

7 October 2010

Vedanta Resources plc

Production Report for the Second Quarter and Half Year Ended 30 September 2010

Q2 Highlights

- Record Zinc-Lead and Aluminium production, up 24% and 35% respectively
- Copper Zambia total production up 66%, integrated production up 19%
- Synchronized 600 MW unit, a first in the Indian private sector
- Commenced progressive commissioning of the silver-rich Sindesar Khurd Mine

Zinc-Lead-Silver

Mined metal production in Q2 and H1 was 205,000 tonnes and 387,000 tonnes, up 6.2% and 3.2% respectively, as compared with the corresponding prior periods. Rampura Agucha mine production and recoveries improved significantly in Q2 as compared to Q1.

Refined zinc production was 176,000 tonnes in Q2 and 341,000 tonnes in H1, an increase of 24.8% and 21.8% respectively. This was primarily on account of additional volumes from the new 210 ktpa Zinc smelter at Rajpura Dariba, which contributed 39,000 tonnes in Q2 and 72,000 tonnes in H1. Refined lead production was 16,000 tonnes in Q2, an increase of 14.3%. Refined lead production for H1 remained flat at 31,000 tonnes.

Silver production in Q2 and H1 was 1.41 million ounces and 2.81 million ounces, higher by 8.6% and 6.5% respectively. We remain on track to achieve a capacity of 16 million ounces of silver by FY 2013.

The new 1.5 mtpa mill at Sindesar Khurd mine will commence production by the end of Q3 FY2011, and process ore from the expanded mine capacity.

With the commissioning of the 100 ktpa lead smelter at Rajpura Dariba, expected in Q3 FY2011, we will reach our stated capacity of 1,064 ktpa of Zinc and Lead.

Iron Ore

Iron ore production was stable at 3.2 mt while sales increased by 24.8% to 2.0 mt in Q2, as compared with the corresponding prior quarter.

Production in H1 was a record 9.5 mt, an increase of 15.9% over the corresponding prior period primarily due to 1.5 mt from Dempo's operations.

Sales in H1 were 17.2% higher at 7.5 mt inspite of 31% lower volumes from Karnataka operations during Q2, due to a state-wide temporary export restriction imposed by the State Government at the end of July 2010. The lower sales from Karnataka were offset by substantially higher sales volumes from Goa despite the seasonal impact of monsoons.

Copper – India and Australia

During Q2, copper cathode production at the Tuticorin smelter was 68,000 tonnes, which was 25.3% lower than the corresponding prior quarter due to the planned bi-annual maintenance shutdown for 22 days that began on June 22, 2010. Production of copper cathode in H1 was 145,000 tonnes compared with 169,000 tonnes in the corresponding prior period.

Mined metal production at CMT Australia was 7,000 tonnes and 14,000 tonnes in Q2 and H1 respectively.

Construction of the 160MW captive power plant at Tuticorin is in progress and the first unit is now scheduled for commissioning in Q4 FY2012. While the MoEF clearance is in place for the 400 ktpa copper smelter expansion project at Tuticorin, the project is being rescheduled awaiting consent from the State Pollution Control Board.

Copper – Zambia

Mined metal production in Q2 and H1 was 22,200 tonnes and 46,400 tonnes, higher by 17.8% and 23.7%, respectively as compared with the corresponding prior periods.

Production of copper cathodes was 65.7% higher at 58,000 tonnes in Q2. Integrated production in Q2 was 18.6% higher at 32,000 tonnes, on account of higher production from the Tailing Leach Plant at 15,800 tonnes as compared with 11,300 tonnes in the corresponding prior quarter. Production from custom smelting was 26,000 tonnes in Q2 as compared with 8,000 tonnes in corresponding prior quarter.

Production of copper cathodes was 44.9% higher at 113,000 tonnes in H1 as compared to the corresponding prior period, mainly on account of increased custom smelting.

At KDMP, construction work on the bottom shaft sinking is progressing well.

Aluminium

Aluminium production was 162,000 tonnes in Q2, an increase of 35.0% over the corresponding prior quarter, with the 500 ktpa Jharsuguda-I smelter contributing 97,000 tonnes. Production in H1 was 302,000 tonnes, 23.3% higher than the corresponding prior period. 479 out of 608 pots at Jharsuguda are operational, and the remaining pots are scheduled to become progressively operational during Q3 FY2011. The Korba smelter continues to operate above its rated capacity.

Alumina production at Lanjigarh was 171,000 tonnes in Q2 and 376,000 tonnes in H1.

Since final clearance was not granted for bauxite mining at Niyamgiri, we have reviewed our capital expenditure programme. Accordingly, further work on the refinery expansion project has been put on hold, and the first metal tapping at the 1.25 mtpa Jharsuguda-II smelter and the 325 ktpa Korba smelter projects is also being temporarily deferred.

While we are in discussions with the Orissa State Government for allocation of new bauxite deposits in accordance with our MoU with them for the supply of 150 mt bauxite, the refinery will continue to operate at 1 mtpa with bauxite sourced from BALCO and third parties.

The entire output from the 2400 MW SEL power plant will now be available for merchant sales.

Similarly, the entire output from the 1200 MW power plant at BALCO will also be available for merchant sales.

Energy

We sold 978 mu of power in Q2 as compared with 686 mu in the corresponding prior quarter. The increase was mainly due to power sales from the 1215 MW Jharsuguda CPP.

The first unit of the 2400 MW (4x600MW) SEL power project was successfully synchronized in August 2010. The second unit is expected to be synchronized by Q3 FY2011.

Work on the 1980 MW (3x660MW) supercritical power project at Talwandi Sabo is progressing as scheduled.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

| Particulars | Half year ended 30 September | | | Quarter ended 30 September | | |
|--------------------------------------|------------------------------|-------|---------|----------------------------|-------|---------|
| | 2010 | 2009 | Change | 2010 | 2009 | Change |
| Zinc - Lead - Silver | | | | | | |
| Mined metal content | 387 | 375 | 3.2% | 205 | 193 | 6.2% |
| Zinc - refined | 341 | 280 | 21.8% | 176 | 141 | 24.8% |
| Lead - refined ¹ | 31 | 31 | - | 16 | 14 | 14.3% |
| Silver (in '000 ounces) ² | 2,806 | 2,634 | 6.5% | 1,413 | 1,301 | 8.6% |
| Iron Ore | | | | | | |
| Saleable Ore ³ | 9.5 | 8.2 | 15.9% | 3.2 | 3.3 | (3.0)% |
| Copper- India / Australia | | | | | | |
| Copper - Mined metal content | 14 | 12 | 16.7% | 7 | 5 | 40.0% |
| Copper - Cathodes | 145 | 169 | (14.2)% | 68 | 91 | (25.3)% |
| Copper - Zambia | 113 | 78 | 44.9% | 58 | 35 | 65.7% |
| Integrated | 66 | 66 | - | 32 | 27 | 18.6% |
| Custom | 47 | 13 | 261.5% | 26 | 8 | 225.0% |
| Alumina | | | | | | |
| Korba I/Mettur ⁴ | - | 40 | - | - | 11 | - |
| Lanjigarh | 376 | 378 | (0.5)% | 171 | 190 | (10.0)% |
| Aluminium | 302 | 245 | 23.3% | 162 | 120 | 35.0% |
| Jharsuguda I | 174 | 109 | 59.6% | 97 | 56 | 73.2% |
| Korba II | 128 | 123 | 4.1% | 65 | 64 | 1.6% |
| Korba I/Mettur ⁴ | - | 13 | - | - | - | - |
| Energy (in million units) | 2,134 | 1,218 | 75.2% | 978 | 686 | 42.6% |
| SEL, BALCO, MALCO, HZL Wind | 1,332 | 982 | 35.6% | 634 | 512 | 23.8% |
| Surplus from CPP's | 802 | 290 | 176.6% | 344 | 174 | 97.7% |

1. Including captive consumption of 2,812 tonnes in H1 FY2011 vs. 4,257 tonnes in H1 FY2010, and 1,646 in Q2 FY2011 vs. 1,945 in Q2 FY2010.
2. Including captive consumption of 474,000 ounces in H1 FY2011 vs. 710,000 ounces in H1 FY2010, and 277,000 ounces in Q2 FY2011 vs. 326,000 ounces in Q2 FY2010.
3. Iron ore is reported on million wet metric tonnes basis
4. Plants no longer operational

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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, iron ore and commercial energy. Vedanta has operations in India, Zambia and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 30,000 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 visit 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.