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Vedanta Resources Plc
Production Release for the First Quarter Ended 30 June 2012

Q1 Highlights

- Strong production ramp-up at Oil & Gas operations in Rajasthan
- Significant production growth in refined silver and lead at Zinc India
- Substantial increase in commercial power sales
- Vedanta Group Structure consolidation on track for completion in CY2012, shareholder approvals received

Zinc India

During the quarter (Q1), mined metal production was 187,000 tonnes, in line with the current year's mine plan, as compared with 188,000 tonnes in the corresponding prior period. As per previous guidance, mined metal production in the first half of FY2013 is expected to be marginally lower than the corresponding prior period, but will be more than made up in the second half of FY2013. Mined metal output at the silver-rich Sindesar Khurd (SK) mine was around 60% higher, offsetting the planned lower output from the Rampura Agucha (RA) mine.

Integrated silver production was 70% higher at 2.6 million ounces and integrated lead production was 79% higher at 29,000 tonnes. The increases were primarily due to the ramp-up of the SK mine and the stabilization of new capacities for silver refining and lead smelting. Integrated zinc production was 157,000 tonnes, in line with the mine plan. The production of zinc and lead from custom smelting was 4,000 tonnes and 2,000 tonnes respectively.

EBITDA was 27% lower at US$ 252.0 million as compared with US$ 346.9 million in the corresponding prior period. The positive impact of higher volumes of silver and lead, and the depreciation of the Rupee was offset by lower prices, lower zinc volumes and lower by-product realizations.

Development of the 1mtpa Kayar underground zinc-lead mine and the RA underground mine are progressing on schedule for delivering developmental ore in H2 FY2013 and commercial production in FY2014.

Technical feasibility studies for our next phase of expansions at Zinc India, beyond the current capacity of 1.06 mtpa of refined zinc-lead, are at an advanced stage.

Zinc International

In Q1, total production of zinc-lead metal-in-concentrate and zinc metal was in line with the mine plan and earlier guidance at 106,000 tonnes, which comprised 70,000 tonnes of zinc and lead metal-in-concentrate (MIC) at Lisheen and BMM and 36,000 tonnes of refined zinc at Skorpion.

EBITDA for Q1 FY2013 was US$ 62.4 million, 45% lower than the corresponding prior quarter due to lower metal prices and lower volumes.

Oil and Gas

Average daily gross operated production was 206,963 barrels of oil equivalent (boe) in Q1, 20% higher than the corresponding prior period. Working interest production was 28% higher at 127,226 barrels of oil equivalent per day (boepd). The gross operated production comprised 167,146 barrels of oil per day (bopd) from Rajasthan, 32,589 boepd from Ravva and 7,228 boepd from the CB/OS-2 block in the Cambay basin.

The gross production from the Mangala field in the Rajasthan block was 143,180 bopd in Q1, and the field is currently producing at around 150,000 bopd. The Bhagyam field produced 23,458 bopd on a gross basis in Q1, and will gradually ramp up to 40,000 bopd. Gross production from two other fields, Raageshwari and Saraswati, is around 500 bopd. We are currently producing at around 175,000 bopd from the Rajasthan block. In Q1, the Mangala Processing Terminal had a 99.5% uptime, which is in the top decile globally.

During Q1 FY2013, revenues were US$ 822.7 million and EBITDA was US$ 655.5 million.

At Mangala and Bhagyam, development drilling and well completion activities are progressing well, as per the approved Field Development Plan. The pipeline to Salaya is currently operating at 175,000 bopd and is being de-bottlenecked**.** Development of the Aishwariya field is underway - EPC contracts have been awarded and production is expected by the end of FY2013, subject to Joint Venture and Government of India approval.

At the KG-ONN-2003/1 block, which has gross in-place resources of nearly 550 mmboe, we are planning to evaluate the size and commerciality of the second discovery, i.e. Nagayalanka-SE-1. At the Sri Lanka 2007-01-001 block, acquisition of 600 sq km of 3D seismic data was completed as a part of Phase II exploration, and data processing is underway.

Iron Ore

Iron ore sales were 2.9 million tonnes (mt) in Q1 as compared with 4.3 mt (3.2 mt excluding Karnataka) in the corresponding prior period. Production of iron ore was 3.4 mt as compared with 4.4 mt (3.9 mt excluding Karnataka) in the corresponding prior period. The decrease in production and sales volumes was primarily on account of the Karnataka mining ban and continued logistics constraints in Goa. Currently, there is also a temporary restriction on transportation of iron ore in South Goa since mid-June till mid-September 2012, but this is not expected to materially affect annual volumes given the lower shipments during the monsoon season.

Regarding the Karnataka mining ban, recent developments have been positive. In July, the Central Empowered Committee concurred with our Reclamation and Rehabilitation plan for our Karnataka mine, at a provisional production capacity of 2.29 mtpa. The Supreme Court's approval to commence mining at Karnataka is awaited.

EBITDA was lower at US$ 125.6 million due to lower volumes, lower iron ore prices, and higher export duty of 30%.

Expansions of the pig iron capacity (to 625 ktpa) and the associated metallurgical coke capacity (to 560 ktpa) are undergoing commissioning trials, and are expected to be commissioned by the end of the current quarter.

At our Liberia iron ore project, exploration activities are progressing well, with over 15,000 meters of drilling already completed till date. The results of the aeromagnetic survey completed earlier and initial drilling in Q1 are very encouraging, and we remain on track to deliver the first shipment in FY2014.

Copper — India and Australia

Copper cathode production at the Tuticorin smelter was 88,000 tonnes. Mined metal production at our Australian mines was 13% higher at 7,000 tonnes in Q1.

EBITDA was lower at US$ 45.4 million primarily due to lower by-product realizations, lower LME and lower Tc/Rc, partially offset by higher volumes. During the quarter, Tc/Rc was 12.4 USc/lb as compared with 13.9 USc/lb in the corresponding prior period.

The first 80MW unit of the captive power plant at Tuticorin is expected to be synchronized in the current quarter.

Copper — Zambia

Mined metal production was 41,000 tonnes, 12% higher than the corresponding prior quarter with the ramp-up of the new Nchanga East concentrator in Q1. Integrated production was 4% higher at 36,000 tonnes.

EBITDA was lower at US$ 87.7 million primarily on account of lower prices and an increase in the royalty rate. The royalty rate increase from 3% to 6% came into effect from 1 April 2012.

The new 3mtpa Nchanga West concentrator is under commissioning, and is expected to be commissioned during the current quarter. The KDMP bottom shaft loading is progressing on schedule, and is expected by Q3 FY 2013.

Aluminium

Aluminium production was 185,000 tonnes in Q1, 7% higher than the corresponding prior quarter. Production at the Jharsuguda-I 500 kt smelter was 11% higher at 124,000 tonnes. The BALCO-II smelter was stable and produced 60,000 tonnes.

The 1 mtpa Lanjigarh refinery produced 218,000 tonnes of alumina as compared with 224,000 tonnes in the corresponding prior quarter, with bauxite from BALCO and third party purchases.

Aluminium premiums have risen substantially year-on-year on account of shortage of primary metal in the physical market due to capacity cut-backs. The premium on aluminium ingots has increased significantly during the quarter to more than $200/tonne

EBITDA was lower at US$ 49.3 million as compared with US$ 101.9 million due to a 24% fall in aluminium LME, a US$ 25 million mark-to-market loss on foreign currency borrowings for working capital on account of the depreciation of the Indian Rupee, and 20% lower power sales from the BALCO 270MW power plant, partially offset by lower cost of production and higher aluminium premiums.

The first metal tapping from the 325 ktpa BALCO-III aluminium smelter is expected by Q3 FY2013. The first 300MW unit of the 1,200MW captive power plant at BALCO will be synchronized in the current quarter. We have received environment clearance for the 211mt BALCO coal block in May 2012. We are progressing well towards obtaining the second stage forest clearance, and thereafter we intend to commence mining this year.

Power

We sold 2,329 million units of power in Q1, significantly higher than 1,415 million units in the corresponding prior quarter. Higher power sales were driven by sales from three 600MW units of the 2,400MW Jharsuguda power plant, including 202 million units generated from the fourth unit, which is currently under trial run.

Revenue was 29% higher at US$ 157.8 million. EBITDA was significantly higher at US$ 64.2 million in Q1 FY2013 as compared with US$ 29.1 million in the corresponding prior quarter due to higher volumes and lower coal costs at Jharsuguda.

During the quarter, we commissioned an additional 700MW transmission line at Jharsuguda, taking our total transmission capacity to 1,850MW, which will help the 2,400MW power plant achieve higher utilizations. In Q4 FY2013, we expect to commission an additional 1,000MW transmission capacity.

Work at the 1,980MW power project at Talwandi Sabo is progressing as scheduled, with the synchronization of the first unit expected by Q4 FY2013.

Vedanta Group Consolidation and Simplification

The Vedanta Group Consolidation and Simplification is on track for completion in CY2012. During Q1, shareholder approvals of all companies and the approval of the Foreign Investment Promotion Board were received. The transaction is now awaiting approval from the High Court of Madras, High Court of Bombay at Goa and Supreme Court of Mauritius, and is expected to complete in the last quarter of CY2012.

Production Summary (Unaudited)

(in kt, or as stated)

	Quarter ended 30 June			Year Ended 31 March
Particulars	**2012**	**2011**	***Change***	**2012**
Zinc India				
Mined metal content	187	188	*(1) %*	830
Total Zinc -refined	161	193	*(16) %*	759
Zinc-Integrated	157	191	*(18) %*	752
Total Lead -refined [1]	31	16	*91 %*	99
Lead-Integrated	29	16	*79 %*	89
Silver (in '000 ounces) [2]	2,629	1,504	*75 %*	7,776
Silver-Integrated (in '000 ounces)	2,552	1,504	*70 %*	7,614
Zinc International - Total Zinc-Lead	106	119	*(11) %*	444
Zinc - refined	36	39	*(7) %*	145
Mined metal content - BMM and Lisheen	70	80	*(12) %*	299
Oil and Gas				
Average Daily Gross Operated Production (boepd)	206,963	171,801	*20%*	172,887
Rajasthan	167,146	125,127	*34%*	128,267
Ravva	32,589	37,819	*(14)%*	36,379
Cambay	7,228	8,855	*(18)%*	8,242
Average Daily Working Interest Production (boepd)	127,226	99,640	*28%*	101,268
Rajasthan	117,002	87,589	*34%*	89,787
Ravva	7,333	8,509	*(14)%*	8,185
Cambay	2,891	3,542	*(18)%*	3,297
Total Oil and Gas Production (million boe)[3]				
Oil and Condensate - Gross	18.83	-		20.48
Oil and Condensate - Working Interest	11.58	-		12.14
Iron Ore (in million tonnes)				
Sales[4]	2.9	4.3	*(32) %*	16.0
Goa	2.8	3.2	*(10) %*	13.3
Karnataka[5]	0.0	1.1	-	2.7
Production of Saleable Ore	3.4	4.4	*(23) %*	13.8
Goa	3.4	3.9	*(14) %*	12.7
Karnataka	0.0	0.5	-	1.0
Copper - India / Australia				
Copper - Mined metal content	7	6	*13 %*	23
Copper - Cathodes	88	74	*19 %*	326
Copper - Zambia	49	50	*(2) %*	200
Integrated	36	35	*4 %*	139
Custom	13	16	*(15) %*	61

1. Including captive consumption of 1,641 tonnes in Q1 FY2013 vs. 1,391 tonnes in Q1 FY2012.
2. Including captive consumption of 278,000 ounces in Q1 FY2013 vs. 231,000 ounces in Q1 FY2012.
3. Numbers pertain to the period post acquisition by Vedanta on 8 December 2011.
4. Iron Ore sales include internal sales of 0.06 million tonnes in Q1 FY2013 vs. 0.07 million tonnes in Q1 FY2012.
5. Sales of iron ore from Karnataka were 0.05 million tonnes in Q1 FY2013 (through court sponsored e-auctions of inventory).

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Production Summary (Unaudited) *continued*

(in kt, or as stated)

	Quarter ended 30 June			Year Ended 31 March
Particulars	**2012**	**2011**	*Change*	**2012**
Alumina				
Lanjigarh	218	224	(3) %	928
Aluminium				
Total Aluminium Production	185	173	7 %	675
Jharsuguda-I [5]	124	112	11 %	430
BALCO-II	60	61	(1) %	246
BALCO 270MW Power Sales (in million units)	338	424	(20) %	1,605
Power (in million units)				
Total Power Sales	2,329	1,415	65 %	6,554
SEL[6]	1,938	1,138	70 %	5,638
MALCO and HZL Wind Power	391	278	41 %	916

5. Includes hot metal sales of 4,115 tonnes Q1 FY2013 vs. 148 tonnes in Q1 FY2012.
6. Including production under trial run of 202 million units in Q1 FY2013 vs. 140 million units in Q1 FY2012.

Financial Summary (Unaudited)

in US$ million, except as stated

	Quarter ended 30 June			Year Ended 31 March
Particulars	**2012**	**2011**	*Change*	**2012**
Revenue				
Zinc	674.0	857.6	(21%)	3,206.8
India	487.2	621.4	(22%)	2,316.1
International	186.8	236.2	(21%)	890.7
Oil and Gas[1]	822.7	-	-	882.5
Iron Ore	313.5	453.9	(31%)	1,690.9
Copper	1,332.7	1,493.1	(11%)	5,915.0
India/Australia	977.3	1,033.5	(5%)	4,205.2
Zambia	355.4	459.6	(23%)	1,709.8
Aluminium	447.3	513.8	(13%)	1,873.5
Power	157.8	122.1	29%	458.3
Elimination	(1.5)	(9.4)	-	(21.7)
Total	**3,746.5**	**3,431.1**	9%	**14,005.3**
EBITDA				
Zinc	314.4	460.1	(32%)	1,610.8
India	252.0	346.9	(27%)	1,244.8
International	62.4	113.2	(45%)	366.0
Oil and Gas[1]	655.5	-	-	713.0
Iron Ore	125.6	253.8	(51%)	721.4
Copper	133.1	211.4	(37%)	685.9
India/Australia	45.4	79.6	(43%)	298.0
Zambia	87.7	131.8	(33)%	387.9
Aluminium	49.3	101.9	(52%)	182.5
Power	64.2	29.1	121%	122.0
Others	(2.1)	(1.6)	-	(9.3)
Total	**1,340.0**	**1,054.7**	27%	**4,026.3**

1. Numbers pertain to the period post acquisition by Vedanta on 8 December 2011.

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About Vedanta Resources plc

Vedanta Resources plc ("Vedanta") is a London listed FTSE 100 diversified global natural resources major. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland, Liberia, Australia and Sri Lanka. 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.