

31 July 2009

Vedanta Resources Plc

Production Release for the First Quarter Ended 30 June 2009

Highlights of the Quarter

- Higher production in all businesses
- First phase of 500,000 tpa Jharsuguda aluminium smelter fully commissioned
- Revenue and EBITDA of \$1,358.2 million and \$354.7 million
- Acquired Dempo Group's iron ore mining assets in Goa for \$368 million
- Successfully raised \$1.25 billion through a convertible bond issue

Aluminium Business

Aluminium production in the quarter ended 30 June 2009 ("Q1") was 125,000 tonnes, a significant increase over the corresponding prior quarter primarily due to the ramp up and phased commissioning of the first phase of the 500 ktpa Jharsuguda aluminium smelter, supported by five units of the captive power plant ("CPP"). We are in the process of starting the phased commissioning of the second phase of 250 ktpa for completion by end FY2010. During Q1, we completely ramped down our BALCO Plant I aluminium smelter.

The Lanjigarh alumina refinery produced 188,000 tonnes of calcined alumina compared with 136,000 tonnes in the corresponding prior quarter, using bauxite from both third party purchases and BALCO. We expect to commence the progressive feeding of the Lanjigarh alumina refinery with Niyamgiri bauxite by mid FY2010.

EBITDA from the Aluminium business was \$25.0 million compared with \$114.5 million in the corresponding prior quarter. The positive impact of lower operating costs was more than offset by lower LME aluminium prices, which averaged \$1,488 per tonne in Q1, down 49% compared with the corresponding prior quarter and the complete ramp down of the BALCO Plant I aluminium smelter. This was partly compensated by the sale of surplus power, which has now been classified under a new business segment "Power".

Construction of the new 1.25 mtpa Jharsuguda II aluminium smelter project is progressing well with more than 50% of civil works completed. All major packages have been ordered and construction and lining of pots has now started. Overall, the project is on schedule for phased commissioning from March 2010.

Construction of the new 325 ktpa aluminium smelter and 1,200MW CPP at BALCO are progressing well. All major packages have been ordered with shipments of equipment starting to arrive on site. The project is on schedule for first metal tapping from October 2010.

Construction activity is in full swing on the new 3mtpa Lanjigarh alumina refinery expansion project and is on schedule for completion by mid 2011, as planned. Work on the 600 ktpa debottlenecking project at our Lanjigarh alumina refinery is also progressing on schedule for completion by March 2010.

Copper - India/Australia Business

During Q1, copper cathode production at our Tuticorin smelter was 78,000 tonnes compared with 68,000 tonnes in the corresponding prior quarter. Cathode production was lower than its rated capacity, primarily on account of low copper in concentrate.

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

EBITDA for the quarter was \$25.8 million compared with \$102.4 million in the corresponding prior quarter primarily due to the sharp fall in acid realisations.

Copper - Zambia Business

During Q1, KCM produced 43,000 tonnes of copper cathodes (including 23,000 tonnes from the new Nchanga smelter), significantly higher than the production of 36,000 tonnes in the corresponding prior quarter. Production benefited from the ramp up of the new Nchanga smelter and a 55% increase in production from the tailings leach plant to 14,000 tonnes.

In Q1, mine output from our Zambian mines was around 19,000 tonnes, 9.5% lower than the corresponding prior quarter primarily on account of grid failures and lower equipment availability at Konkola.

The new Nchanga smelter is experiencing some teething problems. The operating team is working in consultation with the technology provider to attain full production, post a planned shutdown scheduled in September 2009.

EBITDA in Q1 was \$31.8 million compared with \$71.1 million in the corresponding prior quarter. The decrease in profitability was primarily due to the sharp decline in LME copper prices averaging \$4,676 per tonne in Q1, down 45% compared with the corresponding prior quarter, which more than offset the benefits of lower operating costs compared with the corresponding prior quarter.

The new production and service shaft has crossed a depth of 1,000 metres compared with the depth of 1150 metres required to create the mid shaft loading arrangement. We expect mid-shaft commissioning by end FY2010.

Zinc Business

Mined metal production in Q1 was 183,000 tonnes, significantly higher when compared with the corresponding prior quarter due to the commissioning of the new concentrator at Rampura Agucha. During Q1, HZL produced 139,000 tonnes of zinc, an increase of 8.6% compared with the corresponding quarter in FY2009. Sales in the quarter were also augmented by sales of 74,000 dry metric tonnes of surplus zinc concentrate.

EBITDA in Q1 was \$156.0 million compared with \$235.7 million in the corresponding prior quarter. The decrease in profitability was primarily due to the fall in LME zinc prices, which averaged \$1,476 per tonne in Q1, down 30% compared with the corresponding prior quarter, and lower acid realisations.

Construction activities at the 210 ktpa zinc smelter and 100 ktpa lead smelter at Rajpura Dariba are progressing well with construction in full swing. We have started equipment erection at the Zinc smelter. The project is on schedule for completion by mid 2010. Work at the mining projects at Rampura Agucha, Sindesar Khurd and Kayar are also on schedule, ordering of the long delivery equipment for the concentrator is complete and site work has commenced. The project is on schedule for progressive commissioning from mid 2010.

Iron Ore Business

At Sesa Goa, production of iron ore in Q1 was at 4.9 million tonnes, higher when compared with 4.6 million tonnes in the corresponding prior quarter. Dispatches were also at record levels of 4.7 million tonnes, significantly higher than the 3.3 million tonnes achieved in the corresponding prior quarter.

Q1 EBITDA was \$83.6 million compared with \$212.7 million in the corresponding prior quarter. Despite higher volumes, EBITDA was lower primarily due to lower realisation from iron ore sales, in line with current market conditions.

On 11 June 2009, Sesa Goa signed a definitive Share Purchase Agreement under which Sesa has acquired all the outstanding common shares of V S Dempo & Co. Private Limited ("Dempo"), 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 \$368 million, on a debt-free and cash-free basis and including net working capital of \$31 million. The operating and financial results of Dempo have been consolidated effective 11 June 2009, which was the date of acquisition.

Dempo owns or has the rights to mineable reserves and resources estimated at 70 million tonnes of iron ore in Goa. Dempo's Goa mining assets includes processing plants, barges, jetties, transshippers and loading capacities at Mormugoa port. It produced 3.94 million tons of iron ore and sold 4.36 million tons in FY2009.

Power Business

We have been selling surplus power in commercial power markets to optimise our returns following the closure of our aluminium smelters at MALCO and BALCO Plant I. In order to present a more accurate picture of our segment performance, a new reporting segment has been created to disclose the revenue and profitability of our third party power sales. Currently, the Power business comprises 123MW of wind power generation, a 100MW power plant at MALCO and the 270MW power plant at Balco Plant I.

We sold 470 million units of power in Q1 compared with 74 million units in the corresponding prior quarter.

EBITDA in Q1 from the power business was \$32.9 million compared with \$5.6 million in the corresponding prior quarter.

Work on the 2,400MW (4x600MW) coal based independent thermal power plant at Jharsuguda is progressing well and overall the project is on schedule for progressive commissioning from late 2009 as expected.

Production Summary (Unaudited)

(‘000 tonnes, except as stated)

	Q1			Full Year 2008-09
	2009-10	2008-09	Change	
Alumina				
Lanjigarh	188	136	38.2%	586
Korba, Mettur	29	72	(59.7%)	241
Aluminium	125	99	26.2%	462
Copper India/Australia				
Copper mined metal content	7	7	-	27
Copper - cathode	78	68	14.7%	313
Copper - Zambia				
Copper mined metal content	19	21	(9.5%)	81
Copper - cathode	43	36	19.4%	133
Zinc				
Zinc mined metal content	162	138	17.4%	651
Zinc - refined	139	128	8.6%	552
Lead				
Refined Metal	15	17	(11.8%)	60
Iron Ore				
Saleable Ore ²	4,943	4,565	8.3%	15,986
Power				
Power sold (Million Units)	470	74	535.1%	375

1. Q1 - First quarter ended 30 June 2009 and 2008, respectively
2. Iron ore is reported on wet tonnes basis

Financial Summary (Unaudited)

EBITDA in Q1 was adversely impacted by ~\$525 million on account of lower commodity prices, fully offsetting the gain of ~\$175 million during the period on account of higher volumes and lower costs of production.

(in \$ million, except as stated)

	Q1			Full Year 2008-09
	2009-10	2008-09	Change	
Revenue				
Aluminium	130.9	311.8	(58.0%)	941.5
Copper				
India/Australia	472.1	710.4	(33.5%)	2541.1
Zambia	193.4	298.9	(35.3%)	773.1
Zinc	302.7	388.1	(22.0%)	1,209.1
Iron Ore	205.1	306.3	(33.0%)	1,070.4
Power*	54.8	5.7	861.4%	51.3
Elimination	(0.8)	(1.1)	-	(7.6)
Total	1,358.2	2,020.1	(32.8%)	6,578.9
EBITDA				
Aluminium	25.0	114.5	(78.2%)	196.1
Copper				
India/Australia	25.8	102.4	(74.8%)	293.7
Zambia	31.8	71.1	(55.3%)	(70.8)
Zinc	156.0	235.7	(33.8%)	605.4
Iron Ore	83.6	212.7	(60.7%)	557.1
Power*	32.9	5.6	487.5%	32.5
Others	(0.4)	(3.0)	-	(1.8)
Total	354.7	739.0	(52.0%)	1,612.2

* Previous year numbers have been re-grouped where-ever necessary to present Power as a separate segment.

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