ORIENT GREEN POWER COMPANY LIMITED

June 30, 2017

The BSE Limited,
Corporate Relations Department,
P.J. Towers,
Dalal Street,
Mumbai-400 001.

The National Stock Exchange
of India Limited,
Department of Corporate Services,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051.

Dear Sirs,

Sub: News Release

We enclose News Release with regard to disinvestment of the biomass subsidiaries.

We request you to kindly take the same on record and oblige.

Thanking you,

Yours faithfully,
For Orient Green Power Company Limited

P. Srinivasan

ORIENT GREEN POWER COMPANY LIMITED

P Srinivasan
Company Secretary & Compliance Officer

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News Release: For immediate publication **Chennai, 30th June, 2017**

OGPL to sell Biomass Operations

Board approves transfer of Biomass Assets into subsidiary

Transaction to accelerate value unlocking for shareholders
Valuation of Biomass assets undertaken by independent valuer

Orient Green Power Company Limited (OGPL) a leading listed independent renewable energy-based power generation company in India has announcedthat its Board of Directors has approved the sale of the bulk of its Biomass Operations to its PromoterCompany – SVL Ltd or its subsidiaries.

OGPL had made an application in May 2016 to the Madras High Court for demerger of the biomass business into a separate listed entity which is currently pending. Subsequent to its application for demerger, OGPL has agreed to sell its 20 MW Cogeneration plant in Kolhapur, Maharashtra to the host Sugar Mill as already approved by the Board. A 10MW plant in Rajasthan is also in the process of being divested. Upon completion of these transactions, the biomass capacity will reduce to 68 MW.

In view of the accumulated losses and the reduced size of the operations, it was felt that demerger of biomass operations into a listed entity with limited growth potential would not create optimum value for shareholders. In order to optimize and accelerate the value unlocking for shareholders, the Board has approved the sale of the Biomass operations, at an independent valuation, to the Promoter Company. This transaction will not include the Cogen plant at Kolhapur and one Biomass plant in Rajasthan which are being sold to third parties.

In FY17, the Biomass operations registered revenues of Rs. 78 crore, lower by 24% on a y-on-y basis due to shutdown of some of the plants. The Biomass operations registered a loss before tax of Rs.81 crore in FY17. The Biomass operations have around Rs. 193 crore of outstanding debt.

The sale of the Biomass Operations will provide multiple benefits to OGPL. This will accelerate the process initiated over a year ago to streamline the operations. The Biomass operations have been a drag on the overall performance and have diluted the substantial improvements achieved by the Wind business. The biomass business has generated very low EBITDA over the past three years and has contributed to over 50% of the losses. In addition, sale of the biomass operations will result in reduction of outstanding debt by about Rs 250 crore and will meaningfully support efforts of the OGPL management to deleverage the balance sheet. The reduced interest outgo will improve the operating performance while enhancing the positive cash flows of the wind operations. Further the sale of the biomass operations will result in an increased networth of over Rs. 250 crore in the consolidated balance sheet.

The valuation of the biomass business has been undertaken by Ernst & Young, a reputed valuer in an independent manner. The valuation has incorporated the future projections of performance including the expected upside from steps undertaken in recent quarters to revive the business.

The Board has approved the sale at an Enterprise Value of Rs 275 crore.

The transaction will be subject to the approval of shareholders, creditors and regulators.

Commenting on the performance, Mr. S. Venkatachalam, MD - OGPL, said:*"We are pleased to share that the Board has approved the sale of the biomass operations to the parent company.This, we believe, is the most appropriate method to unlock value for shareholders in an accelerated manner.*

The sale of the biomass operation will enable us to unshackle the wind business which is poised to continue its strong performance of recent quarters. This will enable the significantly improved and profitable operational profile of the wind business to shine through. In addition, the efforts to deleverage the balance sheet will be boosted along with a substantial enhancement in generation of positive cash flow.

Most importantly, the improved operating profile shifts OGPL into a position of strength as it seeks to reduce borrowing costs and extend tenors of long term debt. This transaction will not only unlock value upon execution but will have a domino effect as it will elevate OGPL's trajectory of value creation for all stakeholders."

-ENDS-

For further information please contact:

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Safe Harbour