

29 July 2008

Vedanta Resources Plc

Unaudited Results for the First Quarter Ended 30 June 2008

Highlights

- EBITDA increases to \$739.0 million compared with \$695.4 million in the corresponding period last year, despite lower zinc prices and rising energy and related costs
- Record first quarter production of 4.6 million tonnes of iron ore, up by 57%
- Strong production volumes of zinc of 128kt, an increase of 38%
- Metal dispatch started from the new Jharsuguda aluminium smelter, ahead of schedule
- Significant improvement in unit costs in Zinc and Copper-India businesses, despite costs under pressure
- Commercial Energy — Awarded the 1,980 MW Talwandi Sabo power project in a competitive bidding process
- Acquired additional 28.9% stake in Konkola Copper Mines, Zambia
- Raised \$1.25 billion via debt offering

Aluminium Business

For the quarter ended 30 June 2008 ("Q1"), aluminium production was 99,000 tonnes, marginally higher than the corresponding period last year. All plants continue to produce at their rated capacities.

The Lanjigarh alumina refinery produced 136,000 tonnes of calcined alumina compared with 124,000 tonnes in the immediately preceding quarter from a single stream operation using third party/BALCO's bauxite.

The recently commissioned Jharsuguda smelter produced 800 tonnes of aluminium during Q1. The first power unit has been synchronized. We will continue to progressively commission the Phase 1 pot line together with the remaining power units.

EBITDA from the Aluminium business was \$114.5 million compared with \$110.2 million in the corresponding period last year. The positive impact of volumes and higher LME prices were offset by higher unit costs, mainly due to rising energy and related costs.

In the recent hearings in the Honourable Supreme Court of India regarding the bauxite mining clearance at Lanjigarh, all arguments have been concluded and we expect the Court to give its final judgment shortly.

Copper - India/Australia Business

During Q1, copper cathode production at our Tuticorin smelter was 68,000 tonnes compared with 81,000 tonnes in the corresponding period last year, due to the 26-day bi-annual plant maintenance shutdown. The smelter is now back to normal production levels.

Mined metal production at our Australian mines was stable at 7,000 tonnes in Q1.

Operating costs in our Tuticorin smelter showed significant improvement despite high energy costs, primarily due to higher by-product realisation and better copper recovery.

EBITDA for the quarter was \$102.4 million compared with \$71.6 million in the corresponding period last year primarily due to better operating efficiencies and by-product management which were offset by lower TcRcs and increase in fuel prices. TcRcs continue to remain under pressure.

Copper - Zambia Business

In Q1, mine output from our Zambian mines was around 21,000 tonnes, marginally higher than the corresponding period last year and significantly higher than the immediately preceding quarter. Improving mine output remains a major focus area for us.

During Q1, KCM produced 36,000 tonnes of copper cathodes which was lower than the production in the corresponding period last year by about 3,000 tonnes. However, production volumes are higher than the immediately preceding quarter by about 2,000 tonnes. The production from the tailings leach plant was restricted to 9,000 MT, which is about 50% of quarterly capacity on account of technical process issues which has now been stabilised.

Operating costs remained under pressure due to higher manpower costs, higher energy prices and lower production.

Q1 EBITDA was \$71.1 million compared with \$106.2 million in the corresponding period last year. The decrease in profitability was primarily due to higher costs and higher royalties.

Zinc Business

Mined zinc metal production in Q1 was marginally up at 138,000 tonnes compared with the corresponding period last year. During Q1, HZL produced 128,000 tonnes of zinc, an increase of 38% compared with the corresponding period last year. The increase in refined zinc production was primarily due to increased production from the new Hydro II smelter at Chanderiya, which was commissioned in December 2007. This new plant has been ramped up very quickly and is now producing to near full capacity levels.

Consequent to the increase in smelting capacities and output, availability of surplus concentrate for sale was limited.

Despite higher energy prices and general inflationary pressures, operating costs reduced significantly due to improvement in volumes, overall operational efficiency by way of reduced specific power consumption, increase in proportion of Indian coal in the blend and higher realization of by-products.

Q1 EBITDA was \$235.7 million compared with \$385.8 million in the corresponding period last year. The decrease in profitability was primarily due to the 42% fall in zinc LME prices from an average of \$3,667 per tonne in corresponding period last year to \$2,115 per tonne in Q1 as well as the removal of 5% import duty on zinc during Q1.

The Chanderiya pyro smelter with an approximate annual output of 90,000 tonnes is expected to undergo a planned maintenance and upgrade shutdown for approximately 45 days in the second quarter of FY 2009. Consequently, production volumes are likely to be lower by 12,000 tonnes.

Iron Ore Business

As a result of an accelerated debottlenecking plan and performance improvement measures, Sesa Goa achieved record production levels at 4.6 million tonnes in Q1 compared with 2.9 million tonnes in the comparable period last year (on a full three month basis). Dispatches were also at record levels of 3.3 million tonnes, significantly higher than 2.2 million tonnes achieved in the corresponding period last year (on a full three month basis).

Global iron ore prices continue to remain strong. Price settlements for annual contracts are currently underway. Final price settlement for the 2008/2009 iron ore year will be settled as per industry practice. This is anticipated to be progressively completed by September 2008. We endeavour to place incremental volumes in the spot market.

Export duty on iron ore is now levied by the Indian Government on an *ad-valorem* basis at 15% of sales price compared with the fixed rate per ton levied earlier. The impact of this change in duty structure was only marginal during Q1 as it came into effect from mid-June 2008. We expect the impact to be significant in the coming quarters. Operating costs are also under pressure as a result of sharp increase in freight expenses.

Q1 EBITDA was \$212.7 million compared with \$27.3 million (post acquisition period) in the corresponding period last year. EBITDA was higher primarily due to higher volumes and better realization from iron-ore sales.

Projects Update

Jharsuguda Aluminium Smelter

Work on the second phase of the green-field 500,000 tpa aluminium smelter and associated captive power plant in Jharsuguda, Orissa, is progressing well. Overall the project is on schedule.

Commercial Energy

Work on the 2400 (4X600) MW coal based independent thermal power plant is progressing on schedule for commissioning from late 2009 as previously announced. Basic engineering is complete and nearly 90% of the detailed engineering is complete. Civil foundations of the boiler units 1, 2 and 3 are complete and structural erection for the same is progressing well.

During Q1, Sterlite Energy Limited has emerged successful in an international bidding process and has been awarded the 1,980 MW thermal power plant at Talwandi Sabo, in the State of Punjab in India. The project is expected to be completed in 56 months.

Copper - Zambia

Work on the Konkola Deep Mine Expansion Project is progressing well. The main shaft has been sunk to a depth of 384 meters and the sinking rate expected to further improve from August 2008 after completion of head gear erection.

The construction activities for Nchanga smelter expansion project is progressing well. With 97% of the overall project complete, pre-heating of flash smelting furnace and electrical furnaces is planned for August 2008 and concentrate feed to furnace after three weeks of pre-heating.

Zinc and Lead

Recently, HZL announced an expansion program comprising a 210 ktpa Zinc Smelter, 100 ktpa Lead Smelter and 160 MW of Captive Power Plants. The order for the Lead Plant and Captive Power Plant has been placed on a lumpsum turnkey basis and major orders for the Zinc Plant have been placed. Initial work has started for the smelters and associated mining and captive power plants.

Production Summary (Unaudited)

(‘000 tonnes, except as stated)

	Q1 ¹			Full Year
	2008-09	2007-08	Change	2007-08
Alumina				
Korba, Mettur	72	72	—	291
Lanjigarh	136	—	—	267
Aluminium	99	97	2.1%	396
Copper India/Australia				
Copper mined metal content	7	6	16.7%	28
Copper – cathode	68	81	(16.0%)	339
Copper – rod	52	51	2.0%	225
Copper – Zambia				
Copper mined metal content	21	20	5.0%	76
Copper – cathode	36	39	(7.7%)	150
Zinc				
Zinc mined metal content	138	134	3.0%	551
Zinc – refined	128	93	37.6%	426
Iron Ore ²				
Saleable Ore ³	4,565	1,934	—	11,469
Pig Iron	50	43	—	248

1. Q1 – First quarter ended 30 June 2008 and 2007, respectively
2. Represents production in the post acquisition period to 30 June 2007 in the corresponding period last year in 2007-08, and are not directly comparable with the current period, therefore change is left blank
3. Iron ore is reported on wet tonnes basis

Financial Summary (Unaudited)

(in \$ million, except as stated)

	Q1 ¹			Full Year
	2008-09	2007-08	Change	2007-08
Revenue				
Aluminium	311.8	281.8	10.6%	1,140.2
Copper				
India/ Australia	710.4	748.1	(5.0%)	3,118.8
Zambia	298.9	274.7	8.8%	1,103.1
Zinc	388.1	476.3	(18.5%)	1,941.4
Iron Ore ⁴	306.3	68.3	—	888.9
Others	4.6	1.1	327.3%	11.3
Total	2,020.1	1,850.3	9.2%	8,203.7
EBITDA				
Aluminium	114.5	110.2	3.9%	380.7
Copper				
India/ Australia	102.4	71.6	43.0%	327.2
Zambia	71.1	106.2	(33.1%)	340.1
Zinc	235.7	385.8	(38.9%)	1,380.1
Iron Ore ⁴	212.7	27.3	—	585.6
Others	2.6	(5.7)	(147.3%)	(3.3)
Total	739.0	695.4	6.3%	3,010.4

4. Represents Revenue and EBITDA in post acquisition period to 30 June 2007 in corresponding period last year in 2007-08, and are not directly comparable with the current period, therefore change is left blank

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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.