

9 October 2013

## Vedanta Resources plc

### Production Release for the Second Quarter and Half Year Ended 30 September 2013

#### Q2 Highlights

- Record oil & gas production of 213,299 boepd
- Increased production of refined zinc, lead and silver at Zinc India
- Group Structure consolidation and simplification completed

#### Zinc - India

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>ZINC INDIA</b>							
Mined metal content	222	190	16%	238	459	377	22%
<b>Refined Zinc - Total</b>	196	163	21%	174	370	324	14%
Refined Zinc - Integrated	195	153	28%	173	368	310	19%
Refined Zinc - Custom	1	10	(84%)	1	2	14	(83%)
<b>Refined Lead - Total <sup>1</sup></b>	32	27	17%	33	64	58	11%
Refined Lead - Integrated	31	24	29%	29	60	53	13%
Refined Lead - Custom	1	3	(64%)	3	4	5	(13%)
<b>Saleable Silver - Total (in '000 ounces) <sup>2</sup></b>	2,891	2,711	7%	3,090	5,980	5,062	18%
Saleable Silver - Integrated (in '000 ounces)	2,684	2,345	14%	2,475	5,159	4,619	12%
Saleable Silver - Custom (in '000 ounces)	207	366	(44%)	614	821	443	85%

Mined metal production increased by 16% in Q2 and 22% in H1, as compared with the corresponding prior periods respectively, and we expect to deliver approximately 950 kt of mined metal production during the year.

Due to a significant improvement in the operational efficiency of smelters, integrated production of refined zinc, lead and saleable silver increased by 28%, 29% and 14%, respectively, in Q2, as compared with the corresponding prior quarter.

The Kayad and Rampura Agucha underground mine projects are progressing well to deliver commercial production in this fiscal year.

## Zinc International

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>Zinc International</b>	106	114	(6%)	90	196	220	(11%)
Zinc -refined	35	37	(5%)	34	69	73	(5%)
Mined metal content - BMM and Lisheen	71	77	(7%)	56	127	147	(14%)

Total production of refined zinc and mined zinc-lead metal in concentrate (MIC) increased to 106,000 tonnes in Q2 as compared with 90,000 tonnes in Q1, as the operations stabilised after the disruptions at Lisheen and BMM in Q1. In line with earlier guidance, we expect to produce around 390 kt of refined zinc and mined zinc-lead metal in concentrate in FY2014.

## Oil and Gas

Particulars	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>OIL AND GAS (boepd)</b>							
<b>Average Daily Gross Operated Production (boepd)</b>	213,299	207,245	3%	212,442	212,873	207,105	3%
Rajasthan	175,478	171,801	2%	173,517	174,503	169,486	3%
Ravva	29,151	28,614	2%	28,253	28,704	30,591	(6%)
Cambay	8,671	6,830	27%	10,672	9,666	7,028	38%
<b>Average Daily Working Interest Production (boepd)</b>	132,862	129,431	3%	132,087	132,477	128,335	3%
Rajasthan	122,835	120,261	2%	121,462	122,152	118,641	3%
Ravva	6,559	6,438	2%	6,357	6,458	6,883	(6%)
Cambay	3,468	2,732	27%	4,269	3,866	2,811	38%
<b>Total Oil and Gas (million boe)</b>							
Oil & Gas- Gross	19.62	19.07	3%	19.33	38.96	37.90	3%
Oil & Gas-Working Interest	12.22	11.91	3%	12.02	24.24	23.49	3%

In Q2, average gross operated production and working interest production were 213,299 barrels of oil equivalent per day (boepd) and 132,862 boepd, respectively, both 3% higher than the corresponding prior period.

The gross production at the Rajasthan block was 2% higher at 175,478 boepd. Production at Cambay was 27% higher in Q2 due to new infill wells and one workover well that had been put into production in Q1. Production at Ravva was 2% higher in Q2.

Exploration drilling continues in the Rajasthan block with the current program targeting half of the 530 million barrels of gross recoverable risked prospective resource base, including considerable deep gas prospects in this fiscal year.

## Iron Ore

Particulars (in million dry metric tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>IRON ORE<sup>3</sup></b>							
<b>Sales</b>	-	0.2	-	-	-	3.1	-
Goa	-	0.2	-	-	-	3.0	-
Karnataka <sup>4</sup>	-	0.0	-	-	-	0.1	-
<b>Production of Saleable Ore</b>	-	0.4	-	-	-	3.7	-
Goa	-	0.4	-	-	-	3.7	-
Karnataka	-	0.0	-	-	-	0.0	-
Production ('000 tonnes)							
Pig Iron	129	82	57%	110	238	121	97%
Met Coke	88	83	6%	85	173	146	18%

During H1, our iron ore operations in Goa and Karnataka continued to be suspended. Following the lifting of restriction on mining in Karnataka by the Supreme Court, we are now awaiting final statutory clearances to restart mining. We expect to resume mining in Karnataka shortly. Regarding the suspension of mining in Goa, the hearings have commenced at the Supreme Court.

Production of pig iron and metallurgical coke were 57% and 6% higher at 129,000 tonnes and 88,000 tonnes, respectively, as compared with the corresponding prior period due to the new capacities that were commissioned in Q2 FY2013.

## Copper - India and Australia

Particulars (in '000 tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>COPPER- INDIA / AUSTRALIA</b>							
Copper - Mined metal content	6	6	(4%)	6	12	13	(8%)
Copper - Cathodes	82	87	(5%)	16	98	175	(44%)
Tuticorin power sales(million units)	158	-	-	137	295	-	-

Following a temporary closure in Q1, the smelter had restarted in end June and is now operating at full capacity. Copper cathode production was 82,000 tonnes in Q2 and 98,000 tonnes in H1. However, the copper anode production in Q2 was 90,000 tonnes, in line with the rated capacity.

Mined metal production at our Australia mine was 6,000 tonnes in Q2.

## Copper - Zambia

Particulars (in'000 tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>COPPER -ZAMBIA</b>							
Mined metal	34	45	(26%)	36	70	86	(19%)
<b>Copper - Total</b>	50	61	(17%)	43	94	110	(15%)
Integrated	36	47	(22%)	29	65	83	(22%)
Custom	14	14	-	15	29	27	6%

Mined metal production was lower at 34,000 tonnes in Q2 and 70,000 tonnes in H1 mainly due to the suspension of mining operations at COP F&D since January 2013, which was partially offset by higher output from the Tailings Leach Plant (TLP). Integrated production was lower in H1 due to a temporary shutdown of the Nchanga smelter in Q1.

We now expect to deliver integrated production of around 140kt excluding COP F&D in FY2014 due to a slower ramp-up at Konkola, while maintaining a cost of c. US\$230/lb.

## Aluminium

Particulars(in'000 tonnes, or as stated)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>ALUMINIUM</b>							
Alumina-Lanjigarh	116	205	(43%)	0	116	423	(73%)
<b>Total Aluminum Production</b>	200	197	2%	195	395	382	3%
Jharsuguda-I	137	134	2%	134	271	259	5%
Korba-II	63	63	1%	61	124	123	1%

The Lanjigarh alumina refinery recommenced operations in July and produced 116,000 tonnes in Q2. During Q2, the refinery supplied 17% of the alumina consumed by our smelters as compared with 100% import of alumina feed by the smelters in Q1. We expect the refinery to ramp-up to its rated capacity in Q3 FY2014.

In Q2, the Jharsuguda-I and Korba-II smelters continued to operate above their rated capacities. Around 60% of the total production was converted into value added products in Q2, in line with the corresponding prior period.

We expect to tap the first metal at 325 ktpa BALCO-III Aluminium smelter in Q3 FY2014. Having obtained the forest clearance for the BALCO coal block, we expect to commence mining in Q1 FY2015. We continue to evaluate the potential start-up date of the 1.25 mtpa Jharsuguda smelter.

## Power

Particulars (in million units)	Q2			Q1	H1		
	FY2014	FY2013	% change YoY	FY2014	FY2014	FY2013	% change YoY
<b>POWER</b>							
<b>Total Power Sales</b>	1,910	2,695	(29%)	3,177	5,087	5,364	(5%)
Jharsuguda 2,400 MW <sup>5</sup>	1,494	1,940	(23%)	2,604	4,098	3879	6%
BALCO 270 MW	44	346	(87%)	187	231	684	(66%)
MALCO	221	221	-	224	445	431	3%
HZL Wind Power	151	188	(20%)	162	313	370	(15%)

Power sales were lower at 1,910 million units in Q2 and 5,087 million units in H1, primarily due to lower power sales from Jharsuguda 2,400MW power plant which operated in Q2 at a PLF of 31% for all four units as compared with 41% for three units during the corresponding prior period. The lower PLF at Jharsuguda and BALCO 270 MW was largely on account of lower demand.

Work at the Talwandi Sabo power project is progressing well and the first unit is expected to be synchronized in Q3 FY2014.

Note: In accordance with IFRS 8, the Power segment includes BALCO 270 MW power plant which was earlier a part of the Aluminium Segment. This reclassification has been done as the power generated from the 270 MW power facility would largely be sold to third parties.

## Production Summary (Unaudited)

(in '000 tonnes, except as stated)

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1. Includes captive consumption of 3,344 tonnes in H1 FY 2014 vs 3,076 tonnes in H1 FY 2013, and 1,700 tonnes in Q2 FY 2014 vs 1,435 tonnes in Q2 FY 2013
2. Excludes captive consumption of 574,000 ounces in H1 FY 2014 vs 520,000 ounces in H1 FY 2013, and 289,000 ounces in Q2 FY 2014 vs 242,000 ounces in Q2 FY 2013
3. Iron Ore sales include internal consumption of nil tonnes in H1 FY2014 vs 0.18 million tonnes in H1 FY2013 and nil tonnes in Q2 FY2014 vs 0.12 million tonnes in Q2 FY2013.
4. Sales of iron ore from Karnataka were 0.02 million tonnes in H1 FY2014 vs 0.06 million tonnes in H1 FY2013 and nil tonnes in Q2 FY2014 vs 0.01 million tonnes in Q2 FY2013.
5. Includes production under trial run of Nil units in H1 FY2014 vs. 339 million units in H1 FY2013 and Nil units in Q2 FY2014 vs 138 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](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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.