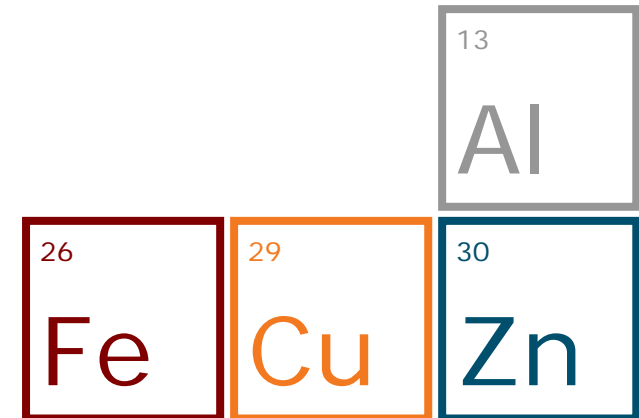




Accelerating Growth

September 2008



WORLD CLASS RESOURCES
+ ACCELERATED GROWTH
= DELIVERING VALUE

Cautionary Statement and Disclaimer

This presentation 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. Vedanta Resources does not undertake to update its forward-looking statements.

Agenda

- **Aluminium Expansion**

- Corporate Restructuring

- Appendix

Our Vision: A Top 5 Aluminium Producer

Our Vision

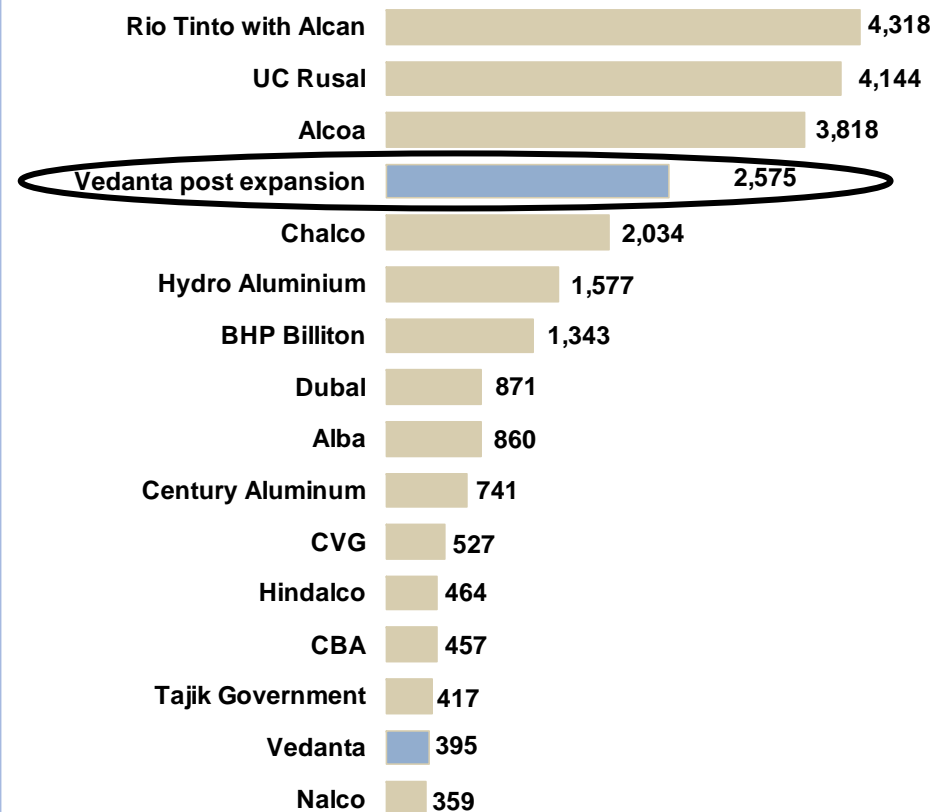
- Become a top 5 global aluminium producer by 2012
- Lowest decile cost producer

Our Strategy

- Leverage our strategic location advantage
- Derisked project development
- Fully integrated in terms of alumina and power and coal mines

Global Aluminium Producers

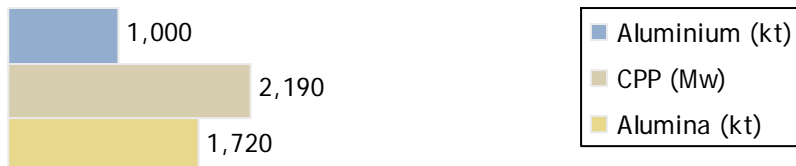
Production (2007 ktpa)



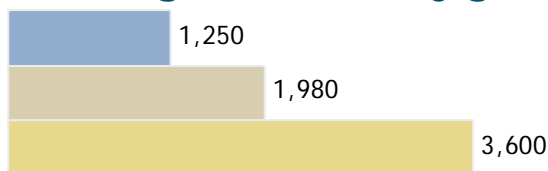
Sources: Research reports, company analysis

Phase III: 2.6 Mtpa Capacity by 2012

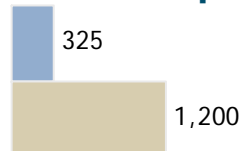
Existing (including under implementation)



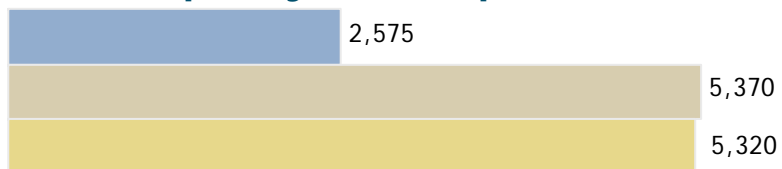
Jharsuguda and Lanjigarh Expansion



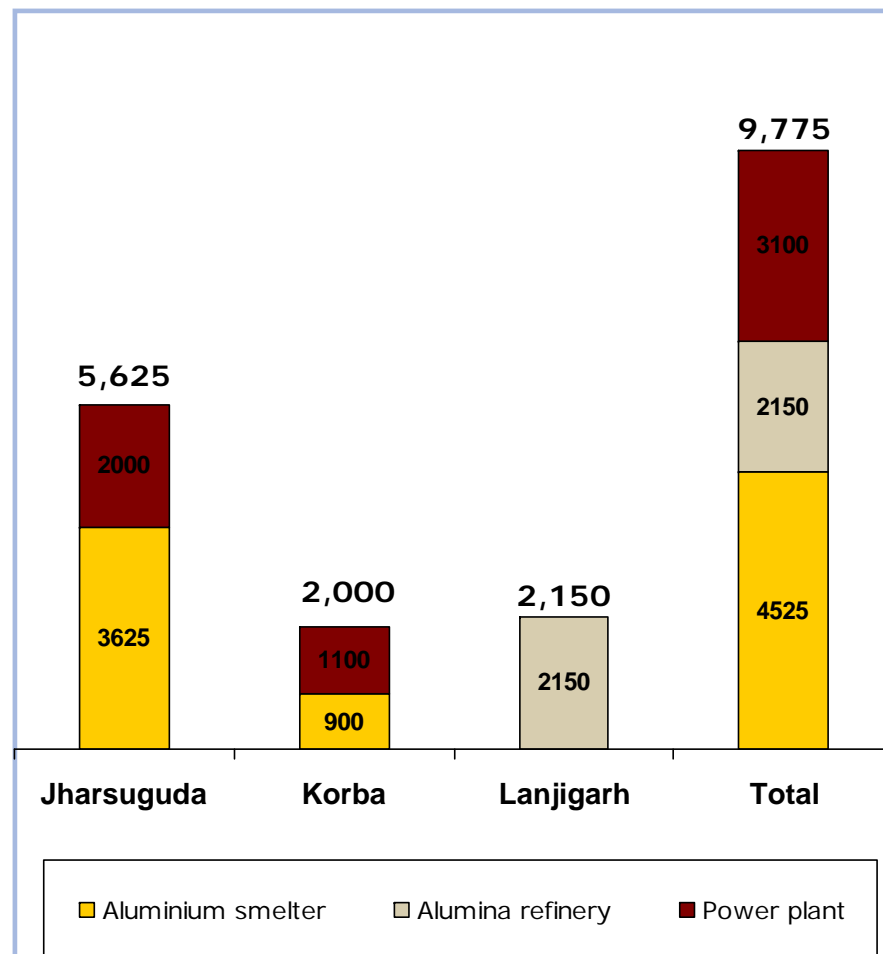
Korba Expansion



Total Capacity Post Expansion



Proposed Capital Investment (USD mn)



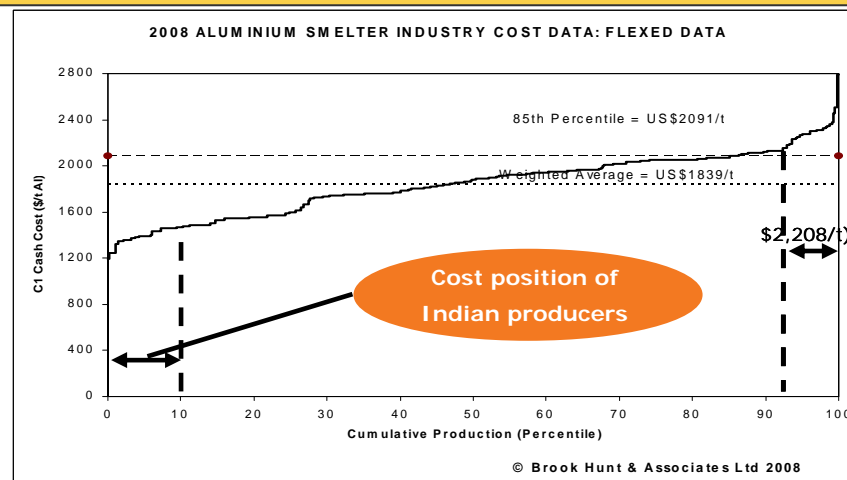
The India Opportunity

- Co-location of abundant bauxite and coal
 - 6th largest reserves of bauxite in the world: c2.3 billion tonnes
 - 4th largest reserves of coal in the world: Over 250 billion tonnes

- Highly competitive global cost positions

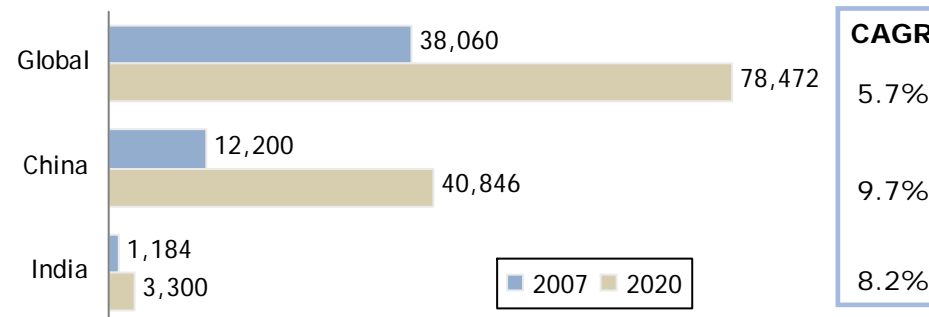
- Close proximity to high growth markets in Asia and Middle East

India: Lowest Decile Cost Position



Sources: Brookhunt, research reports, company analysis

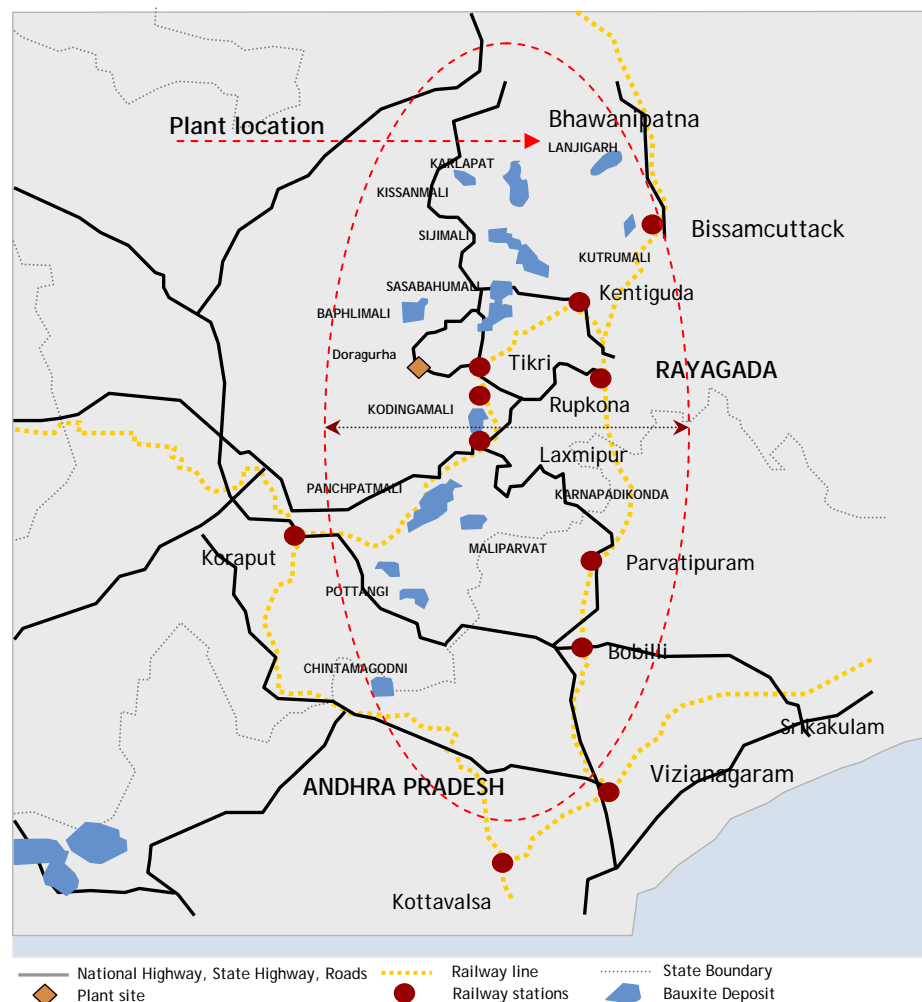
Aluminium Demand Growth Outlook



Sources: Research reports, company analysis

Orissa Has Huge, High Quality Bauxite Deposits

Bauxite Deposits Of Rayagada—Koraput Belt



- Orissa has vast reserves of high quality bauxite reserves
 - 1,442 Mt of recoverable deposits
 - 56.5% of India's bauxite reserves
- Bauxite deposits located within 60 km radius of Lanjigarh
 - Deposits of over 900 Mt
 - Predominantly gibbsitic, amenable to low temperature/low pressure digestion
 - Low reactive silica content, which results in low cost alumina production
 - Very little overburden which keeps cost of production very low
- Orissa also has abundant coal reserves
 - 62 billion tonnes
 - Low cost of power generation

Vedanta is Uniquely Positioned To Deliver This

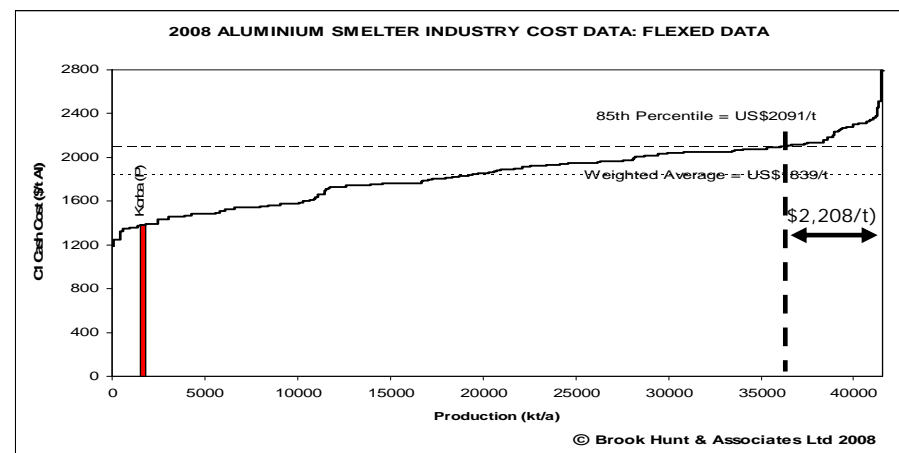
- Knowledge and experience of local environment
- Unparalleled track record of project delivery
 - Projects set up below international time and cost benchmarks
- Low project execution risk
 - Replication of projects
 - Experienced project management teams

Substantially Lower Costs Of Expansion

Projects	Capex (US\$mm)	Capacity	Average Unit Cost (\$)	Global Average
Alumina	2,150	3,600 kt	\$597/t	\$1,200/t
Aluminium	4,525	1,575kt	\$2,873/t	\$4,500/t
Power	3,100	3,180 Mw	\$975/kw	\$1,200/kw

Source: Vedanta, research reports

Lowest Decile Costs



Sources: Brookhunt, research reports, company analysis

Jharsuguda Expansion

■ 1.25 mtpa smelter project

- 4 pot lines x 336 pots / line
- State of the art 340KA Technology

■ Commissioning schedule

- Three pot lines (937.5 ktpa)
 - First metal by March 2010
 - Full commissioning by September 2011
- Fourth pot line (312.5 ktpa)
 - Full commissioning by September 2012

■ 1,980MW captive power plant

- Coal based
- 3 units x 660 MW

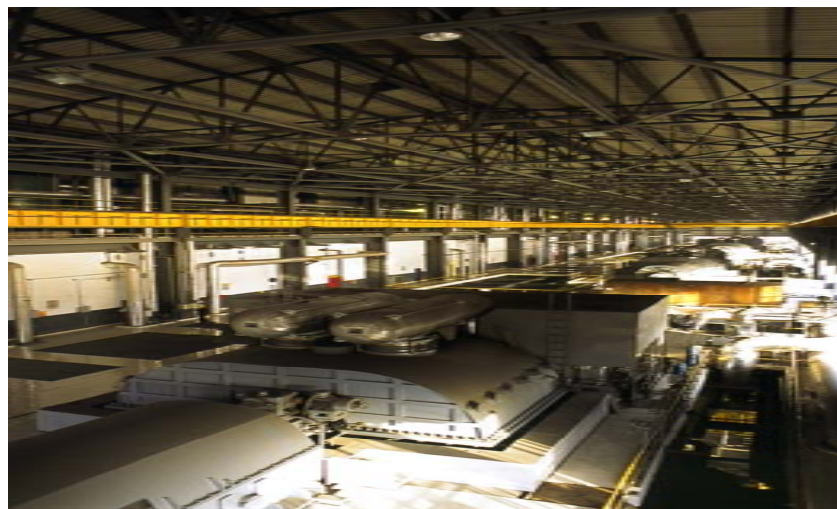
■ Total capex \$5.65bn

- 1.25 mtpa smelter - \$3.65bn
- 1,980 MW CPP - \$2.0bn



Korba Expansion

- 325 ktpa smelter project
 - 1 pot line x 336 pots
 - State of the art 340KA Technology
- Commissioning schedule
 - First metal by October 2010
 - Full commissioning by September 2011
- 1,200 MW captive power plant
 - Coal based
 - 4 units x 300 MW
- Total capex \$2.0bn
 - 325 ktpa smelter - \$0.9bn
 - 1,200 MW CPP - \$1.1bn



Lanjigarh Expansion

- Debottlenecking existing capacity from 1.4 mtpa to 2.0 mtpa
 - Full production by March 2010
 - Capex : \$150 million (\$250/t)
- Additional 3 mtpa expansion
 - Three production streams of 1mtpa each
 - All streams to be commissioned by mid 2011
 - Capex : \$2,000 million (\$667/t)
- Access to high quality bauxite resources



Night view of the security filtration



Pre – desilication area



Security filtration

Agenda

- Aluminium Expansion
- **Corporate Restructuring**
- Appendix

Introduction

- Current structure is a legacy of our industry leading growth
 - Multiple cross-holdings and overlapping businesses
 - High organic and acquisitive growth
- Consolidation of minorities and simplification of the Group structure is our stated strategic priority
- Proposed corporate restructuring
 - Simplifies corporate structure
 - Eliminates conflicts of interest
 - Improves efficiency

Strategic Rationale

Simplifies Corporate Structure

- Consolidates Group's subsidiaries into three focused businesses
- Aligns legal and management structures
- Increases transparency and enhances corporate governance

Eliminates Conflicts Of Interest

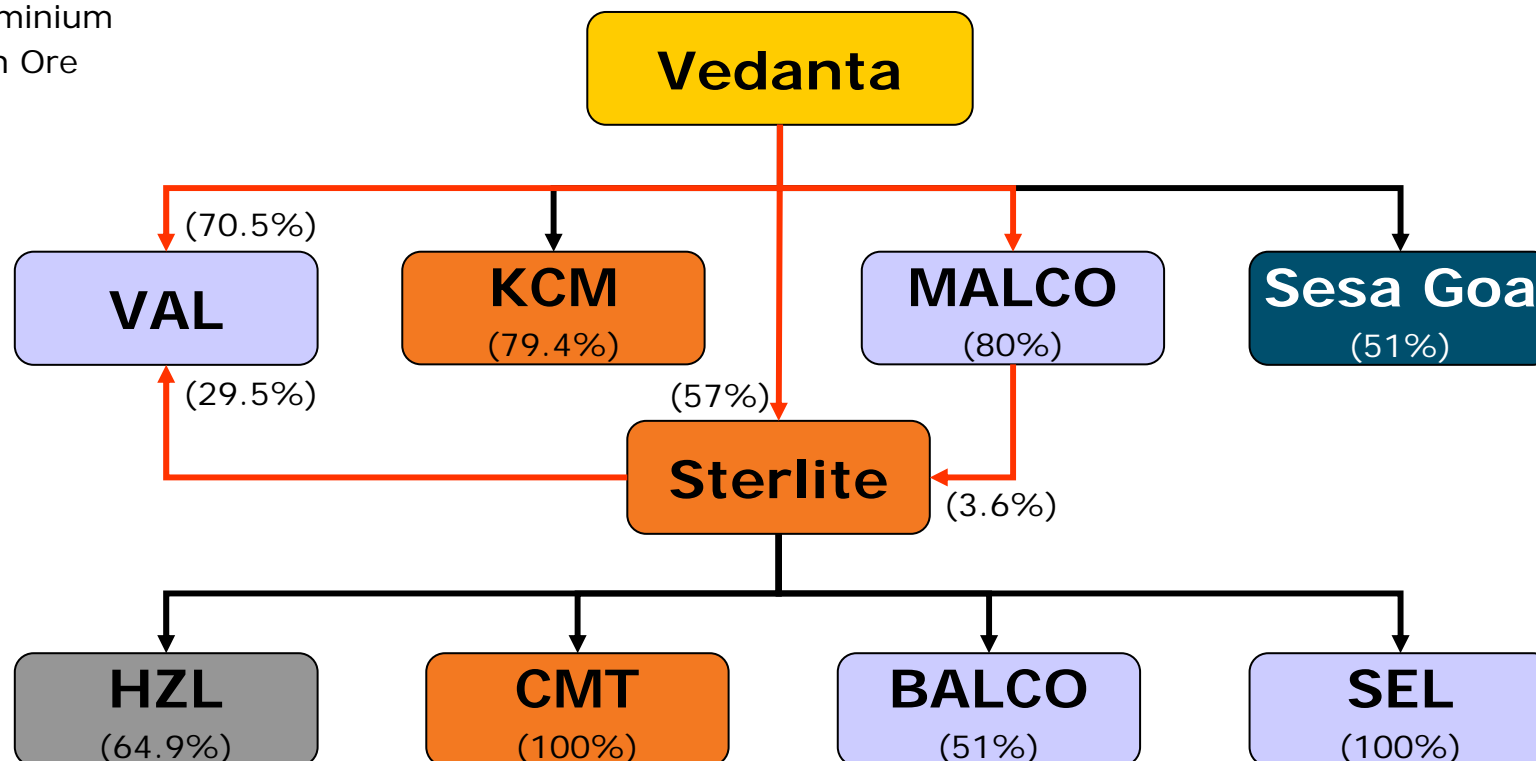
- Ensures clear allocation of opportunities within the Group
- Provides each business with the strategic flexibility and scale to pursue their respective growth opportunities

Optimises Efficiency

- Focused management teams
- Streamlines decision making

Corporate Structure: Pre-Restructuring

- Diversified
- Copper
- Zinc & Lead
- Aluminium
- Iron Ore



Scheme Mechanics

■ Multi-step Scheme:

- Demerge Sterlite's equity interests in BALCO, VAL and SEL to MALCO (to be renamed as Sterlite Aluminium Limited)
- Merge MALCO's holding in Sterlite into Sterlite
- Merge Vedanta's holding in KCM into Sterlite
- Merge Vedanta's holding in MALCO into VAL

■ Tax neutral

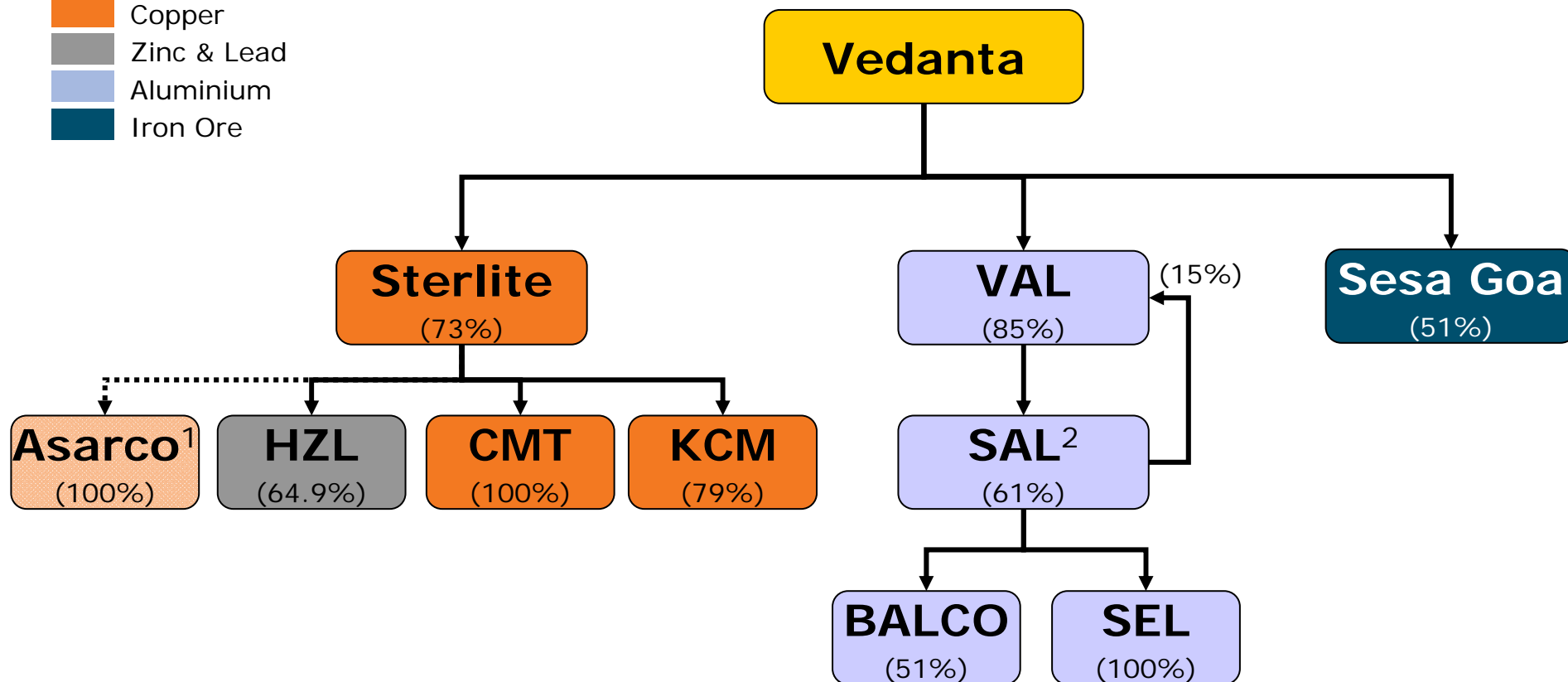
■ Restructuring conditional on:

- Sterlite and MALCO shareholders' approval
- Court approvals in India and Mauritius

■ Appointed Date: 1 April 2009

Corporate Structure: Post-Restructuring

- Diversified
- Copper
- Zinc & Lead
- Aluminium
- Iron Ore



Copper & Zinc

Aluminium & Energy

Iron Ore

¹ Expected to close in 2009, subject to approval of US Bankruptcy Court overseeing Asarco's Chapter 11 case

² MALCO renamed as Sterlite Aluminium

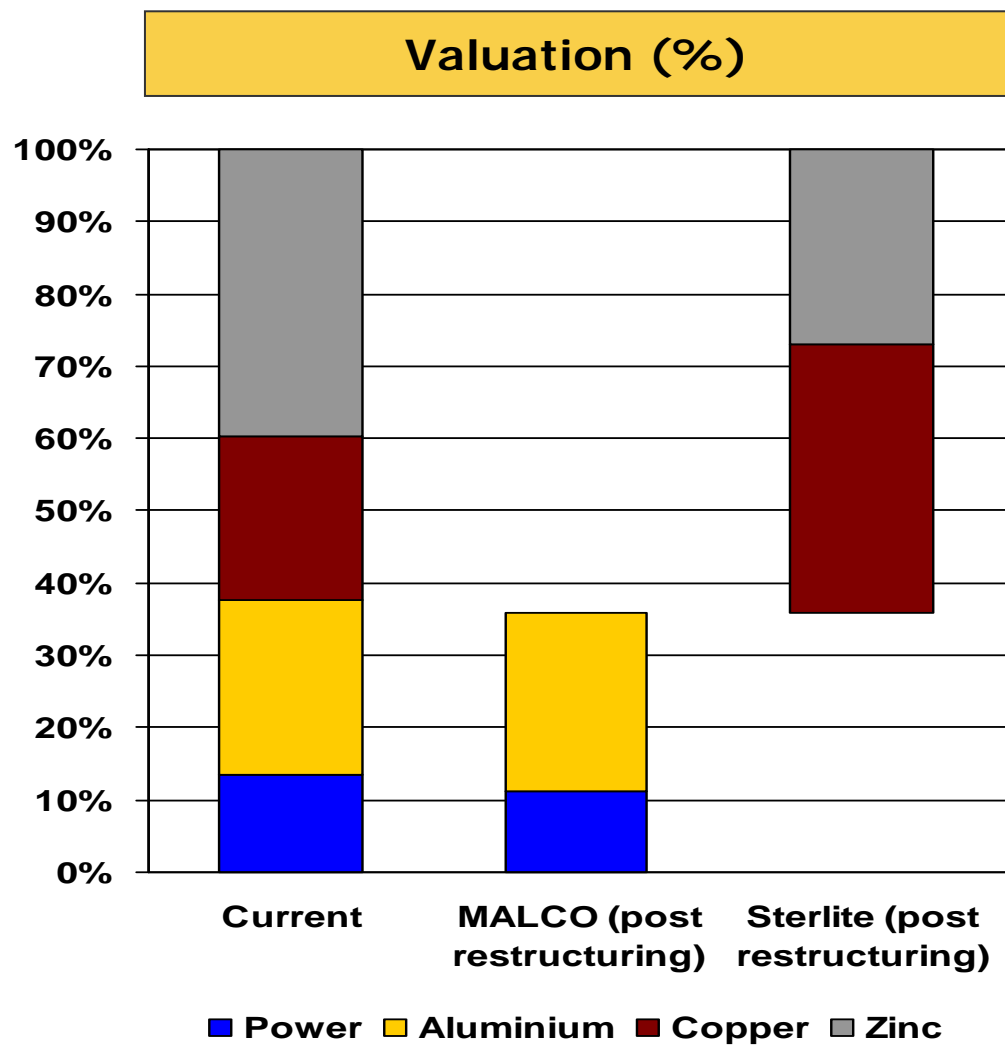
Share Exchange Ratios

- Independent valuation conducted by Grant Thornton India
- Fairness opinion provided by JM Financial Consultants
- Valuation methodology
 - DCF led approach
 - Supplemented by NAV & Market Value
- BALCO option value included
- All shareholders treated in a fair and transparent manner

Share Exchange Ratios

- Seven (7) MALCO shares for Four (4) Sterlite shares
- One (1) Sterlite share for Fifty One (51) MALCO shares
- One (1) Sterlite share for One (1) THL KCM share

Value Neutral For Shareholders



Vedanta: Attributable Profit

	Reported Profit After Tax	Minority Interests	Pro Forma Attributable Profit (2008)
31 March 2008	\$ 2,006 MM	56.1 %	\$ 879 MM
KCM Option Exercise		53.8 %	\$ 926 MM
Post Restructuring		49.9 %	\$ 1,005 MM
BALCO Option Exercise		47.0 %	\$ 1,063 MM
HZL Option Exercise		35.3 %	\$ 1,299 MM

Indicative Timetable

- Expected to complete by end of March 2009

- Key steps:

- | | |
|-------------------------------------|-----------|
| – Board meetings to approve Scheme | Completed |
| – Indian Stock exchange approval | Q4 2008 |
| – UK Court and regulatory approvals | Q4 2008 |
| – Filing of Scheme with Courts | Q4 2008 |
| – Shareholders meeting | Q1 2009 |
| – Indian regulatory approvals | Q1 2009 |
| – Final Court approval | Mar 2009 |

Three Large Scale, High Growth & Focused Businesses

■ **Copper and Zinc-Lead**

- World's largest integrated zinc-lead producer
- Large scale copper producer: 1.1mtpa post Asarco
- Lowest decile cost zinc producer
- Lowest cost custom copper smelter in the world
- World class resource base: Konkola Deep and Rampura Agucha mines

■ **Aluminium and Energy**

- Top 5 global aluminium producer by 2012 with c2.6mtpa
- Ideally positioned to develop India's abundant bauxite and coal reserves
- First decile production costs
- Benchmark costs and timelines of project development

■ **Iron Ore**

- Indian's largest private sector iron ore producer-exporter: 2008 production – 12.4mt
- Significant growth in capacity to 25 mtpa by CY2010
- Long life resources
- Low costs of production

Description of Businesses: Copper

Zambia

- Zambia's largest company contributing nearly 25% of the country's exports
- Large integrated copper producer operating four copper mines, two smelters, a refinery and a tailings leach plant
- Konkola Deeps - world class ore body
- Current capacity of 200ktpa
- \$1 bn expansion projects under implementation
 - Konkola Deeps Mining Project
 - Increases the ore output to 7.5mtpa from 2.0 mtpa currently
 - Mid shaft production commencement by mid-2009
 - 300kt Nchanga Smelter Project expected to be commissioned in Q4 CY2008
- Post-expansion fully integrated capacity of 450ktpa

India / Australia

- Tuticorin — One of the largest single location custom smelters in the world
- Lowest decile cost of production
- Current capacity: 400ktpa cathode and 240ktpa rods
- 7—8% of concentrate requirements supplied by owned Australian mines

World class cost position, reserves and growth profile

Description of Businesses: Proposed Asarco Acquisition

Asarco acquisition

- In May 2008, Sterlite signed an agreement to buy selected assets from Asarco for US\$2.6bn
- 3rd largest copper producer in the US (235kt in 2007)
- Long mine life
- 2007 Revenue of US\$1.9bn, EBITDA of \$640Mn
- Sterlite will not assume its legacy liabilities for environmental claims
- Deal is subject to approvals and expected to close in 2009¹

What Asarco brings for Vedanta

- Logical and strategic fit with Vedanta's existing copper business
- Access to attractive mining assets with long life
- Diversification into the North American market
- Stable operating and financial platform
- Opportunity to develop Asarco's mines and plants

¹ Subject to approval of US Bankruptcy Court overseeing Asarco's Chapter 11 case

Leveraging Vedanta's established skills

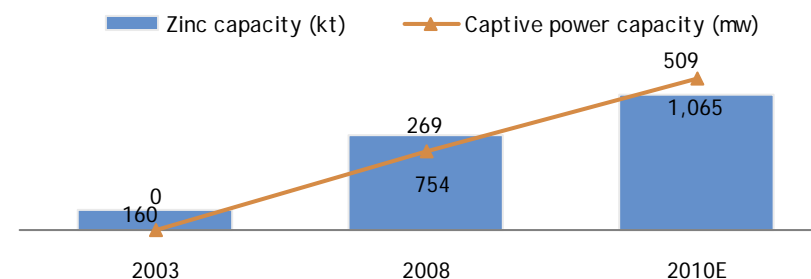
Description of Businesses: Zinc

Highlights

- World's largest integrated zinc-lead producer¹
 - Current fully integrated capacity: 754ktpa
- Rampura Agucha — world class ore body
- Strong exploration focus
 - Reserves and resources in excess of 230mt
 - Contained metal of 27.5mt
- Lowest decile cost of production
- 311ktpa of new capacity coming on-stream in 2010 taking total capacity to 1,065kt
- Annual silver production to increase from 2.8moz to over 16.1moz by 2012

¹ Based on Brookhunt analysis of forecast concentrate availability for CY2008 production

Capacity Growth

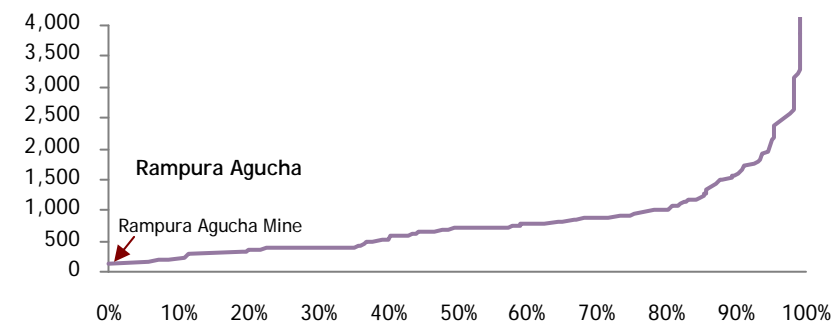


Source: Company analysis

*Target capacity on completion of announced expansions

Lowest decile producer—zinc cash cost curve 2007

US\$/tonne Zn in Zn Concentrate



Sources: Brookhunt, Company analysis

On track to become the world's largest integrated producer

Description of Businesses: Aluminium

■ Fully integrated producer

- Aluminium – 395ktpa
- Alumina – 1.4mtpa Lanjigarh; 320ktpa - BALCO/MALCO
- 975mw of captive power

■ Demonstrated ability to set up projects at competitive timelines and costs

- 245ktpa Korba smelter with 540mw power plant
 - Low capital cost of US\$2,059/tonne & US\$560/kw
 - Lowest decile cost of production
- 500ktpa Jharsuguda project with 1,215mw power plant
 - Total capex: US\$2.1bn
 - Phase 1 commissioned in Mid 2008, one year ahead of schedule
 - Phase 2 to be commissioned by March 2010

■ Lanjigarh alumina refinery operational

- Mine under development

Description of Businesses: Commercial Energy

Projects

- 2,400mw under construction
 - On track for phased commissioning from Q4 2009
- 1,980 MW Talwandi Sabo power project under implementation
 - Phased commissioning from August 2012
- 320mt coal blocks under development

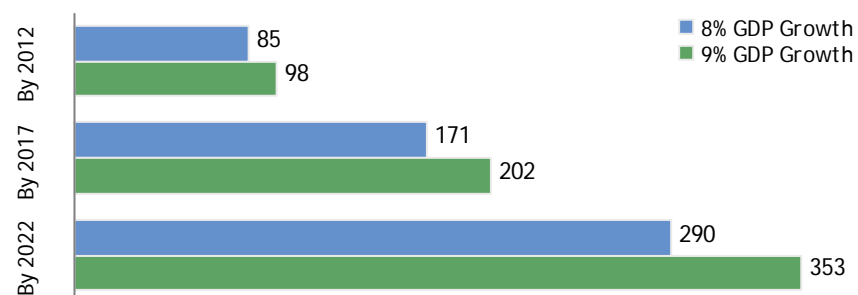
Market opportunity

- Domestic supply imbalance — average peak deficits at nearly 10–12%
- Per capita consumption of power lags behind developed economies (India: 612kwh, World: 2,596kwh)¹
- Deregulation of energy sector
- Govt. of India target of power for all by 2012 to add over 100,000mw from 2008 through 2012

Track record

- Currently the 2nd largest private sector producer in India including captive power
- Track record of successfully setting up 850mw of captive power plants in the last five years with 3,850mw currently under construction
 - With benchmark project costs and benchmark timeframes

Significant additional capacity requirement²



¹ Source: Ministry of Power, Government of India

² Source: Integrated Energy Policy, Expert Committee on Power, based on existing installed capacity of 135gw in India

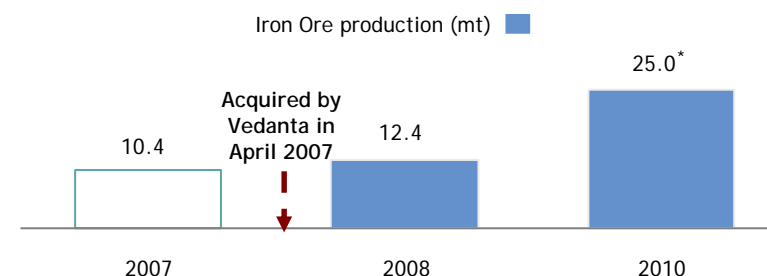
Low risk organic growth

Description of Businesses: Iron Ore

Highlights

- Well established iron ore producer
 - Exporter for over 5 decades
 - Largest Indian private sector producer-exporter of iron ore
- Over 10mt exports including long-term contracts with leading global steel giants and close proximity to Chinese market
- Production of 12.4mt in FY2008—a 17% increase compared with FY2007
- 2008 attributable revenue of US\$889mn and attributable EBITDA of US\$586mn
- Access to 180.4mt of reserves at average grade of 61.1%
- Strong exploration focus
- Highly skilled manpower and proven logistics and leadership team
- Globally competitive cost of production

Capacity Growth



Source: Company. 2007 numbers provided for comparison purposes only

*Near term vision to increase capacity

Growth Potential

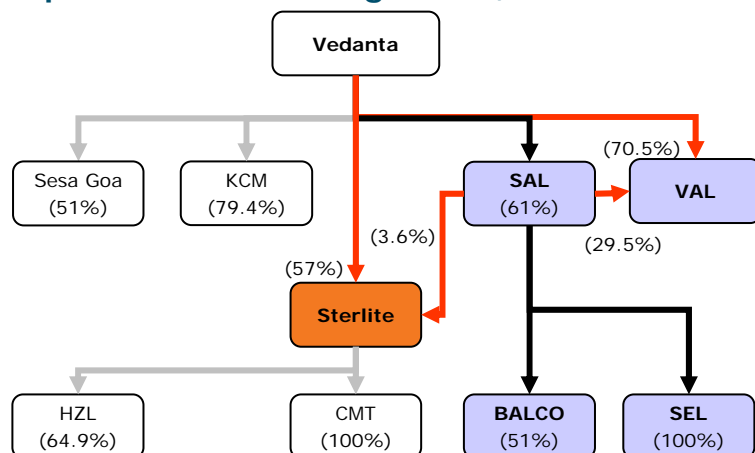
- Potential to substantially increase current production of 12.4mt to 25mtpa at low capital costs
- Active exploration program

Agenda

- Aluminium Expansion
- Corporate Restructuring
- **Appendix**

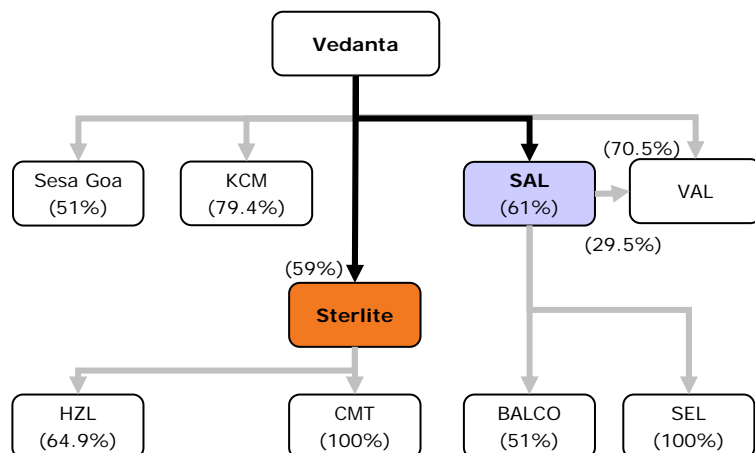
Restructuring Mechanics (1)

Step 1 : Sterlite demerges VAL, SEL & BALCO to MALCO



- Asset transfer
 - SAL (renamed MALCO) exchanges for Sterlite's aluminium and power businesses
 - Impacts both actual and economic interests of both Sterlite, SAL and Vedanta
- Impact on Sterlite shareholder's economic interest in Group
 - Zinc, Copper and Aluminium: marginal increase
 - Power: marginal decrease

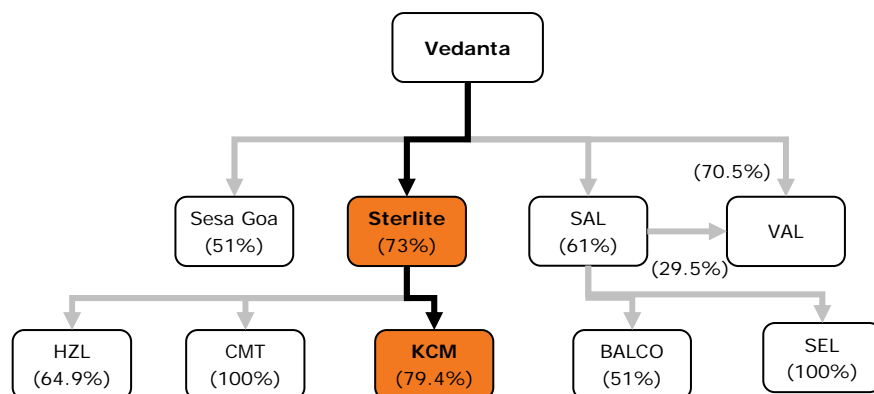
Step 2 : MALCO demerges Sterlite Interest to Sterlite



- No transfer of assets
 - SAL demerges Sterlite stake to Sterlite
 - Eliminates SAL's cross-holding in Sterlite
- No impact on Sterlite's economic interest in Group

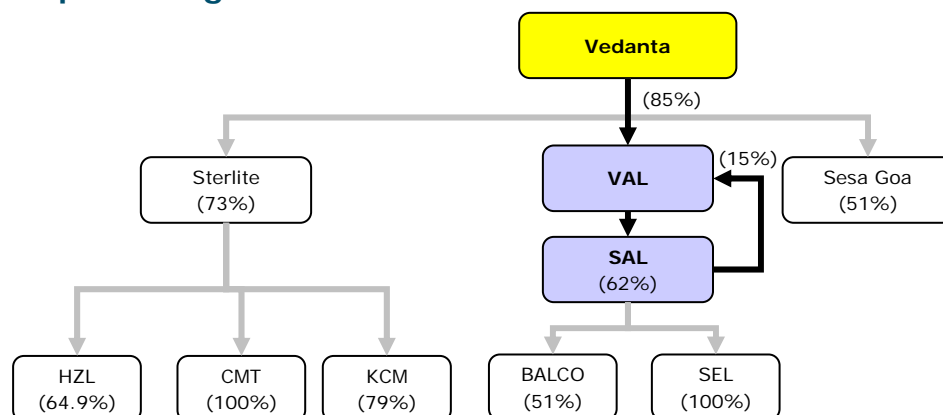
Restructuring Mechanics (2)

Step 3 : KCM merger with Sterlite



- Asset transfer
 - Sterlite exchanges shares for Vedanta's holding in KCM
 - Impacts both actual and economic interests of both Sterlite and Vedanta
- Impact on Sterlite's economic interest in Group
 - Zinc: decrease
 - Copper: increase
 - Aluminium & power: no change

Step 4 : Merger of MALCO HoldCo and VAL



- No transfer of assets
 - Vedanta exchanges SAL for VAL
 - Structuring change only
 - Simplifies Aluminium corporate structure
- No impact on Sterlite's economic interest in Group

Post Restructuring: Economic Interest

	Holding Company Shareholding				Economic Interest
	Vedanta	Sterlite	SAL*	VAL	Vedanta
Sterlite	73%				73%
BALCO			51%		29%
CMT		100%			73%
HZL		65%			47%
SEL			100%		59%
SAL*				61%	57%
KCM		79%			58%
VAL	85%		15%		93%
Sesa Goa	51%				51%

*renamed MALCO

Market and Adjusted Net Asset Values

	Adjusted Net Asset Value @ 30 June 2008 ¹	Average 6 Mth Share Price	Market Value
Sterlite	NA	Rs724	\$11,561M
BALCO	\$633M	-	-
CMT	\$82M	-	-
HZL	\$2,853M	Rs617	\$5,883M
SEL	\$397M	-	-
MALCO	\$382M	Rs145	\$366M
KCM	\$815M	-	-
VAL	\$453M	-	-

¹ Based on the RBI reference exchange rate on 6 September 2008 of INR/USD of 44.37