

10 April 2012

**Vedanta Resources plc**  
**Production Release for the Fourth Quarter and Year Ended 31 March 2012**

**Q4 Highlights**

- Record quarterly production of Lead, Silver, Alumina and Power
- Commissioned the 3<sup>rd</sup> 600 MW Unit of the 2,400 MW Jharsuguda power plant and synchronized the 4<sup>th</sup> Unit
- Commenced oil production at Bhagyam, the second largest field in the Rajasthan block
- Vedanta Group Consolidation and Simplification announced, expected to complete in CY 2012

**Zinc - India**

Mined Zinc-Lead metal production was 223,000 tonnes in Q4, 7% higher than Q3. During the quarter, the Sindesar Khurd (SK) mine ramped up to contribute a record 24,000 tonnes metal-in-concentrate. For the full year, mined Zinc-Lead metal production was marginally lower at 830,000 tonnes.

Mined Zinc-Lead metal production in FY 2012-13 is expected to be slightly higher than FY 2011-12. In line with the mine plan for Rampura Agucha, production in H1 FY 2012-13 is expected to be marginally lower than H1 FY 2011-12, but will be more than made up in H2 FY 2012-13. SK mine ramped up to 80% utilization in Q4 and will deliver volumes near its capacity in FY 2012-13.

Refined Zinc production was marginally lower at 190,000 tonnes in Q4, and 6% higher at 759,000 tonnes for the year. Lead production in Q4 was 110% higher at a record 37,000 tonnes primarily due to the ramp-up of the new 100 ktpa Dariba Lead smelter, which contributed 18,000 tonnes.

With the Rajasthan smelters fully ramped up and operating at high efficiencies, during the quarter it was decided to ramp down the 35-year old Vizag Zinc smelter, which had a relatively higher cost and contributed 28,000 tonnes of refined Zinc production during the full year.

Silver production was a record 2.84 million ounces in Q4, 77% higher as a result of ramp-ups of the SK mine, the new 100 ktpa Dariba Lead smelter and the new Silver refinery. Silver production for the full year was 35% higher at 7.78 million ounces.

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## **Zinc - International**

In Q4, total production of Zinc-Lead metal-in-concentrate and Zinc metal was 106,000 tonnes, which comprised 71,000 tonnes of Zinc and Lead metal-in-concentrate (MIC) at Lisheen and BMM and 36,000 tonnes of refined Zinc at Skorpion, in line with earlier years.

For the full year, total production of Zinc and Lead metal-in-concentrate and Zinc metal was 444,000 tonnes, which comprised 299,000 tonnes of Zinc and Lead metal-in-concentrate (MIC) at Lisheen and BMM, and 145,000 tonnes of refined Zinc at Skorpion.

## **Iron Ore**

Sales of Iron Ore in Q4 were 5.2 million tonnes as compared with 6.6 million tonnes (6.4 million tonnes excluding Orissa) in the corresponding prior quarter due to the continued mining ban in Karnataka, and transport and logistics bottlenecks in Goa. We are expanding existing roads and establishing road corridors at Goa to reduce these bottlenecks. For the full year, sales were 16.0 million tonnes as compared with 18.1 million tonnes (16.4 million tonnes excluding Orissa) during the corresponding prior year.

The Karnataka mining ban is being heard by the Supreme Court. At Karnataka, we sold 0.2 million tonnes and 0.9 million tonnes during Q4 and H2, respectively, through the Court-sponsored e-auctions of inventory.

Production of Iron ore in Q4 was lower by 11% at 4.9 million tonnes. Production for the full year was 13.8 million tonnes compared with 18.8 million tonnes (17.4 million tonnes excluding Orissa) in the previous year. Volumes were lower primarily due to the Karnataka mining ban and the discontinuation of Orissa operations.

Expansions of the pig iron capacity to 625 ktpa and metallurgical coke capacity to 560 ktpa are progressing well and will be commissioned in the current quarter.

## **Copper - India and Australia**

Copper cathode production at the Tuticorin smelter was 80,000 tonnes in Q4, in line with the corresponding prior period. For the full year, copper cathode production was 326,000 tonnes.

The first 80 MW unit of the captive power plant at Tuticorin has achieved mechanical completion in Q4 and will be synchronized in the current quarter.

Mined metal production at our Australian mines was 5,000 tonnes and 23,000 tonnes during Q4 and the full year, respectively, in line with the corresponding prior periods.

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## Copper - Zambia

Mined metal production in Q4 was 32,000 tonnes, 5% higher than the corresponding prior period. For the full year, mined metal production was 2% lower at 142,000 tonnes.

Integrated copper production was 3% higher at 34,000 tonnes in Q4, and 4% higher at 139,000 tonnes for the full year. Total copper cathode production was broadly in-line at 47,000 tonnes in Q4, and 8% lower at 200,000 tonnes for the full year, due to lower volumes from Custom smelting on account of lower availability of concentrate.

The new 7.5 mtpa Nchanga East Concentrator and the second Cobalt Recovery Furnace were commissioned during the quarter and are ramping up well. The new 3 mtpa Nchanga West Concentrator is now expected to be commissioned in the current quarter. At KDMP, work is progressing on schedule, and bottom shaft loading is expected to be completed by Q3 FY 2012-13.

## Aluminium

Aluminium production was 4% higher at 177,000 tonnes in Q4, and 5% higher at 675,000 tonnes for the full year, respectively, as compared with the corresponding prior periods. The 500 ktpa Jharsuguda-I smelter produced 115,000 tonnes in Q4, up 6%, while the 245 ktpa BALCO-II smelter contributed 62,000 tonnes, in line with the corresponding prior quarter.

The Jharsuguda-I Aluminium smelter has stabilized with most of the key parameters, including power consumption, at normal operating levels. The BALCO-II smelter operated at its rated capacity for the full year.

The 1 mtpa Lanjigarh Alumina refinery has been operating near its rated capacity, and its Alumina production was 30% higher at a record 240,000 tonnes in Q4 and 31% higher at 928,000 tonnes for the full year.

The first metal tapping from the 325 ktpa BALCO-III Aluminium smelter is expected by Q3 FY 2012-13. The first 300 MW unit of the 1200 MW captive power plant at BALCO will be synchronised in the current quarter.

We continue to work towards the second stage forest clearance for the 211 mt BALCO coal block, following the Environment Appraisal Committee (EAC) approval received in November 2011.

## Power

Power sales were 1,938 million units and 6,554 million units during Q4 and the full year, as compared with 830 million units and 1,879 million units during the corresponding prior periods, respectively, as the three new 600 MW units of the Jharsuguda 2,400 MW power plant come into operation. During the quarter, Unit-3 started commercial production and Unit-4 was synchronised.

Work at the 1,980 MW power project at Talwandi Sabo is progressing well and the first 660 MW unit is on track for synchronization in Q4 FY 2012-13. The 150 MW wind power expansion at HZL was completed during the quarter, taking our wind power generation capacity to around 274 MW.

## Oil and Gas

Cairn India had an average daily gross operated production of 180,293 barrels of oil equivalent (boe) for the quarter, with working interest production at 107,292 barrels of oil equivalent per day (boepd). This gross operated production comprised 137,634 barrels of oil per day (bopd) from Rajasthan, 34,944 boepd from Ravva and 7,715 boepd from the Cambay CB/OS-2 block. Average daily gross operated production for FY 2011-12 was 172,887 boe that comprised 128,267 bopd from Rajasthan, 36,379 boepd from Ravva and 8,242 boepd from the CB/OS-2 block

The gross Oil production from operating units was 167,663 bopd and 160,635 bopd during Q4 and the full year, respectively, as compared with 148,288 bopd and 135,811 bopd during the corresponding prior periods. This was higher due to the ramp-up of Rajasthan operations during the year. The gross Gas production was 76 mmscfd (million standard cubic feet of gas per day) and 74 mmscfd during Q4 and the full year, respectively, as compared to 77 mmscfd and 80 mmscfd during the corresponding prior periods.

The gross production from the Mangala field in the Rajasthan block was 124,081 bopd and 124,749 bopd during Q4 and the full year, respectively. The Bhagyam field, the second largest discovery in the Rajasthan block, commenced production in January 2012, and has produced 13,247 bopd on a gross basis during the quarter.

Cairn India announced an oil discovery in the Nagayalanka-SE-1 well, which is the second discovery in the onshore KG-ONN-2003/1 block in the Krishna-Godavari basin. Testing is underway and the discovery will be appraised further for establishing commerciality.

## Production Summary (Unaudited)

(in '000 tonnes, except as stated)

Particulars	Quarter ended 31 <sup>st</sup> March			Year Ended 31 <sup>st</sup> March		
	2012	2011	Change	2012	2011	Change
<b>Zinc India</b>						
Mined Zinc-Lead metal content	223	231	(3%)	830	840	(1%)
Total Refined Zinc	190	194	(2%)	759	712	6%
Total Refined Lead <sup>1</sup>	37	18	110%	99	63	56%
Refined Lead - Custom smelting	6	-	-	10	-	-
Total Silver (in '000 ounces) <sup>2</sup>	2,836	1,601	77%	7,776	5,758	35%
Silver - Custom smelting (in '000 ounces)	162	-	-	162	-	-
<b>Zinc International <sup>3</sup></b>	106	80	-	444	93	-
Refined Zinc - Skorpion	36	37	-	145	50	-
Mined metal content - BMM and Lisheen	71	44	-	299	44	-
<b>Iron Ore (in million dmt)<sup>4</sup></b>						
Sales	5.2	6.6	(21)%	16.0	18.1	(12)%
Goa	4.9	5.9	(17)%	13.3	14.4	(8)%
Karnataka	0.2	0.5	(60)%	2.7	2.1	29%
Orissa	-	0.2	-	-	1.7	-
Production of Saleable Ore	4.9	5.5	(11)%	13.8	18.8	(27)%
Goa	4.9	5.1	(4)%	12.7	14.4	(12)%
Karnataka	-	0.4	-	1.0	3.0	-
Orissa	-	-	-	-	1.4	-
<b>Copper - India/ Australia</b>						
Copper - Mined metal content	5	5	2%	23	23	(1%)
Copper - Cathodes	80	80	-	326	304	7%
<b>Copper - Zambia</b>	47	48	(2%)	200	217	(8%)
Integrated	34	33	3%	139	133	4%
Custom smelting	13	15	(12%)	61	84	(27%)
<b>Alumina</b>						
Lanjigarh	240	184	30%	928	707	31%
<b>Aluminium</b>	177	170	4%	675	641	5%
Jharsuguda-I (500 ktpa) <sup>5</sup>	115	108	6%	430	385	12%
BALCO-II (245 ktpa)	62	62	-	246	255	(4%)
BALCO 270 MW power Sales	412	432	(5%)	1605	1623	(1%)
<b>Power (in million units)<sup>6</sup></b>	1,938	830	-	6,554	1879	-
SEL <sup>6</sup>	1,674	563	-	5,638	856	-
HZL Wind Power and MALCO	263	267	(1%)	916	1,023	(9%)

Particulars	Quarter ended 31 <sup>st</sup> March			Year Ended 31 <sup>st</sup> March		
	2012	2011	Change	2012	2011	Change
<b>Oil and Gas</b>						
Average Daily Gross Operated Production (boepd)	180,293	161,194	12%	172,887	149,103	16%
Rajasthan	137,634	118,151	16%	128,267	100,993	27%
Ravva	34,944	33,108	6%	36,379	36,942	(2%)
Cambay	7,715	9,934	(22%)	8,242	11,169	(26%)
Average Daily Working Interest Production (boepd)	107,292	94,129	14%	101,268	83,474	21%
Rajasthan	96,344	82,706	16%	89,787	70,695	27%
Ravva	7,862	7,449	6%	8,185	8,312	(2%)
Cambay	3,086	3,974	(22%)	3,297	4,468	(26%)
Total Oil and Gas Production (mboe) <sup>7</sup>						
Oil and Condensate - Gross	16.41	-	-	20.48	-	-
Oil and Condensate - Working Interest	9.76	-	-	12.14	-	-

Note: Production numbers are rounded-off, and the % change is calculated based on absolute numbers before rounding-off.

1. Including captive consumption of 2,156 tonnes in Q4 FY 2012 vs 1,340 tonnes in Q4 FY 2011, and 6,625 tonnes in FY 2012 vs 5,898 tonnes in FY 2011.
2. Including captive consumption of 365,000 ounces Q4 FY 2012 vs 226,000 ounces in Q4 FY 2011, and 1,123,000 ounces in FY 2012 vs 997,000 in FY 2011.
3. Skorpion was acquired in Q3 FY 2011. BMM and Lisheen were acquired in Q4 FY 2011. Numbers for Q4 and FY 2011 are post acquisition.
4. Iron Ore sales include internal sales of 0.10 million tonnes in Q4 FY 2012 vs 0.00 million tonnes in Q4 FY 2011, and 0.30 million tonnes during FY 2012 vs. 0.30 million tonnes during FY 2011
5. Includes hot metal sales of 3,000 tonnes in Q4 FY 2012 and 9,164 tonnes in FY 2012.
6. Including production under trial run of 209 million units in Q4 FY 2012 vs 352 million units in Q4 FY 2011, and 926 million units in FY 2012 vs 646 million units in FY 2011
7. Cairn India accounted as a subsidiary from 8 December 2011. Numbers are post acquisition.

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### **About Vedanta Resources plc**

Vedanta Resources plc ("Vedanta") is a London listed FTSE-100 diversified global resources major. The group produces Aluminium, Copper, Zinc, Lead, Silver, Iron ore, Power, and Oil and Gas. Vedanta has world-class assets in India, Zambia, South Africa, Namibia, Ireland Liberia, Australia and Sri Lanka and a strong organic growth pipeline of projects. With an empowered talent pool 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](http://www.vedantaresources.com).

### **Disclaimer**

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.