IFRS 2 to be applied to any arrangements where equity instruments are issued for consideration which appears to be less than fair value. The Company will apply IFRIC 8 from annual periods beginning 1 January 2007.

(ii) ***IFRS 7, Financial Instruments: Disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January* 2007)**

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from the financial statements, including specified minimum disclosures about credit risk, liquidity and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company will apply IFRS 7 from annual periods beginning 1 January 2007.

(iii) ***IFRS 8, Operating Segments***

IFRS 8 requires segment information to be disclosed based on the 'management approach' which means using the information reviewed by the key decision makers of an entity. The Companies would be required to identify operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The standard becomes effective from annual periods beginning 1 January 2007. Since the Company operates in a single geographical and business segment, management does not anticipate the application of this standard would have any impact on the financial statements.

(iv) ***IFRIC 9, Reassessment of Embedded Derivatives***

IFRIC 9 was issued in March 2006, and becomes effective for financial years beginning on or after 1 June 2006. This interpretation establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. The Company is still evaluating the effect of this interpretation and expects that adoption of this interpretation will have no impact on the Company's financial statement when implemented in 2007.

(v) ***IFRIC Interpretation 10, Interim Financial Reporting and Impairment***

This Interpretation addresses whether the frequency of reporting should affect the amount of any impairment charge recognised in an annual reporting period relating to goodwill, and some financial instruments. Since the company does not prepare or present interim financial statements, management does not expect any impact of this interpretation on the financial statements.

(vi) ***IFRIC 11, IFRS 2 – Group and Treasury Share Transactions***

The scope of IFRS 2 is wide and encompasses transactions where an entity's shareholders issue the entity's equity instruments as consideration for goods or services it has received, or the equity instruments of any entity within a group is issued as consideration.

(Amounts in US Dollars, except per share data and unless otherwise stated)

However, IFRS 2 itself contains no guidance about whether these transactions are accounted for as equity-settled or cash-settled transactions. Similar questions have arisen in cases where the entity uses treasury shares (acquired or held) to settle its commitments under share based payment transactions. This interpretation provides guidance in such situations becoming effective for annual periods beginning on or after 1 March 2007. The Company is still evaluating the effect of this interpretation and expects that adoption of this interpretation will have no impact on the Company's financial statement when implemented in 2007.

(vii) ***IFRIC 12, Service Concession Agreements***

This Interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements and is applicable with effect from annual periods commencing on 1 January 2008. The interpretation is not applicable to the company as it does not engage in such activities and hence the management does not expect any corresponding impact on the financial statements.

30. Financial instruments

Fair values

Set out below is a comparison by category of undiscounted amount and fair values of all of the company's financial instruments that are carried in the financial statements.

				Amount in US$
	Carrying value		*Fair Value*	
	2007	*2006*	*2007*	*2006*
Financial assets				
Non current assets				
Other Financial Assets – Non Current	57,689	44,348	57,689	44,348
Current assets				
Other Financial Assets – Current	968,431	21,225,631	968,431	21,225,631
Cash and Cash Equivalent	11,032,180	7,350,980	11,032,180	7,350,980
Financial liabilities				
Non current liabilities				
Current liabilities				
Trade and other payables	2,387,869	2,171,573	2,387,869	2,171,573

31. Figures of the previous period have been regrouped/rearranged wherever considered necessary (Please Refer Note Nos. 10 and 15). Figures in brackets represent amounts relating to year ended 31 March 2007

32. These financial statements were approved by the Board of Directors on 2 June 2007

The notes are an integral part of these financial statements.

As per our report of even date attached

On behalf of the Board of Directors

Ernst & Young	**Yogendra Kumar Modi**	**Kashi Nath Memani**
	Chairman and Chief Executive Officer	*Director*

Place: Delhi
Date: 5 June 2007

PART 6 SECTION E – CAPITALISATION AND INDEBTEDNESS STATEMENT

Great Eastern Energy Corporation Limited

(Amounts in US Dollars, except per share data and unless otherwise stated)

Capitalisation and Indebtedness

Set out below is a statement of capitalisation and statement of indebtedness in relation to the Great Eastern Energy Corporation Limited.

At the date of submission of this document, the Company is in the process of preparing its IFRS accounts for the year ended 31 March 2010. Accordingly, the financial information for capitalisation and indebtedness presented below has been extracted from the unaudited results as at 31 March 2010, prepared based on Indian GAAP. In accordance with the rates disclosed by the Reserve Bank of India, the balances have been converted into US$ at a rate of INR 45.14 per US$.

	US$ '000
Total current debt	
Guaranteed	–
Secured	541.23
Unguaranteed/ unsecured	–
	541.23
Total non current debt (excluding current portion of long-term debt)	
Guaranteed	–
Secured	55,935.01
Unguaranteed/unsecured	–
	55,935.01
Shareholders equity	
Share capital	12,862.64
Share premium account	80,578.35
Other reserves[1]	26.66
	93,494.31
Total	149,943.89

1 includes Stock Option Outstanding Account

Net indebtedness of the Company as at 31 March 2010 is set out below:

	US$ '000
Cash	2.57
Cash equivalent	205.23
Trading securities	21,770.08
Liquidity	21,977.88
Current financial receivable	–
Current bank debt	–
Current portion of the non current debt	541.23
Current financial debt	541.23
Net current financial indebtedness	(21,436.65)
Non current financial indebtedness	55,935.01
Net financial indebtedness	34,498.36

As at 31 March 2010, bank guarantees of US$ 0.08 million have been issued to Government Authorities.

PART 7

INFORMATION ON THE GDRs

1. Information Relating to the Depositary

The Depositary is Deutsche Bank Trust Company Americas. Deutsche Bank Trust Company Americas was incorporated in 1903 as a bank with limited liability in the State of New York and is an indirect wholly owned subsidiary of Deutsche Bank AG. Deutsche Bank Trust Company Americas is subject to regulation and supervision by the New York State Banking Department, the Federal Reserve Board and the Federal Deposit Insurance Corporation. The registered office of the Depositary is located at 60 Wall Street, New York, NY 10005. A copy of the Depositary's Bylaws, as amended, together with copies of the most recent financial statements of the Depositary and annual report of Deutsche Bank AG will be available for inspection at the principal administrative establishment of the Depositary located at 60 Wall Street, Dr. Department, 27th Floor, New York, NY 10005 and at the office of the Depositary located at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

2. Information Regarding the GDRs

The GDRs (issued in GBP) were originally each issued in respect of 5 Equity Shares of INR 10 each in the capital of the Company pursuant to and subject to an agreement dated 13 December 2005 (as amended), and made between the Company and the Depositary (the "Deposit Agreement"). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed ICICI Bank Limited, Mumbai as Custodian to receive and hold on its behalf the Equity Share certificates (if any) in respect of certain Equity Shares registered in the name of the Depositary (the "Deposited Shares") and all rights, securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares (together with the Deposited Shares, the "Deposited Property"). The Depositary shall hold Deposited Shares for the benefit of the GDR Holders in proportion to the number of Equity Shares in respect of which the GDRs held by them are issued.

Following the consolidation of the equity share capital of the Company from INR 1 to INR 10 each, each GDR now represents 0.5 of one Equity Share.

GDRs may take the form of GDRs evidenced by one or more master GDRs (each a "Master GDR") registered in the name of a common nominee for, and held by the common depositary for, Clearstream, Luxembourg and Euroclear, and held for the account of accountholders in Clearstream, Luxembourg or Euroclear, as the case may be, exchangeable, at the option of the holder of such Master GDR and at the expense of any person shown in the records of Clearstream, Luxembourg or Euroclear as a GDR Holder and upon delivery to the Depositary of a certificate substantially in the form of Schedule 3, Part A of the Deposit Agreement, for a certificate in definitive registered form in respect of GDRs evidencing all or part of the interest of such person in such Master GDR.

If at any time when Deposited Shares are evidenced by a Master GDR, the GDR Holder of such Master GDR is unwilling or unable to continue as a common depositary or a nominee thereof and a successor common depositary is not appointed within 90 calendar days or the Depositary has determined that, on the occasion of the next payment in respect of the GDRs, the Depositary or its Agent would be required to make any deduction or withholding (in respect of any tax or governmental charges) from any payment in respect of the GDRs which would not be required were the GDRs represented by certificates in definitive registered form, the Depositary will make available certificates in definitive form in respect of GDRs. If at any time when Deposited Shares are evidenced by a Master GDR, Clearstream, Luxembourg or Euroclear announces an intention to cease business or does in fact do so, the Company will consult with the Depositary regarding other arrangements for book-entry settlement of interests in such Master GDR. If no alternative clearing system satisfactory to the Depositary is available, the Company will instruct the Depositary to make available certificates in definitive registered form in respect of GDRs.

Under the terms of the GDRs, each purchaser of GDRs is deemed to have represented and agreed, among other things, that (a) the GDRs have not been and will not be registered under the US Securities Act of 1933, as amended ("Securities Act") and may be offered, sold, pledged or otherwise transferred only in a transaction exempt from the registration requirements of the Securities Act and (b) the GDRs may not be offered, sold, pledged or otherwise transferred to any person located in India, residents of India, or to, or for the account or benefit of, such persons. Each GDR contains a legend to the foregoing effect.

3. Withdrawal of Deposited Property

(A) Subject as set out above, any GDR Holder may request withdrawal of, and the Depositary shall thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence that such person is the GDR Holder of, and entitled to, the relative GDR as the Depositary may reasonably require at the specified office of the Depositary accompanied by:

(i) a duly executed order (in a form approved by the Depositary) requesting the Depositary to cause the Deposited Property being withdrawn to be delivered at the office of the Custodian, or (at the request, risk and expense of the GDR Holder) at the specified office from time to time of the Depositary to, or to the order in writing of, the person or persons designated in such order and a certificate substantially in the form of Schedule 3, Part B of the Deposit Agreement and available from the Depositary or the Custodian;

(ii) the payment of such fees, duties, charges and expenses as may be required under the Deposit Agreement; and

(iii) the surrender (if appropriate) of GDR certificates in definitive registered form to which the Deposited Property being withdrawn is attributable.

(B) Certificates for withdrawn Deposited Shares will contain such legends and withdrawals of Deposited Shares may be subject to such transfer restrictions or certifications, as the Company or the Depositary may from time to time determine to be necessary for compliance with applicable laws.

The Directors may in certain circumstances refuse to register the transfer of Deposited Shares from the name of the Depositary or its nominee.

A stamp duty of 0.25 per cent. of the market value of Equity Shares is currently charged in respect of any transfer of Equity Shares in physical form. This duty is payable by the relevant GDR Holder. Currently, in accordance with Indian regulations, the delivery of underlying Equity Shares of GDRs shall only be in dematerialised form and stock exchanges may not accept delivery of underlying Equity Shares of GDRs in physical form. In addition, it may be necessary to obtain the approval of (i) the Reserve Bank of India for Equity Shares, such as withdrawn Deposited Shares, to be registered in the name of a person who is a resident of India and (ii) the Foreign Investment Promotion Board for Equity Shares such as withdrawn Deposited Shares, to be registered in the name of certain categories of persons who are not residents of India. GDR Holders are advised to seek independent legal advice in relation to transfer and requirement of approval issues.

(C) Upon production of such documentation and the making of such payment as stated above, the Depositary will direct the Custodian, within a reasonable time after receiving such direction from such GDR Holder, to deliver at its office to, or to the order in writing of, the person or persons designated in the accompanying order:

(i) a certificate for, or other appropriate instrument of title to, the relevant Deposited Shares, registered in the name of the Depositary or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and

(ii) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof as aforesaid, provided that the Depositary (at the request, risk and expense of any GDR Holder so surrendering a GDR):

(a) will direct the Custodian to deliver the certificates for, or other instruments of title to, the relevant Deposited Shares and any document relative thereto and any other documents referred to above (together with any other property forming part of the Deposited Property which may be held by the Custodian or its Agent and is attributable to such Deposited Shares); and/or

(b) will deliver any other property forming part of the Deposited Property which may be held by the Depositary and is attributable to such GDR (accompanied by such instruments of transfer in blank or to the person or persons specified in such order and such other documents, if any, as are required by law for the transfer thereto),

in each case to the specified office from time to time of the Depositary.

(D) Delivery by the Depositary, any Agent and the Custodian of all certificates, instruments, dividends or other property forming part of the Deposited Property will be made subject to any laws or regulations applicable thereto.

(E) The Depositary may suspend the withdrawal of all or any category of Deposited Property during any period when the register of shareholders or other relevant holders of other securities of the Company is closed, generally or in one or more localities, or in order to comply with any applicable Indian law or governmental or stock exchange regulations. The Depositary shall restrict the withdrawal of Deposited Shares whenever it is notified in writing that such withdrawal would result in a breach of ownership restrictions under applicable Indian law.

4. Transfer and Ownership

GDRs are in registered form each issued in respect of 0.5 Equity Shares. Title to the GDRs passes by registration in the records of the Depositary. The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in a violation of applicable laws. The holder of any GDR will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, any certificate issued in respect of it) and no person will be liable for so treating the GDR Holder.

The Deposit Agreement defines the "owner of GDRs" as, in respect of any GDR represented by a Master GDR, such person whose name appears in the records of Clearstream, Luxembourg or Euroclear and, in respect of any other GDR, the GDR Holder thereof and "beneficial owner of GDRs" as a person holding beneficial title to such GDRs or interests therein.

5. Cash Distributions

Whenever the Depositary shall receive from the Company any cash dividend or other cash distribution on or in respect of the Deposited Shares (including any amounts received in the liquidation of the Company) or otherwise in connection with the Deposited Property, the Depositary, its agent or Custodian shall as soon as practicable convert the same into Pounds Sterling. The Depositary shall, if practicable in the opinion of the Depositary, give notice to the GDR Holders of its receipt of such payment, specifying the amount per Deposited Share payable in respect of such dividend or distribution and the date, determined by the Depositary, for such payment and shall as soon as practicable distribute any such amounts to the GDR Holders in proportion to the number of Deposited Shares represented by the GDRs so held by them respectively, provided that:

(i) in the event that any Deposited Shares shall not be entitled, by reason of the date of issue or transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative GDR Holders shall be adjusted accordingly; and

(ii) the Depositary will distribute only such amounts of cash dividends and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of currency in which the distribution is made by the Depositary and any balance remaining shall be retained by the Depositary beneficially as an additional fee.

6. Distributions of Equity Shares

Whenever the Depositary shall receive from the Company any distribution in respect of Deposited Shares which consists of a dividend in, or free distribution or bonus issue of, Equity Shares, the Depositary shall cause to be distributed to the GDR Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, additional GDRs representing an aggregate number of Equity Shares received pursuant to such dividend or distribution by an increase in the number of GDRs evidenced by the Master GDR or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the GDR Holders hold their GDRs; provided that, if and in so far as the Depositary deems any such distribution to all or any GDR Holders not to be reasonably practicable (including, without limitation, owing to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall sell such Equity Shares so received (either by public or private sale and otherwise at its discretion, subject to Indian laws and regulations) and distribute the net proceeds of such sale as a cash distribution to the GDR Holders entitled thereto.

7. Distributions other than in cash or Equity Shares

Whenever the Depositary shall receive from the Company any dividend or distribution in securities (other than Equity Shares) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary shall distribute or cause to be distributed such securities or other property to the GDR Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; provided that, if and in so far as the Depositary deems any such distribution to all or any GDR Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall sell the securities or property so received, or any part thereof, (either by public or private sale and otherwise at its discretion, subject to Indian laws and regulations) and distribute the net proceeds of such sale as a cash distribution to the GDR Holders entitled thereto.

8. Rights Issues

If and whenever the Company announces its intention to make any offer or invitation to the GDR Holders of Equity Shares to subscribe for or to acquire Equity Shares, securities or other assets by way of rights, the Depositary shall as soon as practicable give notice to the GDR Holders of such offer or invitation specifying, if applicable, the earliest date established for acceptance thereof, the last date established for acceptance thereof and the manner by which and time during which GDR Holders may request the Depositary to exercise such rights as provided below or, if such be the case, give details of how the Depositary proposes to distribute the rights or the proceeds of sale. The Depositary will deal with such rights in the manner described below:

(i) if at its discretion, the Depositary shall be satisfied that it is lawful and reasonably practicable and, to the extent that it is so satisfied, the Depositary shall make arrangements whereby the GDR Holders may, upon payment of the subscription price in INR or other currency (where appropriate) together with such fees, taxes, duties, charges, costs and expenses as may be required under the Deposit Agreement and completion of such undertakings, declarations, certifications and other documents as the Depositary may reasonably require, request the Depositary to exercise such rights on their behalf with respect to the Deposited Shares and in the case of Equity Shares so subscribed or acquired to distribute them to the GDR Holders entitled thereto by an increase in the numbers of GDRs evidenced by the Master GDR or an issue of certificates in definitive form in respect of GDRs, according to the manner in which the GDR Holders hold their GDRs; or

(ii) if, at its discretion, the Depositary shall be satisfied that it is lawful and reasonably practicable and to the extent that it is so satisfied, the Depositary shall distribute such securities or other assets by way of rights or the rights themselves to the GDR Holders entitled thereto in proportion to the number of Deposited Shares represented by the GDRs held by them respectively in such manner as the Depositary may at its discretion determine; or

(iii) if and in so far as the Depositary is not satisfied that any such arrangement and distribution to all or any GDR Holders is lawful and reasonably practicable (including, without limitation, owing to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or is so satisfied that it is unlawful, the Depositary will, provided that GDR Holders have not taken up rights through the Depositary as provided in (i) above, sell such rights (either by public or private sale and otherwise at its discretion subject to Indian laws and regulations) and distribute the net proceeds of such sale as a cash distribution to the GDR Holders entitled thereto except to the extent prohibited by applicable law.

If at the time of the offering of any rights, at its discretion, the Depositary shall be satisfied that it is not lawful or practicable (for reasons outside its control) to dispose of the rights in any manner provided in (i), (ii) or (iii) above the Depositary shall permit the rights to lapse. In the absence of its own wilful default, negligence or bad faith the Depositary will not be responsible for any failure to determine that it may be lawful or practicable to make rights available to GDR Holders in general or to any GDR Holder in particular.

The Company has agreed in the Deposit Agreement that it will, unless prohibited by applicable law, give its consent to, and, if requested, use all reasonable endeavours (subject to the next paragraph) to facilitate any such distribution, sale or subscription by the Depositary or the GDR Holders, as the case may be.

If the Company notifies the Depositary that registration is required in any jurisdiction under any applicable law of the rights, securities or other property to be distributed or the securities to which such rights relate, in order for the Depositary to offer such rights or distribute such securities or other property to the GDR Holders or owners of GDRs and to sell the securities represented by such rights, the Depositary will not offer such rights or distribute such securities or other property to GDR Holders of GDRs unless and until the Company procures at the Company's expense, the receipt by the Depositary of an opinion from counsel satisfactory to the Depositary that the necessary registration has been effected or that the offer and sale of such rights, securities or property to GDR Holders of GDRs are exempt of registration. Neither the Company nor the Depositary shall be liable to register such rights, securities or other property or the securities to which such rights relate and they shall not be liable for any losses, damages or expenses resulting from any failure to do so.

9. Distribution of any Payments

(A) Any distribution of cash will be made by the Depositary to those GDR Holders who are GDR Holders of record on the record date established by the Depositary (which shall be the same date as the corresponding record date set by the Company or, if different from the record date set by the Company, shall be set after consultation with the Company and shall be as near as practicable to any record date set by the Company) for that purpose and, if practicable in the opinion of the Depositary, notice shall be given promptly to GDR Holders, in each case subject to any laws or regulations applicable thereto and distributions will be made in Pounds Sterling by cheque drawn upon a bank in London or, in the case of the Master GDR, according to usual practice between the Depositary and Clearstream and Euroclear, as the case may be. The Depositary or the Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law in respect of such GDR or the relative Deposited Property.

(B) Delivery of any securities or other property or rights other than cash shall be made as soon as practicable to the entitled GDR Holder, subject to any laws or regulations applicable thereto. If any distribution made by the Company with respect to the Deposited Property and received by the Depositary shall remain unclaimed at the end of 12 years from the first date upon which such distribution is made available to GDR Holders in accordance with the Deposit Agreement, all rights of the GDR Holders to such distribution or the proceeds of the sale thereof shall be extinguished and the Depositary shall (except for any distribution upon the liquidation of the Company, which remains unclaimed for such period as aforesaid, when the Depositary shall retain the same) return the same to the Company for its own use and benefit.

10. Capital Reorganisation

Upon any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares or any other part of the Deposited Property or upon any reduction of capital or upon any reorganisation, merger or consolidation of the Company or to which it is a party (except where the Company is the continuing corporation), the Depositary shall as soon as practicable give notice of such event to the GDR Holders and, at its discretion, may treat such event as a distribution and comply with the relevant provisions above with respect thereto or may execute and deliver additional GDRs in respect of Equity Shares or may require the exchange of existing GDRs for new GDRs which reflect the effect of such change.

11. Voting Rights

(A) The Company shall provide to the Depositary notices for meetings of the shareholders of the Company. The Depositary shall, as soon as practicable thereafter, mail to each person who is a GDR Holder on the record date established by the Depositary (which shall be the same as the record date set by the Company or, if different from the record date set by the Company, shall be set after consultation with the Company and shall be as close as practicable to any record date set by the Company) a notice, the form of which notice shall be in the sole discretion of the Depositary, which shall contain (a) such information as is contained in such notice of meeting, and (b) a statement that the GDR Holders as at the close of business on the specified record date will be entitled, subject to any applicable provision of Indian law and of the constitutive documents of the Company (supported by the provision of an opinion of the Company's Indian legal counsel in a form acceptable to the Depositary that such arrangement is valid and binding under applicable Indian law and that the Depositary will not be deemed to be exercising voting discretion in so doing), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the number of Shares represented by their respective GDRs. In relation to the relevant vote, the Depositary shall:

(i) if the vote in respect of a particular resolution is on a show of hands, (a) vote in the direction that a majority (if any) of those GDR Holders that have submitted written voting requests to the Depositary, have requested the Depositary to vote (or if such voting instructions in favour of and against such resolution are equal, the Depositary will not vote on such show of hands) and (b) if, of the voting instructions received by the Depositary, those instructions directing the Depositary to vote against such resolution account for 10 per cent. or more of the aggregate voting share capital of the Company (as determined by the Depositary in its absolute discretion and provided the Company shall have informed the Depositary in writing of its aggregate voting share capital for the purposes of making such determination), then the Depositary shall, so long as permitted by relevant law and the constitutive documents of the Company, (supported by the provision of an opinion of the Company's Indian legal counsel in a form acceptable to the Depositary that such arrangement is valid and binding under applicable Indian law and that the Depositary will not be deemed to be exercising voting discretion in so doing), request a vote on the basis of a poll for that particular resolution; or

(ii) if the vote in respect of a particular resolution is on the basis of a poll, endeavour, in so far as practicable, to vote or cause to be voted, in respect of each written request of a GDR Holder on such record date, the amount of Equity Shares represented by the GDRs in accordance with the instructions set forth in such request.

(B) In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective GDR Holder and returned to the Depositary by such date as specified by the Depositary. If a GDR Holder holding GDRs outstanding at the relevant record date shall instruct the Depositary to vote in respect of one or more resolutions to be proposed at the meeting, the Depositary shall, or such other person designated by him as the representative of the Depositary and the GDR Holders shall, vote the Deposited Shares represented by the GDR or GDRs held by each GDR Holder in the direction so instructed by such GDR Holder in relation to such resolution or resolutions or otherwise in accordance with paragraph (A) above.

(C) If, for whatever reason, (i) the Depositary has not by the date specified by the Depositary received instructions from any GDR Holder to vote in respect of any resolution, or (ii) (in the case of a show of hands) if voting instructions in favour of and against such resolution are equal, or if the voting instruction is to abstain or (iii) if the Depositary determines that it is not permitted by applicable law to vote the Deposited Shares represented by the GDRs of the respective GDR Holder at the relevant shareholders' meeting in the manner provided for above, the Depositary shall promptly advise the Company of the same and the Deposited Shares represented by the GDRs of such respective GDR Holder shall not be voted.

(D) By continuing to hold GDRs, all GDR Holders shall be deemed to have agreed to the provisions of the Deposit Agreement relating to voting as they may be amended from time to time in order to comply with applicable Indian law. Further, the Depositary may, if it considers it appropriate, implement such alternative or further procedures as it deems necessary in respect of voting.

(E) The Depositary shall not, and the Depositary shall use its reasonable endeavours to ensure that the Custodian and its nominees do not, vote or attempt to exercise the right to vote that attaches to the Deposited Shares, other than in accordance with instructions given in accordance with the procedure set out above.

(F) Each GDR Holder and owner of GDRs must provide such information as the Company or the Depositary may request pursuant to (a) applicable law, the constitutive documents of the Company, the requirements of any markets or exchanges upon which the Equity Shares or GDRs are listed or traded, or to any requirements of any electronic book-entry system by which the GDRs may be transferred, or (b) Clause 5.3 of the Deposit Agreement, to the same extent as if such GDR Holder and owner of GDRs held Equity Shares directly, in each case irrespective of whether or not they are GDR Holders or owners of GDRs at the time such request is made. The Depositary agrees to use its reasonable efforts to forward upon the request of the Company any such request from the Company to the GDR Holders and to forward to the Company any such responses to such requests received by the Depositary.

Equity Shares which have been withdrawn from the depositary facility and transferred on the Company's register of members to a person other than the Depositary or its nominee may be voted by the holders thereof. However, GDR Holders or owners of GDRs may not receive sufficient advance notice of shareholder meetings to enable them to withdraw the Equity Shares and vote at such meetings.

12. Governing Law

(A) The Deposit Agreement and the GDRs are governed by, and shall be construed in accordance with, English law. The rights and obligations attaching to the Deposited Property will be governed by Indian Law. The Company has submitted in respect of the Deposit Agreement to the jurisdiction of the English courts.

(B) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the GDRs and accordingly any legal action or proceedings arising out of or in connection with the GDRs ("Proceedings") may be brought in such courts. This submission is made for the benefit of each of the GDR Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(C) The Depositary irrevocably appoints the Managing Director for the time being of Deutsche Trustee Company Limited, currently situated at Winchester House, 1 Great Winchester Street, London EC2N 2DB, as its authorised agent for service of process in England. If for any reason the Depositary does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Company of such appointment.

PART 8

COMPETENT PERSON'S REPORT

ESTIMATE OF
RESERVES AND FUTURE REVENUE

to the

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

and

ASSESSMENT OF
GROSS (100 PERCENT)
UNRISKED PROSPECTIVE RESOURCES

in

CERTAIN COALBED METHANE PROPERTIES

located in

RANIGANJ COAL FIELD
WEST BENGAL, INDIA

as of

NOVEMBER 30, 2009

COMPETENT PERSON'S REPORT

BASED ON CONSTANT PRICE AND COST PARAMETERS

specified by

GREAT EASTERN ENERGY CORPORATION LTD.

May 25, 2010

Mr. Prashant Modi
Great Eastern Energy Corporation Ltd.
Signature Towers – A, 14th Floor
South City, NH-8
Gurgaon 122001
India

Dear Mr. Modi:

In accordance with your request, we have estimated the proved, probable, and possible reserves and future revenue, as of November 30, 2009, to the Great Eastern Energy Corporation Ltd. (GEECL) interest in certain coalbed methane (CBM) properties located in Raniganj Coal Field, West Bengal, India, as listed in the accompanying tabulations. We have also conducted an assessment of the unrisked gross (100 percent) prospective resources, as of November 30, 2009, for certain CBM prospects located in Raniganj Coal Field. It is our understanding that this report will be included as part of a document (the Prospectus) to be published in connection with the proposed move of the global depositary receipts (GDRs) representing equity shares in the capital of GEECL from the Alternative Investment Market (AIM) to the Official List of the UK Listing Authority and the subsequent admission of GDRs to trading on the London Stock Exchange PLC's market for listed securities. This report has been prepared using constant price and cost parameters specified by GEECL, as discussed in subsequent paragraphs of this letter. The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE); definitions are presented immediately following this letter. Following the definitions is a list of abbreviations used in this report.

RESERVES

As presented in the accompanying summary projections, Tables I through VIII, we estimate the gas reserves and future net revenue to the GEECL interest in these properties, as of November 30, 2009, to be:

	Gas Reserves		Future Net Revenue ($)	
Category	Gross (MCF)	Net (MCF)	Total	Present Worth at 10%
Proved Developed Producing	12,936,263	11,428,456	99,719,400	58,799,400
Proved Developed Non-Producing	3,179,843	2,905,394	16,645,100	9,048,000
Proved Undeveloped	934,579	868,223	4,943,300	1,529,100
Total Proved (1P)	17,050,685	15,202,073	121,307,800	69,376,500
Probable	10,776,508	9,676,258	80,715,200	40,145,400
Proved + Probable (2P)	27,827,193	24,878,331	202,023,000	109,521,900
Possible	17,804,901	16,114,938	136,836,700	63,857,400
Proved + Probable + Possible (3P)	45,632,094	40,993,269	338,859,700	173,379,300

Gas volumes are expressed in thousands of cubic feet (MCF) at standard temperature and pressure bases. Revenue estimates are expressed in United States dollars ($).

The estimates shown in this report are for proved, probable, and possible reserves. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

Future gross revenue to the GEECL interest is after deducting royalty revenue and production level payments. Future net revenue is after deductions for future capital costs and operating expenses but before consideration of income taxes imposed at the corporate level in India. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth. The present worth is shown to indicate the effect of time on the value of money and should not be construed as being the fair market value of the properties. Also, our estimates do not include any salvage value for the lease and well equipment or the cost of abandoning the properties.

As requested, this report has been prepared using a gas price specified by GEECL. The wellhead gas price of $12.81 per MMBTU is based on GEECL's financial records and is the 12-month average of the realized gas sales price for the period December 2008 through November 2009. It is our understanding that the wellhead gas price has been adjusted for transportation fees, compression charges, and a regional price differential. The gas price is further adjusted for energy content by a factor, which was provided by GEECL, of 961 MMBTU per MCF of gas produced. The gas price is held constant throughout the lives of the properties.

Lease and well operating costs used in this report are based on operating expense records of GEECL, the operator of the properties. As requested, lease and well operating costs are limited to direct lease- and field-level costs and GEECL's estimate of the portion of its headquarters general and administrative overhead expenses necessary to operate the properties. As requested, lease and well operating costs are held constant throughout the lives of the properties. Capital costs are included as required for new development wells, transmission pipelines, and production equipment. The future capital costs are held constant to the date of expenditure.

PROSPECTIVE RESOURCES

We have conducted an assessment of the unrisked gross (100 percent) prospective resources, as of November 30, 2009, for certain CBM prospects located in Raniganj Coal Field, West Bengal, India. The prospective resources included in this report indicate exploration opportunities and development potential in the event a petroleum discovery is made and should not be construed as reserves or contingent resources. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. This report does not include economic analysis for these prospects. Based on analogous field developments, it appears that, assuming a discovery is made, the unrisked best estimate prospective resources in this report have a reasonable chance of being commercial.

We estimate the unrisked gross (100 percent) prospective gas resources for these prospects, as of November 30, 2009, to be:

Category	Unrisked Gross (100 Percent) Prospective Gas Resources (MMCF)
Low Estimate	79,596
Best Estimate	164,555
High Estimate	501,910

Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

The prospective resources shown in this report have been estimated using deterministic methods and are dependent on a petroleum discovery being made beyond the existing areas in the field. If a discovery is made, the probability that the unrisked quantities of gas discovered will equal or exceed the estimated amounts is generally inferred to be at least 90 percent for the low estimate, at least 50 percent for the best estimate, and at least 10 percent for the high estimate.

Unrisked prospective gas resources are estimated ranges of recoverable gas volumes assuming a petroleum discovery is made and are based on estimated ranges of undiscovered in-place gas volumes. As requested, no geologic risk assessment was conducted for these prospects. Geologic risking of prospective resources addresses the probability of success for the discovery of petroleum; such risk analysis is conducted independently of probabilistic estimations of petroleum volumes and without regard to the chance of development. For CBM assessments, principal risk elements include coal quantity, gas content, and coal permeability. Geologic risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators.

Each coal seam and planned drillsite was evaluated to determine deterministic ranges of in-place and recoverable petroleum. If petroleum discoveries are made, smaller-volume prospects may not be commercial to independently develop although they may become candidates for satellite developments and tie-backs to existing infrastructure at some future date. The development infrastructure and data obtained from early discoveries will alter both prospect risk and future economics of subsequent discoveries and developments.

It should be understood that the prospective resources discussed and shown herein are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisked prospective resources are those volumes that could reasonably be expected to be recovered in the event of the successful exploration and development of these prospects.

SUMMARY

As shown in the Table of Contents, the Technical Discussion section of this report includes an overview of the license area, a summary of the license terms, a review of the data available for this evaluation, and a discussion of the technical approach used in our assessments. The Reserves and Economics section includes a summary projection of reserves and revenue for each reserves category along with one-line summaries of basic data, reserves, and economics by lease. Included in the Figures section are pertinent maps and a stratigraphic column. The Appendix section of this report contains additional tables.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

The reserves and resources shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report. Estimates of reserves and resources may increase or decrease as a result of future operations, market conditions, or changes in regulations.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves and resources in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles. We used standard engineering and geoscience methods, or a combination of methods, such as performance analysis, volumetric analysis, analogy, and reservoir modeling, that we considered to be appropriate and necessary to establish reserves quantities and reserves categorization that conform to the 2007 PRMS definitions and guidelines. In evaluating the information at our disposal concerning this report, we have excluded from our consideration all matters as to which the controlling interpretation may be political, socioeconomic, legal, or accounting, rather than engineering and geoscience. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment. We hereby assert that there has been no material change in any of the data used in this evaluation that would cause us to materially alter the estimates set forth herein.

Netherland, Sewell & Associates, Inc. (NSAI) was established in 1961 and has offices in Dallas and Houston, Texas. Our company has conducted technical reserves, resources, and deliverability studies for financial institutions, private and government companies, and government agencies throughout the world. Our staff and associates work as a team to provide the integrated expertise required for complex field studies and reserves and resources evaluations. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; with the exception of the provision of professional services on a fee basis, NSAI has no commercial arrangement with any person or company involved in the properties that are the subject of this report. This fee is not contingent on the results obtained and reported, and NSAI will receive no other benefit for the preparation of this report. We have not performed any other work that might affect our objectivity.

This evaluation has been supervised by Mr. J. Carter Henson, Jr. Mr. Henson is a Senior Vice President in the firm's Houston office. He has over 28 years of experience in the petroleum industry, with over 19 years at NSAI. He is a registered Professional Engineer in the state of Texas and is a member of the Society of Petroleum Engineers. The geoscience analysis was performed by Mr. David E. Nice. Mr. Nice is a Geologist in the firm's Houston office. He has over 25 years of experience in the petroleum industry, with over 12 years at NSAI. He is a licensed Professional Geologist in the state of Texas and is a member of the American Association of Petroleum Geologists.

For the purposes of Prospectus Rule 5.5.3R (2) (f), NSAI is responsible for this report as part of the Prospectus and declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is that case), the information contained in this report is in accordance with the facts and contains no omission likely to affect its import. This declaration is contained in the Prospectus in compliance with paragraph 1.2 of Annex X to the Prospectus Rules of the Financial Services Authority.

The contractual rights to the properties have not been examined by NSAI, nor has the actual degree or type of interest owned been independently confirmed. The data used in our estimates were obtained from GEECL, public data sources, and the nonconfidential files of NSAI and were accepted as accurate. Supporting geoscience, field performance, and work data are on file in our office. The technical persons responsible for preparing the reserves and resources estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties and are not employed on a contingent basis.

Sincerely,

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE).

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be-discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that this document will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

The estimation of petroleum resource quantities involves the interpretation of volumes and values that have an inherent degree of uncertainty. These quantities are associated with development projects at various stages of design and implementation. Use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios according to forecast production profiles and recoveries. Such a system must consider both technical and commercial factors that impact the project's economic feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid phase. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide and sulfur. In rare cases, non-hydrocarbon content could be greater than 50%.

The term "resources" as used herein is intended to encompass all quantities of petroleum naturally occurring on or within the Earth's crust, discovered and undiscovered (recoverable and unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered "conventional" or "unconventional."

Figure 1-1 is a graphical representation of the SPE/WPC/AAPG/SPEE resources classification system. The system defines the major recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable petroleum.

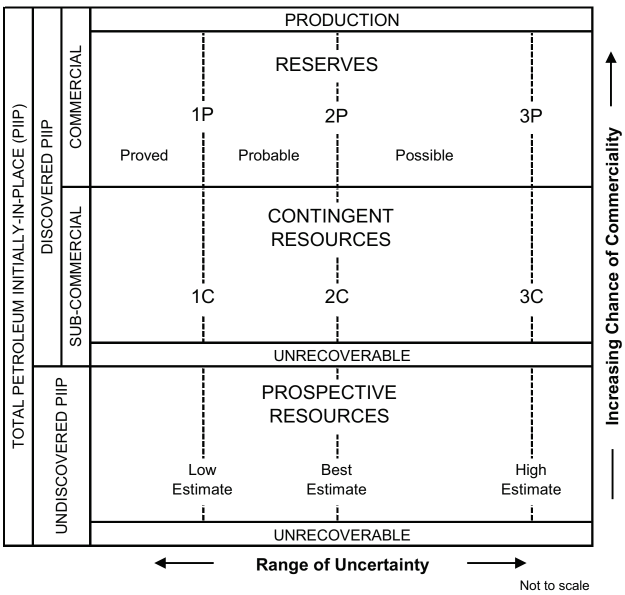


Figure 1-1: Resources Classification Framework.

The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of

Commerciality", that is, the chance that the project that will be developed and reach commercial producing status. The following definitions apply to the major subdivisions within the resources classification:

TOTAL PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

DISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.

PRODUCTION is the cumulative quantity of petroleum that has been recovered at a given date. While all recoverable resources are estimated and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Production Measurement, section 3.2).

Multiple development projects may be applied to each known accumulation, and each project will recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into Commercial and Sub-Commercial, with the estimated recoverable quantities being classified as Reserves and Contingent Resources respectively, as defined below.

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.

UNDISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

PROSPECTIVE RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

UNRECOVERABLE is that portion of Discovered or Undiscovered Petroleum Initially-in-Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Estimated Ultimate Recovery (EUR) is not a resources category, but a term that may be applied to any accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable under defined technical and commercial conditions plus those quantities already produced (total of recoverable resources).

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

1.2 Project-Based Resources Evaluations

The resources evaluation process consists of identifying a recovery project, or projects, associated with a petroleum accumulation(s), estimating the quantities of Petroleum Initially-in-Place, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on its maturity status or chance of commerciality.

This concept of a project-based classification system is further clarified by examining the primary data sources contributing to an evaluation of net recoverable resources (see Figure 1-2) that may be described as follows:

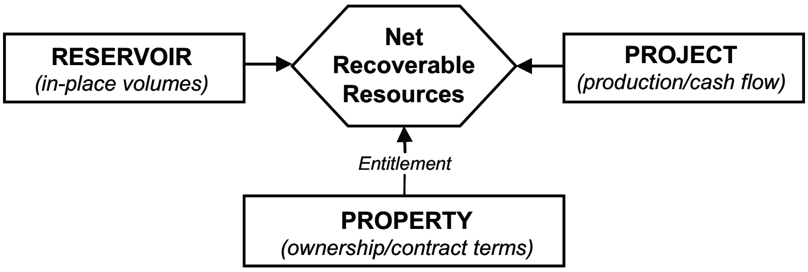


Figure 1-2: Resources Evaluation Data Sources.

- The Reservoir (accumulation): Key attributes include the types and quantities of Petroleum Initially-in-Place and the fluid and rock properties that affect petroleum recovery.

- The Project: Each project applied to a specific reservoir development generates a unique production and cash flow schedule. The time integration of these schedules taken to the project's technical, economic, or contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to Total Initially-in-Place quantities defines the ultimate recovery efficiency for the development project(s). A project may be defined at various levels and stages of maturity; it may include one or many wells and associated production and processing facilities. One project may develop many reservoirs, or many projects may be applied to one reservoir.

- The Property (lease or license area): Each property may have unique associated contractual rights and obligations including the fiscal terms. Such information allows definition of each participant's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations.

In context of this data relationship, "project" is the primary element considered in this resources classification, and net recoverable resources are the incremental quantities derived from each project. Project represents the link between the petroleum accumulation and the decision-making process. A project may, for example, constitute the development of a single reservoir or field, or an incremental development for a producing field, or the integrated development of several fields and associated facilities with a common ownership. In general, an individual project will represent the level at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for that project.

An accumulation or potential accumulation of petroleum may be subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resource classes simultaneously.

In order to assign recoverable resources of any class, a development plan needs to be defined consisting of one or more projects. Even for Prospective Resources, the estimates of recoverable quantities must be stated in terms of the sales products derived from a development program assuming successful discovery and commercial development. Given the major uncertainties involved at this early stage, the development program will not be of the detail expected in later stages of maturity. In most cases, recovery efficiency may be largely based on analogous projects. In-place quantities for which a feasible project cannot be defined using current, or reasonably forecast improvements in, technology are classified as Unrecoverable.

Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on a forecast of the conditions that will exist during the time period encompassed by the project's activities (see

Commercial Evaluations, section 3.1). "Conditions" include technological, economic, legal, environmental, social, and governmental factors. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions, transportation and processing infrastructure, fiscal terms, and taxes.

The resource quantities being estimated are those volumes producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Reference Point, section 3.2.1). The cumulative production from the evaluation date forward to cessation of production is the remaining recoverable quantity. The sum of the associated annual net cash flows yields the estimated future net revenue. When the cash flows are discounted according to a defined discount rate and time period, the summation of the discounted cash flows is termed net present value (NPV) of the project (see Evaluation and Reporting Guidelines, section 3.0).

The supporting data, analytical processes, and assumptions used in an evaluation should be documented in sufficient detail to allow an independent evaluator or auditor to clearly understand the basis for estimation and categorization of recoverable quantities and their classification.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

The basic classification requires establishment of criteria for a petroleum discovery and thereafter the distinction between commercial and sub-commercial projects in known accumulations (and hence between Reserves and Contingent Resources).

2.1.1 Determination of Discovery Status

A discovery is one petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons.

In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery. Estimated recoverable quantities within such a discovered (known) accumulation(s) shall initially be classified as Contingent Resources pending definition of projects with sufficient chance of commercial development to reclassify all, or a portion, as Reserves. Where in-place hydrocarbons are identified but are not considered currently recoverable, such quantities may be classified as Discovered Unrecoverable, if considered appropriate for resource management purposes; a portion of these quantities may become recoverable resources in the future as commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

Discovered recoverable volumes (Contingent Resources) may be considered commercially producible, and thus Reserves, if the entity claiming commerciality has demonstrated firm intention to proceed with development and such intention is based upon all of the following criteria:

- Evidence to support a reasonable timetable for development.
- A reasonable assessment of the future economics of such development projects meeting defined investment and operating criteria.
- A reasonable expectation that there will be a market for all or at least the expected sales quantities of production required to justify development.
- Evidence that the necessary production and transportation facilities are available or can be made available.
- Evidence that legal, contractual, environmental and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated.

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

2.2 Resources Categorization

The horizontal axis in the Resources Classification (Figure 1.1) defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project. These estimates include both technical and commercial uncertainty components as follows:

- The total petroleum remaining within the accumulation (in-place resources).
- That portion of the in-place petroleum that can be recovered by applying a defined development project or projects.
- Variations in the commercial conditions that may impact the quantities recovered and sold (e.g., market availability, contractual changes).

Where commercial uncertainties are such that there is significant risk that the complete project (as initially defined) will not proceed, it is advised to create a separate project classified as Contingent Resources with an appropriate chance of commerciality.

2.2.1 Range of Uncertainty

The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution (see Deterministic and Probabilistic Methods, section 4.2).

When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental (risk-based) approach, quantities at each level of uncertainty are estimated discretely and separately (see Category Definitions and Guidelines, section 2.2.2).

These same approaches to describing uncertainty may be applied to Reserves, Contingent Resources, and Prospective Resources. While there may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production, it is useful to consider the range of potentially recoverable quantities independently of such a risk or consideration of the resource class to which the quantities will be assigned.

2.2.2 Category Definitions and Guidelines

Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental (risk-based) approach, the deterministic scenario (cumulative) approach, or probabilistic methods (see "2001 Supplemental Guidelines," Chapter 2.5). In many cases, a combination of approaches is used.

Use of consistent terminology (Figure 1.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high estimates are denoted as 1P/2P/3P, respectively. The associated incremental quantities are termed Proved, Probable and Possible. Reserves are a subset of, and must be viewed within context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, they can be equally applied to Contingent and Prospective Resources conditional upon their satisfying the criteria for discovery and/or development.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

For Contingent Resources, the general cumulative terms low/best/high estimates are denoted as 1C/2C/3C respectively. For Prospective Resources, the general cumulative terms low/best/high estimates still apply. No specific terms are defined for incremental quantities within Contingent and Prospective Resources.

Without new technical information, there should be no change in the distribution of technically recoverable volumes and their categorization boundaries when conditions are satisfied sufficiently to reclassify a project from Contingent Resources to Reserves. All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Commercial Evaluations, section 3.1).

Based on additional data and updated interpretations that indicate increased certainty, portions of Possible and Probable Reserves may be re-categorized as Probable and Proved Reserves.

Uncertainty in resource estimates is best communicated by reporting a range of potential results. However, if it is required to report a single representative result, the "best estimate" is considered the most realistic assessment of recoverable quantities. It is generally considered to represent the sum of Proved and Probable estimates (2P) when using the deterministic scenario or the probabilistic assessment methods. It should be noted that under the deterministic incremental (risk-based) approach, discrete estimates are made for each category, and they should not be aggregated without due consideration of their associated risk (see "2001 Supplemental Guidelines," Chapter 2.5).

Table 1: Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	**Definition**	**Guidelines**
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.
On Production	The development project is currently producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project "chance of commerciality" can be said to be 100%. The project "decision gate" is the decision to initiate commercial production from the project.

Class/Sub-Class	**Definition**	**Guidelines**
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is under way.	At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project "decision gate" is the decision to start investing capital in the construction of production facilities and/or drilling development wells.
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	In order to move to this level of project maturity, and hence have reserves associated with it, the development project must be commercially viable at the time of reporting, based on the reporting entity's assumptions of future prices, costs, etc. ("forecast case") and the specific circumstances of the project. Evidence of a firm intention to proceed with development within a reasonable time frame will be sufficient to demonstrate commerciality. There should be a development plan in sufficient detail to support the assessment of commerciality and a reasonable expectation that any regulatory approvals or sales contracts required prior to project implementation will be forthcoming. Other than such approvals/contracts, there should be no known contingencies that could preclude the development from proceeding within a reasonable timeframe (see Reserves class). The project "decision gate" is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to a re-classification of the project to "On Hold" or "Not Viable" status. The project "decision gate" is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development Unclarified or on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to "Not Viable" status. The project "decision gate" is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

Class/Sub-Class	**Definition**	**Guidelines**
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project "decision gate" is the decision not to undertake any further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the lead can be matured into a prospect. Such evaluation includes the assessment of the chance of discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific leads or prospects for more detailed analysis of their chance of discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2: Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Developed Reserves are expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.
Developed Producing Reserves	Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.	Improved recovery reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

Status	Definition	Guidelines
Undeveloped Reserves	Undeveloped Reserves are quantities expected to be recovered through future investments:	(1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3: Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.	If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines," Chapter 8). Reserves in undeveloped locations may be classified as Proved provided that: • The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive. • Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.
Probable Reserves	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

Category	Definition	Guidelines
Possible Reserves	Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.	The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.
Probable and Possible Reserves	(See above for separate criteria for Probable Reserves and Possible Reserves.)	The 2P and 3P estimates may be based on reasonable alternative technical and commercial interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing, faults until this reservoir is penetrated and evaluated as commercially productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil (HKO) elevation and there exists the potential for an associated gas cap, Proved oil Reserves should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

The 2007 Petroleum Resources Management System can be viewed in its entirety at http://www.spe.org/spe-app/spe/industry/reserves/prms.htm.

ABBREVIATIONS

$	United States dollars
1P	proved
2P	proved plus probable
3P	proved plus probable plus possible
AIM	Alternative Investment Market
CBM	coalbed methane
GEECL	Great Eastern Energy Corporation Ltd.
GDR	global depositary receipt
km^2	square kilometers
MCF	thousands of cubic feet
MMBTU	millions of British thermal units
MMCF	millions of cubic feet
NSAI	Netherland, Sewell & Associates, Inc.
OGIP	original gas-in-place
PRMS	Petroleum Resources Management System
SPE	Society of Petroleum Engineers

TABLE OF CONTENTS

TABLE OF CONTENTS

SUMMARY PROJECTIONS OF RESERVES AND REVENUE

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

TOTAL PROVED (1P) RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	131,879	0	0	27,287	0.000	0.000	12.310	0.0	0.0	293.9	293.9
12-31-2010	0	0	1,774,402	0	0	1,105,635	0.000	0.000	12.310	0.0	0.0	11,909.7	11,909.7
12-31-2011	0	0	1,743,998	0	0	1,620,176	0.000	0.000	12.310	0.0	0.0	17,451.8	17,451.8
12-31-2012	0	0	1,499,544	0	0	1,393,081	0.000	0.000	12.310	0.0	0.0	15,005.7	15,005.7
12-31-2013	0	0	1,318,982	0	0	1,225,331	0.000	0.000	12.310	0.0	0.0	13,198.9	13,198.9
12-31-2014	0	0	1,214,867	0	0	1,128,612	0.000	0.000	12.310	0.0	0.0	12,156.9	12,156.9
12-31-2015	0	0	1,084,835	0	0	1,007,814	0.000	0.000	12.310	0.0	0.0	10,855.6	10,855.6
12-31-2016	0	0	966,807	0	0	898,161	0.000	0.000	12.310	0.0	0.0	9,674.8	9,674.8
12-31-2017	0	0	864,202	0	0	802,843	0.000	0.000	12.310	0.0	0.0	8,647.9	8,647.9
12-31-2018	0	0	775,129	0	0	720,093	0.000	0.000	12.310	0.0	0.0	7,756.1	7,756.1
12-31-2019	0	0	696,376	0	0	646,938	0.000	0.000	12.310	0.0	0.0	6,968.9	6,968.9
12-31-2020	0	0	626,350	0	0	581,882	0.000	0.000	12.310	0.0	0.0	6,267.8	6,267.8
12-31-2021	0	0	563,695	0	0	523,672	0.000	0.000	12.310	0.0	0.0	5,640.6	5,640.6
12-31-2022	0	0	506,180	0	0	470,248	0.000	0.000	12.310	0.0	0.0	5,065.0	5,065.0
12-31-2023	0	0	453,400	0	0	421,208	0.000	0.000	12.310	0.0	0.0	4,537.2	4,537.2
SUBTOTAL	0	0	14,220,646	0	0	12,572,981	0.000	0.000	12.310	0.0	0.0	135,430.8	135,430.8
REMAINING	0	0	2,830,039	0	0	2,629,092	0.000	0.000	12.310	0.0	0.0	28,319.8	28,319.8
TOTAL	0	0	17,050,685	0	0	15,202,073	0.000	0.000	12.310	0.0	0.0	163,750.6	163,750.6
CUM PROD	0		2,152,892										
ULTIMATE	0		19,203,577										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	ACTIVE COMPLETIONS		PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	39	39.00	0.0	0.0	375.8	82.5	-164.4	-164.4	-165.2	-165.2
12-31-2010	39	39.00	0.0	0.0	4,133.8	1,267.2	6,508.7	6,344.3	5,948.2	5,783.0
12-31-2011	39	39.00	0.0	0.0	0.0	1,465.2	15,986.6	22,330.9	13,769.9	19,552.9
12-31-2012	39	39.00	0.0	0.0	0.0	1,465.2	13,540.5	35,871.4	10,602.3	30,155.2
12-31-2013	39	39.00	0.0	0.0	2,398.0	1,494.9	9,306.0	45,177.4	6,618.8	36,774.0
12-31-2014	39	39.00	0.0	0.0	0.0	1,544.4	10,612.5	55,789.9	6,865.3	43,639.3
12-31-2015	39	39.00	0.0	0.0	0.0	1,544.4	9,311.2	65,101.1	5,475.6	49,114.9
12-31-2016	39	39.00	0.0	0.0	0.0	1,544.4	8,130.4	73,231.5	4,346.4	53,461.3
12-31-2017	39	39.00	0.0	0.0	0.0	1,544.4	7,103.5	80,335.0	3,452.0	56,913.3
12-31-2018	39	39.00	0.0	0.0	0.0	1,544.4	6,211.7	86,546.7	2,744.5	59,657.8
12-31-2019	39	39.00	0.0	0.0	0.0	1,544.4	5,424.5	91,971.2	2,178.4	61,836.2
12-31-2020	39	39.00	0.0	0.0	0.0	1,544.4	4,723.4	96,694.6	1,724.3	63,560.5
12-31-2021	39	39.00	0.0	0.0	0.0	1,544.4	4,096.2	100,790.8	1,359.3	64,919.8
12-31-2022	39	39.00	0.0	0.0	0.0	1,531.2	3,533.8	104,324.6	1,066.2	65,986.0
12-31-2023	38	38.00	0.0	0.0	0.0	1,504.8	3,032.4	107,357.0	831.9	66,817.9
SUBTOTAL			0.0	0.0	6,907.6	21,166.2	107,357.0	107,357.0	66,817.9	66,817.9
REMAINING			0.0	0.0	0.0	14,369.0	13,950.8	121,307.8	2,558.6	69,376.5
TOTAL OF 34.2 YRS			0.0	0.0	6,907.6	35,535.2	121,307.8	121,307.8	69,376.5	69,376.5

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	76,147.0
12.000	63,644.2
15.000	56,541.2
20.000	47,547.9
25.000	40,928.6
30.000	35,870.7
35.000	31,885.7
40.000	28,669.1
45.000	26,021.0
50.000	23,805.6

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table I

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	129,353	0	0	26,774	0.000	0.000	12.310	0.0	0.0	288.4	288.4
12-31-2010	0	0	1,550,990	0	0	944,929	0.000	0.000	12.310	0.0	0.0	10,178.5	10,178.5
12-31-2011	0	0	1,377,565	0	0	1,279,760	0.000	0.000	12.310	0.0	0.0	13,784.8	13,784.8
12-31-2012	0	0	1,149,334	0	0	1,067,734	0.000	0.000	12.310	0.0	0.0	11,501.2	11,501.2
12-31-2013	0	0	986,092	0	0	916,077	0.000	0.000	12.310	0.0	0.0	9,867.7	9,867.7
12-31-2014	0	0	863,503	0	0	802,194	0.000	0.000	12.310	0.0	0.0	8,641.0	8,641.0
12-31-2015	0	0	768,053	0	0	713,522	0.000	0.000	12.310	0.0	0.0	7,685.6	7,685.6
12-31-2016	0	0	690,153	0	0	641,152	0.000	0.000	12.310	0.0	0.0	6,906.3	6,906.3
12-31-2017	0	0	621,135	0	0	577,034	0.000	0.000	12.310	0.0	0.0	6,215.5	6,215.5
12-31-2018	0	0	559,022	0	0	519,330	0.000	0.000	12.310	0.0	0.0	5,593.8	5,593.8
12-31-2019	0	0	503,119	0	0	467,400	0.000	0.000	12.310	0.0	0.0	5,034.7	5,034.7
12-31-2020	0	0	452,810	0	0	420,661	0.000	0.000	12.310	0.0	0.0	4,531.1	4,531.1
12-31-2021	0	0	407,530	0	0	378,594	0.000	0.000	12.310	0.0	0.0	4,077.9	4,077.9
12-31-2022	0	0	365,632	0	0	339,679	0.000	0.000	12.310	0.0	0.0	3,658.7	3,658.7
12-31-2023	0	0	326,907	0	0	303,696	0.000	0.000	12.310	0.0	0.0	3,271.4	3,271.4
SUBTOTAL	0	0	10,751,198	0	0	9,398,536	0.000	0.000	12.310	0.0	0.0	101,236.6	101,236.6
REMAINING	0	0	2,185,065	0	0	2,029,920	0.000	0.000	12.310	0.0	0.0	21,865.6	21,865.6
TOTAL	0	0	12,936,263	0	0	11,428,456	0.000	0.000	12.310	0.0	0.0	123,102.2	123,102.2
CUM PROD	0		2,152,892										
ULTIMATE	0		15,089,155										

PERIOD	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES — TAXES				FUTURE NET REVENUE — UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING			PRODUCTION	AD VALOREM	CAPITAL COST	OPERATING EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	24	24.00	0.0	0.0	0.0	79.2	209.2	209.2	208.4	208.4
12-31-2010	24	24.00	0.0	0.0	0.0	950.4	9,228.1	9,437.3	8,610.9	8,819.3
12-31-2011	24	24.00	0.0	0.0	0.0	950.4	12,834.4	22,271.7	11,058.7	19,878.0
12-31-2012	24	24.00	0.0	0.0	0.0	950.4	10,550.8	32,822.5	8,262.0	28,140.0
12-31-2013	24	24.00	0.0	0.0	0.0	950.4	8,917.3	41,739.8	6,346.7	34,486.7
12-31-2014	24	24.00	0.0	0.0	0.0	950.4	7,690.6	49,430.4	4,975.3	39,462.0
12-31-2015	24	24.00	0.0	0.0	0.0	950.4	6,735.2	56,165.6	3,961.0	43,423.0
12-31-2016	24	24.00	0.0	0.0	0.0	950.4	5,955.9	62,121.5	3,183.8	46,606.8
12-31-2017	24	24.00	0.0	0.0	0.0	950.4	5,265.1	67,386.6	2,558.5	49,165.3
12-31-2018	24	24.00	0.0	0.0	0.0	950.4	4,643.4	72,030.0	2,051.4	51,216.7
12-31-2019	24	24.00	0.0	0.0	0.0	950.4	4,084.3	76,114.3	1,640.2	52,856.9
12-31-2020	24	24.00	0.0	0.0	0.0	950.4	3,580.7	79,695.0	1,307.2	54,164.1
12-31-2021	24	24.00	0.0	0.0	0.0	950.4	3,127.5	82,822.5	1,038.0	55,202.1
12-31-2022	24	24.00	0.0	0.0	0.0	937.2	2,721.5	85,544.0	820.9	56,023.0
12-31-2023	23	23.00	0.0	0.0	0.0	910.8	2,360.6	87,904.6	647.7	56,670.7
SUBTOTAL			0.0	0.0	0.0	13,332.0	87,904.6	87,904.6	56,670.7	56,670.7
REMAINING			0.0	0.0	0.0	10,050.8	11,814.8	99,719.4	2,128.7	58,799.4
TOTAL OF 34.2 YRS			0.0	0.0	0.0	23,382.8	99,719.4	99,719.4	58,799.4	58,799.4

PRESENT WORTH PROFILE

DISC RATE %	CUM PW M$
8.000	64,105.2
12.000	54,309.3
15.000	48,743.5
20.000	41,681.5
25.000	36,460.8
30.000	32,449.2
35.000	29,269.5
40.000	26,688.3
45.000	24,548.7
50.000	22,749.5

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table II

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

PROVED DEVELOPED NON-PRODUCING RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	2,526	0	0	513	0.000	0.000	12.310	0.0	0.0	5.5	5.5
12-31-2010	0	0	223,412	0	0	160,706	0.000	0.000	12.310	0.0	0.0	1,731.2	1,731.2
12-31-2011	0	0	366,433	0	0	340,416	0.000	0.000	12.310	0.0	0.0	3,667.0	3,667.0
12-31-2012	0	0	350,210	0	0	325,347	0.000	0.000	12.310	0.0	0.0	3,504.5	3,504.5
12-31-2013	0	0	294,753	0	0	273,825	0.000	0.000	12.310	0.0	0.0	2,949.5	2,949.5
12-31-2014	0	0	249,748	0	0	232,017	0.000	0.000	12.310	0.0	0.0	2,499.1	2,499.1
12-31-2015	0	0	216,696	0	0	201,312	0.000	0.000	12.310	0.0	0.0	2,168.5	2,168.5
12-31-2016	0	0	191,389	0	0	177,797	0.000	0.000	12.310	0.0	0.0	1,915.3	1,915.3
12-31-2017	0	0	171,278	0	0	159,116	0.000	0.000	12.310	0.0	0.0	1,714.0	1,714.0
12-31-2018	0	0	154,109	0	0	143,167	0.000	0.000	12.310	0.0	0.0	1,541.9	1,541.9
12-31-2019	0	0	138,698	0	0	128,852	0.000	0.000	12.310	0.0	0.0	1,388.2	1,388.2
12-31-2020	0	0	124,828	0	0	115,967	0.000	0.000	12.310	0.0	0.0	1,249.2	1,249.2
12-31-2021	0	0	112,347	0	0	104,371	0.000	0.000	12.310	0.0	0.0	1,124.2	1,124.2
12-31-2022	0	0	101,111	0	0	93,932	0.000	0.000	12.310	0.0	0.0	1,011.7	1,011.7
12-31-2023	0	0	91,000	0	0	84,539	0.000	0.000	12.310	0.0	0.0	910.5	910.5
SUBTOTAL	0	0	2,788,538	0	0	2,541,877	0.000	0.000	12.310	0.0	0.0	27,380.3	27,380.3
REMAINING	0	0	391,305	0	0	363,517	0.000	0.000	12.310	0.0	0.0	3,915.7	3,915.7
TOTAL	0	0	3,179,843	0	0	2,905,394	0.000	0.000	12.310	0.0	0.0	31,296.0	31,296.0
CUM PROD	0		0										
ULTIMATE	0		3,179,843										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
	ACTIVE COMPLETIONS		TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	GROSS	NET	PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y			M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	13	13.00	0.0	0.0	375.8	3.3	-373.6	-373.6	-373.6	-373.6
12-31-2010	13	13.00	0.0	0.0	4,133.8	316.8	-2,719.4	-3,093.0	-2,662.7	-3,036.3
12-31-2011	13	13.00	0.0	0.0	0.0	514.8	3,152.2	59.2	2,711.2	-325.1
12-31-2012	13	13.00	0.0	0.0	0.0	514.8	2,989.7	3,048.9	2,340.3	2,015.2
12-31-2013	13	13.00	0.0	0.0	0.0	514.8	2,434.7	5,483.6	1,733.5	3,748.7
12-31-2014	13	13.00	0.0	0.0	0.0	514.8	1,984.3	7,467.9	1,284.0	5,032.7
12-31-2015	13	13.00	0.0	0.0	0.0	514.8	1,653.7	9,121.6	972.4	6,005.1
12-31-2016	13	13.00	0.0	0.0	0.0	514.8	1,400.5	10,522.1	748.5	6,753.6
12-31-2017	13	13.00	0.0	0.0	0.0	514.8	1,199.2	11,721.3	582.7	7,336.3
12-31-2018	13	13.00	0.0	0.0	0.0	514.8	1,027.1	12,748.4	454.0	7,790.3
12-31-2019	13	13.00	0.0	0.0	0.0	514.8	873.4	13,621.8	350.7	8,141.0
12-31-2020	13	13.00	0.0	0.0	0.0	514.8	734.4	14,356.2	268.0	8,409.0
12-31-2021	13	13.00	0.0	0.0	0.0	514.8	609.4	14,965.6	202.0	8,611.0
12-31-2022	13	13.00	0.0	0.0	0.0	514.8	496.9	15,462.5	150.1	8,761.1
12-31-2023	13	13.00	0.0	0.0	0.0	514.8	395.7	15,858.2	108.5	8,869.6
SUBTOTAL			0.0	0.0	4,509.6	7,012.5	15,858.2	15,858.2	8,869.6	8,869.6
REMAINING			0.0	0.0	0.0	3,128.8	786.9	16,645.1	178.4	9,048.0
TOTAL OF 21.8 YRS			0.0	0.0	4,509.6	10,141.3	16,645.1	16,645.1	9,048.0	9,048.0

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	10,123.0
12.000	8,116.3
15.000	6,933.5
20.000	5,394.1
25.000	4,233.8
30.000	3,335.1
35.000	2,622.3
40.000	2,044.7
45.000	1,571.4
50.000	1,176.3

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table III

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED UNDEVELOPED RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2010	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2011	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2012	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2013	0	0	38,137	0	0	35,429	0.000	0.000	12.310	0.0	0.0	381.7	381.7
12-31-2014	0	0	101,616	0	0	94,401	0.000	0.000	12.310	0.0	0.0	1,016.8	1,016.8
12-31-2015	0	0	100,086	0	0	92,980	0.000	0.000	12.310	0.0	0.0	1,001.5	1,001.5
12-31-2016	0	0	85,265	0	0	79,212	0.000	0.000	12.310	0.0	0.0	853.2	853.2
12-31-2017	0	0	71,789	0	0	66,693	0.000	0.000	12.310	0.0	0.0	718.4	718.4
12-31-2018	0	0	61,998	0	0	57,596	0.000	0.000	12.310	0.0	0.0	620.4	620.4
12-31-2019	0	0	54,559	0	0	50,686	0.000	0.000	12.310	0.0	0.0	546.0	546.0
12-31-2020	0	0	48,712	0	0	45,254	0.000	0.000	12.310	0.0	0.0	487.5	487.5
12-31-2021	0	0	43,818	0	0	40,707	0.000	0.000	12.310	0.0	0.0	438.5	438.5
12-31-2022	0	0	39,437	0	0	36,637	0.000	0.000	12.310	0.0	0.0	394.6	394.6
12-31-2023	0	0	35,493	0	0	32,973	0.000	0.000	12.310	0.0	0.0	355.3	355.3
SUBTOTAL	0	0	680,910	0	0	632,568	0.000	0.000	12.310	0.0	0.0	6,813.9	6,813.9
REMAINING	0	0	253,669	0	0	235,655	0.000	0.000	12.310	0.0	0.0	2,538.5	2,538.5
TOTAL	0	0	934,579	0	0	868,223	0.000	0.000	12.310	0.0	0.0	9,352.4	9,352.4
CUM PROD	0		0										
ULTIMATE	0		934,579										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
	ACTIVE COMPLETIONS		TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING			PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12-31-2010	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12-31-2011	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12-31-2012	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12-31-2013	2	2.00	0.0	0.0	2,398.0	29.7	-2,046.0	-2,046.0	-1,461.4	-1,461.4
12-31-2014	2	2.00	0.0	0.0	0.0	79.2	937.6	-1,108.4	606.0	-855.4
12-31-2015	2	2.00	0.0	0.0	0.0	79.2	922.3	-186.1	542.2	-313.2
12-31-2016	2	2.00	0.0	0.0	0.0	79.2	774.0	587.9	414.1	100.9
12-31-2017	2	2.00	0.0	0.0	0.0	79.2	639.2	1,227.1	310.8	411.7
12-31-2018	2	2.00	0.0	0.0	0.0	79.2	541.2	1,768.3	239.1	650.8
12-31-2019	2	2.00	0.0	0.0	0.0	79.2	466.8	2,235.1	187.5	838.3
12-31-2020	2	2.00	0.0	0.0	0.0	79.2	408.3	2,643.4	149.1	987.4
12-31-2021	2	2.00	0.0	0.0	0.0	79.2	359.3	3,002.7	119.3	1,106.7
12-31-2022	2	2.00	0.0	0.0	0.0	79.2	315.4	3,318.1	95.2	1,201.9
12-31-2023	2	2.00	0.0	0.0	0.0	79.2	276.1	3,594.2	75.7	1,277.6
SUBTOTAL			0.0	0.0	2,398.0	821.7	3,594.2	3,594.2	1,277.6	1,277.6
REMAINING			0.0	0.0	0.0	1,189.4	1,349.1	4,943.3	251.5	1,529.1
TOTAL OF 29.1 YRS			0.0	0.0	2,398.0	2,011.1	4,943.3	4,943.3	1,529.1	1,529.1

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	1,918.8
12.000	1,218.6
15.000	864.2
20.000	472.3
25.000	234.0
30.000	86.4
35.000	-6.1
40.000	-63.9
45.000	-99.1
50.000	-120.2

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table IV

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

PROVED + PROBABLE (2P) RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	138,313	0	0	26,693	0.000	0.000	12.310	0.0	0.0	287.3	287.3
12-31-2010	0	0	2,218,440	0	0	1,189,602	0.000	0.000	12.310	0.0	0.0	12,814.1	12,814.1
12-31-2011	0	0	2,619,267	0	0	2,433,302	0.000	0.000	12.310	0.0	0.0	26,210.6	26,210.6
12-31-2012	0	0	2,374,735	0	0	2,206,134	0.000	0.000	12.310	0.0	0.0	23,763.8	23,763.8
12-31-2013	0	0	2,117,231	0	0	1,966,901	0.000	0.000	12.310	0.0	0.0	21,187.0	21,187.0
12-31-2014	0	0	2,089,274	0	0	1,940,936	0.000	0.000	12.310	0.0	0.0	20,906.9	20,906.9
12-31-2015	0	0	1,868,747	0	0	1,736,069	0.000	0.000	12.310	0.0	0.0	18,700.2	18,700.2
12-31-2016	0	0	1,648,136	0	0	1,531,112	0.000	0.000	12.310	0.0	0.0	16,492.5	16,492.5
12-31-2017	0	0	1,460,249	0	0	1,356,574	0.000	0.000	12.310	0.0	0.0	14,611.9	14,611.9
12-31-2018	0	0	1,303,819	0	0	1,211,251	0.000	0.000	12.310	0.0	0.0	13,046.6	13,046.6
12-31-2019	0	0	1,168,514	0	0	1,085,548	0.000	0.000	12.310	0.0	0.0	11,693.4	11,693.4
12-31-2020	0	0	1,050,030	0	0	975,485	0.000	0.000	12.310	0.0	0.0	10,507.4	10,507.4
12-31-2021	0	0	944,909	0	0	877,819	0.000	0.000	12.310	0.0	0.0	9,454.9	9,454.9
12-31-2022	0	0	850,414	0	0	790,042	0.000	0.000	12.310	0.0	0.0	8,509.8	8,509.8
12-31-2023	0	0	762,600	0	0	708,453	0.000	0.000	12.310	0.0	0.0	7,631.2	7,631.2
SUBTOTAL	0	0	22,614,678	0	0	20,035,921	0.000	0.000	12.310	0.0	0.0	215,817.6	215,817.6
REMAINING	0	0	5,212,515	0	0	4,842,410	0.000	0.000	12.310	0.0	0.0	52,161.2	52,161.2
TOTAL	0	0	27,827,193	0	0	24,878,331	0.000	0.000	12.310	0.0	0.0	267,978.8	267,978.8
CUM PROD	0		2,152,892										
ULTIMATE	0		29,980,085										

PERIOD	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE				PRESENT WORTH PROFILE	
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%			
ENDING	GROSS	NET	PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM	DISC RATE	CUM PW
M-D-Y			M$	M$	M$	M$	M$	M$	M$	M$	%	M$
12-31-2009	51	51.00	0.0	0.0	751.6	85.8	-550.1	-550.1	-550.4	-550.4	8.000	121,347.1
12-31-2010	51	51.00	0.0	0.0	6,388.6	1,465.2	4,960.3	4,410.2	4,408.2	3,857.8	12.000	99,586.3
12-31-2011	51	51.00	0.0	0.0	0.0	1,782.0	24,428.6	28,838.8	21,017.7	24,875.5	15.000	87,382.4
12-31-2012	51	51.00	0.0	0.0	0.0	1,782.0	21,981.8	50,820.6	17,212.8	42,088.3	20.000	72,116.9
12-31-2013	51	51.00	0.0	0.0	7,194.0	1,854.6	12,138.4	62,959.0	8,664.0	50,752.3	25.000	61,045.7
12-31-2014	51	51.00	0.0	0.0	0.0	2,019.6	18,887.3	81,846.3	12,218.2	62,970.5	30.000	52,690.1
12-31-2015	51	51.00	0.0	0.0	0.0	2,019.6	16,680.6	98,526.9	9,809.4	72,779.9	35.000	46,184.6
12-31-2016	51	51.00	0.0	0.0	0.0	2,019.6	14,472.9	112,999.8	7,737.9	80,517.8	40.000	40,987.2
12-31-2017	51	51.00	0.0	0.0	0.0	2,019.6	12,592.3	125,592.1	6,120.3	86,638.1	45.000	36,748.6
12-31-2018	51	51.00	0.0	0.0	0.0	2,019.6	11,027.0	136,619.1	4,871.9	91,510.0	50.000	33,230.4
12-31-2019	51	51.00	0.0	0.0	0.0	2,019.6	9,673.8	146,292.9	3,885.5	95,395.5		
12-31-2020	51	51.00	0.0	0.0	0.0	2,019.6	8,487.8	154,780.7	3,098.6	98,494.1		
12-31-2021	51	51.00	0.0	0.0	0.0	2,019.6	7,435.3	162,216.0	2,467.7	100,961.8		
12-31-2022	52	52.00	0.0	0.0	0.0	2,019.6	6,490.2	168,706.2	1,958.1	102,919.9		
12-31-2023	51	51.00	0.0	0.0	0.0	1,986.6	5,644.6	174,350.8	1,547.9	104,467.8		
SUBTOTAL			0.0	0.0	14,334.2	27,132.6	174,350.8	174,350.8	104,467.8	104,467.8		
REMAINING			0.0	0.0	0.0	24,489.0	27,672.2	202,023.0	5,054.1	109,521.9		
TOTAL OF 35.3 YRS			0.0	0.0	14,334.2	51,621.6	202,023.0	202,023.0	109,521.9	109,521.9		

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table V

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	6,434	0	0	-594	0.000	0.000	0.000	0.0	0.0	-6.6	-6.6
12-31-2010	0	0	444,038	0	0	83,967	0.000	0.000	12.310	0.0	0.0	904.4	904.4
12-31-2011	0	0	875,269	0	0	813,126	0.000	0.000	12.310	0.0	0.0	8,758.8	8,758.8
12-31-2012	0	0	875,191	0	0	813,053	0.000	0.000	12.310	0.0	0.0	8,758.1	8,758.1
12-31-2013	0	0	798,249	0	0	741,570	0.000	0.000	12.310	0.0	0.0	7,988.1	7,988.1
12-31-2014	0	0	874,407	0	0	812,324	0.000	0.000	12.310	0.0	0.0	8,750.0	8,750.0
12-31-2015	0	0	783,912	0	0	728,255	0.000	0.000	12.310	0.0	0.0	7,844.6	7,844.6
12-31-2016	0	0	681,329	0	0	632,951	0.000	0.000	12.310	0.0	0.0	6,817.7	6,817.7
12-31-2017	0	0	596,047	0	0	553,731	0.000	0.000	12.310	0.0	0.0	5,964.0	5,964.0
12-31-2018	0	0	528,690	0	0	491,158	0.000	0.000	12.310	0.0	0.0	5,290.5	5,290.5
12-31-2019	0	0	472,138	0	0	438,610	0.000	0.000	12.310	0.0	0.0	4,724.5	4,724.5
12-31-2020	0	0	423,680	0	0	393,603	0.000	0.000	12.310	0.0	0.0	4,239.6	4,239.6
12-31-2021	0	0	381,214	0	0	354,147	0.000	0.000	12.310	0.0	0.0	3,814.3	3,814.3
12-31-2022	0	0	344,234	0	0	319,794	0.000	0.000	12.310	0.0	0.0	3,444.8	3,444.8
12-31-2023	0	0	309,200	0	0	287,245	0.000	0.000	12.310	0.0	0.0	3,094.0	3,094.0
SUBTOTAL	0	0	8,394,032	0	0	7,462,940	0.000	0.000	12.310	0.0	0.0	80,386.8	80,386.8
REMAINING	0	0	2,382,476	0	0	2,213,318	0.000	0.000	12.310	0.0	0.0	23,841.4	23,841.4
TOTAL	0	0	10,776,508	0	0	9,676,258	0.000	0.000	12.310	0.0	0.0	104,228.2	104,228.2
CUM PROD	0		0										
ULTIMATE	0		10,776,508										

PERIOD	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES: TAXES				FUTURE NET REVENUE: UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	GROSS	NET	PRODUCTION	AD VALOREM	CAPITAL COST	OPERATING EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y			M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	12	12.00	0.0	0.0	375.8	3.3	-385.7	-385.7	-385.2	-385.2
12-31-2010	12	12.00	0.0	0.0	2,254.8	198.0	-1,548.4	-1,934.1	-1,540.0	-1,925.2
12-31-2011	12	12.00	0.0	0.0	0.0	316.8	8,442.0	6,507.9	7,247.8	5,322.6
12-31-2012	12	12.00	0.0	0.0	0.0	316.8	8,441.3	14,949.2	6,610.5	11,933.1
12-31-2013	12	12.00	0.0	0.0	4,796.0	359.7	2,832.4	17,781.6	2,045.2	13,978.3
12-31-2014	12	12.00	0.0	0.0	0.0	475.2	8,274.8	26,056.4	5,352.9	19,331.2
12-31-2015	12	12.00	0.0	0.0	0.0	475.2	7,369.4	33,425.8	4,333.8	23,665.0
12-31-2016	12	12.00	0.0	0.0	0.0	475.2	6,342.5	39,768.3	3,391.5	27,056.5
12-31-2017	12	12.00	0.0	0.0	0.0	475.2	5,488.8	45,257.1	2,668.3	29,724.8
12-31-2018	12	12.00	0.0	0.0	0.0	475.2	4,815.3	50,072.4	2,127.4	31,852.2
12-31-2019	12	12.00	0.0	0.0	0.0	475.2	4,249.3	54,321.7	1,707.1	33,559.3
12-31-2020	12	12.00	0.0	0.0	0.0	475.2	3,764.4	58,086.1	1,374.3	34,933.6
12-31-2021	12	12.00	0.0	0.0	0.0	475.2	3,339.1	61,425.2	1,108.4	36,042.0
12-31-2022	13	13.00	0.0	0.0	0.0	488.4	2,956.4	64,381.6	891.9	36,933.9
12-31-2023	13	13.00	0.0	0.0	0.0	481.8	2,612.2	66,993.8	716.0	37,649.9
SUBTOTAL			0.0	0.0	7,426.6	5,966.4	66,993.8	66,993.8	37,649.9	37,649.9
REMAINING			0.0	0.0	0.0	10,120.0	13,721.4	80,715.2	2,495.5	40,145.4
TOTAL OF 35.3 YRS			0.0	0.0	7,426.6	16,086.4	80,715.2	80,715.2	40,145.4	40,145.4

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	45,200.1
12.000	35,942.1
15.000	30,841.2
20.000	24,569.0
25.000	20,117.1
30.000	16,819.4
35.000	14,298.9
40.000	12,318.1
45.000	10,727.6
50.000	9,424.8

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table VI

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED + PROBABLE + POSSIBLE (3P) RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	146,715	0	0	27,672	0.000	0.000	12.310	0.0	0.0	297.9	297.9
12-31-2010	0	0	2,841,227	0	0	1,357,405	0.000	0.000	12.310	0.0	0.0	14,621.5	14,621.5
12-31-2011	0	0	3,808,510	0	0	3,529,891	0.000	0.000	12.310	0.0	0.0	38,022.4	38,022.4
12-31-2012	0	0	3,763,069	0	0	3,495,894	0.000	0.000	12.310	0.0	0.0	37,656.5	37,656.5
12-31-2013	0	0	3,416,735	0	0	3,174,139	0.000	0.000	12.310	0.0	0.0	34,190.8	34,190.8
12-31-2014	0	0	3,553,309	0	0	3,301,026	0.000	0.000	12.310	0.0	0.0	35,557.0	35,557.0
12-31-2015	0	0	3,183,718	0	0	2,957,674	0.000	0.000	12.310	0.0	0.0	31,858.9	31,858.9
12-31-2016	0	0	2,800,272	0	0	2,601,450	0.000	0.000	12.310	0.0	0.0	28,021.9	28,021.9
12-31-2017	0	0	2,465,798	0	0	2,290,730	0.000	0.000	12.310	0.0	0.0	24,673.9	24,673.9
12-31-2018	0	0	2,194,608	0	0	2,038,798	0.000	0.000	12.310	0.0	0.0	21,960.4	21,960.4
12-31-2019	0	0	1,963,928	0	0	1,824,484	0.000	0.000	12.310	0.0	0.0	19,653.0	19,653.0
12-31-2020	0	0	1,763,658	0	0	1,638,448	0.000	0.000	12.310	0.0	0.0	17,648.9	17,648.9
12-31-2021	0	0	1,586,932	0	0	1,474,257	0.000	0.000	12.310	0.0	0.0	15,879.9	15,879.9
12-31-2022	0	0	1,428,236	0	0	1,326,836	0.000	0.000	12.310	0.0	0.0	14,291.9	14,291.9
12-31-2023	0	0	1,284,274	0	0	1,193,088	0.000	0.000	12.310	0.0	0.0	12,851.4	12,851.4
SUBTOTAL	0	0	36,200,989	0	0	32,231,792	0.000	0.000	12.310	0.0	0.0	347,186.3	347,186.3
REMAINING	0	0	9,431,105	0	0	8,761,477	0.000	0.000	12.310	0.0	0.0	94,376.1	94,376.1
TOTAL	0	0	45,632,094	0	0	40,993,269	0.000	0.000	12.310	0.0	0.0	441,562.4	441,562.4
CUM PROD	0		2,152,892										
ULTIMATE	0		47,784,986										

PERIOD	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES: TAXES		NET DEDUCTIONS/EXPENDITURES: CAPITAL	NET DEDUCTIONS/EXPENDITURES: OPERATING	FUTURE NET REVENUE: UNDISCOUNTED		FUTURE NET REVENUE: DISCOUNTED AT 10.000%	
ENDING			PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	65	65.00	0.0	0.0	751.6	85.8	-539.5	-539.5	-539.8	-539.8
12-31-2010	65	65.00	0.0	0.0	6,388.6	1,465.2	6,767.7	6,228.2	6,074.4	5,534.6
12-31-2011	65	65.00	0.0	0.0	9,592.0	1,914.0	26,516.4	32,744.6	22,743.8	28,278.4
12-31-2012	65	65.00	0.0	0.0	0.0	2,098.8	35,557.7	68,302.3	27,837.7	56,116.1
12-31-2013	65	65.00	0.0	0.0	14,388.0	2,204.4	17,598.4	85,900.7	12,680.1	68,796.2
12-31-2014	65	65.00	0.0	0.0	0.0	2,574.0	32,983.0	118,883.7	21,337.1	90,133.3
12-31-2015	65	65.00	0.0	0.0	0.0	2,574.0	29,284.9	148,168.6	17,221.3	107,354.6
12-31-2016	65	65.00	0.0	0.0	0.0	2,574.0	25,447.9	173,616.5	13,607.0	120,961.6
12-31-2017	65	65.00	0.0	0.0	0.0	2,574.0	22,099.9	195,716.4	10,741.6	131,703.2
12-31-2018	65	65.00	0.0	0.0	0.0	2,574.0	19,386.4	215,102.8	8,565.4	140,268.6
12-31-2019	65	65.00	0.0	0.0	0.0	2,574.0	17,079.0	232,181.8	6,859.8	147,128.4
12-31-2020	65	65.00	0.0	0.0	0.0	2,574.0	15,074.9	247,256.7	5,504.0	152,632.4
12-31-2021	65	65.00	0.0	0.0	0.0	2,574.0	13,305.9	260,562.6	4,416.4	157,048.8
12-31-2022	66	66.00	0.0	0.0	0.0	2,574.0	11,717.9	272,280.5	3,535.0	160,583.8
12-31-2023	66	66.00	0.0	0.0	0.0	2,560.8	10,290.6	282,571.1	2,822.4	163,406.2
SUBTOTAL			0.0	0.0	31,120.2	33,495.0	282,571.1	282,571.1	163,406.2	163,406.2
REMAINING			0.0	0.0	0.0	38,087.5	56,288.6	338,859.7	9,973.1	173,379.3
TOTAL OF 36.1 YRS			0.0	0.0	31,120.2	71,582.5	338,859.7	338,859.7	173,379.3	173,379.3

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	193,953.7
12.000	156,251.6
15.000	135,435.2
20.000	109,787.4
25.000	91,496.2
30.000	77,901.8
35.000	67,461.1
40.000	59,227.0
45.000	52,592.1
50.000	47,146.4

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table VII

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

POSSIBLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	8,402	0	0	979	0.000	0.000	12.310	0.0	0.0	10.6	10.6
12-31-2010	0	0	622,787	0	0	167,803	0.000	0.000	12.310	0.0	0.0	1,807.4	1,807.4
12-31-2011	0	0	1,189,243	0	0	1,096,589	0.000	0.000	12.310	0.0	0.0	11,811.8	11,811.8
12-31-2012	0	0	1,388,334	0	0	1,289,760	0.000	0.000	12.310	0.0	0.0	13,892.7	13,892.7
12-31-2013	0	0	1,299,504	0	0	1,207,238	0.000	0.000	12.310	0.0	0.0	13,003.8	13,003.8
12-31-2014	0	0	1,464,035	0	0	1,360,090	0.000	0.000	12.310	0.0	0.0	14,650.1	14,650.1
12-31-2015	0	0	1,314,971	0	0	1,221,605	0.000	0.000	12.310	0.0	0.0	13,158.7	13,158.7
12-31-2016	0	0	1,152,136	0	0	1,070,338	0.000	0.000	12.310	0.0	0.0	11,529.4	11,529.4
12-31-2017	0	0	1,005,549	0	0	934,156	0.000	0.000	12.310	0.0	0.0	10,062.0	10,062.0
12-31-2018	0	0	890,789	0	0	827,547	0.000	0.000	12.310	0.0	0.0	8,913.8	8,913.8
12-31-2019	0	0	795,414	0	0	738,936	0.000	0.000	12.310	0.0	0.0	7,959.6	7,959.6
12-31-2020	0	0	713,628	0	0	662,963	0.000	0.000	12.310	0.0	0.0	7,141.5	7,141.5
12-31-2021	0	0	642,023	0	0	596,438	0.000	0.000	12.310	0.0	0.0	6,425.0	6,425.0
12-31-2022	0	0	577,822	0	0	536,794	0.000	0.000	12.310	0.0	0.0	5,782.1	5,782.1
12-31-2023	0	0	521,674	0	0	484,635	0.000	0.000	12.310	0.0	0.0	5,220.2	5,220.2
SUBTOTAL	0	0	13,586,311	0	0	12,195,871	0.000	0.000	12.310	0.0	0.0	131,368.7	131,368.7
REMAINING	0	0	4,218,590	0	0	3,919,067	0.000	0.000	12.310	0.0	0.0	42,214.9	42,214.9
TOTAL	0	0	17,804,901	0	0	16,114,938	0.000	0.000	12.310	0.0	0.0	173,583.6	173,583.6
CUM PROD	0		0										
ULTIMATE	0		17,804,901										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	ACTIVE COMPLETIONS		PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	14	14.00	0.0	0.0	0.0	0.0	10.6	10.6	10.6	10.6
12-31-2010	14	14.00	0.0	0.0	0.0	0.0	1,807.4	1,818.0	1,666.2	1,676.8
12-31-2011	14	14.00	0.0	0.0	9,592.0	132.0	2,087.8	3,905.8	1,726.1	3,402.9
12-31-2012	14	14.00	0.0	0.0	0.0	316.8	13,575.9	17,481.7	10,624.9	14,027.8
12-31-2013	14	14.00	0.0	0.0	7,194.0	349.8	5,460.0	22,941.7	4,016.1	18,043.9
12-31-2014	14	14.00	0.0	0.0	0.0	554.4	14,095.7	37,037.4	9,118.9	27,162.8
12-31-2015	14	14.00	0.0	0.0	0.0	554.4	12,604.3	49,641.7	7,411.9	34,574.7
12-31-2016	14	14.00	0.0	0.0	0.0	554.4	10,975.0	60,616.7	5,869.1	40,443.8
12-31-2017	14	14.00	0.0	0.0	0.0	554.4	9,507.6	70,124.3	4,621.3	45,065.1
12-31-2018	14	14.00	0.0	0.0	0.0	554.4	8,359.4	78,483.7	3,693.5	48,758.6
12-31-2019	14	14.00	0.0	0.0	0.0	554.4	7,405.2	85,888.9	2,974.3	51,732.9
12-31-2020	14	14.00	0.0	0.0	0.0	554.4	6,587.1	92,476.0	2,405.4	54,138.3
12-31-2021	14	14.00	0.0	0.0	0.0	554.4	5,870.6	98,346.6	1,948.7	56,087.0
12-31-2022	14	14.00	0.0	0.0	0.0	554.4	5,227.7	103,574.3	1,576.9	57,663.9
12-31-2023	15	15.00	0.0	0.0	0.0	574.2	4,646.0	108,220.3	1,274.5	58,938.4
SUBTOTAL			0.0	0.0	16,786.0	6,362.4	108,220.3	108,220.3	58,938.4	58,938.4
REMAINING			0.0	0.0	0.0	13,598.5	28,616.4	136,836.7	4,919.0	63,857.4
TOTAL OF 36.1 YRS			0.0	0.0	16,786.0	19,960.9	136,836.7	136,836.7	63,857.4	63,857.4

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	72,606.6
12.000	56,665.3
15.000	48,052.8
20.000	37,670.5
25.000	30,450.5
30.000	25,211.7
35.000	21,276.5
40.000	18,239.8
45.000	15,843.5
50.000	13,916.0

BASED ON CONSTANT PRICE AND COST PARAMETERS

Table VIII

TECHNICAL DISCUSSION

TECHNICAL DISCUSSION
GREAT EASTERN ENERGY CORPORATION LTD.
COALBED METHANE PROPERTIES
RANIGANJ COAL FIELD, WEST BENGAL, INDIA
AS OF NOVEMBER 30, 2009

1.0 GENERAL OVERVIEW

In accordance with your request, we have estimated the proved, probable, and possible reserves and future revenue, as of November 30, 2009, to the Great Eastern Energy Corporation Ltd. (GEECL) interest in certain coalbed methane (CBM) properties located in Raniganj Coal Field, West Bengal, India. We have also conducted an assessment of the unrisked gross (100 percent) prospective resources, as of November 30, 2009, for certain CBM prospects located in Raniganj Coal Field. The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers.

During the course of our evaluation, GEECL provided access to its engineering and geologic data. Correspondence occurred between GEECL and Netherland, Sewell & Associates, Inc. in which requested data were provided, reviews of the results of the most recent drilling were given, and details on the future development plans were shared. Data provided by GEECL included various reports, geologic maps, well logs, core data, historical production volumes, and gas content data. All data sources were used, as appropriate, for the assessment of the properties.

2.0 ASSET OVERVIEW

2.1 OWNERSHIP POSITION

The Raniganj (South) Block is located in the southern part of Raniganj Coal Field in the state of West Bengal, India. The block covers an area of 210 square kilometers, and the Petroleum Exploration License was granted to GEECL in November 2001 for a term of 35 years. The GEECL license area is located south of the city of Asansol in the Bardhaman District, as shown on the location map on Figure 1. GEECL's license area covers much of the western one-half of the Raniganj Basin.

2.2 FIELD HISTORY AND WORK PLAN

Development of the block began in April 2002, with the drilling of 3 pilot wells. In 2006 GEECL continued its development of the field with the drilling and completion of 20 additional wells. Pumps were installed in all the wells in January 2007, first gas sales from the field commenced in July 2007, and further drilling was started in January 2008. As of December 2009, 31 wells had been drilled and completed and an additional 22 wells were drilled but waiting on completion operations. Of the 31 wells, some were in the dewatering stage, some were producing gas, and others were waiting on repairs or pump installations. Based on data provided by GEECL, it is our understanding that GEECL intends to drill an additional 227 wells outside of the current project area. The development plan includes drilling an average of 2 to 3 locations per month until July 2010 and then increasing drilling to 5 locations per month until all planned locations have been drilled.

2.3 GEOLOGY AND RESERVOIR CHARACTERIZATION

Raniganj Coal Field is located in the Raniganj Basin. The basin is floored by Precambrian metamorphics and filled with Permian through Recent sediments. A stratigraphic column is shown on Figure 2. The earliest Phanerozoic record of sedimentation in the basin is the Early Permian Talchir Formation, which is of a glacial origin and is deposited unconformably on the Precambrian gneisses and schists. The Barakar Formation of Lower Permian age is located above the Talchir Formation. The Barakar Formation is composed of coarse- to medium-grained arkosic sandstone with carbonaceous shale, fine-grained sandstone, and coal. The Ironstone Shale is above the Barakar Formation and is a dark grey to black fissile shale with bands of clay ironstone. The Upper Permian Raniganj Formation is above the Ironstone Shale and is composed of a succession of coal seams, carbonaceous shale, and shale alternating with bands of medium- and coarse-grained sandstone. The Raniganj Formation is the target for CBM production in the Raniganj Coal Field. Above the Raniganj Formation is the Triassic Panchet Formation, a predominantly fine- to medium-grained sandstone with intercalations of green shale and brown clay and silt. The Cretaceous Rajmahal volcanics rest unconformably on the Panchet Formation, and above the volcanics lie Tertiary sandstones, clays, marls, and lignites. Above these rocks are Recent and Quaternary soils and alluvium.

The Raniganj Basin is a tectonically-controlled basin bounded by a fault in the south and is subdivided into two sub-basins by the Salma Dike and the Central Fault. The basin gradually shallows towards the north, west, and east. Higher dips are found near the boundary fault and decrease toward the edges of the basin. The basin is cut by a series of northwest-southeast-trending normal and wrench faults that have been identified by surface mapping in the area. Other faults of different orientations are known to occur but have not been mapped because of the lack of subsurface control and high quality seismic data.

There are 10 regionally correlatable coals of the Raniganj Formation. The coals are named sequentially, RN-1 to RN-10, from bottom to top. Coals that are not as correlatable are also seen at various levels. These coals are named by the correlatable coal above them and labeled "Local". The coals are high-volatile bituminous B to C and have a high moisture content, average of 4 percent, and a high-to-medium-high ash content, average of 28 percent. Coal thickness varies from 0 meters in the north part of the block to just over 60 meters in the center of the basin, southwest of the city of Asansol. Average total thickness for all coals over 0.5 meters is approximately 40 meters. The desorbed gas composition from these coals is 97 percent methane, 0.2 percent carbon dioxide, 1.7 percent nitrogen, and the remainder ethane and higher hydrocarbons. The average gas content is 319 standard cubic feet per ton on a dry ash-free basis, and the average coal density is 1.51 grams per cubic centimeter.

3.0 EVALUATION METHODOLOGY

3.1 ORIGINAL GAS-IN-PLACE

Geologic data received for this evaluation included structure, coal isopach, and core hole location maps; stratigraphic cross sections; the available electronic log files from wells drilled by GEECL; data for core holes drilled in the field area; and a December 2005 report by Schlumberger. An analysis of the coals was made utilizing the log and core hole data. Gas content data for the coals were available in two early wells, the Suraj 1 and Kalidaspur 1, along with six additional core holes drilled by GEECL. Low, best, and high Langmuir isotherms relating gas content to pressure were derived from the gas content data for the core holes. The pressure at each coal was calculated assuming that the groundwater level was within 100 meters of the surface. A freshwater gradient of 0.433 pounds per square inch per foot was assumed for the pressure calculation. An average ash content of 28 percent and an average coal density of 1.51 grams per cubic centimeter were determined from the well data. An estimate of the volume of original gas-in-place (OGIP) was calculated for each of the coals and summed for each well to determine OGIP per acre for each core hole and drillwell for which coal thickness data were available. The total coal OGIP per acre was posted and used to contour the resulting map shown on Figure 3. Our estimate of OGIP for the license area is 2.0 trillion cubic feet.

3.2 RECOVERABLE GAS

A range of recovery efficiencies was considered in order to account for the performance of the producing wells as indicated in the early gas production data, along with variation in both depth and uncertainty with potential late-life well lifting issues. Recovery factors were estimated to be 35, 50, and 70 percent for low, best, and high estimates, respectively. The gas estimated ultimate recovery was determined by applying the recovery factors to the interpolated value of OGIP per acre and an 80-acre drainage area at each planned location. According to the development plan presented by GEECL, the average spacing for each location will be greater than 80 acres.

4.0 RESERVES

We estimate the gas reserves and future net revenue to the GEECL interest in certain CBM properties located in Raniganj Coal Field, West Bengal, India, as of November 30, 2009, to be:

	Gas Reserves		Future Net Revenue ($)	
Category	Gross (MCF)	Net (MCF)	Total	Present Worth at 10%
Proved Developed Producing	12,936,263	11,428,456	99,719,400	58,799,400
Proved Developed Non-Producing	3,179,843	2,905,394	16,645,100	9,048,000
Proved Undeveloped	934,579	868,223	4,943,300	1,529,100
Total Proved (1P)	17,050,685	15,202,073	121,307,800	69,376,500
Probable	10,776,508	9,676,258	80,715,200	40,145,400
Proved + Probable (2P)	27,827,193	24,878,331	202,023,000	109,521,900
Possible	17,804,901	16,114,938	136,836,700	63,857,400
Proved + Probable + Possible (3P)	45,632,094	40,993,269	338,859,700	173,379,300

Gas volumes are expressed in thousands of cubic feet (MCF) at standard temperature and pressure bases. Revenue estimates are expressed in United States dollars ($).

The estimates shown in this report are for proved, probable, and possible reserves. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

4.1 DEVELOPMENT TIMING AND CAPITAL COSTS

GEECL provided estimates of the development timing for the field, with further drilling commencing in December 2009. The locations closest to the producing wells in the developed portion of the field are forecasted to be drilled first followed by the prospective locations farther away. All 227 locations are estimated to be drilled, completed, and on production by the end of 2013.

Capital costs are included as required for new development wells, transmission pipelines, and production equipment. For new development wells, capital costs are included for drilling, completion, and surface equipment specific to the well. These costs are based on estimates provided by GEECL and our knowledge of similar CBM operations in India and the United States. New development well capital costs include $430,000 for drilling, $330,000 for fracture stimulation and perforating, $50,000 for workover and completion items, and $390,000 for well-site facilities and water disposal, resulting in total per-well costs of $1,200,000. All future capital costs are held constant until the date of expenditure.

4.2 GAS PRICE

As requested, this report has been prepared using a gas price specified by GEECL. The wellhead gas price of $12.81 per MMBTU is based on GEECL's financial records and is the 12-month average of the realized gas sales price for the period December 2008 through November 2009. It is our understanding that the wellhead gas price has been adjusted for transportation fees, compression charges, and a regional price differential. The gas price is further adjusted for energy content by a factor, which was provided by GEECL, of 961 MMBTU per MCF of gas produced. The gas price is held constant throughout the lives of the properties.

4.3 OPERATING COSTS

Lease and well operating costs used in this report are based on operating expense records of GEECL, the operator of the properties. As requested, lease and well operating costs are limited to direct lease- and field-level costs and GEECL's estimate of the portion of its headquarters general and administrative overhead expenses necessary to operate the properties. As requested, lease and well operating costs are held constant throughout the lives of the properties.

4.4 CASH FLOW

Future gross revenue to the GEECL interest is after deducting royalty revenue and production level payments. Future net revenue is after deductions for future capital costs and operating expenses but before consideration of income taxes imposed at the corporate level in India. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth. The present worth is shown to indicate the effect of time on the value of money and should not be construed as being the fair market value of the properties. Also, our estimates do not include any salvage value for the lease and well equipment or the cost of abandoning the properties.

5.0 PROSPECTIVE RESOURCES

The prospective resources included in this report indicate exploration opportunities and development potential in the event a petroleum discovery is made and should not be construed as reserves or contingent resources. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. It is our understanding that GEECL's current development plan includes drilling an additional 227 wells within the current block, which will extend far beyond the currently developed area. This report does not include economic analysis for these prospects. Based on analogous field developments, it appears that, assuming a discovery is made, the unrisked best estimate prospective resources in this report have a reasonable chance of being commercial.

We estimate the unrisked prospective gas resources for these prospects, as of December 31, 2009, to be:

Category	Unrisked Gross (100 Percent) Prospective Gas Resources (MMCF)
Low Estimate	79,596
Best Estimate	164,555
High Estimate	501,910

Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

The prospective resources shown in this report have been estimated using deterministic methods and are dependent on a petroleum discovery being made beyond the existing areas in the field. If a discovery is made, the probability that the unrisked quantities of gas discovered will equal or exceed the estimated amounts is generally inferred to be at least 90 percent for the low estimate, at least 50 percent for the best estimate, and at least 10 percent for the high estimate.

Unrisked prospective gas resources are estimated ranges of recoverable gas volumes assuming a petroleum discovery is made and are based on estimated ranges of undiscovered in-place gas volumes. No geologic risk assessment was conducted for these prospects. Geologic risking of prospective resources addresses the probability of success for the discovery of petroleum; such risk analysis is conducted independently of probabilistic estimations of petroleum volumes and without regard to the chance of development. For CBM assessments, principal risk elements include coal quantity, gas content, and coal permeability. Prospect risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators.

Each coal seam and planned drillsite was evaluated to determine deterministic ranges of in-place and recoverable petroleum. If petroleum discoveries are made, smaller-volume prospects may not be commercial to independently develop although they may become candidates for satellite developments and tie-backs to existing infrastructure at some future date. The development infrastructure and data obtained from early discoveries will alter both prospect risk and future economics of subsequent discoveries and developments.

It should be understood that the prospective resources discussed and shown herein are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisked prospective resources are those volumes that could reasonably be expected to be recovered in the event of the successful exploration and development of these prospects.

RESERVES AND ECONOMICS

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	129,353	0	0	26,774	0.000	0.000	12.310	0.0	0.0	288.4	288.4
12-31-2010	0	0	1,550,990	0	0	944,929	0.000	0.000	12.310	0.0	0.0	10,178.5	10,178.5
12-31-2011	0	0	1,377,565	0	0	1,279,760	0.000	0.000	12.310	0.0	0.0	13,784.8	13,784.8
12-31-2012	0	0	1,149,334	0	0	1,067,734	0.000	0.000	12.310	0.0	0.0	11,501.2	11,501.2
12-31-2013	0	0	986,092	0	0	916,077	0.000	0.000	12.310	0.0	0.0	9,867.7	9,867.7
12-31-2014	0	0	863,503	0	0	802,194	0.000	0.000	12.310	0.0	0.0	8,641.0	8,641.0
12-31-2015	0	0	768,053	0	0	713,522	0.000	0.000	12.310	0.0	0.0	7,685.6	7,685.6
12-31-2016	0	0	690,153	0	0	641,152	0.000	0.000	12.310	0.0	0.0	6,906.3	6,906.3
12-31-2017	0	0	621,135	0	0	577,034	0.000	0.000	12.310	0.0	0.0	6,215.5	6,215.5
12-31-2018	0	0	559,022	0	0	519,330	0.000	0.000	12.310	0.0	0.0	5,593.8	5,593.8
12-31-2019	0	0	503,119	0	0	467,400	0.000	0.000	12.310	0.0	0.0	5,034.7	5,034.7
12-31-2020	0	0	452,810	0	0	420,661	0.000	0.000	12.310	0.0	0.0	4,531.1	4,531.1
12-31-2021	0	0	407,530	0	0	378,594	0.000	0.000	12.310	0.0	0.0	4,077.9	4,077.9
12-31-2022	0	0	365,632	0	0	339,679	0.000	0.000	12.310	0.0	0.0	3,658.7	3,658.7
12-31-2023	0	0	326,907	0	0	303,696	0.000	0.000	12.310	0.0	0.0	3,271.4	3,271.4
SUBTOTAL	0	0	10,751,198	0	0	9,398,536	0.000	0.000	12.310	0.0	0.0	101,236.6	101,236.6
REMAINING	0	0	2,185,065	0	0	2,029,920	0.000	0.000	12.310	0.0	0.0	21,865.6	21,865.6
TOTAL	0	0	12,936,263	0	0	11,428,456	0.000	0.000	12.310	0.0	0.0	123,102.2	123,102.2
CUM PROD	0		2,152,892										
ULTIMATE	0		15,089,155										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
	ACTIVE COMPLETIONS		TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING			PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	24	24.00	0.0	0.0	0.0	79.2	209.2	209.2	208.4	208.4
12-31-2010	24	24.00	0.0	0.0	0.0	950.4	9,228.1	9,437.3	8,610.9	8,819.3
12-31-2011	24	24.00	0.0	0.0	0.0	950.4	12,834.4	22,271.7	11,058.7	19,878.0
12-31-2012	24	24.00	0.0	0.0	0.0	950.4	10,550.8	32,822.5	8,262.0	28,140.0
12-31-2013	24	24.00	0.0	0.0	0.0	950.4	8,917.3	41,739.8	6,346.7	34,486.7
12-31-2014	24	24.00	0.0	0.0	0.0	950.4	7,690.6	49,430.4	4,975.3	39,462.0
12-31-2015	24	24.00	0.0	0.0	0.0	950.4	6,735.2	56,165.6	3,961.0	43,423.0
12-31-2016	24	24.00	0.0	0.0	0.0	950.4	5,955.9	62,121.5	3,183.8	46,606.8
12-31-2017	24	24.00	0.0	0.0	0.0	950.4	5,265.1	67,386.6	2,558.5	49,165.3
12-31-2018	24	24.00	0.0	0.0	0.0	950.4	4,643.4	72,030.0	2,051.4	51,216.7
12-31-2019	24	24.00	0.0	0.0	0.0	950.4	4,084.3	76,114.3	1,640.2	52,856.9
12-31-2020	24	24.00	0.0	0.0	0.0	950.4	3,580.7	79,695.0	1,307.2	54,164.1
12-31-2021	24	24.00	0.0	0.0	0.0	950.4	3,127.5	82,822.5	1,038.0	55,202.1
12-31-2022	24	24.00	0.0	0.0	0.0	937.2	2,721.5	85,544.0	820.9	56,023.0
12-31-2023	23	23.00	0.0	0.0	0.0	910.8	2,360.6	87,904.6	647.7	56,670.7
SUBTOTAL			0.0	0.0	0.0	13,332.0	87,904.6	87,904.6	56,670.7	56,670.7
REMAINING			0.0	0.0	0.0	10,050.8	11,814.8	99,719.4	2,128.7	58,799.4
TOTAL OF 34.2 YRS			0.0	0.0	0.0	23,382.8	99,719.4	99,719.4	58,799.4	58,799.4

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	64,105.2
12.000	54,309.3
15.000	48,743.5
20.000	41,681.5
25.000	36,460.8
30.000	32,449.2
35.000	29,269.5
40.000	26,688.3
45.000	24,548.7
50.000	22,749.5

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

LEASE NUMBER	LEASE NAME	ACTIVE COMPLTNS OIL	ACTIVE COMPLTNS GAS	GROSS ULTIMATE OIL/COND BBL	GROSS ULTIMATE GAS MCF	WORKING INTEREST START	WORKING INTEREST END	REVENUE INTEREST START	REVENUE INTEREST END	OIL/COND $/BBL START	OIL/COND $/BBL END	NGL $/BBL START	NGL $/BBL END	GAS $/MCF START	GAS $/MCF END	GROSS OPERATING EXPENSE M$/M START	GROSS OPERATING EXPENSE M$/M END	LIFE YRS
100001	W 01	0	0	0	610	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100002	W 02	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100003	W 03	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100004	W 04	0	0	0	2,481	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100005	W 05	0	1	0	985,819	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.5
100006	W 06	0	1	0	629,576	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.3
100007	W 07	0	1	0	409,389	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.3
100008	W 08	0	1	0	261,236	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.5
100009	W 09	0	1	0	1,209,479	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.5
100010	W 10	0	1	0	302,792	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.3
100011	W 11	0	0	0	24,609	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100012	W 12	0	1	0	1,341,700	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.7
100013	W 13	0	1	0	438,419	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.0
100014	W 14	0	1	0	527,802	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.1
100015	W 15	0	1	0	163,831	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	12.8
100016	W 16	0	1	0	455,113	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.2
100017	W 17	0	1	0	213,257	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.0
100018	W 18	0	1	0	412,707	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.0
100019	W 19	0	1	0	397,917	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.9
100020	W 20	0	1	0	1,304,235	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.1
100021	W 21	0	1	0	346,099	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.6
100022	W 22	0	1	0	294,055	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	17.2
100023	W 23	0	1	0	1,253,003	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.4
100024	W 24	0	1	0	242,176	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.9
100025	W 25	0	1	0	448,499	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.3
100026	W 26	0	1	0	219,071	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.2
100027	W 27	0	1	0	1,299,810	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.2
100028	W 28	0	1	0	1,207,686	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.2
100029	W 29	0	1	0	697,784	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.8
900000	PDP RYLTY/PLP	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	34.2
	TOTAL	0	24	0	15,089,155													
	TOTAL ALL LEASES	0	24	0	15,089,155													

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT NUMBER	LEASE NAME	OIL BBL	NGL BBL	GAS MCF	OIL BBL	NGL BBL	GAS MCF	OIL M$	NGL M$	GAS M$	TOTAL M$	TAXES M$	COST M$	EXPENSE M$	REVENUE M$	10.000% M$
100001	W 01	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100002	W 02	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100003	W 03	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100004	W 04	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100005	W 05	0	0	921,686	0	0	815,265	0.0	0.0	10,036.1	10,036.1	0.0	0.0	1,248.2	8,787.9	5,009.5
100006	W 06	0	0	519,032	0	0	458,490	0.0	0.0	5,644.2	5,644.2	0.0	0.0	1,043.4	4,600.8	2,732.2
100007	W 07	0	0	370,367	0	0	326,758	0.0	0.0	4,022.5	4,022.5	0.0	0.0	924.4	3,098.1	1,895.3
100008	W 08	0	0	208,822	0	0	183,621	0.0	0.0	2,260.7	2,260.7	0.0	0.0	732.8	1,527.9	992.1
100009	W 09	0	0	1,028,228	0	0	909,668	0.0	0.0	11,198.4	11,198.4	0.0	0.0	1,287.9	9,910.5	5,613.0
100010	W 10	0	0	231,375	0	0	203,603	0.0	0.0	2,506.4	2,506.4	0.0	0.0	765.9	1,740.5	1,117.7
100011	W 11	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100012	W 12	0	0	1,166,327	0	0	1,032,035	0.0	0.0	12,704.5	12,704.5	0.0	0.0	1,334.1	11,370.4	6,395.1
100013	W 13	0	0	317,320	0	0	279,755	0.0	0.0	3,443.7	3,443.7	0.0	0.0	871.6	2,572.1	1,597.4
100014	W 14	0	0	402,796	0	0	355,495	0.0	0.0	4,376.3	4,376.3	0.0	0.0	954.2	3,422.1	2,077.1
100015	W 15	0	0	99,622	0	0	86,854	0.0	0.0	1,069.1	1,069.1	0.0	0.0	504.9	564.2	400.9
100016	W 16	0	0	367,836	0	0	324,512	0.0	0.0	3,994.7	3,994.7	0.0	0.0	921.1	3,073.6	1,881.5
100017	W 17	0	0	197,235	0	0	173,254	0.0	0.0	2,132.9	2,132.9	0.0	0.0	713.0	1,419.9	927.7
100018	W 18	0	0	316,358	0	0	278,907	0.0	0.0	3,433.5	3,433.5	0.0	0.0	871.6	2,561.9	1,591.4
100019	W 19	0	0	353,356	0	0	311,684	0.0	0.0	3,836.9	3,836.9	0.0	0.0	907.9	2,929.0	1,799.8
100020	W 20	0	0	1,092,116	0	0	966,282	0.0	0.0	11,895.5	11,895.5	0.0	0.0	1,311.0	10,584.5	5,974.1
100021	W 21	0	0	238,292	0	0	209,733	0.0	0.0	2,582.0	2,582.0	0.0	0.0	775.8	1,806.2	1,155.8
100022	W 22	0	0	178,909	0	0	157,118	0.0	0.0	1,934.2	1,934.2	0.0	0.0	683.3	1,250.9	827.2
100023	W 23	0	0	1,136,568	0	0	1,005,665	0.0	0.0	12,380.2	12,380.2	0.0	0.0	1,324.2	11,056.0	6,226.8
100024	W 24	0	0	220,665	0	0	194,109	0.0	0.0	2,389.5	2,389.5	0.0	0.0	749.3	1,640.2	1,058.6
100025	W 25	0	0	413,977	0	0	365,403	0.0	0.0	4,498.2	4,498.2	0.0	0.0	964.1	3,534.1	2,139.7
100026	W 26	0	0	200,626	0	0	176,358	0.0	0.0	2,171.1	2,171.1	0.0	0.0	719.6	1,451.5	947.2
100027	W 27	0	0	1,230,038	0	0	1,088,489	0.0	0.0	13,399.6	13,399.6	0.0	0.0	1,354.0	12,045.6	6,755.9
100028	W 28	0	0	1,110,213	0	0	982,320	0.0	0.0	12,092.7	12,092.7	0.0	0.0	1,317.6	10,775.1	6,076.4
100029	W 29	0	0	614,499	0	0	543,078	0.0	0.0	6,685.4	6,685.4	0.0	0.0	1,102.9	5,582.5	3,271.3
900000	PDP RYLTY/PLP	0	0	0	0	0	0	0.0	0.0	-17,586.1	-17,586.1	0.0	0.0	0.0	-17,586.1	-9,664.3
	TOTAL	0	0	12,936,263	0	0	11,428,456	0.0	0.0	123,102.2	123,102.2	0.0	0.0	23,382.8	99,719.4	58,799.4
	TOTAL ALL LEASES	0	0	12,936,263	0	0	11,428,456	0.0	0.0	123,102.2	123,102.2	0.0	0.0	23,382.8	99,719.4	58,799.4

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

PROVED DEVELOPED NON-PRODUCING RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	2,526	0	0	513	0.000	0.000	12.310	0.0	0.0	5.5	5.5
12-31-2010	0	0	223,412	0	0	160,706	0.000	0.000	12.310	0.0	0.0	1,731.2	1,731.2
12-31-2011	0	0	366,433	0	0	340,416	0.000	0.000	12.310	0.0	0.0	3,667.0	3,667.0
12-31-2012	0	0	350,210	0	0	325,347	0.000	0.000	12.310	0.0	0.0	3,504.5	3,504.5
12-31-2013	0	0	294,753	0	0	273,825	0.000	0.000	12.310	0.0	0.0	2,949.5	2,949.5
12-31-2014	0	0	249,748	0	0	232,017	0.000	0.000	12.310	0.0	0.0	2,499.1	2,499.1
12-31-2015	0	0	216,696	0	0	201,312	0.000	0.000	12.310	0.0	0.0	2,168.5	2,168.5
12-31-2016	0	0	191,389	0	0	177,797	0.000	0.000	12.310	0.0	0.0	1,915.3	1,915.3
12-31-2017	0	0	171,278	0	0	159,116	0.000	0.000	12.310	0.0	0.0	1,714.0	1,714.0
12-31-2018	0	0	154,109	0	0	143,167	0.000	0.000	12.310	0.0	0.0	1,541.9	1,541.9
12-31-2019	0	0	138,698	0	0	128,852	0.000	0.000	12.310	0.0	0.0	1,388.2	1,388.2
12-31-2020	0	0	124,828	0	0	115,967	0.000	0.000	12.310	0.0	0.0	1,249.2	1,249.2
12-31-2021	0	0	112,347	0	0	104,371	0.000	0.000	12.310	0.0	0.0	1,124.2	1,124.2
12-31-2022	0	0	101,111	0	0	93,932	0.000	0.000	12.310	0.0	0.0	1,011.7	1,011.7
12-31-2023	0	0	91,000	0	0	84,539	0.000	0.000	12.310	0.0	0.0	910.5	910.5
SUBTOTAL	0	0	2,788,538	0	0	2,541,877	0.000	0.000	12.310	0.0	0.0	27,380.3	27,380.3
REMAINING	0	0	391,305	0	0	363,517	0.000	0.000	12.310	0.0	0.0	3,915.7	3,915.7
TOTAL	0	0	3,179,843	0	0	2,905,394	0.000	0.000	12.310	0.0	0.0	31,296.0	31,296.0
CUM PROD	0		0										
ULTIMATE	0		3,179,843										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	ACTIVE COMPLETIONS		PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	13	13.00	0.0	0.0	375.8	3.3	-373.6	-373.6	-373.6	-373.6
12-31-2010	13	13.00	0.0	0.0	4,133.8	316.8	-2,719.4	-3,093.0	-2,662.7	-3,036.3
12-31-2011	13	13.00	0.0	0.0	0.0	514.8	3,152.2	59.2	2,711.2	-325.1
12-31-2012	13	13.00	0.0	0.0	0.0	514.8	2,989.7	3,048.9	2,340.3	2,015.2
12-31-2013	13	13.00	0.0	0.0	0.0	514.8	2,434.7	5,483.6	1,733.5	3,748.7
12-31-2014	13	13.00	0.0	0.0	0.0	514.8	1,984.3	7,467.9	1,284.0	5,032.7
12-31-2015	13	13.00	0.0	0.0	0.0	514.8	1,653.7	9,121.6	972.4	6,005.1
12-31-2016	13	13.00	0.0	0.0	0.0	514.8	1,400.5	10,522.1	748.5	6,753.6
12-31-2017	13	13.00	0.0	0.0	0.0	514.8	1,199.2	11,721.3	582.7	7,336.3
12-31-2018	13	13.00	0.0	0.0	0.0	514.8	1,027.1	12,748.4	454.0	7,790.3
12-31-2019	13	13.00	0.0	0.0	0.0	514.8	873.4	13,621.8	350.7	8,141.0
12-31-2020	13	13.00	0.0	0.0	0.0	514.8	734.4	14,356.2	268.0	8,409.0
12-31-2021	13	13.00	0.0	0.0	0.0	514.8	609.4	14,965.6	202.0	8,611.0
12-31-2022	13	13.00	0.0	0.0	0.0	514.8	496.9	15,462.5	150.1	8,761.1
12-31-2023	13	13.00	0.0	0.0	0.0	514.8	395.7	15,858.2	108.5	8,869.6
SUBTOTAL			0.0	0.0	4,509.6	7,012.5	15,858.2	15,858.2	8,869.6	8,869.6
REMAINING			0.0	0.0	0.0	3,128.8	786.9	16,645.1	178.4	9,048.0
TOTAL OF 21.8 YRS			0.0	0.0	4,509.6	10,141.3	16,645.1	16,645.1	9,048.0	9,048.0

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	10,123.0
12.000	8,116.3
15.000	6,933.5
20.000	5,394.1
25.000	4,233.8
30.000	3,335.1
35.000	2,622.3
40.000	2,044.7
45.000	1,571.4
50.000	1,176.3

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED NON-PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

LEASE		ACTIVE COMPLTNS		GROSS ULTIMATE		WORKING INTEREST		REVENUE INTEREST		OIL/COND $/BBL		NGL $/BBL		GAS $/MCF		GROSS OPERATING EXPENSE M$/M		LIFE
NUMBER	LEASE NAME	OIL	GAS	OIL/COND BBL	GAS MCF	START	END	START	END	START	END	START	END	START	END	START	END	YRS
100031	W 31	0	1	0	265,613	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.5
100034	W 34	0	1	0	218,152	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.9
100036	W 36	0	1	0	199,834	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.2
100037	W 37	0	1	0	221,215	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.1
100039	W 39	0	1	0	285,257	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	21.5
100040	W 40	0	1	0	246,136	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.3
100042	W 42	0	1	0	260,311	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.8
100046	W 46	0	1	0	272,401	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	21.3
100047	W 47	0	1	0	280,235	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	21.6
100048	W 48	0	1	0	238,821	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.2
100049	W 49	0	1	0	245,303	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.5
100051	W 51	0	1	0	286,634	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	21.8
100052	W 52	0	1	0	159,931	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	17.1
900001	PDNP RYLTY/PLP	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	21.8
	TOTAL	0	13	0	3,179,843													
	TOTAL ALL LEASES	0	13	0	3,179,843													

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED DEVELOPED NON-PRODUCING RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT		OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL	TAXES	COST	EXPENSE	REVENUE	10.000%
NUMBER	LEASE NAME	BBL	BBL	MCF	BBL	BBL	MCF	M$	M$	M$	M$	M$	M$	M$	M$	M$
100031	W 31	0	0	265,613	0	0	234,099	0.0	0.0	2,881.8	2,881.8	0.0	0.0	812.1	2,069.7	1,302.1
100034	W 34	0	0	218,152	0	0	193,559	0.0	0.0	2,382.8	2,382.8	0.0	375.8	746.0	1,261.0	673.6
100036	W 36	0	0	199,834	0	0	178,596	0.0	0.0	2,198.6	2,198.6	0.0	375.8	716.3	1,106.5	585.9
100037	W 37	0	0	221,215	0	0	197,811	0.0	0.0	2,435.1	2,435.1	0.0	375.8	749.3	1,310.0	704.8
100039	W 39	0	0	285,257	0	0	260,746	0.0	0.0	3,210.0	3,210.0	0.0	375.8	835.3	1,998.9	1,096.6
100040	W 40	0	0	246,136	0	0	226,466	0.0	0.0	2,788.0	2,788.0	0.0	375.8	785.7	1,626.5	885.7
100042	W 42	0	0	260,311	0	0	239,524	0.0	0.0	2,948.5	2,948.5	0.0	375.8	805.5	1,767.2	965.7
100046	W 46	0	0	272,401	0	0	252,246	0.0	0.0	3,105.3	3,105.3	0.0	375.8	818.7	1,910.8	1,037.4
100047	W 47	0	0	280,235	0	0	259,503	0.0	0.0	3,194.5	3,194.5	0.0	375.8	828.7	1,990.0	1,081.5
100048	W 48	0	0	238,821	0	0	221,140	0.0	0.0	2,722.2	2,722.2	0.0	375.8	775.8	1,570.6	846.9
100049	W 49	0	0	245,303	0	0	227,145	0.0	0.0	2,796.3	2,796.3	0.0	375.8	785.7	1,634.8	883.0
100051	W 51	0	0	286,634	0	0	266,096	0.0	0.0	3,275.9	3,275.9	0.0	375.8	835.3	2,064.8	1,117.2
100052	W 52	0	0	159,931	0	0	148,463	0.0	0.0	1,827.7	1,827.7	0.0	375.8	646.9	805.0	406.2
900001	PDNP RYLTY/PLP	0	0	0	0	0	0	0.0	0.0	-4,470.7	-4,470.7	0.0	0.0	0.0	-4,470.7	-2,538.6
	TOTAL	0	0	3,179,843	0	0	2,905,394	0.0	0.0	31,296.0	31,296.0	0.0	4,509.6	10,141.3	16,645.1	9,048.0
	TOTAL ALL LEASES	0	0	3,179,843	0	0	2,905,394	0.0	0.0	31,296.0	31,296.0	0.0	4,509.6	10,141.3	16,645.1	9,048.0

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED UNDEVELOPED RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2010	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2011	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2012	0	0	0	0	0	0	0.000	0.000	0.000	0.0	0.0	0.0	0.0
12-31-2013	0	0	38,137	0	0	35,429	0.000	0.000	12.310	0.0	0.0	381.7	381.7
12-31-2014	0	0	101,616	0	0	94,401	0.000	0.000	12.310	0.0	0.0	1,016.8	1,016.8
12-31-2015	0	0	100,086	0	0	92,980	0.000	0.000	12.310	0.0	0.0	1,001.5	1,001.5
12-31-2016	0	0	85,265	0	0	79,212	0.000	0.000	12.310	0.0	0.0	853.2	853.2
12-31-2017	0	0	71,789	0	0	66,693	0.000	0.000	12.310	0.0	0.0	718.4	718.4
12-31-2018	0	0	61,998	0	0	57,596	0.000	0.000	12.310	0.0	0.0	620.4	620.4
12-31-2019	0	0	54,559	0	0	50,686	0.000	0.000	12.310	0.0	0.0	546.0	546.0
12-31-2020	0	0	48,712	0	0	45,254	0.000	0.000	12.310	0.0	0.0	487.5	487.5
12-31-2021	0	0	43,818	0	0	40,707	0.000	0.000	12.310	0.0	0.0	438.5	438.5
12-31-2022	0	0	39,437	0	0	36,637	0.000	0.000	12.310	0.0	0.0	394.6	394.6
12-31-2023	0	0	35,493	0	0	32,973	0.000	0.000	12.310	0.0	0.0	355.3	355.3
SUBTOTAL	0	0	680,910	0	0	632,568	0.000	0.000	12.310	0.0	0.0	6,813.9	6,813.9
REMAINING	0	0	253,669	0	0	235,655	0.000	0.000	12.310	0.0	0.0	2,538.5	2,538.5
TOTAL	0	0	934,579	0	0	868,223	0.000	0.000	12.310	0.0	0.0	9,352.4	9,352.4
CUM PROD	0		0										
ULTIMATE	0		934,579										

PERIOD	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE				PRESENT WORTH PROFILE	
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%			
ENDING			PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM	DISC RATE	CUM PW
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$	%	M$
12-31-2009	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.000	1,918.8
12-31-2010	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.000	1,218.6
12-31-2011	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.000	864.2
12-31-2012	2	2.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.000	472.3
12-31-2013	2	2.00	0.0	0.0	2,398.0	29.7	-2,046.0	-2,046.0	-1,461.4	-1,461.4	25.000	234.0
12-31-2014	2	2.00	0.0	0.0	0.0	79.2	937.6	-1,108.4	606.0	-855.4	30.000	86.4
12-31-2015	2	2.00	0.0	0.0	0.0	79.2	922.3	-186.1	542.2	-313.2	35.000	-6.1
12-31-2016	2	2.00	0.0	0.0	0.0	79.2	774.0	587.9	414.1	100.9	40.000	-63.9
12-31-2017	2	2.00	0.0	0.0	0.0	79.2	639.2	1,227.1	310.8	411.7	45.000	-99.1
12-31-2018	2	2.00	0.0	0.0	0.0	79.2	541.2	1,768.3	239.1	650.8	50.000	-120.2
12-31-2019	2	2.00	0.0	0.0	0.0	79.2	466.8	2,235.1	187.5	838.3		
12-31-2020	2	2.00	0.0	0.0	0.0	79.2	408.3	2,643.4	149.1	987.4		
12-31-2021	2	2.00	0.0	0.0	0.0	79.2	359.3	3,002.7	119.3	1,106.7		
12-31-2022	2	2.00	0.0	0.0	0.0	79.2	315.4	3,318.1	95.2	1,201.9		
12-31-2023	2	2.00	0.0	0.0	0.0	79.2	276.1	3,594.2	75.7	1,277.6		
SUBTOTAL			0.0	0.0	2,398.0	821.7	3,594.2	3,594.2	1,277.6	1,277.6		
REMAINING			0.0	0.0	0.0	1,189.4	1,349.1	4,943.3	251.5	1,529.1		
TOTAL OF 29.1 YRS			0.0	0.0	2,398.0	2,011.1	4,943.3	4,943.3	1,529.1	1,529.1		

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED UNDEVELOPED RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

LEASE NUMBER	LEASE NAME	ACTIVE COMPLTNS OIL	ACTIVE COMPLTNS GAS	GROSS ULTIMATE OIL/COND BBL	GROSS ULTIMATE GAS MCF	WORKING INTEREST START	WORKING INTEREST END	REVENUE INTEREST START	REVENUE INTEREST END	OIL/COND $/BBL START	OIL/COND $/BBL END	NGL $/BBL START	NGL $/BBL END	GAS $/MCF START	GAS $/MCF END	GROSS OPERATING EXPENSE M$/M START	GROSS OPERATING EXPENSE M$/M END	LIFE YRS
100057	W 57	0	1	0	470,855	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	29.1
100058	W 58	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100059	W 59	0	1	0	463,724	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	29.1
100060	W 60	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
900002	PUD RYLTY/PLP	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	29.1
	TOTAL	0	2	0	934,579													
	TOTAL ALL LEASES	0	2	0	934,579													

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROVED UNDEVELOPED RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT NUMBER	LEASE NAME	OIL BBL	NGL BBL	GAS MCF	OIL BBL	NGL BBL	GAS MCF	OIL M$	NGL M$	GAS M$	TOTAL M$	TAXES M$	COST M$	EXPENSE M$	REVENUE M$	10.000% M$
100057	W 57	0	0	470,855	0	0	437,424	0.0	0.0	5,384.9	5,384.9	0.0	1,199.0	1,007.2	3,178.7	1,053.3
100058	W 58	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100059	W 59	0	0	463,724	0	0	430,799	0.0	0.0	5,303.4	5,303.4	0.0	1,199.0	1,003.9	3,100.5	1,013.6
100060	W 60	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
900002	PUD RYLTY/PLP	0	0	0	0	0	0	0.0	0.0	-1,335.9	-1,335.9	0.0	0.0	0.0	-1,335.9	-537.8
	TOTAL	0	0	934,579	0	0	868,223	0.0	0.0	9,352.4	9,352.4	0.0	2,398.0	2,011.1	4,943.3	1,529.1
	TOTAL ALL LEASES	0	0	934,579	0	0	868,223	0.0	0.0	9,352.4	9,352.4	0.0	2,398.0	2,011.1	4,943.3	1,529.1

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	6,434	0	0	-594	0.000	0.000	0.000	0.0	0.0	-6.6	-6.6
12-31-2010	0	0	444,038	0	0	83,967	0.000	0.000	12.310	0.0	0.0	904.4	904.4
12-31-2011	0	0	875,269	0	0	813,126	0.000	0.000	12.310	0.0	0.0	8,758.8	8,758.8
12-31-2012	0	0	875,191	0	0	813,053	0.000	0.000	12.310	0.0	0.0	8,758.1	8,758.1
12-31-2013	0	0	798,249	0	0	741,570	0.000	0.000	12.310	0.0	0.0	7,988.1	7,988.1
12-31-2014	0	0	874,407	0	0	812,324	0.000	0.000	12.310	0.0	0.0	8,750.0	8,750.0
12-31-2015	0	0	783,912	0	0	728,255	0.000	0.000	12.310	0.0	0.0	7,844.6	7,844.6
12-31-2016	0	0	681,329	0	0	632,951	0.000	0.000	12.310	0.0	0.0	6,817.7	6,817.7
12-31-2017	0	0	596,047	0	0	553,731	0.000	0.000	12.310	0.0	0.0	5,964.0	5,964.0
12-31-2018	0	0	528,690	0	0	491,158	0.000	0.000	12.310	0.0	0.0	5,290.5	5,290.5
12-31-2019	0	0	472,138	0	0	438,610	0.000	0.000	12.310	0.0	0.0	4,724.5	4,724.5
12-31-2020	0	0	423,680	0	0	393,603	0.000	0.000	12.310	0.0	0.0	4,239.6	4,239.6
12-31-2021	0	0	381,214	0	0	354,147	0.000	0.000	12.310	0.0	0.0	3,814.3	3,814.3
12-31-2022	0	0	344,234	0	0	319,794	0.000	0.000	12.310	0.0	0.0	3,444.8	3,444.8
12-31-2023	0	0	309,200	0	0	287,245	0.000	0.000	12.310	0.0	0.0	3,094.0	3,094.0
SUBTOTAL	0	0	8,394,032	0	0	7,462,940	0.000	0.000	12.310	0.0	0.0	80,386.8	80,386.8
REMAINING	0	0	2,382,476	0	0	2,213,318	0.000	0.000	12.310	0.0	0.0	23,841.4	23,841.4
TOTAL	0	0	10,776,508	0	0	9,676,258	0.000	0.000	12.310	0.0	0.0	104,228.2	104,228.2
CUM PROD	0		0										
ULTIMATE	0		10,776,508										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
			TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING	ACTIVE COMPLETIONS		PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	12	12.00	0.0	0.0	375.8	3.3	-385.7	-385.7	-385.2	-385.2
12-31-2010	12	12.00	0.0	0.0	2,254.8	198.0	-1,548.4	-1,934.1	-1,540.0	-1,925.2
12-31-2011	12	12.00	0.0	0.0	0.0	316.8	8,442.0	6,507.9	7,247.8	5,322.6
12-31-2012	12	12.00	0.0	0.0	0.0	316.8	8,441.3	14,949.2	6,610.5	11,933.1
12-31-2013	12	12.00	0.0	0.0	4,796.0	359.7	2,832.4	17,781.6	2,045.2	13,978.3
12-31-2014	12	12.00	0.0	0.0	0.0	475.2	8,274.8	26,056.4	5,352.9	19,331.2
12-31-2015	12	12.00	0.0	0.0	0.0	475.2	7,369.4	33,425.8	4,333.8	23,665.0
12-31-2016	12	12.00	0.0	0.0	0.0	475.2	6,342.5	39,768.3	3,391.5	27,056.5
12-31-2017	12	12.00	0.0	0.0	0.0	475.2	5,488.8	45,257.1	2,668.3	29,724.8
12-31-2018	12	12.00	0.0	0.0	0.0	475.2	4,815.3	50,072.4	2,127.4	31,852.2
12-31-2019	12	12.00	0.0	0.0	0.0	475.2	4,249.3	54,321.7	1,707.1	33,559.3
12-31-2020	12	12.00	0.0	0.0	0.0	475.2	3,764.4	58,086.1	1,374.3	34,933.6
12-31-2021	12	12.00	0.0	0.0	0.0	475.2	3,339.1	61,425.2	1,108.4	36,042.0
12-31-2022	13	13.00	0.0	0.0	0.0	488.4	2,956.4	64,381.6	891.9	36,933.9
12-31-2023	13	13.00	0.0	0.0	0.0	481.8	2,612.2	66,993.8	716.0	37,649.9
SUBTOTAL			0.0	0.0	7,426.6	5,966.4	66,993.8	66,993.8	37,649.9	37,649.9
REMAINING			0.0	0.0	0.0	10,120.0	13,721.4	80,715.2	2,495.5	40,145.4
TOTAL OF 35.3 YRS			0.0	0.0	7,426.6	16,086.4	80,715.2	80,715.2	40,145.4	40,145.4

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	45,200.1
12.000	35,942.1
15.000	30,841.2
20.000	24,569.0
25.000	20,117.1
30.000	16,819.4
35.000	14,298.9
40.000	12,318.1
45.000	10,727.6
50.000	9,424.8

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

LEASE NUMBER	LEASE NAME	ACTIVE COMPLTNS OIL	ACTIVE COMPLTNS GAS	GROSS ULTIMATE OIL/COND BBL	GROSS ULTIMATE GAS MCF	WORKING INTEREST START	WORKING INTEREST END	REVENUE INTEREST START	REVENUE INTEREST END	OIL/COND $/BBL START	OIL/COND $/BBL END	NGL $/BBL START	NGL $/BBL END	GAS $/MCF START	GAS $/MCF END	GROSS OPERATING EXPENSE M$/M START	GROSS OPERATING EXPENSE M$/M END	LIFE YRS
500005	W 05 IPB	0	1	0	107,940	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.5
500006	W 06 IPB	0	1	0	62,400	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.3
500007	W 07 IPB	0	1	0	22,800	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.8
500008	W 08 IPB	0	1	0	27,324	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.5
500009	W 09 IPB	0	1	0	119,988	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.5
500010	W 10 IPB	0	1	0	14,940	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.8
500012	W 12 IPB	0	1	0	135,600	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.7
500013	W 13 IPB	0	1	0	19,800	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.5
500014	W 14 IPB	0	1	0	24,630	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.6
500015	W 15 IPB	0	1	0	7,500	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	13.2
500016	W 16 IPB	0	1	0	22,662	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.8
500017	W 17 IPB	0	1	0	13,140	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.5
500018	W 18 IPB	0	1	0	19,740	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.5
500019	W 19 IPB	0	1	0	21,840	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.4
500020	W 20 IPB	0	1	0	127,200	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.1
500021	W 21 IPB	0	1	0	15,330	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.1
500022	W 22 IPB	0	1	0	11,970	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	17.8
500023	W 23 IPB	0	1	0	132,240	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.4
500024	W 24 IPB	0	1	0	14,340	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.4
500025	W 25 IPB	0	1	0	25,260	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.8
500026	W 26 IPB	0	1	0	13,200	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.7
500027	W 27 IPB	0	1	0	142,800	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	35.2
500028	W 28 IPB	0	1	0	129,240	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.2
500029	W 29 IPB	0	1	0	73,200	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.8
100030	W 30	0	1	0	461,340	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.2
500031	W 31 IPB	0	1	0	265,685	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.5
100033	W 33	0	1	0	409,481	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.2
500034	W 34 IPB	0	1	0	218,231	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.8
500036	W 36 IPB	0	1	0	199,892	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.2
500037	W 37 IPB	0	1	0	221,241	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.1
100038	W 38	0	1	0	416,842	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.8
500039	W 39 IPB	0	1	0	285,317	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.6
500040	W 40 IPB	0	1	0	246,067	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.3
100041	W 41	0	1	0	552,790	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.3
500042	W 42 IPB	0	1	0	259,915	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.8
100043	W 43	0	1	0	449,676	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.6
100044	W 44	0	1	0	417,897	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.0
100045	W 45	0	1	0	530,253	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.2
500046	W 46 IPB	0	1	0	272,411	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.4
500047	W 47 IPB	0	1	0	280,049	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.7
500048	W 48 IPB	0	1	0	238,910	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.2
500049	W 49 IPB	0	1	0	245,130	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.5
100050	W 50	0	1	0	397,582	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.7
500051	W 51 IPB	0	1	0	286,508	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.9

BASED ON CONSTANT PRICE AND COST PARAMETERS

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

ACCOUNT NUMBER	LEASE NAME	GROSS RESERVES OIL BBL	GROSS RESERVES NGL BBL	GROSS RESERVES GAS MCF	NET RESERVES OIL BBL	NET RESERVES NGL BBL	NET RESERVES GAS MCF	GROSS REVENUE OIL M$	GROSS REVENUE NGL M$	GROSS REVENUE GAS M$	GROSS REVENUE TOTAL M$	TOTAL TAXES M$	NET CAP COST M$	OPERATING EXPENSE M$	NET REVENUE M$	CUM P.W. 10.000% M$
500005	W 05 IPB	0	0	107,940	0	0	87,989	0.0	0.0	1,083.2	1,083.2	0.0	0.0	39.6	1,043.6	497.3
500006	W 06 IPB	0	0	62,400	0	0	50,866	0.0	0.0	626.2	626.2	0.0	0.0	39.6	586.6	286.2
500007	W 07 IPB	0	0	22,800	0	0	15,990	0.0	0.0	196.8	196.8	0.0	0.0	19.8	177.0	77.4
500008	W 08 IPB	0	0	27,324	0	0	22,274	0.0	0.0	274.2	274.2	0.0	0.0	39.6	234.6	122.7
500009	W 09 IPB	0	0	119,988	0	0	97,810	0.0	0.0	1,204.0	1,204.0	0.0	0.0	39.6	1,164.4	552.9
500010	W 10 IPB	0	0	14,940	0	0	10,478	0.0	0.0	129.1	129.1	0.0	0.0	19.8	109.3	49.6
500012	W 12 IPB	0	0	135,600	0	0	110,537	0.0	0.0	1,360.7	1,360.7	0.0	0.0	39.6	1,321.1	625.1
500013	W 13 IPB	0	0	19,800	0	0	13,886	0.0	0.0	170.7	170.7	0.0	0.0	19.8	150.9	66.7
500014	W 14 IPB	0	0	24,630	0	0	17,274	0.0	0.0	212.8	212.8	0.0	0.0	19.8	193.0	83.8
500015	W 15 IPB	0	0	7,500	0	0	5,260	0.0	0.0	64.6	64.6	0.0	0.0	19.8	44.8	22.7
500016	W 16 IPB	0	0	22,662	0	0	15,894	0.0	0.0	195.7	195.7	0.0	0.0	19.8	175.9	76.9
500017	W 17 IPB	0	0	13,140	0	0	9,216	0.0	0.0	113.2	113.2	0.0	0.0	19.8	93.4	43.7
500018	W 18 IPB	0	0	19,740	0	0	13,844	0.0	0.0	170.5	170.5	0.0	0.0	19.8	150.7	66.6
500019	W 19 IPB	0	0	21,840	0	0	15,317	0.0	0.0	188.6	188.6	0.0	0.0	19.8	168.8	74.1
500020	W 20 IPB	0	0	127,200	0	0	103,689	0.0	0.0	1,276.5	1,276.5	0.0	0.0	39.6	1,236.9	586.1
500021	W 21 IPB	0	0	15,330	0	0	10,751	0.0	0.0	132.3	132.3	0.0	0.0	19.8	112.5	51.2
500022	W 22 IPB	0	0	11,970	0	0	8,395	0.0	0.0	103.2	103.2	0.0	0.0	19.8	83.4	39.4
500023	W 23 IPB	0	0	132,240	0	0	107,798	0.0	0.0	1,327.0	1,327.0	0.0	0.0	39.6	1,287.4	609.5
500024	W 24 IPB	0	0	14,340	0	0	10,057	0.0	0.0	124.0	124.0	0.0	0.0	19.8	104.2	47.6
500025	W 25 IPB	0	0	25,260	0	0	17,716	0.0	0.0	218.0	218.0	0.0	0.0	19.8	198.2	85.8
500026	W 26 IPB	0	0	13,200	0	0	9,258	0.0	0.0	114.0	114.0	0.0	0.0	19.8	94.2	43.6
500027	W 27 IPB	0	0	142,800	0	0	116,406	0.0	0.0	1,432.8	1,432.8	0.0	0.0	39.6	1,393.2	658.3
500028	W 28 IPB	0	0	129,240	0	0	105,352	0.0	0.0	1,296.8	1,296.8	0.0	0.0	39.6	1,257.2	595.6
500029	W 29 IPB	0	0	73,200	0	0	59,670	0.0	0.0	734.5	734.5	0.0	0.0	39.6	694.9	336.4
100030	W 30	0	0	461,340	0	0	403,808	0.0	0.0	4,971.0	4,971.0	0.0	0.0	1,000.4	3,970.6	2,353.9
500031	W 31 IPB	0	0	265,685	0	0	231,193	0.0	0.0	2,846.1	2,846.1	0.0	0.0	238.3	2,607.8	1,438.6
100033	W 33	0	0	409,481	0	0	360,981	0.0	0.0	4,443.8	4,443.8	0.0	375.8	957.5	3,110.5	1,707.7
500034	W 34 IPB	0	0	218,231	0	0	191,236	0.0	0.0	2,354.3	2,354.3	0.0	0.0	234.6	2,119.7	1,183.2
500036	W 36 IPB	0	0	199,892	0	0	176,414	0.0	0.0	2,171.8	2,171.8	0.0	0.0	234.6	1,937.2	1,085.8
500037	W 37 IPB	0	0	221,241	0	0	195,284	0.0	0.0	2,404.1	2,404.1	0.0	0.0	237.9	2,166.2	1,204.5
100038	W 38	0	0	416,842	0	0	378,165	0.0	0.0	4,655.2	4,655.2	0.0	375.8	964.1	3,315.3	1,813.3
500039	W 39 IPB	0	0	285,317	0	0	257,134	0.0	0.0	3,165.3	3,165.3	0.0	0.0	241.2	2,924.1	1,584.7
500040	W 40 IPB	0	0	246,067	0	0	223,252	0.0	0.0	2,748.3	2,748.3	0.0	0.0	237.9	2,510.4	1,370.1
100041	W 41	0	0	552,790	0	0	505,131	0.0	0.0	6,218.5	6,218.5	0.0	375.8	1,063.2	4,779.5	2,600.6
500042	W 42 IPB	0	0	259,915	0	0	235,825	0.0	0.0	2,903.0	2,903.0	0.0	0.0	237.9	2,665.1	1,449.0
100043	W 43	0	0	449,676	0	0	412,609	0.0	0.0	5,079.3	5,079.3	0.0	375.8	990.6	3,712.9	2,019.6
100044	W 44	0	0	417,897	0	0	383,427	0.0	0.0	4,720.2	4,720.2	0.0	375.8	967.4	3,377.0	1,838.0
100045	W 45	0	0	530,253	0	0	488,600	0.0	0.0	6,015.1	6,015.1	0.0	375.8	1,050.0	4,589.3	2,479.1
500046	W 46 IPB	0	0	272,411	0	0	249,776	0.0	0.0	3,074.9	3,074.9	0.0	0.0	241.2	2,833.7	1,524.2
500047	W 47 IPB	0	0	280,049	0	0	256,783	0.0	0.0	3,161.2	3,161.2	0.0	0.0	241.2	2,920.0	1,567.7
500048	W 48 IPB	0	0	238,910	0	0	219,041	0.0	0.0	2,696.4	2,696.4	0.0	0.0	237.9	2,458.5	1,333.9
500049	W 49 IPB	0	0	245,130	0	0	224,747	0.0	0.0	2,766.8	2,766.8	0.0	0.0	237.9	2,528.9	1,369.6
100050	W 50	0	0	397,582	0	0	367,819	0.0	0.0	4,527.9	4,527.9	0.0	375.8	947.6	3,204.5	1,731.3
500051	W 51 IPB	0	0	286,508	0	0	264,193	0.0	0.0	3,252.3	3,252.3	0.0	0.0	241.2	3,011.1	1,608.6

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

(CONTINUED)

LEASE NUMBER	LEASE NAME	ACTIVE COMPLTNS OIL	ACTIVE COMPLTNS GAS	GROSS ULTIMATE OIL/COND BBL	GROSS ULTIMATE GAS MCF	WORKING INTEREST START	WORKING INTEREST END	REVENUE INTEREST START	REVENUE INTEREST END	OIL/COND $/BBL START	OIL/COND $/BBL END	NGL $/BBL START	NGL $/BBL END	GAS $/MCF START	GAS $/MCF END	GROSS OPERATING EXPENSE M$/M START	GROSS OPERATING EXPENSE M$/M END	LIFE YRS
500052	W 52 IPB	0	1	0	159,793	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	22.8
100056	W 56	0	1	0	506,702	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	29.8
700057	W 57 IPB	0	1	0	471,174	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	35.3
500058	W 58 IPB	0	1	0	407,840	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.9
700059	W 59 IPB	0	1	0	463,639	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	35.3
500060	W 60 IPB	0	1	0	324,729	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.9
100061	W 61	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100080	W 80	0	1	0	482,330	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	29.8
900003	PRB RYLTY/PLP	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	35.3
	TOTAL	0	51	0	10,776,508													
	TOTAL ALL LEASES	0	51	0	10,776,508													

BASED ON CONSTANT PRICE AND COST PARAMETERS

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

PROBABLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT		OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL	TAXES	COST	EXPENSE	REVENUE	10.000%
NUMBER	LEASE NAME	BBL	BBL	MCF	BBL	BBL	MCF	M$	M$	M$	M$	M$	M$	M$	M$	M$
							(CONTINUED)									
500052	W 52 IPB	0	0	159,793	0	0	147,304	0.0	0.0	1,813.5	1,813.5	0.0	0.0	228.0	1,585.5	884.9
100056	W 56	0	0	506,702	0	0	470,727	0.0	0.0	5,794.7	5,794.7	0.0	1,199.0	1,033.7	3,562.0	1,207.9
700057	W 57 IPB	0	0	471,174	0	0	437,720	0.0	0.0	5,388.4	5,388.4	0.0	0.0	247.8	5,140.6	2,040.7
500058	W 58 IPB	0	0	407,840	0	0	378,884	0.0	0.0	4,664.2	4,664.2	0.0	1,199.0	957.7	2,507.5	774.9
700059	W 59 IPB	0	0	463,639	0	0	430,720	0.0	0.0	5,302.5	5,302.5	0.0	0.0	247.8	5,054.7	1,991.8
500060	W 60 IPB	0	0	324,729	0	0	301,673	0.0	0.0	3,713.7	3,713.7	0.0	1,199.0	878.4	1,636.3	420.1
100061	W 61	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100080	W 80	0	0	482,330	0	0	448,085	0.0	0.0	5,516.1	5,516.1	0.0	1,199.0	1,017.2	3,299.9	1,066.0
900003	PRB RYLTY/PLP	0	0	0	0	0	0	0.0	0.0	-14,889.8	-14,889.8	0.0	0.0	0.0	-14,889.8	-7,203.5
	TOTAL	0	0	10,776,508	0	0	9,676,258	0.0	0.0	104,228.2	104,228.2	0.0	7,426.6	16,086.4	80,715.2	40,145.4
	TOTAL ALL LEASES	0	0	10,776,508	0	0	9,676,258	0.0	0.0	104,228.2	104,228.2	0.0	7,426.6	16,086.4	80,715.2	40,145.4

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

POSSIBLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
ENDING	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	OIL	NGL	GAS	TOTAL
M-D-Y	BBL	BBL	MCF	BBL	BBL	MCF	$/BBL	$/BBL	$/MCF	M$	M$	M$	M$
12-31-2009	0	0	8,402	0	0	979	0.000	0.000	12.310	0.0	0.0	10.6	10.6
12-31-2010	0	0	622,787	0	0	167,803	0.000	0.000	12.310	0.0	0.0	1,807.4	1,807.4
12-31-2011	0	0	1,189,243	0	0	1,096,589	0.000	0.000	12.310	0.0	0.0	11,811.8	11,811.8
12-31-2012	0	0	1,388,334	0	0	1,289,760	0.000	0.000	12.310	0.0	0.0	13,892.7	13,892.7
12-31-2013	0	0	1,299,504	0	0	1,207,238	0.000	0.000	12.310	0.0	0.0	13,003.8	13,003.8
12-31-2014	0	0	1,464,035	0	0	1,360,090	0.000	0.000	12.310	0.0	0.0	14,650.1	14,650.1
12-31-2015	0	0	1,314,971	0	0	1,221,605	0.000	0.000	12.310	0.0	0.0	13,158.7	13,158.7
12-31-2016	0	0	1,152,136	0	0	1,070,338	0.000	0.000	12.310	0.0	0.0	11,529.4	11,529.4
12-31-2017	0	0	1,005,549	0	0	934,156	0.000	0.000	12.310	0.0	0.0	10,062.0	10,062.0
12-31-2018	0	0	890,789	0	0	827,547	0.000	0.000	12.310	0.0	0.0	8,913.8	8,913.8
12-31-2019	0	0	795,414	0	0	738,936	0.000	0.000	12.310	0.0	0.0	7,959.6	7,959.6
12-31-2020	0	0	713,628	0	0	662,963	0.000	0.000	12.310	0.0	0.0	7,141.5	7,141.5
12-31-2021	0	0	642,023	0	0	596,438	0.000	0.000	12.310	0.0	0.0	6,425.0	6,425.0
12-31-2022	0	0	577,822	0	0	536,794	0.000	0.000	12.310	0.0	0.0	5,782.1	5,782.1
12-31-2023	0	0	521,674	0	0	484,635	0.000	0.000	12.310	0.0	0.0	5,220.2	5,220.2
SUBTOTAL	0	0	13,586,311	0	0	12,195,871	0.000	0.000	12.310	0.0	0.0	131,368.7	131,368.7
REMAINING	0	0	4,218,590	0	0	3,919,067	0.000	0.000	12.310	0.0	0.0	42,214.9	42,214.9
TOTAL	0	0	17,804,901	0	0	16,114,938	0.000	0.000	12.310	0.0	0.0	173,583.6	173,583.6
CUM PROD	0		0										
ULTIMATE	0		17,804,901										

PERIOD	NUMBER OF		NET DEDUCTIONS/EXPENDITURES				FUTURE NET REVENUE			
	ACTIVE COMPLETIONS		TAXES		CAPITAL	OPERATING	UNDISCOUNTED		DISCOUNTED AT 10.000%	
ENDING			PRODUCTION	AD VALOREM	COST	EXPENSE	PERIOD	CUM	PERIOD	CUM
M-D-Y	GROSS	NET	M$	M$	M$	M$	M$	M$	M$	M$
12-31-2009	14	14.00	0.0	0.0	0.0	0.0	10.6	10.6	10.6	10.6
12-31-2010	14	14.00	0.0	0.0	0.0	0.0	1,807.4	1,818.0	1,666.2	1,676.8
12-31-2011	14	14.00	0.0	0.0	9,592.0	132.0	2,087.8	3,905.8	1,726.1	3,402.9
12-31-2012	14	14.00	0.0	0.0	0.0	316.8	13,575.9	17,481.7	10,624.9	14,027.8
12-31-2013	14	14.00	0.0	0.0	7,194.0	349.8	5,460.0	22,941.7	4,016.1	18,043.9
12-31-2014	14	14.00	0.0	0.0	0.0	554.4	14,095.7	37,037.4	9,118.9	27,162.8
12-31-2015	14	14.00	0.0	0.0	0.0	554.4	12,604.3	49,641.7	7,411.9	34,574.7
12-31-2016	14	14.00	0.0	0.0	0.0	554.4	10,975.0	60,616.7	5,869.1	40,443.8
12-31-2017	14	14.00	0.0	0.0	0.0	554.4	9,507.6	70,124.3	4,621.3	45,065.1
12-31-2018	14	14.00	0.0	0.0	0.0	554.4	8,359.4	78,483.7	3,693.5	48,758.6
12-31-2019	14	14.00	0.0	0.0	0.0	554.4	7,405.2	85,888.9	2,974.3	51,732.9
12-31-2020	14	14.00	0.0	0.0	0.0	554.4	6,587.1	92,476.0	2,405.4	54,138.3
12-31-2021	14	14.00	0.0	0.0	0.0	554.4	5,870.6	98,346.6	1,948.7	56,087.0
12-31-2022	14	14.00	0.0	0.0	0.0	554.4	5,227.7	103,574.3	1,576.9	57,663.9
12-31-2023	15	15.00	0.0	0.0	0.0	574.2	4,646.0	108,220.3	1,274.5	58,938.4
SUBTOTAL			0.0	0.0	16,786.0	6,362.4	108,220.3	108,220.3	58,938.4	58,938.4
REMAINING			0.0	0.0	0.0	13,598.5	28,616.4	136,836.7	4,919.0	63,857.4
TOTAL OF 36.1 YRS			0.0	0.0	16,786.0	19,960.9	136,836.7	136,836.7	63,857.4	63,857.4

PRESENT WORTH PROFILE	
DISC RATE	CUM PW
%	M$
8.000	72,606.6
12.000	56,665.3
15.000	48,052.8
20.000	37,670.5
25.000	30,450.5
30.000	25,211.7
35.000	21,276.5
40.000	18,239.8
45.000	15,843.5
50.000	13,916.0

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

POSSIBLE RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

LEASE NUMBER	LEASE NAME	ACTIVE COMPLTNS OIL	ACTIVE COMPLTNS GAS	GROSS ULTIMATE OIL/COND BBL	GROSS ULTIMATE GAS MCF	WORKING INTEREST START	WORKING INTEREST END	REVENUE INTEREST START	REVENUE INTEREST END	OIL/COND $/BBL START	OIL/COND $/BBL END	NGL $/BBL START	NGL $/BBL END	GAS $/MCF START	GAS $/MCF END	GROSS OPERATING EXPENSE M$/M START	GROSS OPERATING EXPENSE M$/M END	LIFE YRS
110087	S 087	0	1	0	404,710	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.6
110088	S 088	0	1	0	478,172	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.2
110090	S 090	0	1	0	433,458	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	26.2
110091	S 091	0	1	0	411,847	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.8
110095	S 095	0	1	0	383,749	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.3
110098	S 098	0	1	0	388,828	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.5
110099	S 099	0	1	0	515,160	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.0
110109	S 109	0	1	0	450,735	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.0
700007	W 07 IPS	0	1	0	22,800	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.3
700010	W 10 IPS	0	1	0	14,940	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.3
700013	W 13 IPS	0	1	0	19,800	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.0
700014	W 14 IPS	0	1	0	24,630	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.1
700015	W 15 IPS	0	1	0	7,500	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	13.8
700016	W 16 IPS	0	1	0	22,662	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.2
700017	W 17 IPS	0	1	0	13,140	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.0
700018	W 18 IPS	0	1	0	19,740	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.0
700019	W 19 IPS	0	1	0	21,840	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	23.9
700021	W 21 IPS	0	1	0	15,330	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	20.6
700022	W 22 IPS	0	1	0	11,970	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	18.2
700024	W 24 IPS	0	1	0	14,340	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.9
700025	W 25 IPS	0	1	0	25,260	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	25.3
700026	W 26 IPS	0	1	0	13,200	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	19.2
700030	W 30 IPS	0	1	0	461,284	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.5
700031	W 31 IPS	0	1	0	531,323	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.8
700033	W 33 IPS	0	1	0	409,448	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	30.5
700034	W 34 IPS	0	1	0	436,533	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.1
700036	W 36 IPS	0	1	0	399,719	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	30.3
700037	W 37 IPS	0	1	0	442,425	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.3
700038	W 38 IPS	0	1	0	416,865	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.0
700039	W 39 IPS	0	1	0	570,639	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.9
700040	W 40 IPS	0	1	0	492,279	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.6
700041	W 41 IPS	0	1	0	552,950	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.7
700042	W 42 IPS	0	1	0	520,108	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.1
700043	W 43 IPS	0	1	0	449,848	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.8
700044	W 44 IPS	0	1	0	417,515	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	31.2
700045	W 45 IPS	0	1	0	530,650	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.5
700046	W 46 IPS	0	1	0	545,155	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	33.8
700047	W 47 IPS	0	1	0	560,377	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.0
700048	W 48 IPS	0	1	0	477,664	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.5
700049	W 49 IPS	0	1	0	490,507	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.8
700050	W 50 IPS	0	1	0	397,779	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	30.9
700051	W 51 IPS	0	1	0	573,122	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.2
700052	W 52 IPS	0	1	0	319,632	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.9
100053	W 53	0	1	0	453,819	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.8

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

POSSIBLE RESERVES

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT NUMBER	LEASE NAME	OIL BBL	NGL BBL	GAS MCF	OIL BBL	NGL BBL	GAS MCF	OIL M$	NGL M$	GAS M$	TOTAL M$	TAXES M$	COST M$	EXPENSE M$	REVENUE M$	10.000% M$
110087	S 087	0	0	404,710	0	0	375,976	0.0	0.0	4,628.5	4,628.5	0.0	1,199.0	954.3	2,475.2	943.6
110088	S 088	0	0	478,172	0	0	444,222	0.0	0.0	5,468.7	5,468.7	0.0	1,199.0	1,013.7	3,256.0	1,322.8
110090	S 090	0	0	433,458	0	0	402,683	0.0	0.0	4,957.1	4,957.1	0.0	1,199.0	977.4	2,780.7	1,088.2
110091	S 091	0	0	411,847	0	0	382,606	0.0	0.0	4,710.1	4,710.1	0.0	1,199.0	960.9	2,550.2	973.8
110095	S 095	0	0	383,749	0	0	356,503	0.0	0.0	4,388.8	4,388.8	0.0	1,199.0	937.7	2,252.1	818.6
110098	S 098	0	0	388,828	0	0	361,221	0.0	0.0	4,446.6	4,446.6	0.0	1,199.0	941.0	2,306.6	839.1
110099	S 099	0	0	515,160	0	0	478,584	0.0	0.0	5,891.5	5,891.5	0.0	1,199.0	1,040.2	3,652.3	1,493.6
110109	S 109	0	0	450,735	0	0	418,733	0.0	0.0	5,154.5	5,154.5	0.0	1,199.0	993.9	2,961.6	1,140.7
700007	W 07 IPS	0	0	22,800	0	0	16,408	0.0	0.0	201.9	201.9	0.0	0.0	19.8	182.1	76.4
700010	W 10 IPS	0	0	14,940	0	0	10,752	0.0	0.0	132.3	132.3	0.0	0.0	19.8	112.5	49.2
700013	W 13 IPS	0	0	19,800	0	0	14,249	0.0	0.0	175.3	175.3	0.0	0.0	19.8	155.5	66.2
700014	W 14 IPS	0	0	24,630	0	0	17,725	0.0	0.0	218.1	218.1	0.0	0.0	19.8	198.3	82.6
700015	W 15 IPS	0	0	7,500	0	0	5,397	0.0	0.0	66.5	66.5	0.0	0.0	19.8	46.7	22.7
700016	W 16 IPS	0	0	22,662	0	0	16,309	0.0	0.0	200.9	200.9	0.0	0.0	19.8	181.1	75.5
700017	W 17 IPS	0	0	13,140	0	0	9,456	0.0	0.0	116.5	116.5	0.0	0.0	19.8	96.7	43.3
700018	W 18 IPS	0	0	19,740	0	0	14,206	0.0	0.0	175.0	175.0	0.0	0.0	19.8	155.2	65.8
700019	W 19 IPS	0	0	21,840	0	0	15,718	0.0	0.0	193.5	193.5	0.0	0.0	19.8	173.7	73.0
700021	W 21 IPS	0	0	15,330	0	0	11,032	0.0	0.0	135.8	135.8	0.0	0.0	19.8	116.0	50.7
700022	W 22 IPS	0	0	11,970	0	0	8,614	0.0	0.0	106.0	106.0	0.0	0.0	19.8	86.2	38.7
700024	W 24 IPS	0	0	14,340	0	0	10,320	0.0	0.0	127.2	127.2	0.0	0.0	19.8	107.4	46.9
700025	W 25 IPS	0	0	25,260	0	0	18,179	0.0	0.0	223.8	223.8	0.0	0.0	19.8	204.0	84.9
700026	W 26 IPS	0	0	13,200	0	0	9,500	0.0	0.0	117.0	117.0	0.0	0.0	19.8	97.2	42.9
700030	W 30 IPS	0	0	461,284	0	0	395,248	0.0	0.0	4,865.6	4,865.6	0.0	0.0	247.8	4,617.8	2,441.7
700031	W 31 IPS	0	0	531,323	0	0	455,321	0.0	0.0	5,605.2	5,605.2	0.0	0.0	250.7	5,354.5	2,815.0
700033	W 33 IPS	0	0	409,448	0	0	353,430	0.0	0.0	4,351.0	4,351.0	0.0	0.0	247.8	4,103.2	2,176.5
700034	W 34 IPS	0	0	436,533	0	0	376,830	0.0	0.0	4,639.0	4,639.0	0.0	0.0	247.8	4,391.2	2,322.7
700036	W 36 IPS	0	0	399,719	0	0	347,606	0.0	0.0	4,278.9	4,278.9	0.0	0.0	244.5	4,034.4	2,138.4
700037	W 37 IPS	0	0	442,425	0	0	384,791	0.0	0.0	4,736.8	4,736.8	0.0	0.0	247.8	4,489.0	2,367.8
700038	W 38 IPS	0	0	416,865	0	0	370,534	0.0	0.0	4,561.5	4,561.5	0.0	0.0	247.8	4,313.7	2,265.9
700039	W 39 IPS	0	0	570,639	0	0	507,334	0.0	0.0	6,245.6	6,245.6	0.0	0.0	251.1	5,994.5	3,108.9
700040	W 40 IPS	0	0	492,279	0	0	440,819	0.0	0.0	5,426.8	5,426.8	0.0	0.0	247.8	5,179.0	2,695.0
700041	W 41 IPS	0	0	552,950	0	0	495,189	0.0	0.0	6,095.9	6,095.9	0.0	0.0	251.1	5,844.8	3,028.1
700042	W 42 IPS	0	0	520,108	0	0	465,753	0.0	0.0	5,733.7	5,733.7	0.0	0.0	247.8	5,485.9	2,848.7
700043	W 43 IPS	0	0	449,848	0	0	405,240	0.0	0.0	4,988.7	4,988.7	0.0	0.0	247.8	4,740.9	2,468.3
700044	W 44 IPS	0	0	417,515	0	0	376,087	0.0	0.0	4,629.7	4,629.7	0.0	0.0	244.5	4,385.2	2,290.9
700045	W 45 IPS	0	0	530,650	0	0	480,999	0.0	0.0	5,921.3	5,921.3	0.0	0.0	251.1	5,670.2	2,923.8
700046	W 46 IPS	0	0	545,155	0	0	494,153	0.0	0.0	6,083.4	6,083.4	0.0	0.0	251.1	5,832.3	3,004.3
700047	W 47 IPS	0	0	560,377	0	0	507,955	0.0	0.0	6,253.1	6,253.1	0.0	0.0	251.1	6,002.0	3,088.7
700048	W 48 IPS	0	0	477,664	0	0	432,941	0.0	0.0	5,329.8	5,329.8	0.0	0.0	247.8	5,082.0	2,631.1
700049	W 49 IPS	0	0	490,507	0	0	444,589	0.0	0.0	5,472.9	5,472.9	0.0	0.0	247.8	5,225.1	2,702.6
700050	W 50 IPS	0	0	397,779	0	0	362,840	0.0	0.0	4,466.9	4,466.9	0.0	0.0	247.8	4,219.1	2,195.6
700051	W 51 IPS	0	0	573,122	0	0	522,871	0.0	0.0	6,436.8	6,436.8	0.0	0.0	251.1	6,185.7	3,171.9
700052	W 52 IPS	0	0	319,632	0	0	291,513	0.0	0.0	3,588.7	3,588.7	0.0	0.0	241.2	3,347.5	1,761.9
100053	W 53	0	0	453,819	0	0	421,598	0.0	0.0	5,189.9	5,189.9	0.0	1,199.0	994.0	2,996.9	979.8

BASED ON CONSTANT PRICE AND COST PARAMETERS

BASIC DATA
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

POSSIBLE RESERVES

SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

(CONTINUED)

LEASE		ACTIVE COMPLTNS		GROSS ULTIMATE		WORKING INTEREST		REVENUE INTEREST		OIL/COND $/BBL		NGL $/BBL		GAS $/MCF		GROSS OPERATING EXPENSE M$/M		LIFE
NUMBER	LEASE NAME	OIL	GAS	OIL/COND BBL	GAS MCF	START	END	START	END	START	END	START	END	START	END	START	END	YRS
100055	W 55	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
700056	W 56 IPS	0	1	0	506,955	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	36.1
700058	W 58 IPS	0	1	0	407,908	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	34.2
700060	W 60 IPS	0	1	0	324,533	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	32.1
700061	W 61 IPS	0	1	0	399,945	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.8
100062	W 62	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100063	W 63	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100072	W 72	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	0.0
100074	W 74	0	1	0	278,755	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	24.9
100079	W 79	0	1	0	371,835	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	27.4
700080	W 80 IPS	0	1	0	482,263	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	36.0
100081	W 81	0	1	0	429,836	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.8
100084	W 84	0	1	0	439,419	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	12.310	12.310	3.3	3.3	28.9
900004	POS RYLTY/PLP	0	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.0	36.1
	TOTAL	0	53	0	17,804,901													
	TOTAL ALL LEASES	0	53	0	17,804,901													

BASED ON CONSTANT PRICE AND COST PARAMETERS

NETHERLAND, SEWELL & ASSOCIATES, INC.

RESERVES AND ECONOMICS
AS OF NOVEMBER 30, 2009

GREAT EASTERN ENERGY CORPORATION LTD.
INTEREST

POSSIBLE RESERVES

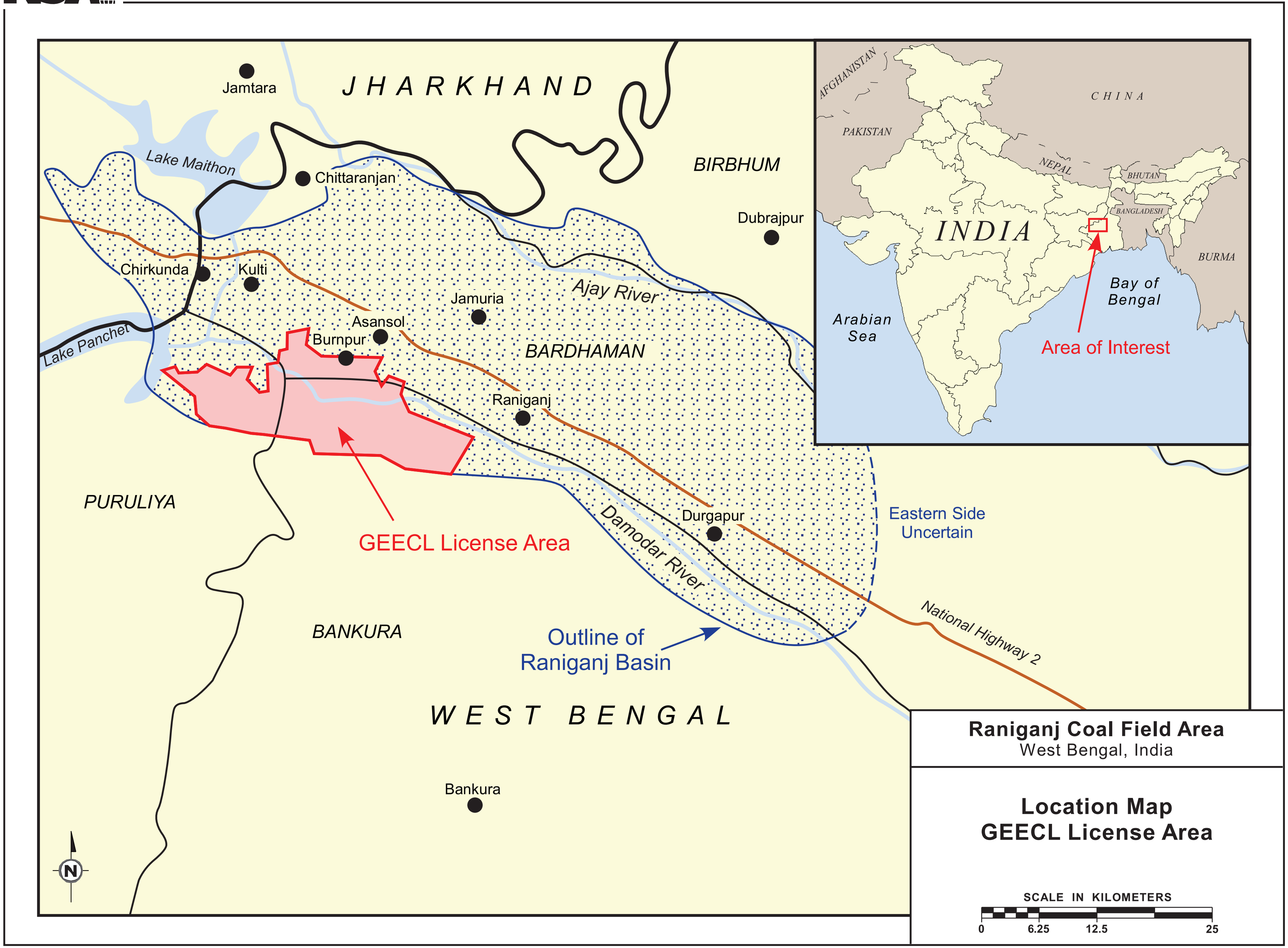
SUMMARY - CERTAIN COALBED METHANE PROPERTIES
LOCATED IN RANIGANJ COAL FIELD
WEST BENGAL, INDIA

		GROSS RESERVES			NET RESERVES			GROSS REVENUE				TOTAL	NET CAP	OPERATING	NET	CUM P.W.
ACCOUNT NUMBER	LEASE NAME	OIL BBL	NGL BBL	GAS MCF	OIL BBL	NGL BBL	GAS MCF	OIL M$	NGL M$	GAS M$	TOTAL M$	TAXES M$	COST M$	EXPENSE M$	REVENUE M$	10.000% M$
							(CONTINUED)									
100055	W 55	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
700056	W 56 IPS	0	0	506,955	0	0	470,961	0.0	0.0	5,797.7	5,797.7	0.0	0.0	251.1	5,546.6	2,195.4
700058	W 58 IPS	0	0	407,908	0	0	378,947	0.0	0.0	4,664.8	4,664.8	0.0	0.0	247.8	4,417.0	1,750.5
700060	W 60 IPS	0	0	324,533	0	0	301,491	0.0	0.0	3,711.5	3,711.5	0.0	0.0	244.5	3,467.0	1,389.9
700061	W 61 IPS	0	0	399,945	0	0	371,548	0.0	0.0	4,573.7	4,573.7	0.0	1,199.0	951.1	2,423.6	741.1
100062	W 62	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100063	W 63	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100072	W 72	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100074	W 74	0	0	278,755	0	0	258,963	0.0	0.0	3,188.0	3,188.0	0.0	1,199.0	828.8	1,160.2	225.0
100079	W 79	0	0	371,835	0	0	345,435	0.0	0.0	4,252.4	4,252.4	0.0	1,199.0	924.6	2,128.8	608.2
700080	W 80 IPS	0	0	482,263	0	0	448,022	0.0	0.0	5,515.2	5,515.2	0.0	0.0	247.8	5,267.4	2,007.8
100081	W 81	0	0	429,836	0	0	399,317	0.0	0.0	4,915.7	4,915.7	0.0	1,199.0	977.5	2,739.2	847.8
100084	W 84	0	0	439,419	0	0	408,220	0.0	0.0	5,025.5	5,025.5	0.0	1,199.0	984.1	2,842.4	887.9
900004	POS RYLTY/PLP	0	0	0	0	0	0	0.0	0.0	-24,797.7	-24,797.7	0.0	0.0	0.0	-24,797.7	-11,663.0
	TOTAL	0	0	17,804,901	0	0	16,114,938	0.0	0.0	173,583.6	173,583.6	0.0	16,786.0	19,960.9	136,836.7	63,857.4
	TOTAL ALL LEASES	0	0	17,804,901	0	0	16,114,938	0.0	0.0	173,583.6	173,583.6	0.0	16,786.0	19,960.9	136,836.7	63,857.4

BASED ON CONSTANT PRICE AND COST PARAMETERS

FIGURES

NETHERLAND, SEWELL & ASSOCIATES, INC.

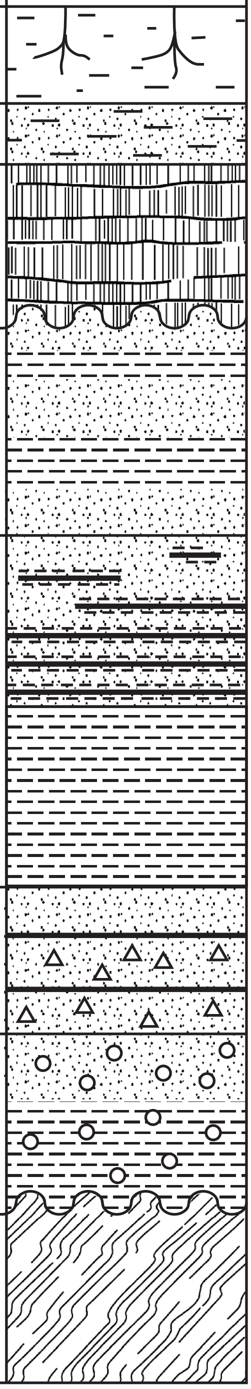


All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

Figure 1

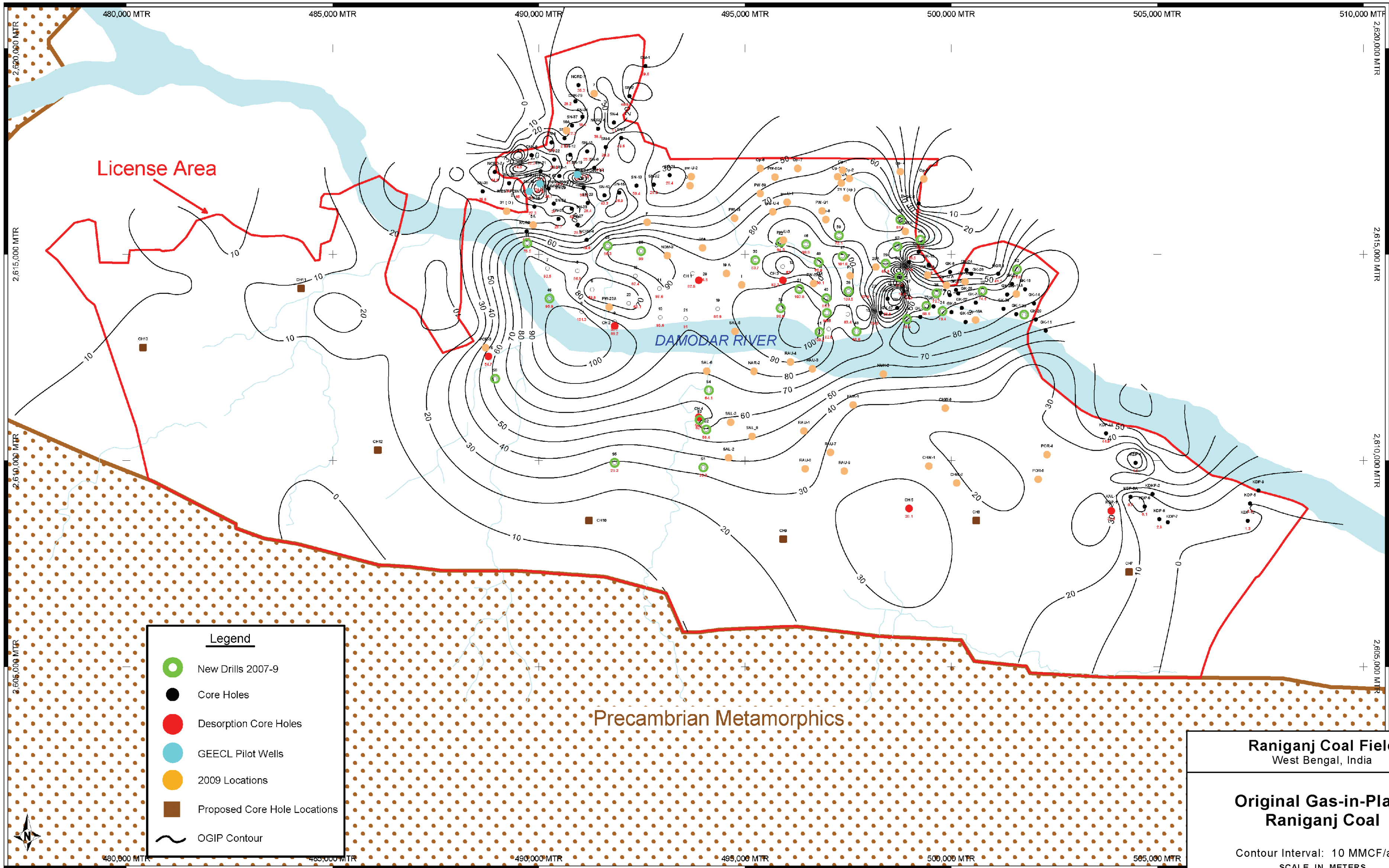
Stratigraphic Column
Raniganj Coal Field
West Bengal, India

Age	Formation (Thickness in m)	Lithological Description	Depiction
Recent and Quaternary	Recent sediments (0 - 40 m)	Soil/alluvium	
Tertiary	(30 - 280 m)	Clay, sandstone, marl, lignite	
Cretaceous	Rajmahal volcanics (0 - 170 m)	Dark grey to greenish-grey in color; hard, fine- to medium-grained, crystalline to crypto-crystalline, basalt in composition	
	Unconformity		
Triassic	Panchet (15 - 930 m)	Light green, fine- to medium-grained soft micaeous sandstones with thin bands and intercalations of green shale in the lower part and chocolate brown clay and silt in the upper part	
Upper Permian	Raniganj (95 - 698 m)	Light grey to dirty white micaceous fine-, medium-, and coarse-grained sandstone; frequently cross-bedded with alternating sequence of shale, carbonaceous shale, and coal seams	
	Ironstone Shale (0 - 525 m)	Dark grey to black, micaceous, fissile shale with ferruginous laminae and thin bands of dense, hard, cryptocrystalline clay ironstone; rarely interbanded with fine-grained sandstone	
Lower Permian	Barakar (20 - 200 m)	Very coarse- to medium-grained arkosic sandstone, often cross-bedded; grey and carbonaceous shale, at times interbanded with fine-grained sandstone; fireclay lenses and coal seams	
Early Permian	Talchir	Tillite or diamictite with sandy or clayey matrix at the base; medium- to fine-grained khaki or yellowish-green fledspathic sandstone; siltstone, silty shale, needle shale and rhythmite with drop stones	
	Unconformity		
Precambrian	Metamorphics	Granite gneiss with migmitite gneiss, hornblende schist, hornblende gneiss, metabasic rocks, pegmatite and quartz veins	



Adapted from a figure provided by GEECL.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions. Figure 2



Raniganj Coal Field
West Bengal, India

Original Gas-in-Place
Raniganj Coal

Contour Interval: 10 MMCF/acre
SCALE IN METERS
0 1125 2250 4500

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

Figure 3

APPENDIX

SUMMARY OF ASSETS
GREAT EASTERN ENERGY CORPORATION LTD.
LOCATED IN RANIGANJ COAL FIELD, WEST BENGAL, INDIA
AS OF NOVEMBER 30, 2009

Country/Field	Operator Name	License Expiration Date	License Area (km^2)	Working Interest (Percent)	Status	Comments
India						
Raniganj Coal Field	Great Eastern Energy Corporation Ltd.	11/2036	210	100.000	Producing	Contract extendable with approval of the Government of India. Development of the block began in April 2002 with the drilling of three pilot wells, and first production occurred after pumps were installed in all of the wells in January 2007. Daily production as of November 2009 is 4,461 MCF per day, with estimated peak production of 7,177 MCF per day to occur in 2011.

Source: Netherland, Sewell & Associates, Inc.

Table A-1

SUMMARY OF ESTIMATED GAS RESERVES
GREAT EASTERN ENERGY CORPORATION LTD.
LOCATED IN RANIGANJ COAL FIELD, WEST BENGAL, INDIA
AS OF NOVEMBER 30, 2009

		Gas Reserves (MCF)					
		Gross (100 Percent)			Net		
Country/Field	Operator Name	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
India							
Raniganj Coal Field	Great Eastern Energy Corporation Ltd.	17,050,685	27,827,193	45,632,094	15,202,073	24,878,331	40,993,269

Source: Netherland, Sewell & Associates, Inc.

Table A-2

SUMMARY OF ESTIMATED UNRISKED PROSPECTIVE GAS RESOURCES
GREAT EASTERN ENERGY CORPORATION LTD.
LOCATED IN RANIGANJ COAL FIELD, WEST BENGAL, INDIA
AS OF NOVEMBER 30, 2009

		Unrisked Gross (100 Percent) Prospective Gas Resources (MCF)		
Country/Field	Operator Name	Low Estimate	Best Estimate	High Estimate
India				
Raniganj Coal Field	Great Eastern Energy Corporation Ltd.	79,596	164,555	501,910

Source: Netherland, Sewell & Associates, Inc.

Table A-3

PART 9

ADDITIONAL INFORMATION

1. Persons Responsible

The Company, whose name and registered office appears on page 3 of this document, and the Directors, whose names and functions appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

2. The Company

2.1 *Incorporation*

2.1.1 The Company was incorporated in India on 29 May 1992 under the Act as a public company limited by shares with the registration number 55-48985 and with the name Modi Mckenzie Methane Limited. The Certificate for Commencement of Business was received on 8 January 1993.

2.1.2 The name of the Company was changed to "Great Eastern Energy Corporation Limited" pursuant to a fresh certificate of incorporation dated 2 February 1996 by the Additional Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi.

2.1.3 The Company converted to a private company limited by shares pursuant to a fresh certificate of incorporation, granted to the Company on 16 June 1998 by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. However, as more than 25 per cent. of the then paid up share capital of the Company was held by a public company, the Company became a deemed public limited company with effect from 16 June 1998.

2.1.4 Pursuant to a Board resolution dated 14 August 2001 and a Shareholders' resolution dated 17 August 2001, the registered office of the Company was moved to the state of West Bengal which was confirmed by an order dated 19 September 2002 passed by the Company Law Board, New Delhi. Presently, the Company is registered with the Registrar of Companies, West Bengal at Kolkata bearing corporate identity number U48985WB1992PLC095301.

2.1.5 The Company is domiciled in India.

2.1.6 The Act is the principal legislation under which the Company was formed and now operates. The Company is also required to comply with other legislation arising in connection with its exploration activities including The Oilfields (Regulation and Development) Act 1948, The Petroleum Act 1934 and the rules made thereunder.

2.1.7 The address of the registered office of the Company is M10, ADDA Industrial Area, District Burdwan Asansol 713 305, West Bengal, India and the telephone number is +91 341 302 9900.

The addresses and telephone numbers of the principal places of business of the Company (in addition to the registered office of the Company) are as follows:

(a) Corporate Office: Signature Towers – 'A', 14th Floor, South City, NH-8, Gurgaon, Haryana, 122 001. Telephone number: +91 124 4559 900; and

(b) G T Road Fatehpur, P O Sitarampur, Asansol 713 359, Telephone number: +91 341 2253 048.

2.1.8 The Company trades under the name Great Eastern Energy Corporation Limited.

2.1.9 The liability of the members of the Company is limited.

2.1.10 The Company is not part of a Group (as defined under the UK Companies Act 2006) and has no subsidiary undertakings.

3. Share Capital

3.1 *Current Shareholdings*

3.1.1 The following table shows the current legal ownership of the issued Equity Shares:

Shareholder	*Number of Equity Shares*	*% of issued share capital*
Deutsche Bank Trust Company Americas[1]	36,919,873	63.59
YKM Holdings Private Limited[2]	15,685,776	27.02
YKM Holdings International Limited[2]	4,791,301	8.25
Mr. Dev Mohan Gupta	237,659	0.41
Mr. Utkarsh Munot	237,659	0.41
Associated Buying Services Private Limited	100,000	0.17
Mr. Sanjit Bakshi	89,682	0.15
Total	58,061,950	100.00

1. On trust for GDR Holders.
2. Details relating to YKM Holdings Private Limited and YKM Holdings International Limited are set out in paragraph 6.2 below.

3.1.2 The following table shows those entities which hold an interest in 3 per cent. or more of the issued share capital of the Company, whether such interest arises pursuant to a direct holding of Equity Shares, indirectly through a holding of GDRs, or both:

Shareholder/GDR Holder	*Number of GDRs*	*Number of Equity Shares represented by such GDRs*	*Number of Equity Shares held directly*	*Total attributable number of Equity Shares*	*% of issued share capital*
YKM Holdings Private Limited[1]	Nil	Nil	15,685,776	15,685,776	27.02
YKM Holdings International Limited[1]	284,799	142,400	4,791,301	4,933,701	8.50
CBM Investments Limited[1]	28,989,087	14,494,544	Nil	14,494,544	24.96
Prudential plc group of companies	6,250,000	3,125,000	Nil	3,125,000	5.38
Standard Life Investment Limited	5,763,375	2,881,688	Nil	2,881,688	4.96
Aegon Group of Companies	7,067,814	3,533,907	Nil	3,533,907	6.09

1. please see paragraph 6.2 below for further details on these companies.

3.2 *Authorised Share Capital*

The authorised share capital of the Company is INR 650,000,000 divided into 65,000,000 equity shares of INR 10 each.

3.3 ***Issued and Paid up Capital***

3.3.1 The issued, subscribed and paid-up share capital of the Company is INR 580,619,500 divided into 58,061,950 Equity Shares of INR 10 each. Of the Equity Shares in issue, 36,919,873 are held by Deutsche Bank Trust Company Americas on trust for GDR Holders.

3.3.2 As at 31 March 2010 the issued Equity Share capital of the Company was INR 580,619,500 divided into 58,061,950 Equity Shares of INR 10 each.

During the financial year 1 April 2009 to 31 March 2010 the following Equity Shares were issued:

Date of Issue	*No. of Equity Shares*	*Nominal Value (INR)*	*Issue Price (INR per Equity Share)*	*Name of Allottee*
1 July 2009	1	1	60	Mr. Goverdhan Das Agrawal
With effect from 31 July 2009, the Company changed the nominal value of the Equity Shares from INR 1 each to INR 10 each				
1 December 2009	3,600,000	10	607.42	YKM Holdings International Limited

3.4 There is no present intention to issue any of the authorised but unissued share capital of the Company.

3.5 There have been no public takeover bids by third parties for all or any part of the Company's equity share capital during the last financial year of the Company or the period up to and including 24 May 2010, the last practicable date prior to the publication of this document.

3.6 Although the Equity Share equivalent of only 73,839,746 GDRs are presently held by Deutsche Bank Trust Company Americas, application has been made for the Admission of up to 116,123,900 GDRs. This represents the total amount of GDRs capable of being issued on the basis of the current issued Equity Share capital of the Company (being 58,061,950 Equity Shares). The Directors consider it appropriate to apply for the Admission of this larger amount of GDRs now. In so doing they hope to reduce future costs and expenses for the Company in the event that further GDRs are required to be issued and listed representing some or all of the issued Equity Share capital of the Company not presently represented by GDRs.

3.7 ***Changes to Authorised and Issued Share Capital of the Company***

3.7.1 The following changes have been made in the authorised and issued share capital of the Company from 1 April 2006 to 24 May 2010, the last practicable date prior to the publication of this document:

Changes in the authorised share capital:

Date	*Nature of Amendment*
15 July 2006	Increase in the authorised share capital from INR 550,000,000 divided into 550,000,000 Equity Shares of INR 1 each to INR 650,000,000 divided into 650,000,000 Equity Shares of INR 1 each.
3 July 2009	The issued and authorised share capital of the Company was amended by consolidating every 10 equity shares of INR1 each into Equity Shares with a nominal value of INR 10 each (with effect from 31 July 2009).

Changes in issued share capital:

Date of Allotment/ Date when fully paid up	*No. of Equity Shares*	*Face Value (INR)*	*Issue Price per Equity Share (INR)*	*Cumulative number of Equity Shares*	*Cumulative Issued Capital (INR)*	*Individuals/entities to whom Equity Shares were allotted*
1 July 2009	1	1	60	544,619,500	544,619,500	Mr. Goverdhan Das Agrawal
The nominal value of Equity Shares was changed from INR 1 per Equity Share to INR 10 per Equity Share with effect from 31 July 2009 resulting in the total number of Equity Shares being reduced to 54,461,950.						
1 December 2009	3,600,000	10	607.42	58,061,950	580,619,500	YKM Holdings International Limited

All the above Equity Shares were issued for cash.

3.8 ***Further information relating to the Equity Shares***

3.8.1 The ISIN of the Equity Shares is INE882G01028 and for GDRs is US39032T1060.

3.8.2 The Equity Shares have been created under the laws of India.

3.8.3 The Equity Shares are in registered form and are denominated in INR.

4. Memorandum and Articles of Association

4.1 ***Memorandum of Association***

The principal objects of the Company as set out in the memorandum of association of the Company are as follows:

4.1.1 To drill, produce, buy, sell, distribute, export, dispose of and deal in methane gas, natural gas, coke, tar and all other conventional and non-conventional energy products resulting from the production of gas and to carry on all the business that are usually or may be conveniently carried on by gas companies.

4.1.2 To supply gas for lighting, heating, generated power or any other purpose whatsoever.

4.1.3 To purchase, construct, take on lease or otherwise acquire mines, minerals, ore, gas, easements, rights, privileges, real estate and to open, work, explore, develop and maintain the deposits, mines, minerals and other properties and works of the Company.

4.1.4 To prospect, explore, develop, maintain and carry on operations on all or any lands, gas or water wells, mines or mining rights, minerals, ores, works or other properties from time to time in the possession of the Company, and to erect all necessary or convenient refineries, mills, machinery, laboratories and workshops.

4.1.5 To carry on the business of generation and suppliers of electricity and steam, whether for the purpose of light, heat, generated power, industrial or other purposes, and generally to manufacture, mortgage, work, maintain and carry out all necessary cables, wires, accumulators, and apparatus connected with the generation, transmission, distribution, supplying accumulation and utilization of electricity and to use the surplus generation of electricity arising out of optimum utilization of facilities in order that these projects achieve the desired results.

4.2 ***Articles of Association***

The Articles contain, *inter alia*, provisions in relation to the following:

Directors

Number of Directors

The number of Directors shall not be less than three nor more than twelve.

Power of Directors to appoint Directors

The Directors shall have power at any time to appoint any person to be an additional director provided that the total number of directors shall not at any time exceed the maximum fixed by the Articles. Any person so appointed shall hold his office up to the date of the next annual general meeting but shall be eligible for re-election or election at such meeting.

Power of Company to appoint Directors

The Company may appoint a person who is willing to act to be a director by ordinary resolution. No proposal shall be made at any general meeting for the appointment of two or more persons as Directors by a single resolution unless such resolution has first been agreed unanimously by the meeting.

Appointment of Debenture Directors

Any trust deed for securing debentures or debenture stocks may provide for the appointment, from time to time, by the trustees or by the holders of debentures or debenture stocks, of some person to be a director of the Company and may empower such trustees or holder of debentures of debenture stocks to remove such director from office. The Director appointed under this Article is a "Debenture Director".

The Debenture Director shall not be retired by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the provisions of the Articles.

Appointment of Nominee Directors

So long as any moneys remain owing by the Company to Industrial Finance Corporation of India ("IFCI"), the Industrial Credit and Investment Corporation of India Limited ("ICICI"), Industrial Development Bank of India ("IDBI") or to any other financing company or body (the "Corporation") (together the "Lenders"), the Corporation shall have a right to appoint and remove from time to time such person or persons as they choose as directors, either full time or part time ("Nominee Directors"). The Board shall have no power to remove from office the Nominee Directors and the Nominee Directors shall not retire by rotation.

At the option of the Corporation, the Nominee Directors shall be required to hold any share qualification in the Company and shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Directors shall hold office only for so long as any monies remain owing by the Company to the Corporation and the Nominee Directors shall vacate office immediately after any monies owing by the Company to the Corporation have been paid off.

The Board of Directors shall have no power to remove from office the Nominee Directors. The Company shall pay the Nominee Directors sitting fees and the expenses to which the other directors of the Company are entitled, but if any other fees, commission, monies or remuneration, in any form, are payable to the Directors then such items shall be paid by the Company directly to the Corporation.

Where a Nominee Director is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director(s) shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Appointment of alternate directors, their interests, participation in meetings
The Board may appoint an alternate director ("Alternate Director") to act for the nominee Director of each member (hereinafter called "Original Director") during his absence, for a period of not less than three months, from the Indian state in which board meetings are normally held. The Alternate Directors to be appointed for the nominee Director of each member shall be persons proposed by such member only and upon nomination the members shall cause their respective nominee Directors to vote for and appoint him. Such Alternate Director shall be entitled, while holding office, to receive notices of board meetings to which the Original Director has been appointed, to vote as a Director at any such board meetings at which the Original Director is not present and to generally exercise all the powers, rights, duties and authority and to perform all the functions of the Original Director. The Alternate Director appointed shall vacate office as and when the Original Director returns to the said Indian state. If the term of the Original Director ends before he returns to the said Indian state, any provision in the Act for the re-appointment of retiring Directors in default of another appointment shall apply to the Original Director.

Share qualification
A Director shall not be required to hold any shares in the Company.

Rotation and retirement of Directors

Rotation of Directors
Not less than two-thirds of the total number of Directors shall: (a) be persons whose period of office is subject to retirement by rotation; and (b) be appointed by the Company in a general meeting.

Retirement of Directors
At every annual general meeting of the Company one-third of the total number of Directors shall retire from office, or if their number is not three or an integral multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, special directors, Managing Directors or Full Time Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In the Articles, a "Retiring Director" means a Director retiring by rotation.

Eligibility for re-election
A Retiring Director shall be eligible for re-election.

Removal of Directors
The Company may by ordinary resolution remove any Director before the expiry of his period of office. Special notice shall be required of any resolution to remove a Director and to appoint a person in his place at the meeting at which he is removed. On receipt of a notice of a resolution to remove a Director, the Company shall send a copy of the resolution to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard at the meeting. The vacancy created by the removal of the Director may be filled by the appointment of another Director at the same meeting or subsequently as a casual vacancy. A director, who is removed from office as mentioned in this paragraph shall not be reappointed as a director by the Board. Removal of a Director shall not deprive him of the right to any compensation or damages payable to him in respect of termination of his appointment as director.

A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in a general meeting or by the Board, be filled by the appointment of another Director in his stead at the meeting at which the vacating Director is removed. Provided that special notice of the intended appointment has been given, a director so appointed shall hold office up to the date upon which his predecessor would have held office if he had not been removed under this Article.

Directors' fees
The Directors shall be entitled to receive, by way of fees for attending board meetings or committee meetings, such sum as may be fixed by the Board not exceeding such sum as may be prescribed by law.

The Directors, subject to the sanction of the Central Government (if required), may be paid such further remuneration as the Company in general meeting shall determine.

Extra Directors' remuneration
If any Director is called upon to perform extra services (such as work undertaken by a Director as a member of any committee or otherwise), the Company shall remunerate the Director either by a fixed sum or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his director fees.

Managing Director/Full Time Director

Appointment
The Directors shall have power to appoint one or more of their number to be Managing Director or Full Time Director of the Company for a term not exceeding five years at a time, to manage the affairs and business of the Company and may, subject to the provisions of any contract with the Company, remove or dismiss him from office and appoint another person in his place.

The Managing Director or the Full Time Director shall not, whilst he continues to hold that office, be subject to retirement by rotation. However, he shall be subject to the provisions of any contract between him and the Company and to the same provisions regarding resignation and removal as the other Directors of the Company. He shall immediately cease to be a Managing Director or Full Time Director if he ceases to hold the office of Director for any reason.

If, at any time, the number of Directors (including Managing Director or Full Time Director) who are not subject to retirement by rotation exceeds one-third of the total number of the Directors, then the Managing Director or Full Time Directors shall be liable to retirement by rotation to the extent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors. However, the Managing Director or the Full Time Director shall be counted in determining the number of Directors that are required to retire.

Remuneration of Managing Director and/or Full Time Director
The remuneration of the Managing Director or Full Time Director shall be fixed by the Directors and may be by way of fixed salary and/or perquisite or commission on profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

Powers of Managing Director and/or Full Time Director
The day to day management of the Company shall be under the control of the Managing Director(s) or Full Time Director(s). The Board has the power to distribute the day to day management functions among the Directors in any manner as it deems fit. The Board may, as it thinks fit and by way of resolution, vest in the Managing Director the powers vested in the Board. Such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The Board may confer such power either collaterally with, to the exclusion of or in substitution for all or any of the powers of the Directors and may revoke, withdraw, alter or vary all or any of such powers.

Proceedings of the Board

Borrowing powers
The Directors may, at their discretion, by way of a board resolution, accept deposits from members either in advance of calls or otherwise and generally raise, borrow or secure moneys provided that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary

loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free-reserves (not being reserves set apart for any specific purpose) the Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in the excess of the limit imposed by the article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.

The payment or repayment of moneys borrowed
The payment or repayment of moneys borrowed may be secured in such manner and upon such terms and conditions as the Directors think fit and in particular, in accordance with a resolution passed at a board meeting, by the issue of bonds, debentures or debenture stock of the Company, both present and future, including its uncalled capital for the time being. The debentures, the debenture stock and other securities may be assigned free from any equities between the Company and the person to whom the same may be issued.

Meetings of Directors
The Directors may meet together as a Board for the despatch of business and, unless the Central Government by virtue of the provisions in the Act otherwise directs, shall meet at least once a quarter. The Directors may adjourn and otherwise regulate their meetings as they think fit. The provision of this Article shall not be deemed to have been contravened merely by reason of the fact that the board meeting, which had been called in compliance with the terms of this Article, could not be held due to the absence of a quorum.

Notices of the Board Meeting
Notice of meetings of the Board shall be given to every Director for the time being in India and at his/her usual address in India in case of any other Director at such time as may be considered reasonable and practical.

The Directors shall be furnished with the Agenda for the meetings of the Board and committees thereof specifying the matters proposed to be discussed thereat but shall in no case, the discussions in the meeting shall be restricted to the matters specified in the agenda only. The Board is free to discuss any other matter, subject to the approval of the Chairman.

In the event that any Director deems a meeting to be convened at shorter notice, such Director may at any time and the secretary upon the request of a Director made at any time shall convene a meeting of the Board by giving a notice in writing to every Director for the time being in India, to every other Director at his usual address in India or at other address outside India specified by any such Director.

Quorum
The quorum for a board meeting shall be the greater of one-third of the total number of Directors currently in office or two Directors, whichever is higher. Where the number of interested Directors exceeds or is equal to two-thirds of the total number of Directors who are not interested and are present at the meeting, not being less than two, that shall be the quorum. If a board meeting cannot be held due to the absence of a quorum then the meeting shall automatically stand adjourned until the same day of the next week at the same time and place or, if that day is a public holiday, until the following day at the same time and place, unless otherwise adjourned to a specific date, time and place.

Powers of the directors
A meeting of the Directors that is quorate shall exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

Chairman
The Chairman of the Board of Directors shall be appointed from among the Directors. The Chairman when present at the Board Meeting will take the Chair. If within fifteen (15) minutes from the

scheduled time of the meeting the Chairman is not present, a substitute Chairman for that meeting shall be elected by the Directors present at such meeting. In case of equality of votes, the Chairman shall have a casting vote.

Voting
Questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

Disclosure of interests
Any Director who is, either directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a board meeting in the manner as set out below:

(a) in the case of a proposed contract or arrangement, disclosure is required to be made by the Director at the board meeting at which the question of entering into the proposed contract or arrangement is first taken into consideration. If the Director was not, at the date of such meeting, concerned or interested in the proposed contract or arrangement, the Director should disclose his interest or concern at the first board meeting after he becomes so concerned or interested in the proposed contract or arrangement; or

(b) in the case of any other contract or arrangement, disclosure is required to be made at the first board meeting held after the Director becomes concerned or interested in the contract or arrangement.

Such an interested Director is not entitled to vote at the board meeting at which the contract is considered and will not count towards the quorum.

This provision shall not apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more Directors together holds not more than two per cent. of the paid-up share capital in the other company.

Disclosure by Directors of their holdings of shares in and debentures of the Company
Every Director and every person deemed to be a Director shall give notice to the Company of his interests in shares in and debentures of the Company as may be necessary for the Company to comply with the provisions of the Act. Any such notice shall be given in writing and if it is not given at a board meeting, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first board meeting after notice has been given.

Rights attaching to shares

Income
Subject to the rights of any members entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares.

Capital
The authorised share capital of the Company is INR 650,000,000 divided into 65,000,000 Equity Shares of INR 10 each. The Company has the power to increase or reduce its capital, divide the shares into several classes and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the regulations of the Company.

Voting
Every question submitted to a general meeting shall be decided in the first instance by a show of hands unless the poll is demanded. Before or on the declaration of the result of the voting on any resolution

on a show of hands, a poll may be ordered to be taken by the chairman. A poll can also be ordered to be taken by the chairman by the lesser of: (a) members present in person or by proxy holding not less than one-tenth of the total voting power in respect of the resolution; or (b) members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which aggregate sum of not less than INR 50,000 has been paid up.

The demand for a poll may be withdrawn at any time by the person or persons who made the demand. A poll demanded on any question of adjournment shall be taken straightaway. A poll demanded on any other question (not being a question relating to the election of a chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the chairman may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. Where a poll is to be taken, the chairman shall appoint two scrutineers to scrutinise the vote given on the poll and to report to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

For voting rights applicable to GDR Holders please see Part 7 of this document.

Variation of rights
Subject to provisions of the Act, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares in issue may be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders or not less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

Pre-emption rights
The shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons and on such terms and conditions and at such times, for such consideration as the Board thinks fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise.

Transfer of shares
An application for registration of a transfer of a share in the Company may be made either by the transferor or the transferee.

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

Notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

No transfer to minor
The Board shall not issue or register a transfer of any share to a minor (except in case where they are fully paid) or to a person who is insolvent or person of unsound mind.

Transfer by legal representatives
A transfer of shares in the Company of deceased member made by his legal representative shall, although the legal representative is not himself a member, be as valid at if he had been a member at the time of the execution of the instrument of transfer.

Right to refuse to registration
Subject of the Act, the Directors may in their absolute discretion refuse to register any transfer of shares.

The Directors may pursuant to Section 111 of the Companies Act,1956 read in conjunction with Section 22A of the Securities Contracts (Regulation) Act, 1956 at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares (whether fully paid or not) and the right of refusal shall not be affected by the fact that the proposed transferee is already a member of the company. If the Directors do so decline to register or acknowledge such transfer, they must within one month from the date on which the instrument of transfer was lodged with the company send to the transferee and transferor notice of the refusal to register such transfer. Registration of transfers of shares may not be refused solely on the grounds of the transferor being (either alone or jointly with any other person or persons) indebted to the Company on any account whatsoever, save where the Company has a lien on the shares.

Changes in share capital

Increase, consolidation, sub-division and cancellation
The Company in general meeting may:

(a) consolidate and divide all or any of its shares;

(b) subdivide all or any of its shares into shares; and

(c) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. Such a cancellation of shares shall not be deemed to be reduction of share capital within the meaning of the Act.

Reduction of capital
The Company may, by special resolution, reduce: (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account in any manner authorised by law.

Purchase of own shares
As provided by section 77 of the Act, none of the funds of the Company shall be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in accordance with the Act. None of the Company's funds shall be used, either directly or indirectly, whether by means of a loan, guarantee, the provisions of security or otherwise, in order to provide any financial assistance for the purpose of or in connection with the purchase of or subscription for shares in the Company or in its holding company.

Annual and extraordinary general meetings

Attendance at general meetings
Every member of the Company is entitled to attend, either in person or by proxy, any general meeting and the auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

Annual general meetings
Annual general meetings should be held at any time during business hours on a day that is not a public holiday, and at either the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.

Extraordinary general meetings
All general meetings other than annual general meetings shall be called extraordinary general meetings.

Convening extraordinary general meetings
The Directors may proceed to convene an extraordinary general meeting whenever they think fit. An extraordinary general meeting shall also be convened either on the requisition of the members holding not less that 1/20 of the total voting power or by 100 members holding up to INR 100,000 in total.

Notice of general meetings
Under the Act, a general meeting of the Company may be called by giving not less than twenty-one days' notice in writing.

A general meeting may be called after giving a shorter notice than that specified above if consent is accorded thereto:

(a) in the case of an annual general meeting by all the members entitled to vote; and

(b) in the case of any other meeting, by members of the Company holding not less than 95 per cent. of such part of the paid-up shares capital of the Company as gives a right to vote at the meeting.

Quorum at general meetings
No business of the Company shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The quorum shall be at least five members present in person.

Members entitled to vote at the general meeting are entitled to attend such general meeting.

If quorum is not present
If within half an hour from the time appointed for the holding of a general meeting, a quorum is not present, the meeting shall stand adjourned to the same day of the next week at the same time and same place. If within half an hour from the time appointed for the holding of such adjourned meeting the requisite quorum is not present then the members present shall constitute a quorum and the business at such adjourned meeting shall be confined to the remaining items specified in the agenda for such meeting and no matter other than specific matters set out in the agenda may be decided at such a meeting.

Proxies
Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote in his place provided that a proxy so appointed shall not have any right whatsoever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. No proxy shall be entitled to vote on a show of hands. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the registered office of the Company at least forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default of which, the instrument of proxy shall not be treated as valid.

Voting
All resolutions shall be carried by a simple majority of votes cast except where a special resolution is required by the Act. The chairman shall have a casting vote in case of equality of votes.

Chairman of general meeting
The chairman of the Board of Directors shall take the chair at every general meeting of the Company. If there is no such chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or he declines to take the chair, the vice-chairman (if

any) shall be entitled to take the chair. If no chairman or vice-chairman shall be present or willing to take the chair, the Directors present shall elect one of their number as chairman of the meeting. If there be no Director present and willing to act, the members who are present and entitled to vote, shall elect one of the members to be chairman of the meeting. If a poll is demanded on the election of the chairman, it shall be taken in accordance with the provisions of the Act and a chairman elected on a show of hands shall exercise all the powers of the chairman under the Act. If the chairman is elected as a result of the poll he shall be the chairman for that meeting.

5. Share option schemes

5.1 *Background*

Save for the ESOP 2008, the Company operates no other bonus or profit sharing plan for the Directors or Senior Managers. The ESOP 2008 was approved on 17 July 2008 by a special resolution of the Shareholders. The ESOP 2008 is administered by the Company's Remuneration Committee/ Compensation Committee. Its principal terms are set out below.

5.2 *Options granted (as at March 31 2010)*

Date of approval	*Effective date*	*Exercise price (in INRs)*	*Number of options*
26 July 2008	1 August 2008	40[1]	432,658[2]
27 January 2009	1 December 2008	40[1]	52,920[2]
10 July 2009	1 April 2009	400	8,113
28 August 2009	1 August 2009	400	11,450
5 April 2010	1 December 2009	400	26,448

1 The exercise price at the date of issue was INR 40. Consequent upon the change in the face value of Equity Shares of the Company from INR 1 each to INR 10 each effected on 3 July 2009, the exercise price was also adjusted by the same ratio to INR 400.

2 On 3 July 2009 the total outstanding options were 402,038 (total granted of 485,578 less the options lapsed of 83,540) which were accordingly consolidated in 40,210 options (due to rounding off for each employee).

83,540 options of INR 1/- each and 8,590 options of INR 10/- each have lapsed due to the resignation/death of optionholders. The total number of outstanding options convertible into Equity Shares as at 31 March 2010 was therefore 77,631.

5.3 *Eligibility for participation*

The Remuneration Committee/Compensation Committee (the "Committee") reserves the right to offer options to eligible employees/Directors based on such criteria as may be decided by the Committee at its own discretion from time to time, including but not limited to (i) the duration of the relevant individual's service, (ii) the relevant individual's performance (as indicated by the annual performance appraisal (in the context of employees), (iii) the relevant individual's current compensation, (iv) the level of the employee in the Company, (v) the present and potential contribution of the relevant individual to the success of the Company and (vi) other factors deemed relevant by the Committee.

The Remuneration Committee at its discretion may extend the benefits of the ESOP 2008 to new employees/Directors.

5.4 *Requirements of vesting, period of vesting and maximum period within which the options shall be vested*

Save for exceptional situations like death and permanent incapacitation, employees should be in continuous employment from the date of grant until the date of vesting of the options. As regards Directors, they should continue to be Directors of the Company from the date of grant until the date of vesting of the options. Re-appointment of Directors upon retirement by rotation shall be deemed to be continuity for these purposes. Where a part-time Director or an independent Director retires upon completion of his term and does not immediately get re-appointed, the Board of Directors may at their sole discretion allow for unvested options to vest immediately on the day of retirement. Vesting of options shall commence within such period as may be prescribed by the Committee, being not less than one year and not more than five years from the date of grant of options.

The options shall vest with the participants over a period of five years as per the following schedule:

Vesting	*% of options vested*	*Cumulative % of options vested*	*Vesting date*
1st	20%	20%	On the first anniversary of the grant date
2nd	20%	40%	On the second anniversary of the grant date
3rd	20%	60%	On the third anniversary of the grant date
4th	20%	80%	On the fourth anniversary of the grant date
5th	20%	100%	On the fifth anniversary of the grant date

5.5 ***Maximum number of options to be issued per employee and in aggregate***

The maximum number of options granted to an employee shall be decided by the Committee. During any one year, no employee shall be granted options equal to or exceeding 1 per cent. of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options. The maximum number of options to be granted under the ESOP 2008 shall not exceed 500,000 options over 500,000 Equity Shares.

5.6 ***Exercise price***

The options shall be granted at the Market Price.

"Market Price" means the latest available closing price, prior to the date of the meeting of the Board of Directors in which the options are granted/Equity Shares are issued, on the stock exchange on which the GDRs of the Company are listed. If the GDRs are listed on more than one stock exchange, then the price on the stock exchange where there is highest trading volume on the relevant date shall be used.

5.7 ***Exercise period and process of exercise***

The exercise period is a period of 9 years from the first vesting date. The options shall be deemed to have been exercised when an employee makes an application in writing to the Company for the issuance of Equity Shares against the options vested in him.

5.8 ***Accounting policies and disclosures***

The Company conforms to the accounting policies specified in Clause 13.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) and other regulatory authorities from time to time.

5.9 ***Method to be used to value the options***

The Company uses the intrinsic value method to value its options. The difference between the employee compensation cost computed under the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used the fair value of the options, is disclosed in the Directors' Report together with the impact of this difference on profits and on Earnings Per Share of the Company.

5.10 ***Rights of a participant***

The rights of a Shareholder shall be conferred upon the participant only on exercise of the options and resultant transfer/issue of shares. Upon allotment of the Equity Shares, the participant shall become a member of the Company, and shall be entitled to all rights of a member including with respect to voting rights and dividends. The Equity Shares to be allotted shall rank pari-passu in all respects with the outstanding shares of the Company. The options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the participant otherwise than by will or by the law of descent, to the extent permitted under the applicable law, and any purported assignment, alienation, pledged, attachment, sale, transfer or encumbrance not permitted shall be void and unenforceable against the Company.

5.11 ***Modification of the plan***

The Committee may pursuant to a special resolution passed at a General Meeting at any time and from time to time revoke, add to, alter, amend or vary all or any of the terms and conditions of the ESOP 2008 or any of the rights and obligations of the participants.

5.12 ***Directors and Senior Managers to whom options pursuant to the ESOP 2008 have been granted as at 31 March 2010 are:***

S. No.	*Name*	*No. of options granted*	*Exercise price*	*No. of options vested*
Directors				
1.	Mr. Kashi Nath Memani	2,500	400	nil
2.	Mr. Pejavar Murari	2,500	400	nil
3.	Mr. Haigreve Khaitan	2,500	400	nil
4.	Mr. GS Talwar	2,500	400	nil
5.	Mr. Ashok Jha	2,500	600	nil
Senior Managers				
1.	Mr. Parveen Arora	3,942	400	nil
2.	Mr. S. Suriyanarayanan	20,313	600	nil

6. Administrative, Management and Supervisory Bodies and Senior Managers

6.1 ***Directors and Senior Managers***

6.1.1 The details of Directors and the Senior Managers who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's business (the "Relevant Senior Managers") are as follows:

Director	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Yogendra Kumar Modi	Chairman and Managing Director	33, Shivji Marg, Rangpuri, New Delhi 110 037 India	Modi Telecommunications Limited YKM Holdings International Limited YKM Holdings Private Limited Great Eastern Energy Infrastructure Private Limited Great Eastern Energy Marketing Private Limited Great Eastern Energy Gas Private Limited Great Eastern Energy City Gas Private Limited Great Eastern CBM Gas Private Limited Great Eastern Natural Gas Private Limited CBM Investments Limited Centurion Bank of Punjab Limited * Indian Purchase.com Infoware Limited* Modi Connect Private Limited* YKM Investment Limited* Bokel Investments Limited* Modi Communication Services Limited* YKM Bio-Tech Limited*

Director	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Paul Sebastian Zuckerman	Non-Executive Director	105 Grosvenor Road, London, United Kingdom SW1V 3LG	BlackRock UK Equity Hedge Fund Limited BlackRock European Opportunities Hedge Fund Limited Pall Mall Capital Limited Tech Mahindra Limited BlackRock Natural Resources Hedge Fund Limited BlackRock UK Emerging Companies Hedge Fund Limited BlackRock Eurasian Frontiers Hedge Funds Limited BlackRock Middle East and North Africa Opportunities Master Fund Limited BlackRock Middle East and North Africa Opportunities Fund Limited BlackRock Aletsch Fund Limited BlackRock Aletsch Master Fund Limited BlackRock Global Macro Hedge Fund Limited BlackRock Funds of Alternatives SPC JM Financial Limited Westgate Hall Nominees plc ArcelorMittal Brasil S.A Zuckerman & Associates Limited ArcelorMittal Mexico, S.A. de C.V. ArcelorMittal Las Truchas, S.A. de C.V. Iceni Mobile Limited Art Fund Services Limited Westminster Garden Properties Limited Burnham Overy Boathouse Limited The Cholmondeley Garden Trust Limited ArcelorMittal Vinton Inc.* Bourbay Limited* Dabur Oncology Limited* BlackRock Fixed Income Multi-Strategy Hedge Fund Limited* BlackRock European Equity Hedge Fund Limited*
Mr. Pejavar Murari	Non-Executive Director	No. 2 Gilchrist Avenue, Off Harrington Road, Chetput, Chennai 600 031, Tamil Nadu, India	Aban Offshore Limited HEG Limited South Asian Petrochem Limited Xpro India Limited Bajaj Auto Limited Aditya Birla Nuvo Limited Adayar Gate Hotel Limited Idea Cellular Limited Bajaj Holdings & Investment Limited Fortis Malar Hospitals Limited Credit Capital Asset Management Company Limited* GlaxoSmithKline Consumer Healthcare Limited* Strategic Weighing Systems Limited* Nuziveedu Seeds Limited* Bhoruka Power Corporation Limited* Mukand Limited* Moving Picture Company (India) Limited* S.M.V. consultants Private Limited* Daurala Organics Limited*

Director	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Kashi Nath Memani	Non-Executive Director	177C, Lane W-7, Western Avenue, Sainik Farms, New Delhi 110 062, India	DLF Limited Emami Limited HEG Limited HT Media Limited ICICI Venture Funds Management Company Limited Chambal Fertilisers and Chemicals Limited JK Lakshmi Cement Limited Aegon Religare Life Insurance Company Limited National Engineering Industries Limited Aegon India Private Limited KNM Advisory Private Limited Matchpoint Investment Management Limited Spice Mobiles Limited Yes Bank Limited* Indo-Rama Synthetics (I) Limited* Kaleidoscope Entertainment Private Limited* GEMS India Private Limited* Cellebrum.com Limited* HT Consultancy Services Private Limited* Spice Televentures Private Limited* Spice Innovative Technologies Private Limited* India Glycols Limited* Shree Cement Limited* Spice Communications Private Limited*
Mr. Haigreve Khaitan	Non-Executive Director	1104 Sterling Seaface Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra India	Ceat Limited Dhunseri Tea and Industries Limited Harrisons Malayalam Limited Hindustan Composites Limited Inox Leisure Limited National Engineering Industries Limited Rama Newsprint and Papers Limited Jindal Steel & Power Limited Sterlite Technologies Limited The Madras Aluminium Company Limited The Oudh Sugar Mills Limited Xpro India Limited AVTEC Limited Bennett, Coleman & Company Limited Bajaj Corp Limited BTS Investment Advisors Private Limited I.G.E. (India) Limited Khaitan Consultants Limited Vinar Systems Private Limited Millipore India Private Limited* TCPL Packaging Limited* Chevoit Company Limited* Gujarat Borosil Limited* International Conveyors Limited* NeoWorth Private Limited* Euroinfo Systems Private Limited* NRC Limited* Kothari Plantations & Industries Limited* Ritspin Synthetics Limited* Dormeuil-Birla VXL Limited*

Director	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Gurvirendra Singh Talwar	Non-Executive Director	19 Phillimore Place Kensington London W8 7BY United Kingdom	Sabre Capital Worldwide (Mauritius) Limited Power Overseas Private Limited Sketch Investment Private Limited Desent Promoters and Developers Private Limited Antriksh Properties Private Limited DLF Limited Herminda Builders & Developers (Private) Limited Excel Housing Construction (Private) Limited Madhukar Housing & Development Company (Private Company with unlimited liability) Sambhav Housing & Development Company (Private Company with unlimited liability) Udyan Housing & Development Company (Private Company with unlimited liability) Sabre Investment Advisor India Private Limited Sabre Investment Consultants LLP Centurion Bank of Punjab Limited* Pearson PLC, UK* Fortis Group (Belgium & Netherlands)* Schlumberger Limited* Lotus India Asset Management Company Private Limited* Ambit Capital Private Limited* Mallika Housing Company (Private Company with unlimited liability)* Raisina Agencies & Investments Private Limited* Universal Management & Sales Private Limited*
Mr. Ashok Jha	Non-Executive Director	E-1/20, Vasant Vihar New Delhi-110 057 India	Setco Automotive Limited Sumel Housing Finance Private Limited MCX-SX Ltd HSBC AMC Pvt. Ltd. SV Creditline Private Limited Hyundai Motor India Limited*

Senior Managers

Senior Manager	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Prashant Modi	President and COO	33, Shivji Marg Rangpuri New Delhi 110 037 India	YKM Holdings International Limited CBM Investments Limited Modi Telecommunications Limited* India Purchase.com Infoware Limited* YKM Holdings Private Limited* Modi Connect Private Limited* Great Eastern Energy Corporation Limited*
Mr. S. Suriyanarayanan	Chief Financial Officer	PC 1, Flat No 204 Essel Tower MG Road Gurgaon – 122 002 India	-nil-

Senior Managers

Senior Manager	*Function*	*Address*	*Other directorships during the five years preceding the date of this document*
Mr. Parveen Arora	Company Secretary and Vice President – Legal	53, Nagin Lake Apartments Outer Ring Road New Delhi -110087 India	Piquant Soft Solutions Private Limited*
Dr. N.D. Mitra	General Manager (Geology)	Gopal Apartments 3rd Floor 88, Beltola Road Kolkata-700 026 West Bengal India	-nil-
Mr. Randel J Croteau	Frac-Operations Supervisor	Flat No. 2, 3rd Floor Sumitra Apartment Senrleha Road Asansol-713304 District Burdwan West Bengal India	-nil-
Mr. William (Bill) R. Leeming	Frac-Operations Supervisor	Flat No. 2, 3rd Floor Sumitra Apartment Senrleha Road Asansol-713304 District Burdwan West Bengal India	-nil-

*indicates that directorship is not still current

6.2 ***Directors' and Senior Managers' Interests***

6.2.1 Save as detailed below, none of the Directors or Senior Managers holds any Equity Shares or GDRs.

6.2.2 Yogendra Modi and Prashant Modi, together with their families, indirectly control the Company through their shareholdings in Shareholders, details of which are set out below.

The Company is controlled by CBM Investments Limited, YKM Holdings International Limited and YKM Holdings Private Limited, which together hold 60.48 per cent. of the Equity Shares. This holding comprises direct interests in Equity Shares as described in the table set out in paragraph 3.1.1 above and indirect interests in Equity Shares through GDRs as described in the table set out in paragraph 3.1.2 above.

CBM Investments Limited is a wholly owned subsidiary of YKM Holdings International Limited.

YKM Holdings International Limited is in turn wholly owned by Yogendra Kumar Modi, Prashant Modi and other family members (Yogendra Kumar Modi's wife and daughter).

YKM Holdings Private Limited is controlled by Yogendra Kumar Modi, Prashant Modi and other family members (including Yogendra Kumar Modi's wife and daughter).

6.2.3 Mr. Paul Sebastian Zuckerman holds 170,733 GDRs, thereby enjoying a beneficial interest in 85,367 Equity Shares.

6.2.4 Mr. Kashi Nath Memani holds 14,500 GDRs thereby enjoying a beneficial interest in 7,250 Equity Shares.

6.2.5 Mr. Gurvinendra Singh Talwar holds 1,550,000 GDRs thereby enjoying a beneficial interest in 775,000 Equity Shares.

6.2.6 Mr. Haigreve Khaitan is a partner of Khaitan & Co., Advocates which is providing legal services to the Company on a case-by-case basis for which it receives fees for the services rendered. Khaitan & Co., Advocates has also been engaged by the Company as the Company's Indian counsel in relation to Admission.

6.2.7 All the Directors, including independent Directors, may be deemed to be interested to the extent that fees are payable to them for attending meetings of the Board or a committee thereof as well as to the extent that other remuneration and reimbursement of expenses, if any, are payable to them under the Articles of Association. The executive Directors are also interested to the extent that remuneration is paid to them for services rendered as officers or employees of the Company.

6.2.8 The Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and to the extent of options under the ESOP 2008 which they currently hold or may hold in future.

6.2.9 The Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares.

6.2.10 Save as set out below, the Directors have no interest in any property or land acquired by the Company and do not have any direct or indirect interest in completed transactions relating to property of the Company, as a vendor or otherwise, within two years prior to the date of filing of this document:

(a) Mr. Yogendra Kumar Modi has:

(i) an indirect interest through his shareholding in YKM Holdings Private Limited (described above) in relation to the Company's office space situated at 1D, 1st Floor, Bally High, Ballygunge Park Road, Kolkata 700 019, West Bengal, India which has been leased to the Company by Bokel Investments Limited (which has since been merged with YKM Holdings Private Limited) pursuant to a deed of assignment dated 5 September 2005 for a lump sum amount of INR 13,500,000 for a period of 99 years with effect from 1 August 1984; and

(ii) an indirect interest through YKM Holdings Private Limited in relation to the Company's Corporate Office which is situated 14th Floor, Signature Towers-A, South City, NH-8, Gurgaon-122 001, Haryana, India which has been leased to the Company pursuant to a lease agreement dated 30 March 2009 for a three year term from such date and for a rent of INR 484,500 per month subject to an increase every year at the rate of 5 per cent. and maintenance charges of INR 82,764 per month.

6.2.11 Save as disclosed above none of the Senior Managers have any interest in the Company other than the remuneration or benefits to which they are entitled to as per the terms of their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, or Equity Shares/GDRs held by them, if any, and to the extent of options under the ESOP 2008 which they currently hold or may hold in the future.

6.2.12 Aside from the family relationship between Yogendra Kumar Modi and Prashant Modi disclosed below, there is no family relationship between any Director or Senior Manager and any other Director and/or Senior Manager. Yogendra Kumar Modi and Prashant Modi are father and son respectively.

6.2.13 None of the Directors or the Senior Managers has at any time within the last five years:

(a) had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;

(b) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

(c) been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any analogous arrangement or composition or arrangement with its creditors generally or any class of its creditors; or

(d) been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.

6.2.14 Save as disclosed above, there are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any Director or Senior Manager was selected.

6.2.15 The shareholdings set out in paragraph 6.2.2 above may give rise to a potential conflict of interest on the part of Yogendra Kumar Modi and Prashant Modi. The potential conflict may arise due to their positions as Director and Senior Manager respectively and the control which they potentially exercise over the Company by virtue of their shareholdings in Shareholders. Any such conflict would be regulated by the terms of the Controlling Shareholders' Agreement referred to in paragraph 8.1 below. The position of Mr. Haigreve Khaitan as a partner of Khaitan & Co., Advocates set out in paragraph 6.2.6 above also gives rise to a potential conflict of interest on the part of Haigreve Khaitan. The potential conflict may arise due to Haigreve Khaitan being a Non-Executive Director of the Company and his position as a partner of Khaitan & Co., Advocates which is providing legal services to the Company on a case-by-case basis for which it receives fees for the services rendered. Khaitan & Co., Advocates has also been engaged by the Company as the Company's Indian counsel in relation to Admission. Save as described above in this paragraph 6.2.15, there are no other potential conflicts of interest as at the date of this document between any duties to the Company of the Directors or Senior Managers and their private interests and/or other duties. The Directors are not aware of any other circumstances which may give rise to an actual conflict of interest in relation to such potential conflicts of interest.

7. Remuneration and Benefits

	Name of the Director and Designation	*Remuneration Paid in the year 2009-2010 (amount in INR)*	*Benefits (amount in INR)*	*Resolution or Agreement fixing the remuneration*
Director				
1.	Yogendra Kr Modi	23,592,104	148,160	Shareholder Resolution dated 8 September 2008
2.	Paul Sebastian Zuckerman	3,783,159	–	Shareholder Resolution dated 27 March 2006
Senior Managers				
3.	Prashant Modi	11,437,396	35,001	Shareholder Resolution dated 8 September 2008
4.	S. Suriyanarayanan	15,690,945	–	Appointment letter dated 17 September 2008
5.	Parveen Arora	3,146,202	–	Appointment letter dated 11 August 2006

	Name of the Director and Designation	*Remuneration Paid in the year 2009-2010 (amount in INR)*	*Benefits (amount in INR)*	*Resolution or Agreement fixing the remuneration*
6.	Dr. N D Mitra	740,000	–	Agreement dated 15 January 2007
7.	Randal J Kroteau	6,500,753	–	Agreement dated 6 August 2009
8.	William Robert Leeming	3,655,143	–	Agreement dated 18 December 2009

None of the Directors' or Senior Managers' service contracts provides for benefits upon termination of employment.

8. Major Shareholders

8.1 Neither the Company nor the Directors are aware of any person, other than the Directors referred to in paragraph 6.2.2 of this Part 9, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company. That control consists of the ability to prevent the passing of special resolutions at general meetings of the Company and the ability to prevent the passing of, or pass, ordinary resolutions of the Company by virtue of holding more than 50 per cent. of the issued share capital of the Company and the ability to control the appointment of directors who are able to exercise a majority of the votes at meetings of the Board. The Company has put in place the following measures to ensure that such control is not abused. Yogendra Kr. Modi, Prashant Modi, YKM Holdings Private Limited, YKM Holdings International Limited, Bokel Investments Ltd (which has since been merged into YKM Holdings Private Limited) and CBM Investments Ltd (the "Controlling Parties") have agreed in a controlling shareholders' agreement between the Company, Arden Partners and the Controlling Parties dated 7 December 2005 (as amended) ("Controlling Shareholders Agreement") not to exercise or procure the exercise of voting rights in such manner so as to challenge the independence of the Board where a potential conflict exists and such that any further dealings between them and companies controlled by them shall be at arm's length.

8.2 The Controlling Parties do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other Shareholder.

8.3 Neither the Company nor the Directors are aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

9. Related party transactions

9.1 Save as disclosed in this Part 9, no related party transactions have been entered into during the period from 1 April 2006 to the date of this document by the Company.

The promoters have holdings in various companies and have entered into a number of related party transactions with them. The transactions with related party are carried out at normal market prices. Outstanding balances at the year end are unsecured and interest free, settlement of which occurs in cash. There have been no guarantees provided or received for any related party payables or receivables. The table below presents related party transactions:

Related party (All sums in US$)	*Nature of Relationship*	*Nature of transaction*	*As at 31 March 2007 Amount*	*% of Revenue**	*As at 31 March 2008 Amount*	*% of Revenue*	*As at 31 March 2009 Amount*	*% of Revenue*	*As at 30 September 2009 Amount*	*% of Revenue*
YKM Holdings Private Limited	Shareholders having significant influence	Lease rentals	123,168	–	102,579	83.6%	94,405	13.5%	66,057	12.6%
		Advance rent paid	–	–	–	–	–	–	9,697	1.8%
		Security deposit given	–	–	–	–	–	–	9,697	1.8%
		Unsecured loan taken	–	–	–	–	–	–	1,44,211	27.4%
		Interest on unsecured loan	–	–	–	–	–	–	1,138	0.2%
		Reimbursement of expenses	279	–	128	0.1%	1,706	0.24%	–	–

Related party (In US$)	Nature of Relationship	Nature of transaction	As at 31 March 2007 Amount	% of Revenue*	As at 31 March 2008 Amount	% of Revenue	As at 31 March 2009 Amount	% of Revenue	As at 30 September 2009 Amount	% of Revenue
		Payment for services rendered/Lease Premium	3,477	–	4,754	3.9%	4,503	0.64%	–	–
Indian Purchase.com Infoware Limited	Entities controlled/ influenced by related party	Payment for services rendered	3,012	–	3,171	2.6%	–	–	–	–
		Rental received	1,652	–	1,342	1.1%	–	–	–	–
Khaitan & Co.	Director in GEEC	Reimbursement of expenses	–	–	1,810	1.5%	10,438	1.49%	44,488	8.5%
		Payment for services rendered	51,066	–	121,443	98.9%	77,603	11.07%	2,472	0.5%
KNM Advisory Private Limited	Entities controlled/ influenced by related party	Reimbursement of expenses	3,346	–	2,041	1.7%	–	–	1,475	0.3%
Centurion Bank of Punjab	Entities controlled/ influenced by related party	Fixed deposit matured during the year	2,065,470	–	4,193,072	3,415%	–	–	–	–
Bokel Investment Limited	Entities controlled/ influenced by related party	Provision of services	13,928			–	–	–	–	–
		Loan taken	–	–	146,620	119.4%	–	–	–	–
		Loan repaid	–	–	146,620	119.4%	–	–	–	–
		Interest paid	–	–	552	0.5%	–	–	–	–
Mr Y K Modi	Key management personnel	Borrowing cost paid	–	–	718,191	585.0%	–	–	–	–
		Salary paid	92,204	–	313,987	255.8%	235,029	33.5%	142,040	27.0%
Mr Prashant Modi	Key management personnel	Salary paid	28,564	–	101,932	83.0%	106,042	15.1%	168,176	32.0%
Mr Paul Sebastian Zuckerman	Key management personnel	Salary paid	91,539	–	1,00,093	81.5%	83,718	11.9%	34,649	6.6%
Mr P K Roy	Key management personnel	Salary paid	10,497	–	–	–	–	–	–	–

* There were no sales during FY 2007

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, which (i) are or may be material and have been entered into by the Company within the two years immediately preceding the date of this document; or (ii) have been entered into by the Company at any time before the date of this document where those contracts contain provisions under which the Company has an obligation or entitlement which is or may be material to the Company as at the date of this document.

10.1 ***A production sharing agreement dated 31 May 2001 (the "Production Sharing Contract") made between the Company and the GoI acting by the MoPNG pursuant to which the Company is authorised to exploit, develop and produce CBM at Raniganj block allocated to the Company until 2036***

The Company is obliged to pay:

(a) statutory levies and taxes to the GoI (when CBM is sold to industry, VAT is payable at 4 per cent.; when CBM is supplied as CNG, excise duty at the rate of 14 per cent. and applicable cess, along with VAT at the rate of 4 per cent. is payable);

(b) a one time signature bonus of USD 0.3 million to the GoI;

(c) a royalty to the West Bengal Government at the rate of 10 per cent. of the sale value at the well head (i.e. the value of the CBM before transportation charges are taken into account) on the production of CBM. The West Bengal Government has the option to take CBM in lieu of the royalty payments due from the Company;

(d) on a monthly basis, to the GoI, payments on CBM production at a rate of 2.5 per cent. of the sale value of the CBM produced in the relevant month; and

(e) to GoI or the State of West Bengal application fees, security deposit, license fees, surface rent, lease fees, dead rent and other statutory charges as prescribed under the Petroleum and Natural Gas Rules 1959.

The Production Sharing Contract is terminable by the GoI upon giving 90 days' written notice to the Company in the event of a default by the Company, which includes where the Company has (i) knowingly made a false statement to the GoI where such false statement was a material consideration of the GoI when awarding the Production Sharing Contract to the Company, (ii) intentionally and knowingly extracted any mineral other than CBM which is not authorised by the Production Sharing Contract, save where such extraction is unavoidable as part of the Company's operations, (iii) been declared insolvent by a competent court, or (iv) failed to comply with the conditions set out in the Production Sharing Contract. The Production Sharing Contract is terminable by the Company upon giving 90 days' written notice to the GoI, save in circumstances where commercial production is taking place or CBM production has commenced, in which case 180 days' written notice is required.

10.2 ***A deposit agreement dated 13 December 2005 (as amended) ("Deposit Agreement") made between the Company and Deutsche Bank Trust Company Americas (the "Depositary")***

Pursuant to the Deposit Agreement, the Depositary is obliged to maintain a register of GDR Holders and, upon each occurrence of a deposit of Equity Shares, the Depositary is required to notify Clearstream, Luxembourg and Euroclear of the increase or decrease in the number of GDRs.

All the GDRs are issued by the Company, evidenced by a Master GDR in registered form evidenced by underlying Equity Shares of the Company in dematerialised form. The Depositary is bound by the terms of the Master GDR.The Depositary is entitled to charge GDR Holders for its services.

Either party may terminate the Deposit Agreement upon giving 90 days' written notice to the other and the custodian, who is appointed by the Depositary as custodian of the deposited property. The Company may terminate the Deposit Agreement during the seven years following the date of the Deposit Agreement in the event of the Depositary's fraud, negligence and/or wilful misconduct or material breach of any of its undertakings, representations or warranties where the Depositary has not rectified the same.

10.3 ***A franchise agreement dated 30 October 2007 (the "Franchise Agreement") made between the Company and Indian Oil Corporation Limited ("IOCL") pursuant to which the Company supplies CBM to IOCL for sale on the terms and conditions set out in the Franchise Agreement***

The Company is obliged to:

(a) supply CBM (at a price to be determined the Company) to IOCL. The CBM is in turn marketed by IOCL at its outlets;

(b) install at its own cost the necessary equipment at the relevant sites and is responsible for maintaining the equipment; and

(c) obtain all necessary statutory approvals and insurance for the purposes of suppling CBM.

IOCL is obliged to:

(a) provide an adequate area to enable the Company to set up the required infrastructure;

(b) employ trained staff to operate the equipment; and

(c) pay all property taxes, rents and levies.

The parties provide reciprocal indemnities in respect of third party claims arising as a result of the negligence of either party or its employees and agents in the course of activities undertaken pursuant to the Franchise Agreement.

The Franchise Agreement was for an initial term of one year commencing on the date of commencement of sale from the outlets of IOCL and is renewable for such further period as agreed between the parties. The Franchise Agreement still remains in full force and effect.

10.4 ***An agreement dated 23 January 2008 (the "MD Agreement") made between the Company and Mitchell Drilling International Pty. Limited ("Mitchell Drilling") relating to the provision of geophysical open hole, cased hole, wireline logging and perforation services ("Services")***

Mitchell Drilling is responsible for providing the Services and the necessary equipment on a regular basis and is responsible for the uninterrupted and efficient operation of its equipment in accordance with environmentally acceptable practices that are consistent with industry practice. Last year the Company paid Mitchell Drilling approximately INR 45 million for providing the Services which they continue to provide this year.

10.5 ***A common loan agreement dated 24 January 2008 (as amended) (the "Common Loan Agreement") made between the Company and the State Bank of India, State Bank of Indore, State Bank of Mysore, Canara Bank, State Bank of Patiala, State Bank of Saurashtra (merged with State Bank of India on 13 August 2008), State Bank of Travancore, Union Bank of India and L&T Infrastructure Finance Company Limited (together the "Lenders") for an aggregate sum of INR 3.5 billion for the purposes of developing 100 wells and the exploration of CBM in the Company's Block (the "Project")***

Pursuant to the terms of the Common Loan Agreement, the Lenders made the following loans to the Company:

(a) State Bank of India has sanctioned a loan of INR 1 billion of which the sum of INR 930.65 million was utilised and remains outstanding. Interest is payable on sums outstanding at 0.25% over the prime lending rate ("PLR") of State Bank of India;

(b) State Bank of Indore has sanctioned a loan of INR 200 million of which the sum of INR 175 million was utilised and remains outstanding. Interest is payable on the sums outstanding at State Bank of Indore's PLR less 0.25%;

(c) State Bank of Mysore has sanctioned a loan of INR 150 million of which the sum of INR 135 million was utilised and remains outstanding. Interest is payable on the sums outstanding at State Bank of Mysore's PLR less 0.25%;

(d) Canara Bank has sanctioned a loan of INR 250 million of which the sum of INR 235 million was utilised and remains outstanding. Interest is payable on the sums outstanding at Canara Bank's PLR less 0.25%;

(e) State Bank of Patiala has sanctioned a loan of INR 400 million of which the sum of INR 365.38 million was utilised and remains outstanding. Interest is payable on the sums outstanding at State Bank of Patiala's PLR;

(f) State Bank of Saurashtra has sanctioned a loan of INR 150 million of which the sum of INR 15 million was utilised and remains outstanding. Interest is payable on the sums outstanding at State Bank of Saurashtra's PLR less 0.25%. State Bank of Saurashtra merged with the State Bank of India on 13 August 2008 and accordingly interest is payable on sums outstanding at 0.25% over the prime lending rate of State Bank of India;

(g) State Bank of Travancore has sanctioned a loan of INR 200 million of which the sum of INR 175.60 million was utilised and remains outstanding. Interest is payable on the sums outstanding at State Bank of Travancore's PLR. State Bank of Travancore has converted the entire outstanding loan of INR 175.60 million to USD loan of 3.81 million and interest payable on outstanding USD loan is 650 basis points over LIBOR rate;

(h) Union Bank of India has sanctioned a loan of INR 400 million of which the sum of INR 381 million was utilised and remains outstanding. Interest is payable on the sums outstanding at Union Bank of India's PLR less 0.25%. Out of INR loan outstanding Union Bank of India has converted INR 231.2 million to USD loan of 5.0 million and interest payable on outstanding USD loan is 650 basis points over LIBOR rate; and

(i) L&T Infrastructure Finance Company Limited has sanctioned a loan of INR 750 million of which the sum of INR 667.5 million was utilised. On 15 January 2010 the Company repaid the entire outstanding loan of INR 667.5 million resulting in a nil balance.

The Company can draw down the undrawn amount from the lenders. Repayment of the sums advanced by the Lenders will be made in 18 quarterly instalments consisting of 0.84% of the loan facility in the first quarter, 2.08% of the loan facility in the next six quarters and 7.88% of the loan facility in the remaining 11 quarters, with payment for the first quarter due on 15 March 2011. The Company has withdrawn INR 391 million to the date of this document.

The Company has granted the following security to the Lenders (the "Security"):

(a) a first ranking charge over assets as specified in a deed of hypothecation dated 9 February 2008 including all movable property of the Company, movable plant and machinery, machinery spares, tools, accessories and other assets of the Project and a first ranking charge on properties of the Company situated at Hirapur and Saltora districts, Burdwan, West Bengal, India;

(b) a first mortgage and charge over all immovable properties and assets, present and future, of the Company and properties situated at Mouza Ishwarpura, Taluka Kadi, District Mehsana, Gujarat, India;

(c) a first charge by way of hypothecation on all movables of the Company, both present and future;

(d) a first ranking charge on the participating interest of the Company under the PSC;

(e) an assignment of (a) all Project documents in relation to the contract area specified in the PSC; (b) all the rights, title, interest, benefits, claims and demands of the Company under the Project documents; and (c) all rights, title, interest, benefits, claims and demands of the Company in or under the authorisation for undertaking the Project;

(f) a first charge over all of the Company's receivables and bank accounts including accounts to be created under the Common Loan Agreement and other related documents; and

(g) a first charge over intangibles (including any know how rights, patents and goodwill) and rights thereto owned by the Company, both present and future.

If the Company fails to create and perfect the Security in a form and manner satisfactory to the Lenders, the Company is obliged to pay additional interest at 1% per annum on the aggregate amount outstanding pursuant to the Common Loan Agreement.

The Common Loan Agreement contains certain customary representations, warranties, undertakings and events of default for an agreement of this nature. Certain fees are also payable to the Lenders in connection with the Common Loan Agreement.

10.6 ***A memorandum of understanding dated 21 July 2008 ("MoU") made between the Company and IISCO Steel Plant ("SAIL-ISP") on behalf of the Steel Authority of India Limited ("SAIL")***

Pursuant to the MoU, a licence was granted to the Company to construct a pipeline for CBM through the township of SAIL-ISP for the distribution and supply of gas from the Company's gas extraction facility to various customers of the Company including SAIL.

The construction of the pipeline is subject to various entry/exit restrictions to the township of SAIL-ISP.

The MoU took effect from the date of signature and will remain in force for a period of five years, following which the MoU period may be extended every five years subject to an increase in the licence fees by 20 per cent. every five years. As per the terms of the MoU the Company has agreed to pay annual fees and a security deposit in the form of a bank guarantee.

10.7 ***An agreement dated 20 August 2009 (the "Fracturing Services Agreement") made between the Company and Halliburton Offshore Services Inc. ("Halliburton") in relation to the provision of fracturing services at the Company's site in Raniganj, West Bengal, India***

The Fracturing Services Agreement is valid for a period of 15 months commencing on the date of the commencement of fracturing or until the completion of an agreed number of fracturing jobs, whichever is earlier.

The Company is contracted to pay Halliburton agreed charges plus service tax for each successful and completed fracturing job that it conducts using the polar net or polar prop technique. The Company has also opened a letter of credit in favour of Halliburton which is valid for the entire duration of the Fracturing Services Agreement or until the work has been completed and all approved outstanding payments have been made, if any. Halliburton is liable for up to a capped sum in the event that there is a catastrophic loss due to Halliburton's negligence. Halliburton is also liable to maintain prescribed and sufficient insurances to cover its equipment and manpower. The annualised value of this contract is approximately USD 3.80 million.

In the event that the Company fails to make payment for the services rendered within 30 days of receipt of an approved invoice, Halliburton can exercise its rights under the letter of credit.

The Company has the right to terminate the Fracturing Services Agreement in the event that Halliburton has not complied with certain conditions set out in the agreement.

10.8 ***An agreement dated 15 September 2009 (the "SAIL Kulti Agreement") made between the Company and SAIL Growth Works, Kulti ("SAIL Kulti") on behalf of the Steel Authority of India, pursuant to which the Company has agreed to sell CBM and to install the facilities required for the supply of CBM to SAIL Kulti***

The SAIL Kulti Agreement is for an initial term of three years commencing on the date of commencement of supplies of CBM by the Company to SAIL Kulti with an option to extend the term for two consecutive periods of three years each on mutually agreed terms and conditions.

The installation of the facilities has been completed in accordance with the terms of the SAIL Kulti Agreement.

The Company was obliged to supply a specified quota of CBM to SAIL Kulti at a fixed price until 30 November 2008. From 1 December 2008, the price is to be determined in accordance with the formula agreed in the SAIL Kulti Agreement. The Company is also obliged to maintain a specified quality of CBM and may be penalised for failure to meet the quality specifications provided in the SAIL Kulti Agreement.

The SAIL Kulti Agreement provides that the Company assumes all liabilities of SAIL Kulti in connection with the Agreement and the Company indemnifies SAIL Kulti against all claims, costs, damages, charges and expenses arising from the SAIL Kulti Agreement up to the point of delivery.

10.9 ***An agreement dated 12 December 2009 (the "SAIL Agreement") made between the Company and ISP – Burnpur ("SAIL") on behalf of Steel Authority India Limited pursuant to which the Company has agreed to supply CBM and other facilities to SAIL***

The SAIL Agreement is for an initial term of one year from the date of initial supply of CBM pursuant to the SAIL Agreement and may be renewed for one further year or part thereof subject to a review of, among other things, the Company's performance, the status of SAIL's expansion scheme and prevailing market conditions.

The SAIL Agreement is terminable by either party by giving one month's notice to the other together with a reason for termination. The Company assumes all liabilities of SAIL in connection with the

SAIL Agreement and indemnifies SAIL in respect of any action or omission on the part of the Company in this regard.

10.10 ***An agreement dated 17 December 2009 (the "Shyam Agreement") made between the Company and Shyam Steel Industries Limited pursuant to which the Company has agreed to supply CBM to Shyam and other facilities for a period of 25 years***

The Shyam Agreement may be extended on new terms depending on the availability of CBM.

The Company is obliged to meet certain output thresholds and Shyam is obliged to make payment to the Company in accordance with the terms of the Shyam Agreement.

The price payable by Shyam is fixed for a period of three years, following which the price payable shall be increased by an amount which is to be agreed between the parties at least six months prior to the fifth anniversary of the date of commencement of the Shyam Agreement. Shyam is obliged to maintain a letter of credit/bank guarantee as security for the payment of the Company's fees. Shyam has agreed to fully protect, indemnify and hold the Company harmless in relation to the Shyam Agreement.

10.11 ***An agreement dated 4 February 2010 (the "BPCL Agreement") between the Company and Bharat Petroleum Corporation Limited ("BPCL")***

Pursuant to the BPCL Agreement, the Company and BPCL have *inter alia* decided to implement CNG retailing in specified districts of West Bengal to supply CNG to motor vehicles.

The BPCL Agreement became effective on the date of signing and will remain in force for a period of 5 years from the date of commencement of the supply of CNG and will be renewed for such further period as may be agreed between the parties. BPCL is required to give one month's prior written notice to the Company in the event that it decides to sell CNG/Natural Gas of any other supplier through its own outlets.

The Company has the right to fix the maximum retail price ("MRP") from time to time. The Company and BPCL, on a monthly basis, plan for the quantity of gas to be supplied to each retail outlet. The Company is required to ensure that the commercial terms offered by it to BPCL are not disadvantageous as compared to commercial terms offered by the Company for similar services to any other third party.

Each party has agreed to indemnify the other in respect of any loss caused by negligence or default of the other party or its personnel.

11. Legal and arbitration proceedings

11.1 Adkins Services Inc. (Adkins) entered into an agreement (the "Agreement") with the Company in March 1999 for the spudding of wells to extract methane. The Company alleges that Adkins failed to perform it obligations under the Agreement and terminated the Agreement on 25 January 2003.

The Company is claiming an aggregate of INR 200,598,802 together with interest. Adkins has counterclaimed the sum of INR 278,100,000 from the Company. The parties have submitted opening arguments and the issues in the case. The next stage of the arbitration process involves the settlement of the issues in case and the submission of evidence. The Directors do not believe, on the basis of legal advice received, that the counterclaim by Adkins will be successful.

11.2 The Company has filed a statement of claim initiating arbitration proceedings against the MoPNG before the Arbitration Panel claiming *inter alia* an amount of INR 0.63 million with interest as over-payment of the signature bonus payable under the PSC. The MoPNG has filed a counter claim for an amount of INR 8.55 million being the balance signature bonus due together with interest at the rate of 21 per cent. p.a.. The matter is currently pending and the next hearing date will be intimated by the Arbitration Panel in due course.

11.3 Save as disclosed in paragraphs 11.1 and 11.2 above, the Company has not at any time in the 12 months immediately preceding the date of this document been engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

12. Taxation

The following statements are intended as a general guide to the current tax law and practice in India and the UK. No statements are made with respect to the tax treatment of the ownership or disposal of GDRs in any other jurisdiction. They are not intended to be exhaustive and investors are strongly advised to seek independent professional advice in connection with the tax consequences of investing in, trading in and disposing of GDRs.

12.1 *Indian Tax*

Set out below is a summary of the principal Indian tax consequences for non-resident investors in GDRs. The summary is based on taxation law and practice in force at the date of this document and is subject to change. Further, it only addresses the tax consequences for persons who are non-resident as defined in the Income Tax Act and who hold such GDRs representing Equity Shares as capital assets, and does not address the tax consequences which may be relevant to other classes of non-resident investors, including dealers. The summary proceeds on the basis that the person continues to remain a non-resident when the income by way of dividends and capital gains is earned.

This summary is based on the provisions of section 115AC and other applicable provisions of the Income Tax Act and the Issue of Foreign Currency Convertible Bonds and GDRs (through Depository Receipt Mechanism) Scheme 1993 (as amended) promulgated by the Government of India (together the "Section 115AC Regime").

This summary is not intended to constitute a complete analysis of the tax consequences under Indian law of the acquisition, ownership and sale of GDRs by non-resident investors. Potential investors should, therefore, consult their own tax advisers on the tax consequences of such acquisition, ownership and sale including, specifically, tax consequences under Indian law, the laws of the jurisdiction of their residence, any tax treaty between India and their country of residence or the country of residence of the Depositary as applicable and, in particular, the application of the provisions of the Income Tax Act and the Section 115AC Regime.

Taxation of Dividends

Dividends paid by a domestic company are not liable to tax in the hands of shareholders. However, the company declaring a dividend will be liable to pay a "dividend distribution tax" currently at the rate of 15 per cent. (plus applicable surcharge of 7.5 per cent. and education cess) on the total amount distributed as dividend. Foreign dividends received are subject to tax in India.

Further, income by way of dividends (other than dividends discussed above) in respect of bonds or GDRs are liable to tax at 10 per cent. under the 115AC regime without any deduction of expenses. The issuing company shall transfer the dividend payments net of taxes to the Depositary.

On receipt of these dividend payments the Depositary distributes them to non-resident investors proportionate to their holdings of GDRs. A non-resident shall not be required to furnish a return of income if his total income during the previous year consists only of dividend and interest income from bonds and GDRs and tax has been deducted from such income.

Taxation of capital gains

Any gain realised on the sale of GDRs representing Equity Shares from one non-resident to another non-resident is not subject to capital gains tax in India.

Following the withdrawal of any Equity Shares represented by GDRs, if any capital gains arise on the transfer of such Equity Shares in India to a non-resident investor, he will be liable to income tax under the provisions of the Income Tax Act. If such Equity Shares are held by a non-resident investor for a period of more than twelve months from the date of advice of their withdrawal, the capital gains arising on the sale thereof will be treated as long-term capital gains and will be subject to income tax at the rate of 10 per cent. under the provisions of section 115AC of the Income Tax Act. If such Equity Shares are held for a period of less than twelve months from the date of withdrawal advice, any capital gains arising on the sale thereof will be treated as short-term capital gains and will be subject to tax at the normal rates of income tax applicable to non-residents under the provisions of the Income Tax Act.

Any long term capital gains on the sale of these withdrawn Equity Shares held by non-resident investors in the domestic market shall also be charged to tax at the rate of 10 per cent, in accordance with the provisions of section 115AC(1). However, when the withdrawn Equity Shares are sold via the Indian Stock Exchange in exchange for Rupees, these Equity Shares shall fall outside the purview of section 115AC of the Income Tax Act and income therefrom shall not be eligible for the concessional tax treatment provided thereunder. After the transfer of Equity Shares in exchange for Rupees, the normal tax rates would apply to the income arising or accruing on these Equity Shares (please refer the section on Securities Transaction Tax below).

For the purpose of computing capital gains tax on the sale of the Equity Shares under Section 115AC, the cost of acquisition of Equity Shares received in exchange for GDRs will be determined on the basis of the prevailing price of Equity Shares on the Bombay Stock Exchange or National Stock Exchange as at the date on which the Depositary gives notice to the Custodian for the delivery of such Equity Shares upon redemption of the GDRs. A non-resident holder's holding period (for the purposes of determining the applicable Indian capital gains tax rate) in respect of Equity Shares received in exchange for GDRs commences on the date of the advice of withdrawal of such Equity Shares by the Depositary to the Custodian.

During the period, if any, which Equity Shares formerly represented by GDRs are held by a non-resident foreign investor who has paid for the relevant Equity Shares in foreign exchange at the time of purchase of the GDRs, the rate of taxation of income by way of dividends on these Equity Shares would continue to be at the rate of 10 per cent., in accordance with section 115AC(1) of the Income Tax Act.

Tax on capital gains is to be withheld at source by the person acquiring/purchasing the Equity Shares in accordance with the provisions of the Income Tax Act.

Securities Transaction Tax ("STT")

Transactions for the purchase and sale of securities on any recognized stock exchange shall be chargeable to STT. Any delivery based purchase and sale of Equity Shares through a recognized stock exchange is liable to STT at 0.125 per cent. of the value payable by both the buyer and the seller.

Capital gains arising on the transfer of long-term capital assets (being Equity Shares) which are sold on or after 1 October 2004 on a recognized stock exchange and which are subject to STT are exempt from tax. Further, short term capital gains on transfers of Equity Shares will be taxable at the reduced rate of 15 per cent. (plus applicable surcharge and education cess) when sold on a recognized stock exchange and are subject to the STT.

Capital Losses

The Section 115AC Regime does not deal with losses arising on any transfer of GDRs in India.

Under the normal provisions of the Income Tax Act, losses arising from a transfer of a capital asset in India can only be set off against capital gains and not against any other income. The loss on the sale of a long term capital asset can only be set off against a gain on the sale of a long term capital asset.

However, the loss on a sale of a short term capital asset can be set off against any capital gain arising on any other capital asset.

To the extent that losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first computed and may be set off against the capital gains assessable for such subsequent assessment year(s). In order to utilise the loss on a sale of Equity Shares in this manner, the non-resident investor would be required to file appropriate and timely tax returns in India.

The above provisions apply only in case of transfer from a non resident to a resident. Any loss arising on a sale of GDRs from a non resident to another non resident may not be carried forward and set off against any income.

Any long term loss arising on a sale of Equity Shares on a recognized stock exchange in India and on which STT is paid may not be carried forward or set off against any other income.

Tax Treaties

It is well established that where a matter is governed by the provisions of the Income Tax Act and also by a Double Taxation Avoidance Agreement (DTAA), the provisions of the DTAA should prevail unless the statutory provision is more beneficial to the assessee. Reference may also be made in this context to section 90(2) of the ITA, Circular No. 333 dated April 2, 1982 issued by the Central Board of Direct Taxes.

During the period of fiduciary ownership of Equity Shares in the hands of the Depositary, the provisions of the Avoidance of Double Taxation Agreement entered into by the Government of India with the country of residence of the Depositary will be applicable in the matter of taxation of income from dividends from underlying Equity Shares.

During the period when Equity Shares are held by a non-resident investor following withdrawal thereof from the Depositary, provisions of the double taxation treaty, if any, entered into by India with the country of residence of such non-resident investor may be applied to taxation of any capital gain arising from the transfer of such Equity Shares.

Wealth tax, gift tax and inheritance tax

At present there are no taxes on wealth, gifts and inheritances which apply to GDRs or Equity Shares.

Service Tax

Brokerage or commission fees paid to stockbrokers in India in connection with the sale or purchase of Equity Shares are liable to service tax at 10% plus applicable education cess. A stockbroker is responsible for collecting such service tax at such rate and for paying the same to the relevant authority.

12.2 *UK Tax*

The statements set out below are intended as a general guide to certain aspects of UK tax and HM Revenue & Customs practice as they apply to prospective holders of GDRs or CDIs who are resident or ordinarily resident and domiciled in the UK for tax purposes and who hold GDRs or CDIs beneficially as investments. Except where expressly mentioned the statements do not apply to other categories of persons such as dealers, intermediaries, persons connected with voluntary arrangements or trustees of certain trusts.

UK tax on dividends

Holders of GDRs or CDIs will, for UK tax purposes, be treated as if they owned the underlying Equity Shares and will be taxed on dividends and other distributions accordingly.

Under the terms of the double taxation agreement (the "Treaty") between the UK and India (dated 25 January 1993), tax at a rate of up to 15 per cent. of the gross amount of the dividend may be withheld in India from any dividends paid in respect of GDRs which are beneficially owned by a person resident in the UK for Treaty purposes. In practice, this reduced rate of withholding tax pursuant to the terms of the Treaty will only be relevant to the extent that withholding tax on dividends at a rate in excess of 15 per cent. is levied under domestic law from time to time.

The reduced rate of withholding under the Treaty will not apply if the beneficial owner of the dividends, being resident in the UK, carries on its business in India through a permanent establishment or fixed base in India and the holding of the Equity Shares represented by the GDRs or CDIs is effectively connected to the business carried on through such permanent establishment or fixed base.

Individual holders of GDRs and CDIs

An individual holder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the dividend which is equivalent to ten per cent. of the aggregate of the dividend paid and the tax credit (the "gross dividend"), and will be subject to income tax on the gross dividend (rather than on the amount actually received net of any Indian withholding tax). An individual UK holder who is subject to UK income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of ten per cent., so that the tax credit will satisfy the income tax liability of such a holder in full. An individual holder who is subject to UK income tax at the higher rate will be liable to UK income tax on the gross dividend at the rate of 32.5 per cent. to the extent that such sum, when treated as the top slice of that holder's income, falls above the threshold for higher rate income tax. After taking into account the ten per cent. tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend. Where the tax credit exceeds the holder's UK tax liability the holder cannot claim repayment of the tax credit from HM Revenue & Customs.

With effect from 6 April 2010, a new tax rate of 50 per cent. applies for taxable non-savings and savings income above £150,000. If and to the extent that the gross dividend received by an individual UK holder falls above the threshold for income tax at the new 50 per cent. rate, that individual will be subject to tax on the gross dividend at the rate of 42.5 per cent. The holder should be able to set the tax credit off against part of his liability with the effect that the holder would have to account for additional tax equal to 32.5 per cent. of the gross dividend, to the extent that the gross dividend fell above the threshold for the new 50 per cent. rate of income tax (which is also equal to $36\frac{1}{9}$ per cent. of the cash dividend received).

Indian withholding tax withheld from the payment of a dividend may in certain circumstances be available as a credit against the UK income tax payable by an individual holder in respect of the dividend up to an amount not exceeding their UK tax liability on such dividends.

Corporate holders of GDRs and CDIs

Subject to anti-avoidance rules and the satisfaction of certain conditions, UK holders who are within the charge to UK corporation tax will in general not be subject to UK corporation tax on dividends paid by the Company and such holders will not be able to claim credits in the UK for any Indian withholding tax attaching to the dividends.

Taxation of chargeable gains

Liability to UK tax on chargeable gains arising in connection with disposals of GDRs or CDIs will depend on the individual circumstances of the holder of the GDRs or CDIs.

Depending on their circumstances, holders of GDRs or CDIs who are resident (or, in the case of individuals, ordinarily resident) in the UK for taxation purposes, may be subject to capital gains tax (or, in the case of corporate holders of GDRs or CDIs, corporation tax on chargeable gains) in respect of any gain arising on a disposal of GDRs or CDIs.

For holders of GDRs and CDIs within the charge to UK corporation tax indexation allowance may be available to reduce the amount of any chargeable gain.

Holders of GDRs and CDIs who are taxed as dealers in securities are likely to be charged tax on profit derived from dealing in GDRs and CDIs.

Holders of GDRs and CDIs who are not resident (or, in the case of individuals, ordinarily resident) in the UK for taxation purposes will not normally be liable to UK tax on chargeable gains arising from a disposal of GDRs or CDIs unless they carry on a trade, profession or vocation in the UK through a permanent establishment in connection with which the GDRs or CDIs are held. Such persons may be subject to charges to foreign tax depending upon their personal circumstances.

Individual holders of GDRs and CDIs who are only temporarily non-UK resident and make disposals when they are non-resident may (depending on the length of the period during which they remained non resident) be liable to UK capital gains tax in the year in which they become UK resident once more.

Stamp Duty/Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax ("SDRT") will be payable on Admission.

GDRs

A written instrument transferring GDRs will not attract stamp duty unless it is executed in the UK or, if executed outside the UK, it relates to any matter or thing done or to be done in the UK. A written instrument of transfer of GDRs attracting UK stamp duty in the circumstances described above will attract stamp duty at the rate of 0.5 per cent. of the value of the consideration for the transfer. No SDRT should be payable on the transfer of the GDRs.

CDIs

No SDRT or stamp duty should be payable on the transfer of CDIs via CREST.

13. Admission

13.1 It is expected that Admission will become effective, and that dealings in the GDRs will commence on the London Stock Exchange's Regulated Market for listed securities, on 28 May 2010.

13.2 The GDRs are currently admitted to trading on AIM. However, neither the Equity Shares nor GDRs are, to the knowledge of the Company, already admitted to trading on any regulated market.

14. Working Capital

The Company is of the opinion that, after taking into account existing available bank and other facilities, it has sufficient working capital for its present requirements, that is, for at least the period of 12 months from the date of this document.

15. General

15.1 The overall costs and expenses payable by the Company in connection with Admission (including admission fees, professional fees and the costs of printing) are estimated to amount to approximately £500,000 (excluding VAT).

15.2 There has been no significant change in the financial or trading position of the Company since 30 September 2009, the date to which the last interim unaudited accounts of the Company were prepared.

15.3 NSAI has given and not withdrawn its written consent to the inclusion of its report on the Company in the form and in the context set out in Part 8 of this document and the references to that report in the form and context in which they appear.

15.4 Arden Partners has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they are included.

15.5 Royal Bank of Canada Europe Limited has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they are included.

15.6 At close of business on the business day prior to Admission, the admission of the Equity Shares to trading on AIM will be cancelled.

15.7 The geological map on page 29 of this document has been sourced from the Geological Survey of India. The map has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by the Geological Survey of India no facts have been omitted which would render the reproduced information inaccurate or misleading.

16. Documents on display

16.1 Copies of this document will be available free of charge at the offices of Arden Partners plc, 125 Old Broad Street, London EC2N 1AR during normal business hours on any weekday (Saturdays and public holidays excepted) until the date falling one month after the date of Admission.

16.2 Physical copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA from the date of this document:

(a) the Memorandum and Articles of Association of the Company;

(b) the report prepared by NSAI;

(c) the audited accounts of the Company for the three years ended 31 March 2009;

(d) the unaudited interim condensed financial statements for the six months ended 30 September 2009;

(e) the consent letters referred to in paragraphs 15.3, 15.4 and 15.5 above; and

(f) this document.

Dated: 25 May 2010

DEFINITIONS

the Act	Companies Act of India (1956)
Admission	the admission of the GDRs to the Official List becoming effective in accordance with the Listing Rules and admission to trading having been granted and becoming effective on the London Stock Exchange's Regulated Market for listed securities
AIM	the market of that name operated by the London Stock Exchange
Arden Partners	Arden Partners plc
Articles	the articles of association of the Company
business day	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for the transaction of normal banking business in the City of London
BPCL	Bharat Petroleum Corporation Limited
CDI	Crest Depository Interest
certificated or in certificated form	Not in uncertificated form (that is, not in CREST)
CFO	Chief Financial Officer
CIL	Coal India Limited
City Code	the City Code on Takeovers and Mergers
Clearstream	Clearstream Banking, société anonyme
the Common Loan Agreement	the common loan agreement dated 24 January 2008 (as amended from time to time) made between the Company and the State Bank of India, State Bank of Indore, L&T Infrastructure Finance Company Limited, State Bank of Mysore, Canara Bank, State Bank of Patiala, State Bank of Saurashtra (merged with State Bank of India on 13 August 2008), State Bank of Travancore and Union Bank of India
the Company	Great Eastern Energy Corporation Limited (formerly known as Modi McKenzie Methane Ltd)
the Company's Block	an area of approximately 210 km^2 (approximately 52,000 acres) in the Raniganj coalfields of the Damodar Valley, near Asansol, West Bengal which is granted to the Company under the PSC
COO	Chief Operating Officer
CPR	Competent Persons Report by NSAI dated the same date as this document and which is reproduced in full in Part 8 of this document
CREST	the computerised settlement system operated by CRESTCo which facilitates the transfer of title to shares in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
CRESTCo	CRESTCo Limited, the operator of CREST

Custodian	ICICI Bank Limited, Mumbai as the custodian and agent of the Depositary under the Deposit Agreement
Deposit Agreement	the agreement dated 13 December 2005 (as amended) between the Company and the Depositary
Depositary	Deutsche Bank Trust Company Americas
Development Plan	the development plan approved by the DGH on 14 February 2007 in accordance with the terms of the PSC entered into by the Company with the MoPNG in May 2001
DGH	Director General of Hydrocarbons
DGMS	Director General of Mines Safety
Directors or Board	the directors of the Company, whose names are set out on page 3 of this document
Equity Shares	Equity Shares of INR 10 each in the capital of the Company
ESOP 2008	Employee Stock Option Plan 2008
Euroclear	Euroclear Bank SA/NV, as operator of the Euroclear System
FSA	Financial Services Authority of the United Kingdom
Full Time Director	Mr.Yogendra Kumar Modi
GAIL	Gas Authority of India Limited
GBP	pound sterling, the currency of the United Kingdom
GDR Holder	a holder of GDRs
GDRs	global depositary receipts each representing 0.5 of one Equity Share
GoI	the Government of India
IFRS	International Financial Reporting Standards (including International Accounting Standards)
Income Tax Act	the Income Tax Act of India (1961)
Independent Directors	Mr. Paul Sebastian Zuckerman, Mr. Pejavar Murari, Mr. KashiNath Memani, Mr. Haigreve Khaitan, Mr. Gurvirendra Singh Talwar and Mr. Ashok Jha
INR	Indian Rupee
IOCL	Indian Oil Corporation Limited
Lenders	the consortium of banks and financial companies led by the State Bank of India, further details of which can be found on page 53 of this document
Listing Rules	the listing rules of the UKLA
London Stock Exchange	London Stock Exchange plc
MoEF	Ministry of Environment and Forests
MoPNG	the Ministry of Petroleum and Natural Gas of India

NSAI	Netherland, Sewell & Associates, Inc.
Official List	the official list of the UKLA
Person	any person, firm, trust, partnership, body, corporate, other business entity or statutory corporation
Project	exploration and production of CBM under the PSC
Prospectus Rules	the Prospectus Rules of the UKLA made under section 73A(4) of FSMA
PSC	production sharing contract between the Company and GOI dated 31 May 2001
Raniganj coalfield	Raniganj South CBM block covering 210 km^2 and which falls in the Burdwan, Puralia and Bankura districts
RBC Capital Markets	Royal Bank of Canada Europe Limited
Senior Managers	Mr. Prashant Modi, Mr. S Suriyanarayanan, Mr. Parveen Arora, Dr. N.D. Mitra, Mr. William (Bill) R. Leeming and Mr. Randel J Croteau
Shareholders	holders of Equity Shares in the Company
SPE	Society of Petroleum Engineers
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or UKLA	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
Uncertificated form	recorded in the register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
WBPCB	West Bengal Pollution Control Board

GLOSSARY OF TERMS AND TECHNICAL ABBREVIATIONS

Basin	a basin is a depression or low area in the earth's crust which has filled sediments
Bcf	billion cubic feet
CBM	coal bed methane, which is either biogenic or thermogenic methane gas that is both generated and reservoired within coal seams
CGS	central gathering station
cm	cubic metre
CNG	compressed natural gas
Contingent Resources	under SPE standards, contingent resources are those deposits that are estimated, on a given date, to be potentially recoverable from known accumulations, but that are not currently considered commercially recoverable
dewatering	gas in the coal is held in the hydrostatic water pressure on the coal. In order for gas to flow from the coal seams, the hydrostatic water pressure must be lowered (called draw down) by pumping water from the coals in a process called dewatering
fracturing	fracturing is an artificial process that increases the ability for tight reservoir rocks to deliver significant quantities of hydrocarbons through fracturing the rocks under very high pressures and injecting a more porous and permeable medium
Gas in Place	amount of gas contained in a coal seam
GGS	gas gathering station
HDPE	high density polyethylene
km	kilometres
LPG	liquefied petroleum gas
M	thousand
MCF	thousand cubic feet
mcm	million cubic metres
MDPE	medium density polyethylene
methane	methane gas is the basic component of dry gas and is generated by decaying organic matter
mmbtu	million British thermal unit
mmscf	million standard cubic feet
mmscf/d	million standard cubic feet per day
MOU	memorandum of understanding

Natural Gas	gas consisting of methane, ethane, propane, butane, pentane and other gases produced from gas wells, gas condensate wells or oil wells and includes: (i) any residual gas which is obtained after processing such gas upon removal of liquefied hydrocarbons and impurities therefrom; (ii) gas in liquid state, namely, liquified natural gas; and (iii) methane obtained from coal seams, namely, coal bed methane
NELP	New Exploration Licensing Policy
OGIP	original gas in place
PEL	petroleum exploration licence
permeability	the ability to flow
PLP	production level payment
PNG	piped natural gas
Prospective Resources	under SPE standards, prospective resources are those deposits that are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
PSC	production sharing contract
reservoir	a reservoir rock hosts the hydrocarbon accumulation in the sub surface and may consist of any number of rock types (although is often sandstone). Also includes permeable and porous fractured rock and coal seams
Scf	standard cubic feet
Sq km or km^2	square kilometre
Tcf	trillion cubic feet
Wholesale Price Index	the Wholesale Price Index of India