

9 October 2012

Vedanta Resources plc

Production Release for the Second Quarter and Half Year Ended 30 September 2012

Highlights

- Record Q2 and H1 gross Oil & Gas production with Rajasthan output up 37% and 35% respectively
- Record Q2 and H1 integrated production at Copper Zambia, up 42% and 23% respectively
- Strong H1 integrated production of Silver and Lead at Zinc India, up 66% and 59% respectively
- Record Power sales in Q2 and H1
- State-wide temporary restriction on iron ore extraction announced in Goa

Zinc - India

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
ZINC INDIA							
Mined metal content	190	210	(9%)	187	377	398	(5%)
Refined Zinc - Total	163	185	(12%)	161	324	378	(14%)
Refined Zinc - Integrated	153	185	(17%)	157	310	376	(17%)
Refined Zinc - Custom	10	-	-	4	14	2	-
Refined Lead - Total ¹	27	17	60%	31	58	33	75%
Refined Lead - Integrated	24	17	40%	29	53	33	59%
Refined Lead - Custom	3	-	-	2	5	-	-
Silver - Total (in '000 ounces) ²	2,953	1,584	86%	2,629	5,582	3,088	81%
Silver - Integrated (in '000 ounces)	2,587	1,584	63%	2,552	5,139	3,088	66%
Silver - Custom (in '000 ounces)	366	-	-	77	443	-	-

Mined metal production was 190,000 tonnes in Q2 and 377,000 tonnes in H1, as compared with 210,000 tonnes and 398,000 tonnes in the corresponding prior periods. The Sindesar Khurd (SK) mine continued to ramp-up well with mined metal production up 39% at 45,000 tonnes in H1.

In line with the mined metal production, integrated production of refined zinc was 153,000 tonnes in Q2 and 310,000 tonnes in H1. Integrated production of refined lead was 24,000 tonnes in Q2, and 53,000 tonnes in H1, up 40% and 59% respectively, driven by the ramp-up of the new 100kt Dariba lead smelter.

In line with the mine plan and earlier guidance, mined metal production in FY2013 is expected to be slightly higher than the previous year, with production in H2 FY2013 more than making up for marginally lower production in H1 FY2013 as compared with the corresponding prior period.

Integrated production of silver was 2.60 million ounces in Q2 and 5.14 million ounces in H1, up 63% and 66% respectively, driven by the ramp-up of SK mine and the new 100kt Dariba lead smelter.

The Rampura Agucha underground mine and Kayar mine projects are progressing well to deliver commercial production in FY2014. The Kayar mine produced developmental ore in Q2.

Zinc International

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
ZINC INTERNATIONAL	114	114	-	106	220	233	(5%)
Zinc -refined	37	37	-	36	73	76	(4%)
Mined metal content- BMM and Lisheen	77	77	-	70	147	157	(6%)

Total production of refined zinc and mined zinc-lead metal in concentrate (MIC) was 114,000 tonnes in Q2, in line with the corresponding prior period, and 5% lower at 220,000 in H1 in line with the current year's mine plan and on account of lower grades, as earlier guided.

Oil and Gas

Particulars (boepd)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
OIL AND GAS (boepd) ³							
Average Daily Gross Operated Production (boepd)	207,245	169,944	22%	206,963	207,105	170,867	21%
Rajasthan	171,801	125,251	37%	167,146	169,486	125,189	35%
Ravva	28,614	36,185	(21%)	32,589	30,591	36,997	(17%)
Cambay	6,830	8,508	(20%)	7,228	7,028	8,680	(19%)
Average Daily Working Interest Production (boepd)	129,431	99,220	30%	127,226	128,335	99,429	29%
Rajasthan	120,261	87,676	37%	117,002	118,641	87,633	35%
Ravva	6,438	8,142	(21%)	7,333	6,883	8,324	(17%)
Cambay	2,732	3,403	(20%)	2,891	2,811	3,472	(19%)
Total Oil and Gas (million boe) ³							
Oil & Gas- Gross	19.07	15.63	22%	18.83	37.90	31.27	21%
Oil & Gas-Working Interest	11.91	9.13	30%	11.58	23.49	18.20	29%

In Q2, average daily gross operated production was 207,245 barrels of oil equivalent (boe), 22% higher than the corresponding prior period. Working interest production was 30% higher at 129,431 barrels of oil equivalent per day (boepd).

The increase was driven by ramp-up at the Rajasthan block, which delivered a 37% higher gross production of 171,801 bopd from the four producing fields in Q2. This included gross production from the Mangala and Bhagyam fields of 148,908 bopd and 22,435 bopd, respectively.

Cairn India signed a farm-in agreement with Petroleum Oil and Gas Corporation of South Africa Ltd. (PetroSA), the national oil company of South Africa, for the 19,922 square km off-shore Block 1, which is located in the geologically-proven Orange Basin in South Africa. Cairn India will hold a 60% interest in the block and will be the Operator. The agreement was signed in August 2012 and the closure of the transaction is subject to South African regulatory approvals.

Iron Ore

Particulars (in million dry metric tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
IRON ORE⁴							
Sales	0.2	1.6	(86%)	2.9	3.1	5.8	(47%)
Goa	0.2	0.8	(75%)	2.8	3.0	4.0	(24%)
Karnataka ⁵	0.0	0.7	(98%)	0.0	0.1	1.8	(97%)
Production of Saleable Ore	0.4	1.1	(65%)	3.4	3.7	5.5	(32%)
Goa	0.4	0.7	(42%)	3.4	3.7	4.6	(18%)
Karnataka	0.0	0.5	-	0.0	0.0	0.9	-
Production ('000 tonnes)							
Pig Iron	82	63	30%	39	121	126	(3%)
Met Coke	83	65	28%	64	146	128	14%

Sales of Iron Ore were 0.2 million tonnes in Q2 and 3.1 million tonnes in H1, as compared with 1.6 million tonnes and 5.8 million tonnes in the corresponding prior periods, respectively. Iron ore operations were affected by the mining ban in Karnataka, a temporary restriction on iron ore extraction in Goa, and transportation restrictions in South Goa during the monsoons.

Last month, the Supreme Court allowed some mines in Karnataka to resume mining operations, in line with recommendations of the Central Empowered Committee (CEC), and has now commenced the process for other mines including our mine in Karnataka. The CEC has approved our Reclamation and Rehabilitation plan at a provisional production capacity of 2.29 mtpa and we expect to commence mining in Karnataka, subject to receiving the court's approval.

The Goa state government ordered a temporary suspension on extraction of ore across the state of Goa from 11 September 2012 pending verification of various approval documents, but stated that the ore already mined-out may be transported and sold after inspection and clearance by the state government. Further, the Ministry of Environment and Forests suspended existing environmental clearances of mines across the state from 14 September 2012, and is verifying documents related to environmental clearances. On 5 October 2012, the Supreme Court ruled that the ban on mining activities in Goa continue, and asked the CEC to file a preliminary report in four weeks. Until then, the court has also restricted any movement of ore from mines or stockyard. We are working closely with the regulatory authorities to complete the review processes.

Expansions of the pig iron capacity (to 625 ktpa) and the associated metallurgical coke capacity were successfully commissioned during Q2.

At our Liberia iron ore project, exploration activities are progressing well, with over 31,000 meters of drilling completed till 30 September 2012. We remain on track to deliver the first shipment in FY2014.

Copper - India and Australia

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
COPPER- INDIA / AUSTRALIA							
Copper - Mined metal content	6	5	14%	7	13	11	13%
Copper - Cathodes	87	87	-	88	175	161	9%

Copper cathode production was 87,000 tonnes in Q2, in line with the corresponding prior period, and 9% higher at 175,000 tonnes in H1.

Mined metal production at Australia was 14% higher at 6,000 tonnes in Q2 and 13% higher at 13,000 tonnes in H1.

The first 80MW unit of the 160MW captive power plant at Tuticorin, which will predominantly provide power to the copper smelter, was synchronised during the quarter.

Copper - Zambia

Particulars (in'000 tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
COPPER - ZAMBIA							
Mined metal	45	39	16%	41	86	76	14%
Copper - Total	61	52	17%	49	110	102	8%
Integrated	47	33	42%	36	83	68	23%
Custom	14	19	(27%)	13	27	34	(21%)

Mined metal production was 16% higher at 45,000 tonnes in Q2, and 14% higher at 86,000 tonnes in H1, as compared with the corresponding prior periods, respectively. The increase was driven by production ramp-up at Konkola due to faster mine development, and higher throughput from the newly commissioned Nchanga concentrator.

Total production of copper cathodes was 17% higher at 61,000 tonnes in Q2, and 8% higher 110,000 tonnes in H1. Higher mined metal production contributed to a robust 42% increase in integrated production to 47,000 tonnes in Q2 and a 23% increase to 83,000 tonnes in H1.

Production from custom smelting was affected by lower availability of third party concentrate.

At KDMP, bottom-shaft loading has been commissioned and waste hoisting has commenced ahead of schedule. The 3mtpa Nchanga West concentrator's flotation circuit has been commissioned and is operating smoothly, while the milling section is currently under commissioning.

Aluminium

Particulars (in'000 tonnes, or as stated)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
ALUMINIUM							
Alumina - Lanjigarh	205	228	(10%)	218	423	451	(6%)
Total Aluminum Production	197	151	30%	185	382	324	18%
Jharsuguda-I	134	91	47%	124	259	203	27%
Korba-II	63	60	4%	60	123	121	1%
BALCO 270MW Power Sales	346	387	(10%)	338	684	811	(16%)

Alumina production at the Lanjigarh refinery was 205,000 tonnes in Q2 and 423,000 tonnes in H1, 10% and 6% lower than the corresponding prior periods due to lower supply of third-party bauxite. With reduced availability of third-party bauxite, we are evaluating various options including a temporary shut-down of refinery operations.

The Jharsuguda-I and Korba-II smelters operated above their rated capacities, with significant improvement in specific power consumption and throughput at Jharsuguda-I. Aluminium production was 30% higher at 197,000 tonnes in Q2, and 18% higher at 382,000 tonnes in H1. Total production of value-added products was 11% higher at 215,000 tonnes in H1. Power sales at BALCO 270MW were lower in Q2 and H1 due to lower demand.

Due to a delay in obtaining regulatory approvals, the first 300MW unit of the BALCO 1,200MW captive power plant is now expected to be synchronized in the current quarter. Thereafter, we plan to tap the first metal at the 325 ktpa Korba-III aluminium smelter in Q4 FY2013. For the 211mt coal block at BALCO, we are progressing well towards obtaining the second stage forest clearance, and thereafter we intend to commence mining this year.

Power

Particulars (in million units)	Q2			Q1	H1		
	FY2013	FY2012	% change YoY	FY2013	FY2013	FY2012	% change YoY
POWER							
Total Power Sales	2,350	1,435	64%	2,329	4,679	2,851	64%
SEL ⁶	1,940	1,267	53%	1,938	3,879	2,404	61%
MALCO	221	74	198%	209	431	246	75%
HZL Wind Power	188	94	99%	182	370	200	85%

Power sales were 2,350 million units in Q2 and 4,679 million units in H1, 64% higher than the corresponding prior periods. This significant increase was primarily due to higher power sales from three units of the Jharsuguda 2,400MW power plant, operating at availability of over 80% and plant load factor (PLF) of 50% in H1, with the fourth unit generating under trial run. PLF of the Jharsuguda 2,400MW power plant was constrained due to evacuation limitations. We continue to work towards debottlenecking of our evacuation capacity, and target to enhance it by an additional 1,000MW transmission by Q4 FY2013.

Power sales were augmented by higher sales at HZL wind power, which was expanded by 150MW to 274MW last year, and higher sales at MALCO, which operated at 109% PLF in H1.

Work at the Talwandi Sabo power project is progressing well and the first unit is now expected to be synchronized in Q2 FY2014.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

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1. Includes captive consumption of 3,076 tonnes in H1 FY2013 vs. 2,739 tonnes in H1 FY 2012, and 1,435 tonnes in Q2 FY2013 vs. 1,348 tonnes in Q2 FY2012.
2. Includes captive consumption of 520,000 ounces in H1 FY2013 vs. 463,000 ounces in H1 FY 2012 and 242,000 ounces in Q2 FY2013 vs. 231,000 ounces in Q2 FY2012.
3. Numbers for corresponding previous year are prior to acquisition as Cairn India was acquired on 8th December 2011
4. Iron Ore sales include internal sales of 0.18 million tonnes in H1 FY2013 vs. 0.12 million tonnes in H1 FY2012 and 0.12 million tonnes in Q2 FY2013 vs. 0.05 million tonnes in Q2 FY2012.
5. Sales of iron ore from Karnataka were 0.01 million tonnes in Q2 FY2013 and 0.06 million tonnes in H1 FY2013 through court sponsored e-auctions of inventory.
6. Includes production under trial run of 339 million units in H1 FY2013 vs. 288 million units in H1 FY2012, and 138 million units in Q2 FY2013 vs. 149 million units in Q2 FY2013.

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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.

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