

7 October 2011

Vedanta Resources plc

Production Release for the Second Quarter and Half Year Ended 30 September 2011

Q2 Highlights

- Production growth in zinc, lead, silver, copper and power
- Commissioned the 100 ktpa Dariba Lead Smelter
- Cairn India shareholders and ONGC approve Cairn India acquisition

Zinc India

Mined metal production was 210,000 tonnes in Q2 and 398,000 tonnes in H1, up 2% and 3%, respectively, as compared with the corresponding prior periods, reflecting near normal production at Rampura Agucha following the maintenance shutdown in Q1. Ramp-up of the SK mine is on track to achieve its targeted 2 mtpa capacity by the end of the year.

Refined zinc production was 185,000 tonnes in Q2 and 378,000 tonnes in H1, up 5% and 11%, respectively, primarily due to improved operational performance at our hydro smelters. Refined lead production was 17,000 tonnes in Q2 and 33,000 in H1, up 6% and 6%, respectively, primarily due to volumes from the new 100kt Dariba lead smelter, which was commissioned and capitalized during the quarter.

Silver production was 1.58 million ounces in Q2 and 3.09 million ounces in H1, up 12% and 10%, respectively. The new silver refinery is planned to be commissioned in the current quarter. With the ramp up of the SK mine and commissioning of the refinery, our silver capacity will reach 16 million ounces by the end of FY2011-12.

Zinc International

Total equivalent zinc-lead production was 114,000 tonnes in Q2 and 233,000 tonnes in H1, down 2% and up 5%, respectively, as compared with the corresponding prior periods. This comprised production of zinc-lead concentrate of 77,000 tonnes MIC in Q2 and 157,000 tonnes MIC in H1 at Black Mountain and Lisheen, and refined zinc production of 37,000 tonnes in Q2 and 76,000 tonnes in H1 at Skorpion.

Iron Ore

During Q2, iron ore sales were 1.55 mt as compared with 1.82 mt (1.37 mt excluding Orissa) in the corresponding prior quarter. During H1, sales were 5.80 mt as compared with 6.71 mt (5.65

mt excluding Orissa) in the corresponding prior period. Sales were benefitted by higher volumes at Karnataka prior to the imposition of the Karnataka mining ban.

On 26 August 2011, the Supreme Court ordered a ban on iron ore mining and direct sales in Karnataka. The Court has currently ordered a study by government agencies and also allowed the sale of inventory by e-auction through appointed agency.

At Karnataka, we sold 0.71 mt of iron ore in Q2, and 1.81 mt of iron ore in H1, as compared with 0.45 mt and 0.95 mt in the corresponding prior periods. At Goa, we sold 0.83 mt of iron ore in Q2, and 3.98 mt of iron ore in H1, as compared with 0.92 mt and 4.71 mt in the corresponding prior periods.

During Q2, iron ore production was 1.12 mt as compared with 2.88 mt (2.43 mt excluding Orissa) in the corresponding prior quarter due to the ban on mining in Karnataka announced on 26 August 2011, the discontinuation of operations at Orissa in November 2010, and most importantly, the planned reduction in inventories. During H1, production was 5.51 mt as compared with 8.61 mt (7.61 mt excluding Orissa) in the corresponding prior period.

In August 2011, we completed the acquisition of a 51% stake in three iron ore assets in Liberia, with 1 billion tonnes of R&R, for a consideration of US\$90 million. Sesa Goa will work on developing these assets in the emerging iron ore hub of Western Africa.

Copper – India and Australia

During Q2, the Tuticorin copper smelter produced 87,000 tonnes of copper cathode, 28% higher than the corresponding prior quarter. Production in the prior year period was lower on account of a planned bi-annual maintenance shut-down. During H1, production of copper cathode was up 11% at 161,000 tonnes.

Mined metal production at Australia was 5,000 tonnes in Q2 and 11,000 tonnes in H1. Construction of the 160 MW captive power plant at Tuticorin is in progress and the first unit is scheduled for commissioning in Q4 FY2011-12. The 400 ktpa copper smelter expansion project at Tuticorin is awaiting approval.

Following the submission of the NEERI (National Environmental Engineering Research Institute) report and comments of the State Government and the State Pollution Control Board, the Supreme Court has reserved its order on interim directions.

Copper – Zambia

Mined metal production was 28,000 tonnes in Q2 and 52,000 tonnes in H1, up 27% and 12%, respectively, as compared with the corresponding prior periods. Higher production at the Nchanga mine is the result of various improvement initiatives, which have increased concentrator throughput. Production at the tailings leach plant (TLP) was 11,000 tonnes in Q2 as compared with 15,000 tonnes in corresponding prior quarter, primarily due to lower grades caused by revised life of mine plan at Fitwaola.

Production of copper cathodes was 52,000 tonnes in Q2 and 102,000 tonnes in H1. Integrated production was 2% higher at 33,000 tonnes in Q2, on account of higher mine production, which

was partially offset by lower production from the TLP. Production from custom smelting was 19,000 tonnes in Q2 as compared with 26,000 tonnes in corresponding prior quarter, due to lower availability of concentrate.

At KDMP, the shaft number 4 has been sunk to its final depth, and shaft equipping work for bottom shaft loading is on track for completion by Q3 FY2012-13.

Aluminium

Aluminium production in H1 was 322,000 tonnes, 7% higher than the corresponding prior period. Aluminium production in Q2 was 8% lower at 149,000 tonnes post the pot outage in Q1 at the 500 ktpa Jharsuguda-I smelter. The Korba smelter continues to operate above its rated capacity. Aluminium costs were higher due to pot relining and higher coal prices.

At Jharsuguda-I, we remain on track to return to normal capacity by the end of Q3 FY2011-12 and approximately 115 of the 170 affected pots had been restarted by the end of Q2.

Alumina production at Lanjigarh was 228,000 tonnes in Q2 and 451,000 tonnes in H1, up 33% and 20%, respectively, as compared with the corresponding prior periods.

The first unit of the BALCO 1,200 MW (4x300 MW) captive power plant is now expected to be synchronised in Q3 FY2011-12 and work on the other units is progressing as planned. The 325 ktpa Korba smelter construction is progressing well and first metal tapping is expected in Q4 FY2011-12.

The 1.25 mtpa Jharsuguda-II smelter project is in final stages of completion, and we continue to evaluate the option of selling power versus producing aluminium at this smelter.

Energy

We sold 1,435 million units of power in Q2 as compared with 267 million units in the corresponding prior quarter. We sold 2,851 million units of power in H1, compared with 553 million units in corresponding prior period. The significant increase was mainly due to power sales from the new 2,400 MW power plant at Jharsuguda. However, coal supplies to Jharsuguda were adversely affected due to heavy rainfall in the coal belt, affecting our ability to generate power at our rated capacity. While we are currently seeing higher power tariffs, H1 saw lower tariffs despite higher coal prices.

The third unit of the Jharsuguda 2,400 MW (4x600 MW) power project is expected to be commissioned in Q3 FY2011-12. Work on the Talwandi Sabo supercritical power project is progressing as scheduled. 105 MW of the 150 MW wind power expansion project has been commissioned by H1, and the balance 45 MW is expected to be completed in the current quarter.

Note:

Quarters and Periods refer to the Financial Year ended 31 March

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

Particulars (in kt, except as stated)	Half year ended 30 September			Quarter ended 30 September		
	2011	2010	Change	2011	2010	Change
Zinc India						
Mined metal MIC	398	387	3%	210	205	2%
Refined Zinc	378	341	11%	185	176	5%
Refined Lead ¹	33	31	6%	17	16	6%
Silver (in '000 ounces) ²	3,088	2806	10%	1,584	1,413	12%
Zinc International						
Skorpion- Refined Zinc	76	-	-	37	-	-
Black Mountain and Lisheen - Mined Metal MIC	157	-	-	77	-	-
Iron Ore						
Saleable Ore (in million tonnes)	5.51	8.61	(36%)	1.12	2.88	(61%)
Copper- India / Australia						
Copper - Mined metal content	11	14	(21%)	5	7	(29%)
Copper - Cathodes	161	145	11%	87	68	28%
Copper - Zambia						
Total Copper Cathodes	102	113	(10%)	52	58	(10%)
<i>Integrated Production</i>	68	66	3%	33	32	3%
<i>Custom Production</i>	34	47	(28%)	19	26	(27%)
Alumina						
Lanjigarh	451	376	20%	228	171	33%
Aluminium						
Total aluminium	322	302	7%	149	162	(8%)
<i>Jharsuguda-I smelter aluminium</i>	201	174	16%	89	97	(8%)
<i>Korba-II smelter aluminium</i>	121	128	(5%)	60	65	(8%)
BALCO 270 MW power sales (in million units)	811	774	5%	387	362	7%
Energy (in million units)	2,851	553	416%	1,435	267	437%
SEL ³	2,404	49	4806%	1,267	49	2486%
MALCO, HZL Wind	446	504	(12%)	169	218	(22%)

1. Including captive consumption of 2,739 tonnes in H1 FY2011-12 vs. 2,812 tonnes in H1 FY2010-11 and 1,348 tonnes in Q2 FY2011-12 vs. 1,646 tonnes in Q2 FY2010-11.
2. Including captive consumption of 463,000 ounces in H1 FY2011-12 vs. 474,000 ounces in H1 FY2010-11 and 231,000 ounces in Q2 FY2011-12 vs. 277,000 ounces in Q2 FY2010-11.
3. Including production under trial run 288 mu in H1 FY2011-12 vs. 49 mu in H1 FY2010-11 and 149 mu in Q2 FY2011-12 vs. 49 mu in Q2 FY2010-11.

Note: Sales of Iron Ore include captive consumption of 0.12 million tonnes in H1 FY2011-12 vs. 0.15 million tonnes in H1 FY2010-11.

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About Vedanta Resources plc

Vedanta Resources plc (“Vedanta”) is a London listed FTSE 100 diversified metals and mining major. The group produces aluminium, copper, zinc, lead, silver, iron ore and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 31,000 employees globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information, please visit: www.vedantaresources.com.

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