



Vedanta Resources plc
16 Berkeley Street
London W1J 8DZ
Tel: +44 (0) 20 7499 5900
Fax: +44 (0) 20 7491 8440
www.vedantaresources.com

28 August 2012

**Vedanta Resources plc
AGM - Chairman's Statement**

Anil Agarwal, Chairman of Vedanta Resources plc, will deliver the following statement at the Annual General Meeting which is being held at 3pm today, 28 August 2012.

Dear Shareholders,

This has been a transformational year for the Vedanta Group, having completed the acquisition of Cairn India and announced the consolidation and simplification of the Group.

Vedanta has delivered strong operational performance. For the year ended 31 March 2012, we reported revenues of US\$14bn, up 23% over the previous year, and EBITDA of US\$4bn, up 13%. We remain committed to maintaining a strong balance sheet and had US\$6.9bn of cash and liquid investments as at 31 March 2012. Vedanta also reported a resilient set of results for the first quarter of FY2013, announcing a strong production ramp up at oil & gas operations in Rajasthan, significant production growth in refined silver and lead at Zinc-India, and a substantial increase in commercial power sales. This robust performance is the result of the hard work and outstanding commitment of our 32,000 employees across the Group. On behalf of the Board, I would like to take this opportunity to thank them for their continued contribution to Vedanta's performance.

It brings me great sadness to report that there were 22 fatalities within the Group this year and I personally convey my sincerest condolences to their families. We have reduced our lost time injury rate by 48% over the last five years, and I am committed to achieving zero-harm. Safety is a top priority for me and the entire Group, and we remain focussed on improving our health and safety processes and eliminating accidents.

Sustainable development remains at the core of Vedanta's activities. The Vedanta values have always reflected my desire for sustainability to be a foundation of our business strategy and I believe that business will succeed when society also thrives. We have aligned our governance and stewardship to international standards and I have set the goal to embed sustainability into all our business decisions and processes. We have signed the UN Global Compact in March 2012.

Our sustainability committee has overseen the development of our Sustainable Development Model and Sustainability Framework, and approved a suite of new policies this year. As a globally diversified natural resources company, we focus on responsible stewardship, building strong relationships, and adding value, and

expect our employees to consistently re-dedicate themselves to these core values and principles. Our community development initiatives benefit 3.1 million people across 1000 villages through our partnerships with 149 NGOs, government bodies, academic institutions and hospitals.

We find ourselves at a particularly exciting time for the Group. We are delighted that the acquired operations of Cairn India are performing well with production at the Rajasthan oil fields ramping up by 40% since acquisition, and we look forward to realising the potential of Cairn India’s assets.

The consolidation and simplification of our Group structure, which has been approved by shareholders, is now awaiting court approvals and remains on track for completion in calendar year 2012. This simplification is in line with our stated strategy and will deliver significant synergies, drive better alignment of cash flows and be earnings accretive for shareholders. We are pleased to be delivering such a significant milestone for the Group.

I am also delighted to welcome Geoffrey Green to our Board. Mr. Green was appointed as an Independent Director in July, and brings with him a wealth of corporate experience of over 30 years, having been a partner at Ashurst LLP, a leading international law firm, since 1983. I look forward to working with Mr. Green as we continue to grow the Group.

In line with our policy to progressively increase our dividend payments to shareholders, the Board had recommended a dividend of 55 US cents per share, 5% above last year.

Though we are operating in challenging market conditions, the Group remains well positioned for growth. The fundamental demand for commodities remains sustained, driven by economic growth and urbanisation in emerging economies, which account for c. 80% of our revenues. We believe the demographic trends within India, our largest market, and strong demand internationally will continue to drive growth. Our significant capital investment programme, which has largely been invested, is delivering near term production growth across the business, while the simplification and consolidation of the Group positions us well to capitalize on future growth opportunities.

Anil Agarwal

Chairman

Vedanta Resources plc

For further information, please contact:

Investors

Ashwin Bajaj
Senior Vice President – Investor Relations
Vedanta Resources plc

ir@vedanta.co.in

Tel: +91 22 6646 1531

Media

Gordon Simpson
Finsbury

Tel: +44 20 7251 3801

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.

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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.