



Vedanta Group Acquisition of Controlling Stake in Cairn India

16 August 2010

Cautionary Statement and Disclaimer

This presentation may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness, reasonableness or reliability of any information contained in this presentation, to the maximum extent permitted by law. By reviewing this presentation you accept and agree to these terms. If you do not wish to be bound by the terms you must not review or read any further part of this presentation.

Any forward looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as any recommendation or forecast by Vedanta Resources plc ("Vedanta") to undertake any action or fail to take any action. Past performance of Vedanta should not be relied upon as a guide to future performance.

This presentation contains 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, uncertainties arise from the behavior 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 an environmental, climatic, natural, 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. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. None of Vedanta, any member of the Vedanta Group, or any of their respective officers, directors, employees, advisers or agents assumes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except as required pursuant to applicable law.

This presentation is not intended, and does not, constitute or form part of any offer, invitation, inducement or solicitation of an offer to purchase, engage in investment activities relating to, or otherwise acquire, subscribe for, sell or dispose of, any securities in Vedanta or any of its subsidiary undertakings or any other person, nor shall this presentation (or any part of it) or the fact of its distribution form the basis of, or be relied upon in connection with, any contract or investment decision relating to any securities in Vedanta or any of its subsidiary undertakings. You must make any such decision entirely on your own determination and at your own risk and none of Vedanta, any member of the Vedanta Group, or any of their respective officers, directors, employees, advisers or agents assumes any duty of care to you, or assumes any risk whatsoever in such regard.

The release, publication and distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This presentation is only being made to those persons that Vedanta reasonably believes to be exempt from any limitation pursuant to s.22 of the Financial Services and Markets Act 2000.

Key Transaction Terms

- Acquiring 51% to 60% of Cairn India for a total consideration of \$8.5bn to \$9.6bn¹
 - Vedanta to acquire a 31% to 40% interest
 - Sesa Goa to acquire a 20% interest
- Implied equity value of Cairn India of \$16.6bn
 - Premium of 21.8% to the undisturbed share price of INR332.60²
- Subject to shareholder and regulatory approvals
- Immediately EPS accretive for shareholders
- Funded through debt and cash resources
- Expected to close by Q1 2011

¹ Assuming exchange rate of INR46.765 per US\$ as of August 13, 2010 and total shares outstanding of 1,919.9mm and based on an offer tender price of INR355 per share and a non-compete fee of INR50 per share

² Premium is calculated using offer price including non-compete fee of INR50 over closing price as of August 11, 2010, the last trading day prior to rumours regarding a potential transaction with Vedanta

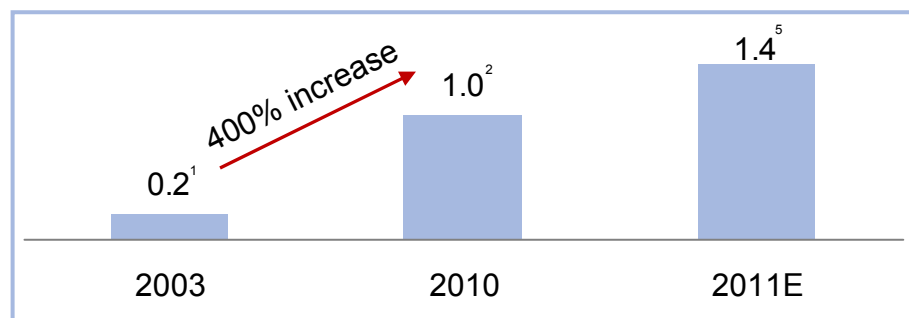
Unique Opportunity to Create Value

- A unique investment to create an Indian natural resources champion
- Leverages Vedanta's core skills
 - Complementary development and operating philosophy
 - Focus on delivery and cost
 - Unique position in Rajasthan
- Cairn India is a world class asset
 - Large, diverse resource base (>6.5bn boe) with substantial upside
 - Potential to produce 240,000+ bopd: approximately 25% of India's production
 - Low cost producer with strong cash flow generation
- Enhances and diversifies Vedanta's strong growth pipeline
- Immediately earnings accretive

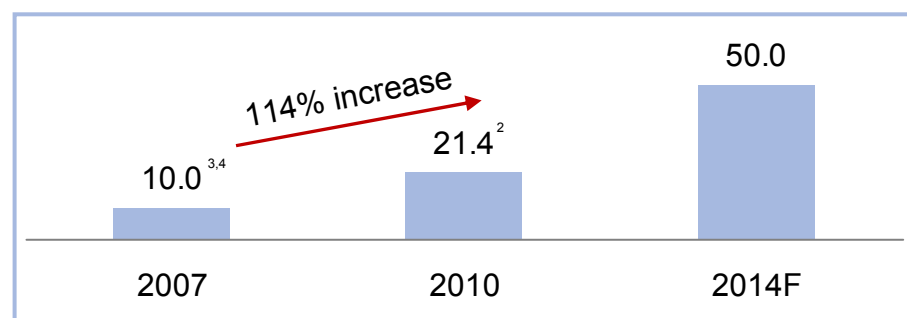
Track Record of Value Creation



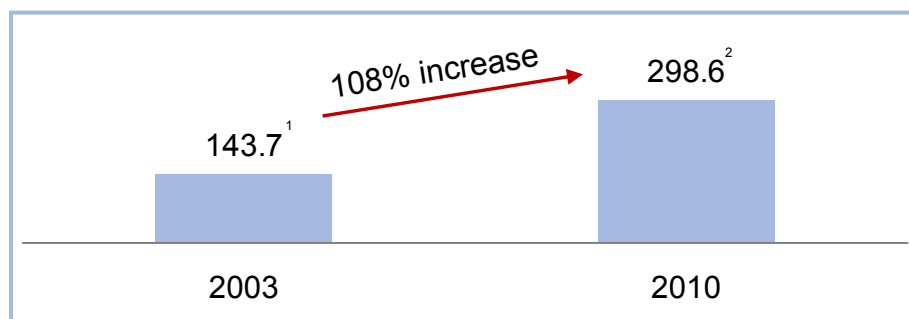
Capacity (mmtpa)



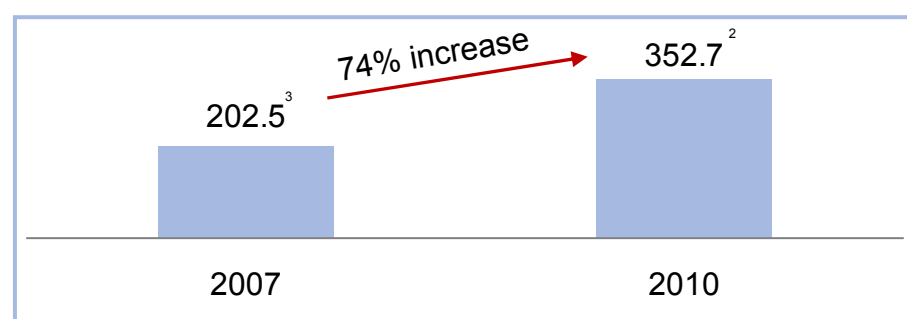
Production (mmtpa)



Reserves and resources (mmt)



Reserves and resources (mmt)



¹ Vedanta IPO prospectus

² Vedanta Annual Report 2010

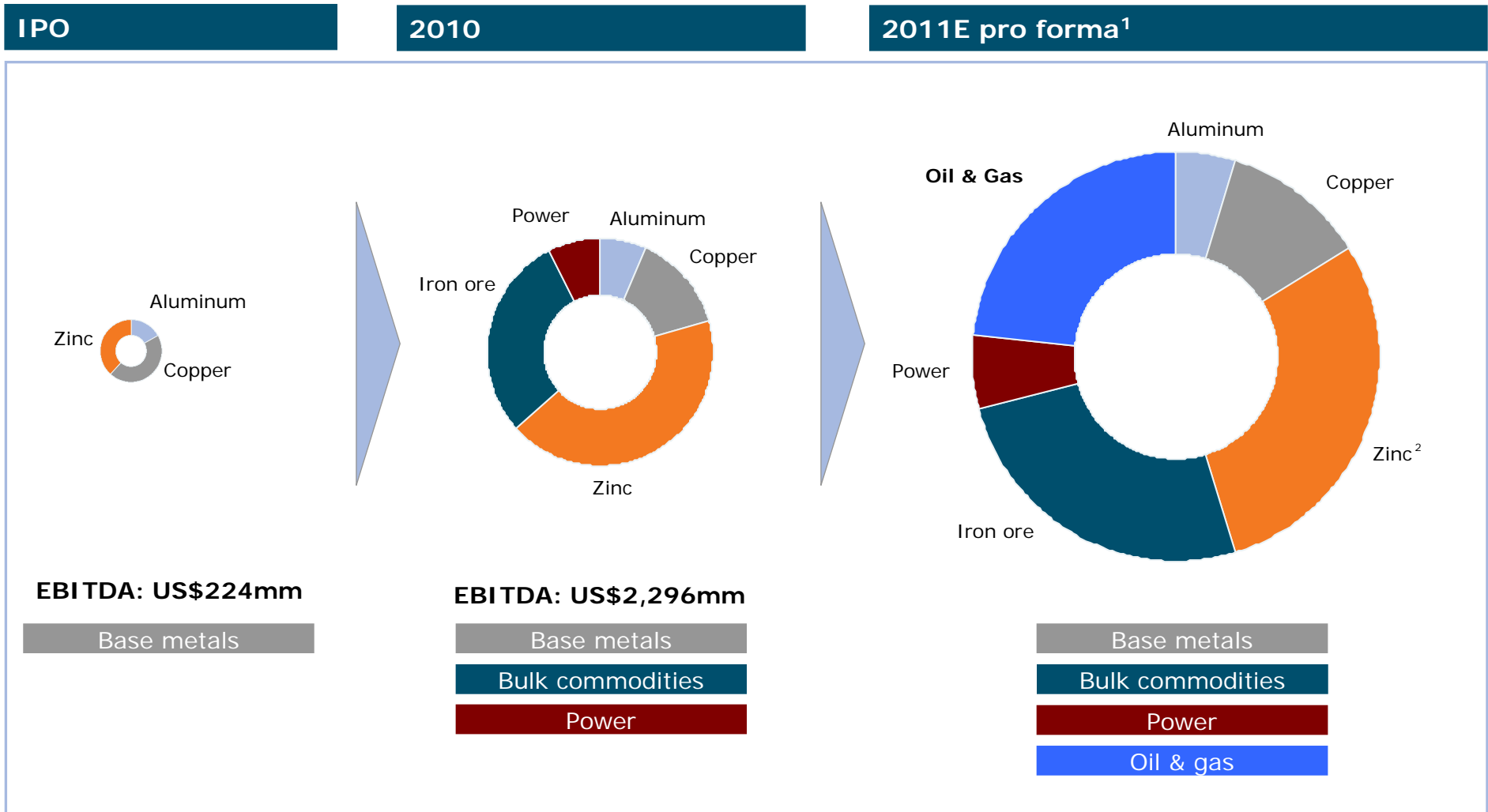
³ Vedanta Annual Report 2008

⁴ Represents production from May 2007 to Mar 2008 (11 months)

⁵ Includes 0.3mmtpa for Anglo Zinc

Acquisitions + efficiencies + exploration + expansion = value creation

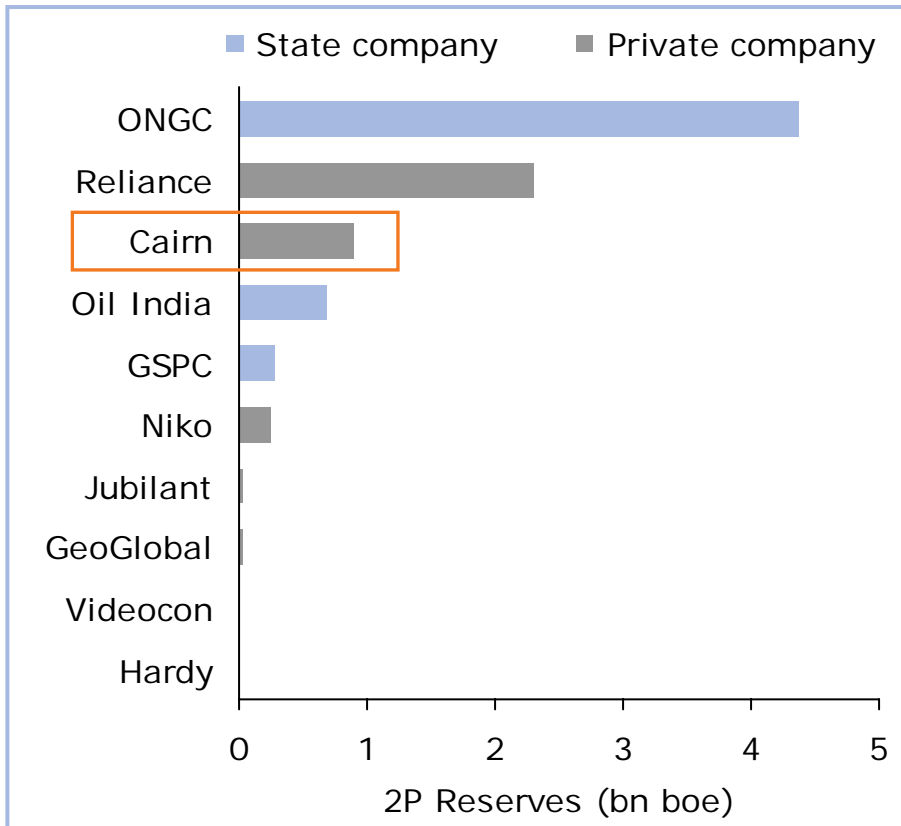
Leveraging Core Skills to Create Value



¹ Approximate split based on analyst consensus
² Excludes contribution from Anglo Zinc

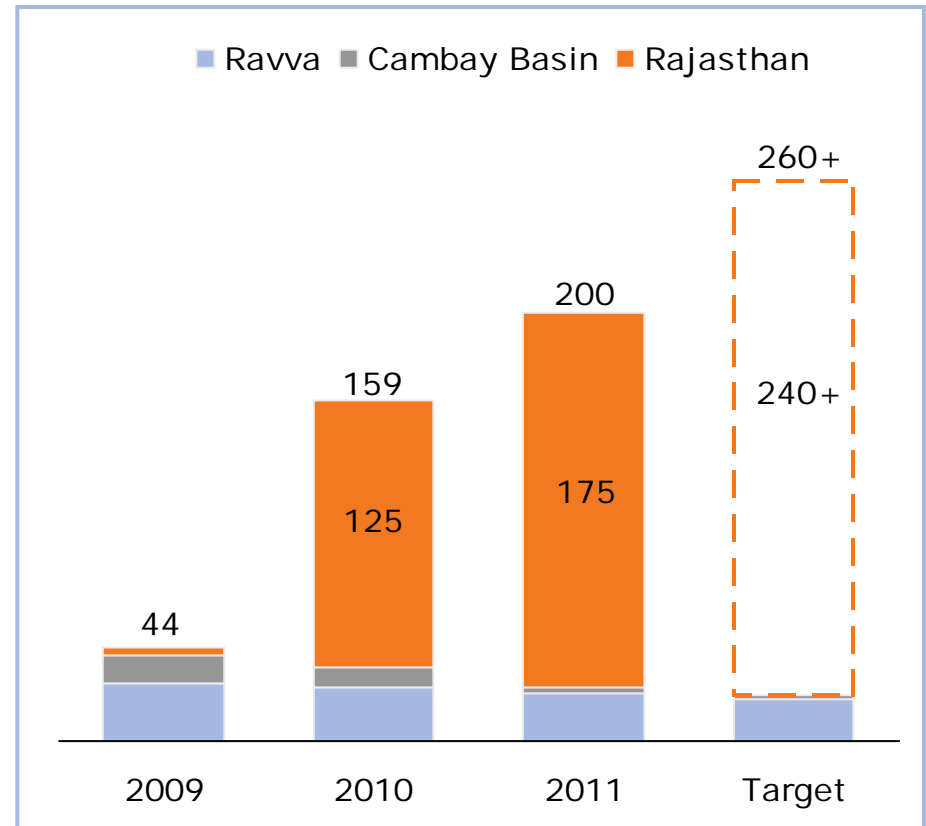
Cairn India: Scale and Growth

Top 10 Players (2P Indian Reserves, bn boe)



Source: Wood Mackenzie
Note: Cairn comprises 2P & 2C

Cairn India Production Profile ('000 boepd, Gross)



Source: Wood Mackenzie, Company data

An Indian oil major

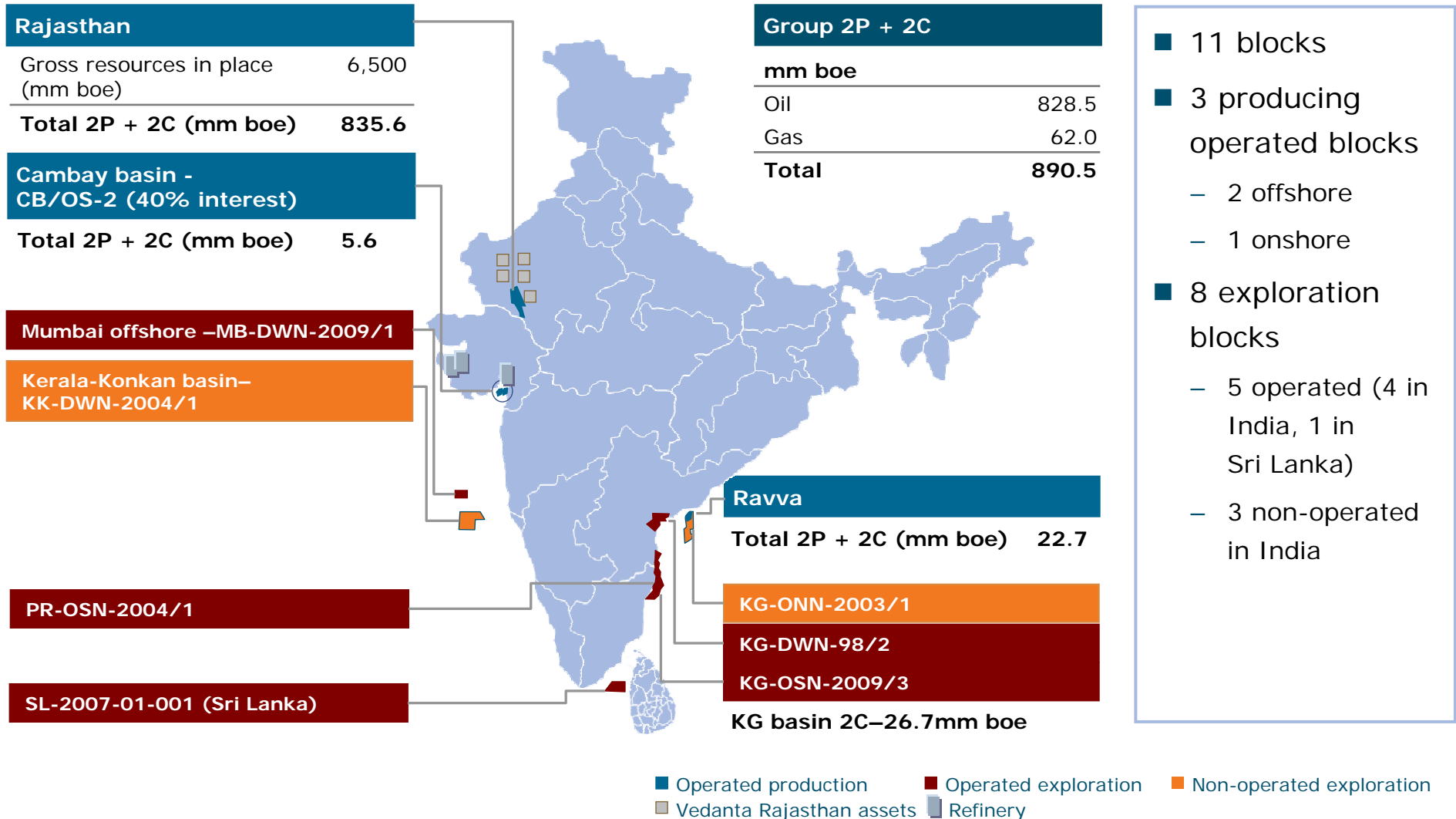
Cairn India Highlights

- Large resource base with significant growth potential
 - 2P reserves and 2C resources of 890mm boe¹
 - Estimated gross initial in place volumes of 6.5bn boe²
 - Significant near-term upside: potential for 300mm boe 2P reserves via EOR; 20 additional discoveries and over 35 prospects
- Key producing asset substantially de-risked
 - 125,000 bopd production in H2 2010, plan to reach at least 240,000 bopd
- Low cost producing assets
 - Low cost F&D platform (\$5/bbl), low opex (\$5/bbl)
- Deep skill sets in oil & gas
- High quality management team
- Unique position in Rajasthan
- Excellent HSE track record

¹ Group

² Rajasthan only

Cairn India's Asset Base



Note: All reserves and resources are Cairn India working interest

The Platform for Broader Growth

- Doubling production in Rajasthan in the short term
- Rajasthan provides a cash flow engine to drive future growth
 - Commitment to reinvestment
 - Establish a portfolio of material and sustainable core areas
- Portfolio of exploration opportunities
 - India is under-explored
 - 35+ prospects identified in Cairn's existing acreage
- Full cycle E&P skill set
- Vedanta investment positions Cairn India for greater growth

Transaction Details

- Vedanta Group to acquire between 51% - 60% of Cairn India via the following steps
 - Vedanta Resources Plc to acquire 51% from Cairn Energy
 - Sesa Goa to tender for 20% via an open offer
 - Vedanta's purchase to be reduced by the shares acquired under the tender offer to a minimum of 40%
 - If Sesa Goa's open offer is not fully taken up, it will purchase shares from Vedanta Plc to reach 20%
- Result: Vedanta Resources Plc holding 31 – 40% and Sesa Goa holding 20%
- Put and call options written to enable either Vedanta or Cairn Energy to ensure a minimum of 50% of Cairn India is acquired from Cairn Energy

Transaction Financing

- Transaction consideration of US\$8.5bn to US\$9.6bn
- Payable on completion (expected by Q1 2011)

Funding

- Vedanta Resources: bank debt facilities of up to US\$6.5bn, ≥ 2 year tenure
- Sesa Goa: c. US\$3bn, primarily from cash resources

Funding Summary and Credit Metrics

US\$mm	Net Debt	EBITDA	Net Debt/ EBITDA	Net gearing
Vedanta FY 2010	947	2,296	0.4x	8%
Pro forma FY 2010 ¹	11,030	2,459	4.5x	37%
Pro forma FY 2011E ^{1, 2}	-	-	<2x	<25%
Pro forma FY 2012E ^{1, 2}	-	-	<1x	<20%

- Combination of strong balance sheets and cash flows supports credit
- Significant headroom within debt covenants
- Financial flexibility retained
- Existing capex programme remains unaffected

¹ Pro forma for Vedanta Group and Cairn India

² Company estimates

Summary: Unique Opportunity to Create Value

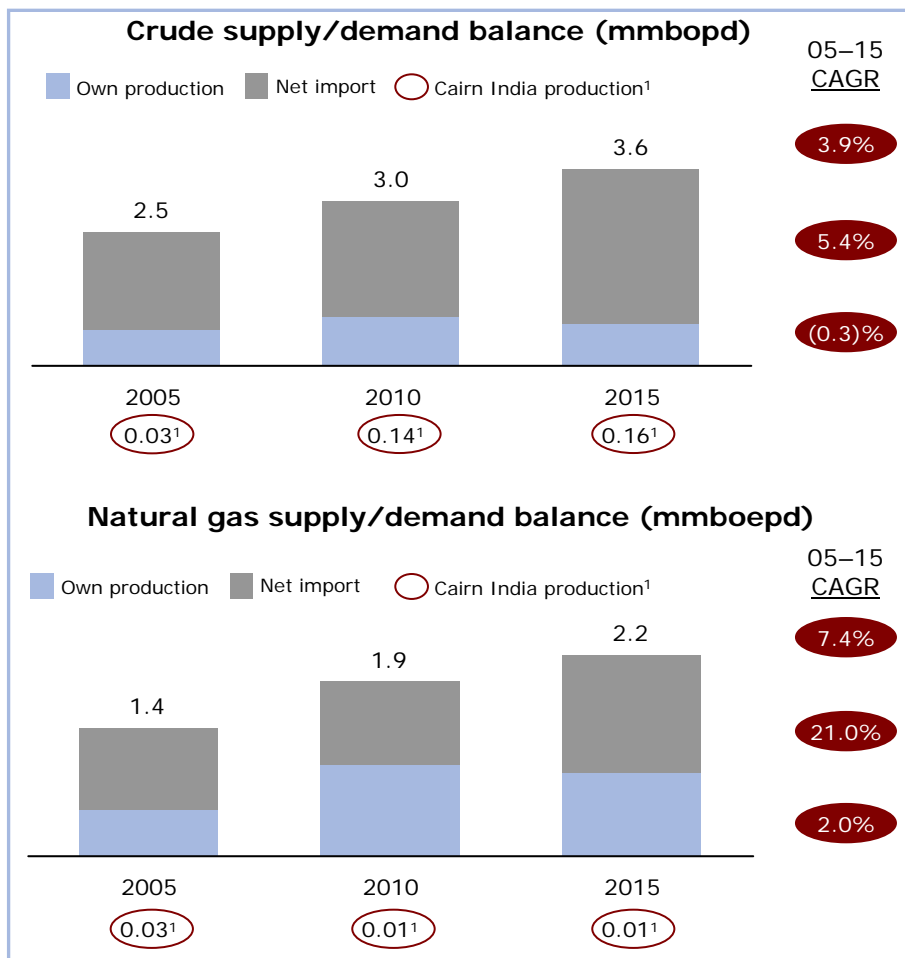


- Creating an Indian natural resources champion: comprehensive footprint across India's resources sector
- World class asset and management team
- Leverages Vedanta's core skills
- Common operating philosophy: focus on delivery and costs
- Enhances and diversifies Vedanta's strong growth profile
- Financial flexibility retained and no impact on existing expansion programmes
- Immediately EPS accretive for shareholders

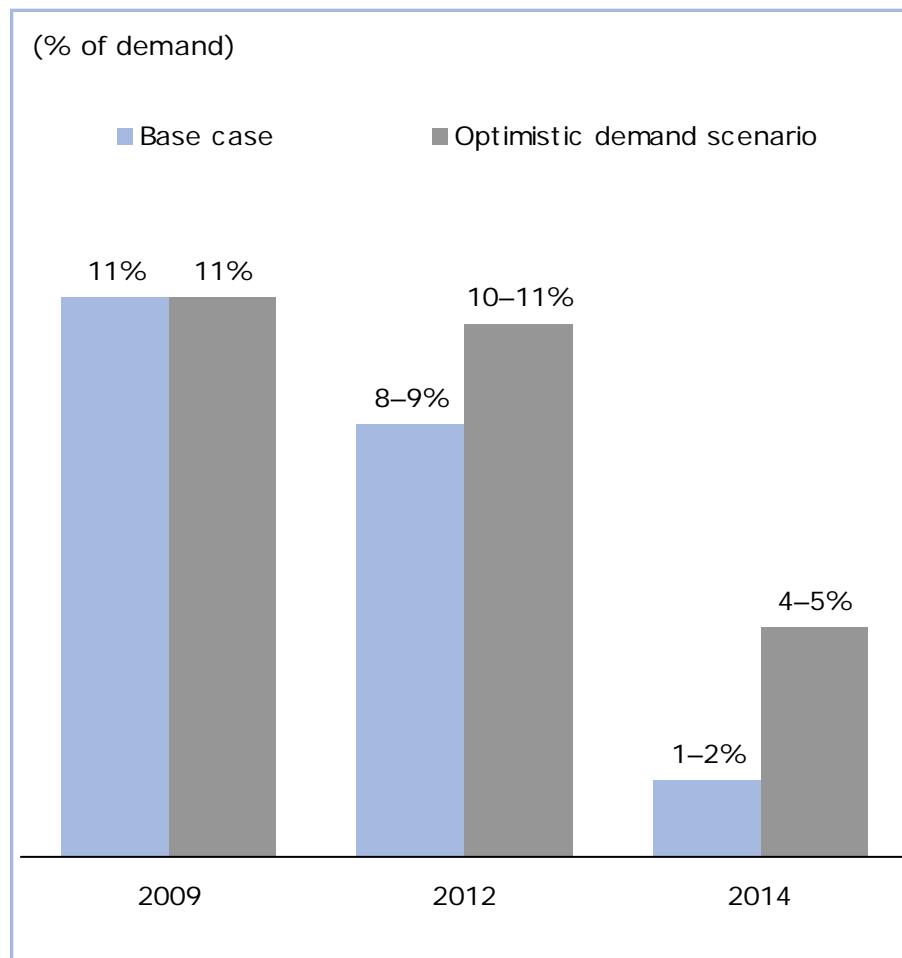
Appendix

India Energy Sector

Oil & gas supply demand mismatch



Projected electricity supply deficit



Source: Wood Mackenzie; FACTS; Energyfiles; McKinsey analysis

¹ Gross numbers; Forecasts based on Degolyer and MacNaughton estimates

Source: EPS, A.T. Kearney analysis

Attractive Strategic Investment for Sesa Goa

- World class asset with significant growth potential
- Participation in a controlling interest by Vedanta Group
- Will benefit from the value created as part of the Vedanta group
- Superior investment returns on surplus cash
- Immediate EPS enhancement
- Expansion programme to 50mmtpa unaffected by this transaction

Unique opportunity to partner with Vedanta in a world class oil asset

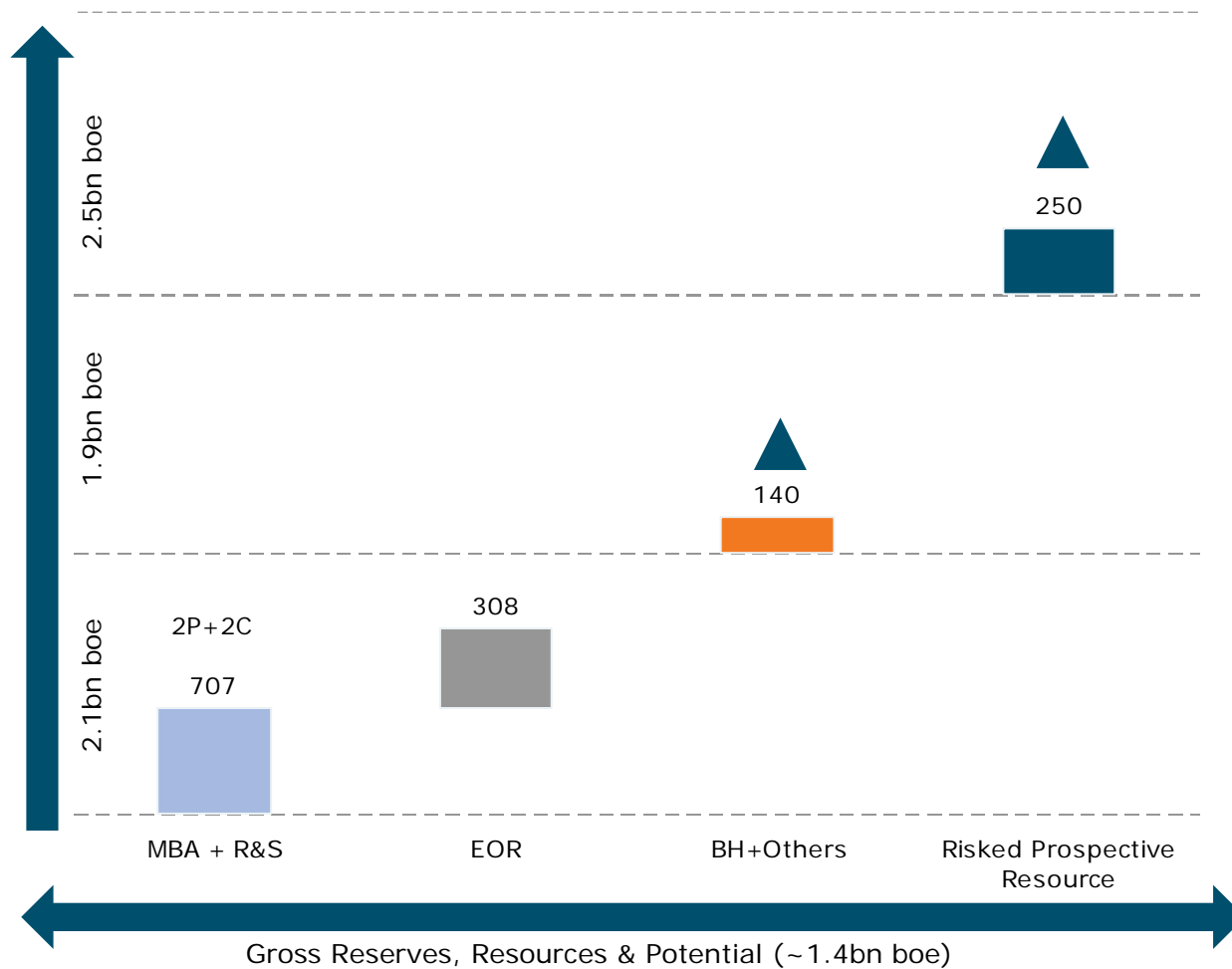
Cairn India Core Assets

Asset	2P + 2C (mm boe)	% stake	Partners	Operator	Onshore/ Offshore	Production (‘000 boepd)¹
Rajasthan	836	70.0%	ONGC (30%)	Cairn	Onshore	>70.0
Ravva	23	22.5%	ONGC (40%), Videocon (25%), Ravva Oil (12.5%)	Cairn	Offshore	8.3
Gauri, Lakshmi (Cambay)	6	40.0%	ONGC (50%), Tata Petrodyne (10%)	Cairn	Offshore	5.4
KG-DWN- 98/2	27	10.0%	ONGC (90%)	ONGC	Offshore	N/A

Source: Cairn India

¹ Actual FY2010 attributable production except for Rajasthan which is based on Cairn India investor presentation as at August 2010 (processing > 100,000 bopd)

Rajasthan Reserve and Resource Potential



Rajasthan

- Gross Initial in Place Volumes (~6.5bn boe)
- Potential for an additional 7bn boe based on global analogues
- 7 major untested plays identified
- Potential for unconventional (shale gas)

Source: Cairn India

Cairn India Exploration Portfolio Outside Rajasthan

East India basins	KG-ONN-2003/1 (Cairn India-49%; operator)	<ul style="list-style-type: none"> Five well exploration programme commenced in Q1 2010
	KG-DWN-98/2 (Cairn India-10%; operator-ONGC)	<ul style="list-style-type: none"> Northern area in appraisal phase Second and third appraisal wells drilling
	KG-OSN-2009/3	<ul style="list-style-type: none"> Block awarded in NELP VIII licensing round
	PR-OSN-2004/1 (Cairn India-35%; operator)	<ul style="list-style-type: none"> 811km² 3D seismic completed in Q1 2010 3 wells to be drilled in 2011
West India basins	KK-DWN-2004/1 (Cairn India-40%; operator-ONGC)	<ul style="list-style-type: none"> 300km² 3D seismic planned for 2010
	MB-DWN-2009/1	<ul style="list-style-type: none"> Block awarded in NELP VIII licensing round
Sri Lanka	SL-2007-01-001 (Sri Lanka) (Cairn India 100%; operator)	<ul style="list-style-type: none"> 1,750km² 3D seismic completed 3 leads confirmed in 2 plays, drilling planned in Q2 2011

Source: Cairn India

Cairn India Today



	FY2010	1Q 2011
Production (boepd)	24,957	44,812
Realised price (\$/bbl)	60.90	67.10
EBITDA (\$mm)	163	135
Net profit (\$mm)	222	62
Capex ¹ (\$mm)	934	177
Planned capex 2010–2011 (\$mm)		1,400
LTI Frequency Rate ²	0.26	N/A

¹ Rajasthan development capex only

² Data is for CY2009, source: Cairn Energy

Corporate Social Responsibility

- Vedanta and Cairn India share a similar vision on sustainability
- Both the companies have rigorous and extensive focus on
 - Health
 - Environment
 - Communities
 - Safety

Vedanta

- Midday meal scheme serves 180,000 students daily
- Extensive computer education programme in government schools
- Currently operates/supports anganwadis (child care centres)
- 72% reduction in LTIFR over last 5 years

Cairn India

- Special literacy initiatives, teacher training and theatre in school
- Comprehensive child and maternal health programmes
- Mobile health vans covering 64 villages
- Rigorous focus on safety reflected in achieving LTIFR below industry average

Glossary

- 2P - Proven plus Probable reserves
- 2C - Contingent resources
- 2D/3D - Two Dimensional/Three Dimensional
- boe - Barrel(s) of Oil Equivalent
- boepd - Barrels of Oil Equivalent per Day
- bopd - Barrels of Oil per Day
- E&P - Exploration & Production
- EOR - Enhanced Oil Recovery
- F&D - Finding & Development
- FDP - Field Development Plan
- mmmboe - Million Barrels of Oil Equivalent
- mmt - Million Metric Tonne
- PSC - Production Sharing Contract
- tpa - Tonnes per Annum