

McLEOD RUSSEL INDIA LIMITED

PRESS RELEASE

We are pleased to announce that today Borelli Tea Holdings Limited, U.K. (Borelli), wholly owned subsidiary of McLeod Russel India Limited (McLeod Russel) has signed a Share Purchase Agreement (SPA) with James Finlay Limited and James Finlay International Holdings Limited both of U.K. (Vendors) for acquisition of 100% of the share capital of Rwenzori Tea Investments Limited, Uganda (Rwenzori) for a provisional consideration of USD 25,000,000. Borelli will be required to pay a further sum of USD 5,000,000 to the Vendors being inter corporate debt payable to the Vendors for assignment of the debt as provided in the SPA. The transaction contemplated in the SPA is scheduled to be completed on 15th January 2010.

Rwenzori holds 100% of the equity capital of James Finlay (Uganda) Limited, Uganda (JFUL) engaged in growing, processing and marketing of black tea. JFUL which has six Tea Estates with annual production around 15 million kgs. of black tea, is a profit making and dividend paying Company.

The acquisition of controlling stake of JFUL should prove highly beneficial to Borelli and McLeod Russel. After the process of acquisition of Rwenzori is complete, the total production of tea by McLeod Russel and its subsidiaries will touch 96 million kgs. per annum. With the experience in plantation, manufacture and marketing of Tea, McLeod Russel hopes to enhance the quality of tea produced by JFUL and consequently achieve a higher price realization of the tea manufactured by the said Company in the years to come. This acquisition will give McLeod Russel a presence in Uganda which could lead to possible expansion of production in future.

Dated, Kolkata, 23.12.2009