

12 June 2009

Sesa Goa acquires Dempo Group's Goa Mining Assets

Vedanta Resources plc ("Vedanta") announced that its majority-owned subsidiary, Sesa Goa Limited ("Sesa") has signed a definitive Share Purchase Agreement under which Sesa has acquired the Goa mining assets of the Dempo Group. The full text of the press release issued by Sesa is set out below.

Sesa Goa acquires Dempo Group's Goa Mining Assets

- *Sesa Goa acquires Dempo Group's mining assets for Rs. 1,750 crores in an all –cash deal*
- *Assets include mining leases, mining rights, and related infrastructure in Goa*
- *Sesa Goa to get greater synergies by integrating the iron ore business of Dempo Group*
- *Sesa Goa funds deal entirely from internal resources*

Panjim (Goa), India, 11 June 2009: Sesa Goa Limited ("Sesa"), a majority-owned subsidiary of Vedanta Resources plc ("Vedanta"), the London-based FTSE 100 metal and mining group, and Dempo Group announced today that they have signed a definitive Share Purchase Agreement under which Sesa has acquired all the outstanding common shares of V S Dempo & Co. Private Limited ("VSD"), which in turn, also holds 100% equity shares of Dempo Mining Corporation Private Limited and 50% equity shares of Goa Maritime Private Limited for a total consideration of Rs. 1,750 crores (equivalent to US\$368 million), on a debt-free and cash-free basis, and includes net working capital of Rs. 145 crores (equivalent to US\$31 million).

The transaction has been funded by Sesa from its existing cash resources. As on 31 March 2009, Sesa had cash resources of Rs. 4,143 crores (equivalent to US\$872 million).

VSD owns or has the rights to mineable reserves and resources estimated at 70 million tons of iron ore in Goa. VSD's Goa mining assets includes processing plants, barges, jetties, transhippers and loading capacities at Mormugoa port. It produced 3.94 million tons of iron ore and sold 4.36 million tons in the year ended 31 March 2009 ("FY2009"). VSD's un-audited revenue and EBITDA in FY2009 were approximately Rs. 976 crores (equivalent to US\$213 million) and Rs. 417 crores (equivalent to US\$91 million) respectively. VSD is one of the largest exporters of iron ore from Goa.

"We are highly delighted with this opportunity to consolidate our Iron Ore business. The integration of Sesa and VSD's operations will achieve great synergy" said Mr. Anil Agarwal, Chairman, Vedanta.

"We are extremely pleased to have reached this agreement with Sesa which will ensure long term sustenance of VSD's operations" said Mr. Shrinivas V Dempo, Chairman and Managing Director, Dempo Group.

VSD is a logical and strategic fit with Sesa's existing iron ore business and is expected to create significant long term value for all shareholders through:

- Leveraging Vedanta's proven mining and project management skills to develop and optimise VSD's mines and plants;
- Access to attractive mining assets with long life; and
- Synergising with Sesa's existing iron ore operations.

Advisors

Ambit Corporate Finance acted as financial advisors and J Sagar & Associates acted as legal advisors to VSD. Luthra and Luthra acted as legal advisors to Sesa Goa in this transaction.

END OF RELEASE

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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 29,000 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.