

10 October 2007

**Vedanta Resources plc**  
**Production Report for the Second Quarter and**  
**Six Months Ended 30 September 2007**

## **Highlights**

- Highest ever quarterly production volumes across Aluminium, Copper India and Zinc mining operations
- Shipment of calcined alumina from Lanjigarh commenced in the first week of August 2007
- Chanderiya zinc smelter expansion ahead of schedule by three months
- All other expansion projects progressing on schedule

## **Performance Summary**

Production volumes for aluminium, zinc and copper during the six months ended 30 September 2007 ("H1") were significantly higher compared with the corresponding prior period. The increase in production was primarily due to the full production from the new Korba smelter, the ramp up of the Tuticorin smelter, stabilisation of the Chanderiya smelter and the positive impact of the various initiatives taken at the Konkola operations.

The first stream of the Lanjigarh alumina refinery was commissioned and produced 28,000 tonnes of calcined alumina during the quarter ended 30 September 2007 ("Q2"). The second stream of the refinery is currently in the pre-commissioning phase.

The 170,000 tpa zinc hydro smelter expansion at Chanderiya is ahead of schedule by three months and is now expected to be commissioned by December 2007. The other expansion projects are all progressing well and are on track for completion on schedule.

## **Aluminium**

Aluminium production in Q2 was 99,000 tonnes, an increase of 25% compared with the corresponding prior quarter, and higher than the rated production capacity. Operating performance at both the Korba smelters has continued to improve as a result of ongoing initiatives.

The first stream of the 1.0-1.4 mtpa alumina refinery at Lanjigarh was successfully commissioned with production of 28,000 tonnes of calcined alumina during Q2. The refinery started dispatching alumina to BALCO in early August 2007. The second stream of the refinery is on course for commissioning by December 2007. Both streams I and II of the Lanjigarh alumina refinery are expected to be fully stabilised by the end of FY 2008.

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With regard to the environmental clearances for developing the Lanjigarh bauxite mines, the Ministry of Environment and Forests has given a positive recommendation to the Honourable Supreme Court of India. We are hopeful of a positive resolution of this matter soon.

Work on the first phase of the 500,000 tpa aluminium smelter and associated captive power plant at Jharsuguda, Orissa is progressing well. Construction activity at the site is in full swing. Equipment deliveries are progressing as per schedule and the plant erection work has commenced. Phase 1 of this project comprising a 250,000 tpa smelter and the associated captive power plant are on track for commissioning by mid-CY2009.

### **Copper - India and Australia**

The Tuticorin smelter had its highest ever quarterly production of copper cathode of 91,000 tonnes, an increase of 14% over the corresponding prior quarter. Mined metal production at our Australian mines was consistent, with an output of 8,000 tonnes in Q2.

### **Copper - Zambia**

KCM produced 40,000 tonnes of copper cathode in Q2, an increase of 29% over the corresponding prior quarter. The production from the tailing leach plant was substantially higher at 18,000 tonnes during Q2, an increase of 80% compared with 10,000 tonnes in the corresponding prior quarter. As a result of the consistent improvement initiatives undertaken, mined metal production in Q2 was 21,000 tonnes.

Work on the Konkola Deeps mine expansion project is progressing well with the sinking of the main hoisting shaft and other auxiliary shafts on schedule. Work at the Nchanga smelter expansion project remains on track with major equipment delivered on site and erection activities progressing as per schedule. Both the projects are on course for commissioning as per schedule.

### **Zinc**

Mined metal production was at its highest ever at 143,000 tonnes during Q2, an increase of 15% compared with the corresponding prior quarter. Refined zinc production was 94,000 tonnes in Q2, an increase of 21% compared with the corresponding prior quarter.

Sales in Q2 were augmented by the sale of 85,000 dry metric tonnes of zinc concentrate and 10,000 dry metric tonnes of lead concentrate.

Work on the new 170,000 tpa Chanderiya hydro smelter is in the final stages of completion with commissioning expected by December 2007, about three months ahead of our earlier announced commissioning schedule of early 2008. The 88,000 tonnes debottlenecking project is also progressing well and is on schedule.

As part of our green energy initiative, we have successfully commissioned 63.2 MW as of September 2007, out of the total contracted 148.8 MW of wind power plants. Work on the remaining plants is on schedule with progressive commissioning expected by March 2008.

## Iron Ore

The open offer to acquire an additional 20% of Sesa Goa Limited ("Sesa") closed on 19 September 2007. Post completion of this offer, our holding in Sesa was a little over 51%.

The saleable ore produced in Q2 was 1.85 million tonnes. Overall production and consequent shipment is generally lower during this period, due to the seasonal monsoon cycle, which is typical to the region.

## Commercial Energy

Work on the 2,400 MW (4x600 MW) coal based independent thermal power plant is progressing well. The EPC contract has been placed and engineering and procurement activities are on track. The project is on schedule for progressive commissioning in late CY 2009 as announced previously.

## Production Summary (Unaudited)

(In '000 tonnes, except as stated)

	Six months ended 30 September			Second quarter ended 30 September		
	2007	2006	Change %	2007	2006	Change %
<b>Alumina</b>						
Korba/Mettur	145	150	(3.3%)	74	77	(3.9%)
Lanjigarh	28	–	–	28	–	–
<b>Aluminium</b>	196	155	26.5%	99	79	25.3%
<b>Copper India/Australia</b>						
Mined metal content	15	15	–	8	7	14.3%
Cathodes	172	137	25.5%	91	80	13.8%
Rods	107	87	23.0%	56	46	21.7%
<b>Copper-Zambia</b>						
Mined metal content	41	43	(4.7%)	21	25	(16.0%)
Cathodes	79	70	12.9%	40	31	29.0%
<b>Zinc</b>						
Mined metal content	278	256	8.6%	143	124	15.3%
Refined metal	187	161	16.1%	94	78	20.5%
<b>Iron Ore<sup>2</sup></b>						
Saleable ore <sup>3</sup>	3,782	–	–	1,848	–	–

1. Represents production for the current quarter only and is not directly comparable with the corresponding prior periods
2. Represents production in post acquisition period of 5 months to 30 September 2007, and are not directly comparable with the corresponding prior periods
3. Saleable ore is reported on wet tonnes basis

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### **About Vedanta Resources plc**

Vedanta Resources plc is a London listed FTSE 100 diversified metals and mining group. Its principal operations are located throughout India, with further operations in Zambia and Australia. The major metals produced are aluminium, copper, zinc, lead and iron ore. For further 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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.