

Accelerating Growth

October 2008

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.

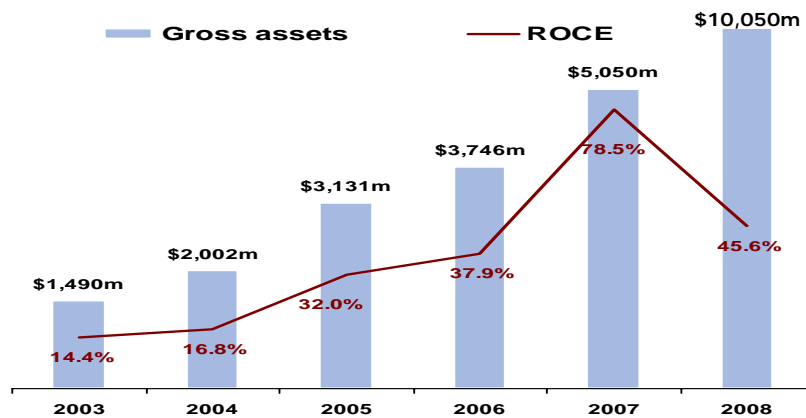
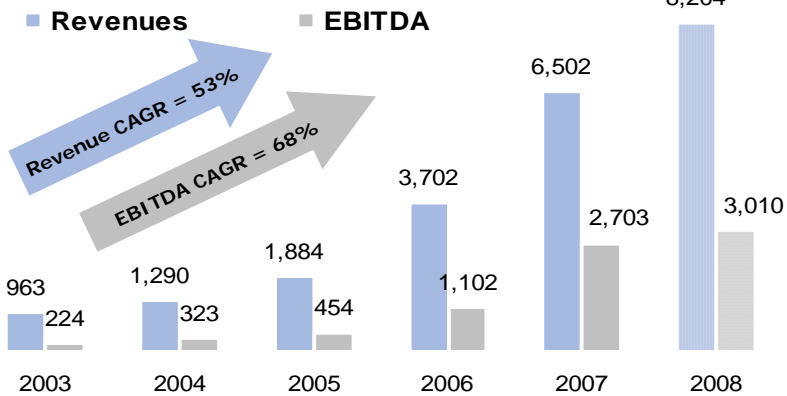
For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, 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.

Historic Performance and Vision

Historic Performance

US\$ million



Vision

- *To be the company which most influences the position of India as the mineral resource destination on the world map*
- *To be the major contributor in the social and economic transformation of the communities in which we operate*
- Accordingly, we will:
 - Produce 10% of the worlds base metals requirement in aluminium, copper and zinc
 - Produce 10% of global seaborne trade in iron ore
 - Produce 5% of global silver requirement
 - Produce 10% of India's power capacity, with own coal mines
 - Develop and maintain a mineral resource base equivalent to ~20 years life
 - Be a top decile / top quartile producer in each of our businesses
 - Generate strong financial returns and maintain investment grade financial metrics
 - Proactively engage with all our stakeholders
 - Enhance the quality of life and prosperity of our communities in a socially responsible manner

Aluminium Vision: A Global Top 5 Producer

Vision

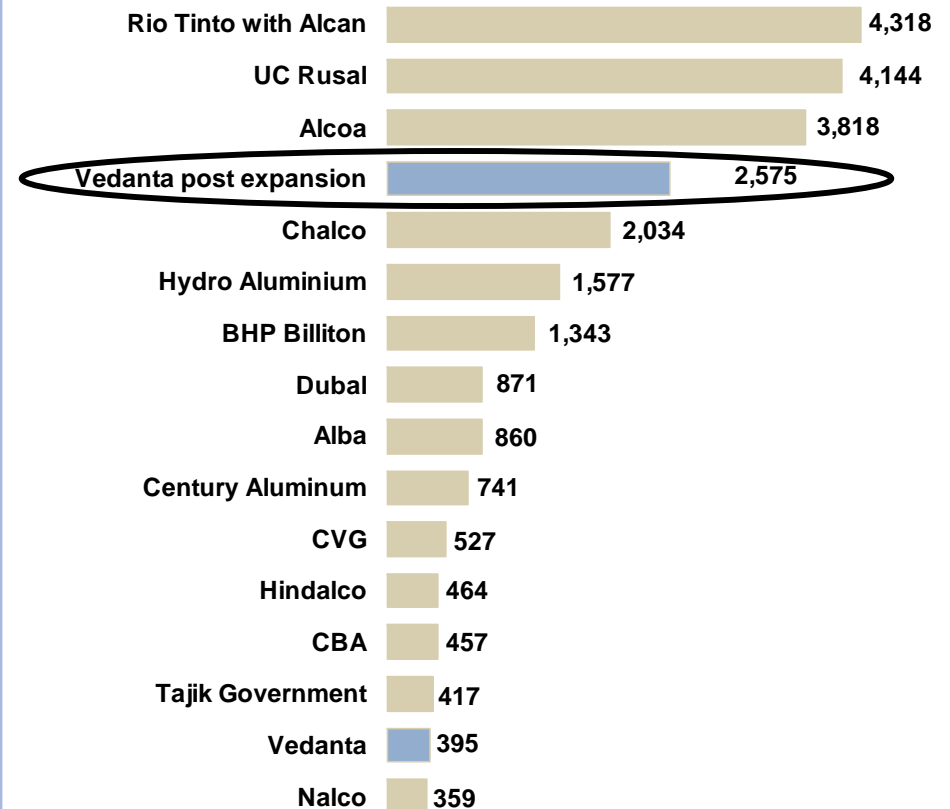
- Become a global top 5 aluminium producer by 2012
- Top decile cost producer

Strategy

- Leverage our strategic location advantage
- Derisked project development
- Fully integrated from bauxite/coal mines to aluminium smelting/refining and power generation

Global Aluminium Producers

Production (2007 ktpa)



Sources: Research reports, company analysis

Vedanta's Competitive Position

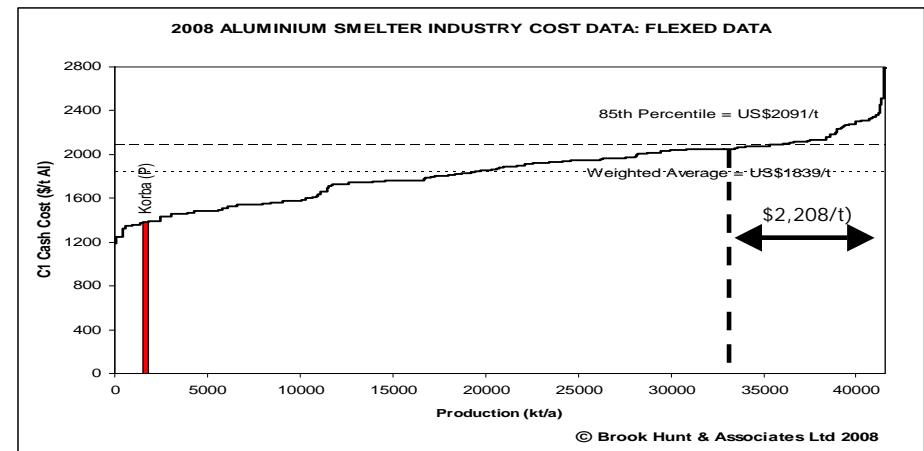
- Co-location of abundant bauxite and coal in India
 - 6th largest reserves of bauxite in the world: c2.3 billion tonnes
 - 4th largest reserves of coal in the world: 248 billion tonnes
- Unparalleled track record of project delivery
- Current projects being set up below international time and cost benchmarks
- Low project execution risk
 - Brownfield expansions
 - Replication of projects
 - Experienced project management teams
- Highly competitive global cost of production
- Close proximity to high growth markets in Asia and Middle East
- Indian aluminium demand growth between 9-10% p.a.

Substantially Lower Costs Of Expansion

Projects	Capex (US\$m)	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

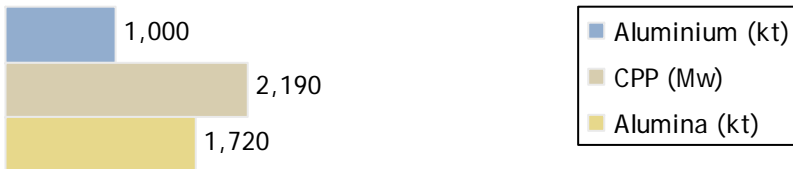
Top Decile Costs



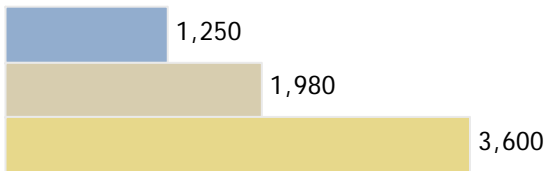
Sources: Brookhunt, research reports, company analysis

Phase III: 2.6 Mtpa Capacity by 2012

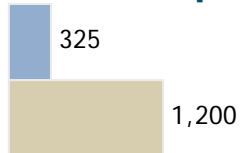
Existing (including under implementation)



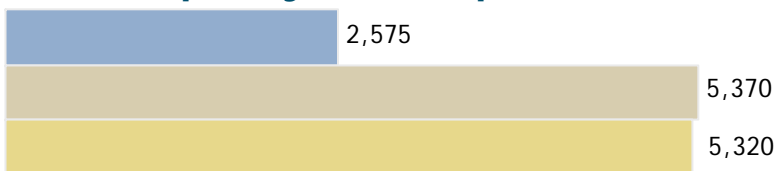
Jharsuguda and Lanjigarh Expansion



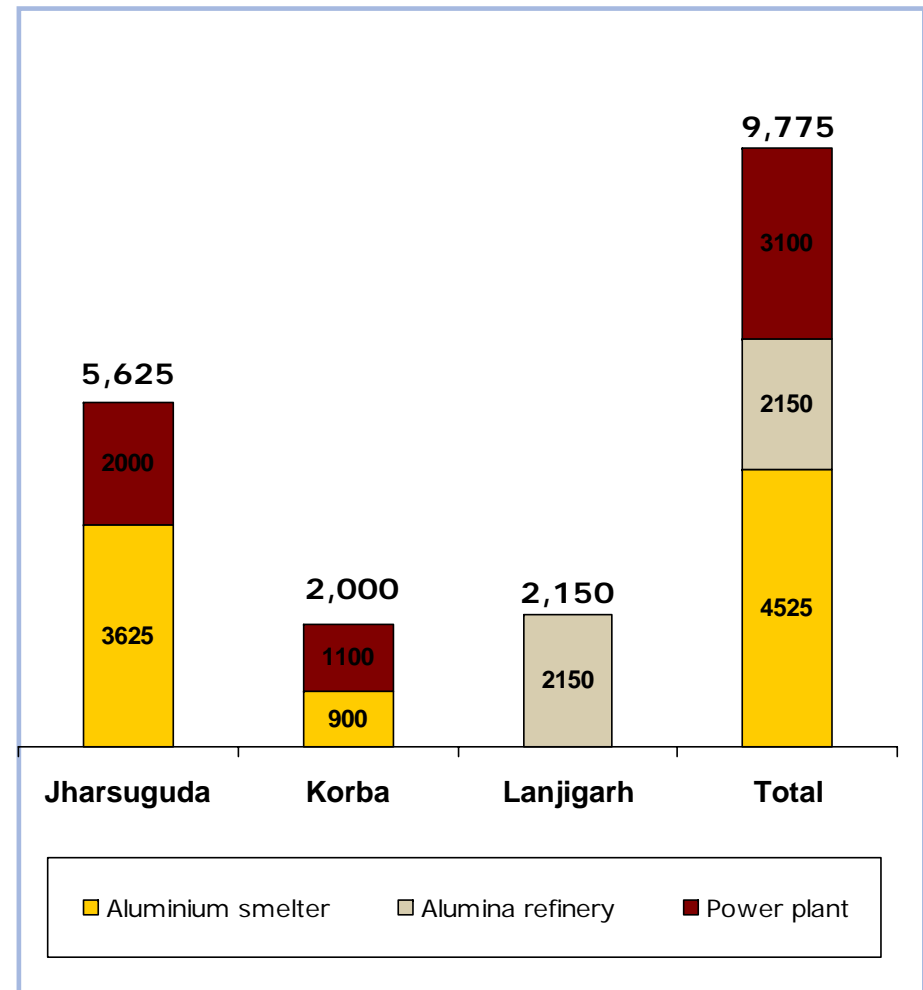
Korba Expansion



Total Capacity Post Expansion



Proposed Capital Investment (USD mn)



Description of Businesses: Copper

Zambia

- Large integrated copper producer operating four copper mines, two smelters, a refinery and a tailings leach plant
- Konkola Deeps - world class ore body
 - 4% head grade
 - 210 million tonnes resources
- Over \$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 under commissioning
- Post expansion integrated capacity of 450kt

India / Australia

- Tuticorin — One of the largest single location custom smelters in the world
- Port based
- Current capacity: 400ktpa
- Current Cost of Production: (4.6) US\$/lb
- Opportunities and highlights
 - Captive power
 - Higher recovery
 - By product and minor metals credits
- Concentrate sourcing strategy
 - 75% through long term frame contracts, including 8% through captive mines
 - 25% through spot contracts

World Class Cost Position, Reserves and Growth Profile

Description of Businesses: Asarco

Background

- In May 2008, Sterlite signed an agreement to buy selected assets from Asarco; Deal is subject to approvals and expected to close in late 2008¹
- Total purchase consideration of \$2.6Bn including \$600Mn of working capital, to be funded through:
 - Existing resources: \$1.3Bn
 - Non recourse debt in Asarco: \$1.1Bn
 - Recourse debt: \$200Mn
- 108 year old company, 3rd largest copper producer in the US (235kt in 2007)
- Owns and operates:
 - Three open pit copper mines – Mission, Ray and Silver Bell
 - One copper smelter and one copper refinery
 - Rod and cake plants and precious metals plant
- Reserves and resources: 1.7bn tonnes, contained copper of 6.7mn tonnes
- CY2007 Revenue of US\$1.9bn, EBITDA of \$640Mn
 - H12008 revenues of \$1.1Bn and EBITDA of \$375Mn

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

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 further develop Asarco's mines and plants

Leveraging Vedanta's Established Skills

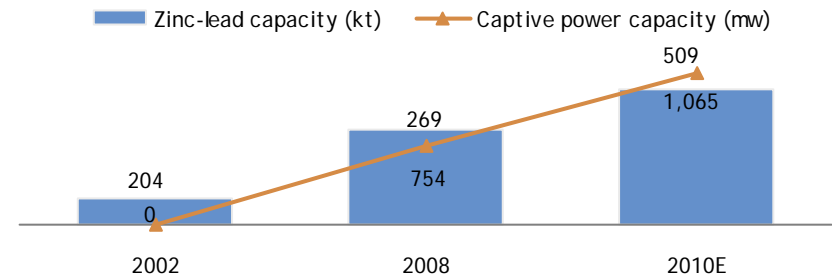
Description of Businesses: Zinc

Highlights

- World's largest integrated zinc-lead producer¹
 - Current fully integrated capacity: 754ktpa
- Rampura Agucha — world class ore body
- Strong exploration focus
 - Added 89.5 mm tonnes since 2003 [post depletion]
 - Reserves and resources in excess of 230mt as of March 2008
 - Contained metal of 27.5mt
- Currently lowest decile cost of production; Target – below c\$500/tonne
- Expansion under implementation:
 - New fully integrated capacity of 310kt, taking total capacity to 1,065kt by mid-2010
 - Investment of \$900mm, funded through internal accruals
- Annual silver production to increase from 2.8moz to over 16.1moz by 2012
 - Successful exploration and drilling at Sindesar Khurd mine
 - Contained silver grade of 215ppm

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

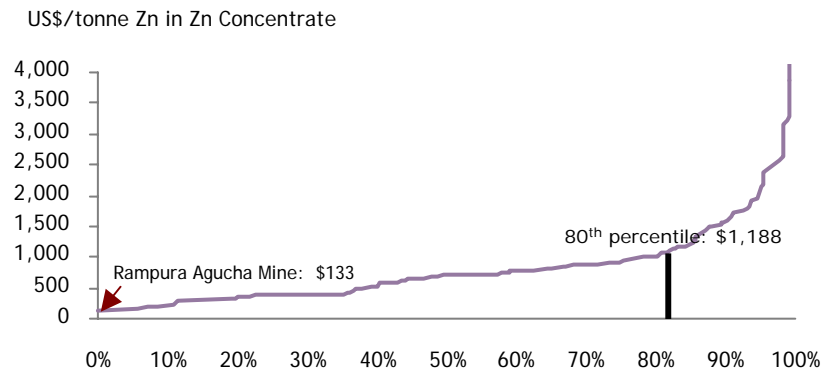
Capacity Growth



Source: Company analysis

*Target capacity on completion of announced expansions

Lowest decile producer—zinc cash cost curve 2007



Sources: Brookhant, Company analysis

On Track to Become the World's Largest Producer of Zinc and Lead

Description of Businesses: Commercial Energy

Market opportunity

- 135,000 MW generation capacity.
- Per capita consumption of power lags behind developed economies (India: 612kwh, World: 2,596kwh)
- Deregulation of energy sector
- Govt. of India target of power for all by 2012 to add over 100,000mw from 2008 through 2012

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

Track record

- Currently, second largest private sector producer in India including captive power
- Existing, including under construction: 6,500MW
- Under implementation: 4,000MW
- Benchmark project costs and timeframes



Jharsuguda IPP – 2400MW under construction

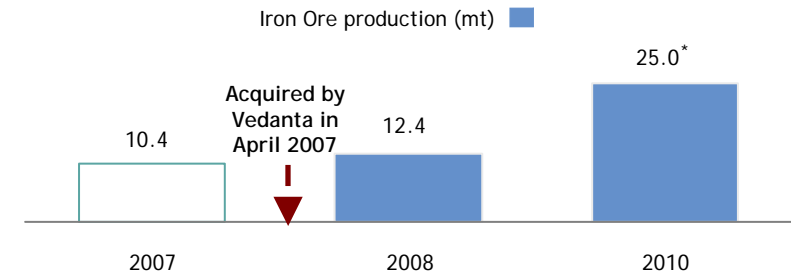
Low Risk Organic Growth

Description of Businesses: Iron Ore

Highlights

- Largest Indian private sector producer-exporter of iron ore
 - Production of 12.4mt in FY2008—a 17% increase compared with FY2007
 - 2008 attributable revenue of US\$889mn and attributable EBITDA of US\$586mn
- Captive logistics at Goa
- Globally competitive cost of production
- Near term plan to produce 25 mtpa
- Expand resource base to 400 - 500 mt by 2011
 - Exploration
 - Third party mining
 - Acquisition

Capacity Growth



Source: Company. 2007 numbers provided for comparison purposes only

* Near term vision to increase capacity

- Potential to substantially increase current production of 12.4mt to 25mtpa at low capital costs
- Focus on increasing the reserve base

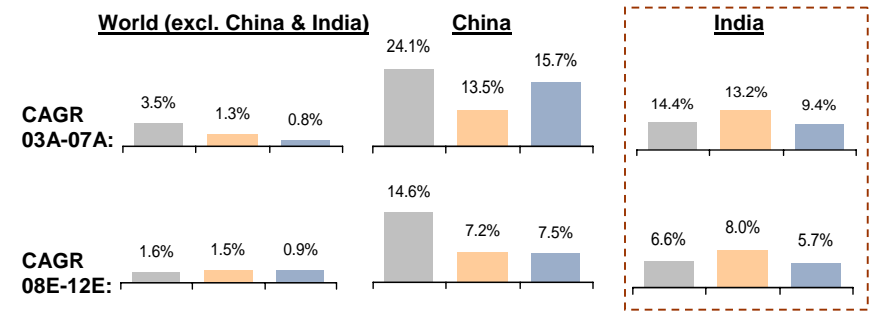
Appendices

India Economic Scenario

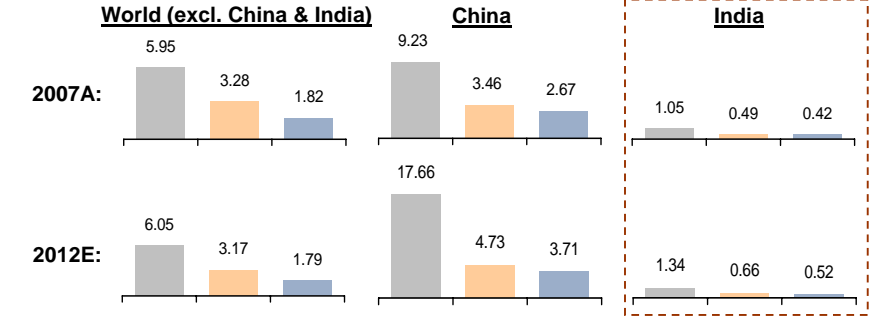


- **One of the fastest growing large economies in the world**
 - GDP growth of 7.2% in Q1 2008-09
 - IIP growth expected to be 9.2% in Q1 2008-09
 - Expected spend on infrastructure till 2012 to be ~\$400+ billion
 - Currently 30% urbanized. Additional 20% will add >200 million people to cities in next 20 years
- **High metal consumption growth**
- **Excellent reserve positions**
 - World's fourth largest coal reserves at 248 billion tonnes
 - World's fifth largest iron ore reserves at 23 billion tonnes of iron
 - World's sixth largest bauxite reserves at 2.3 billion tonnes
- **Human capital**
 - Rising proportion of young educated workers
 - India alone is, conceptually, large enough to "do a China" in terms of influencing the world
- **Competitive costs of project development**
- **Supply hub**
 - Ideally located to serve Asian Markets

Strong Metal Consumption Growth



Low Per Capita Metal Consumption (kg per capita)



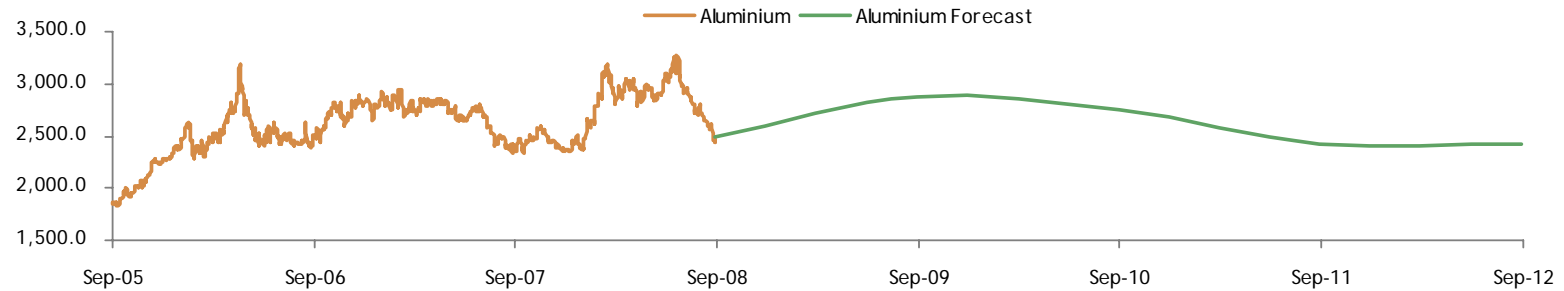
Sources: Brook Hunt

■ Aluminum ■ Copper ■ Zinc

Aluminium Overview



Commodity price (US\$/t)



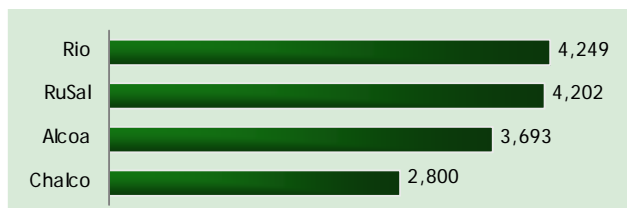
Themes

- Industrialization in emerging economies to drive aluminium demand despite slowing demand in Europe and USA
- Rising power prices and subsequent shortage in major production destinations are impacting output

Upside

- Asia, especially China's aluminium consumption in building, automotive, construction and power industry remain robust
- Chinese Govt has increased taxes on exports, removed preferential power tariffs and has curbed smelter expansion. China to revert to net importer status
- Prices to remain relatively flat until China resumes net importer status and market reverts to deficit in the medium term

Major aluminium producers (kt), 2007



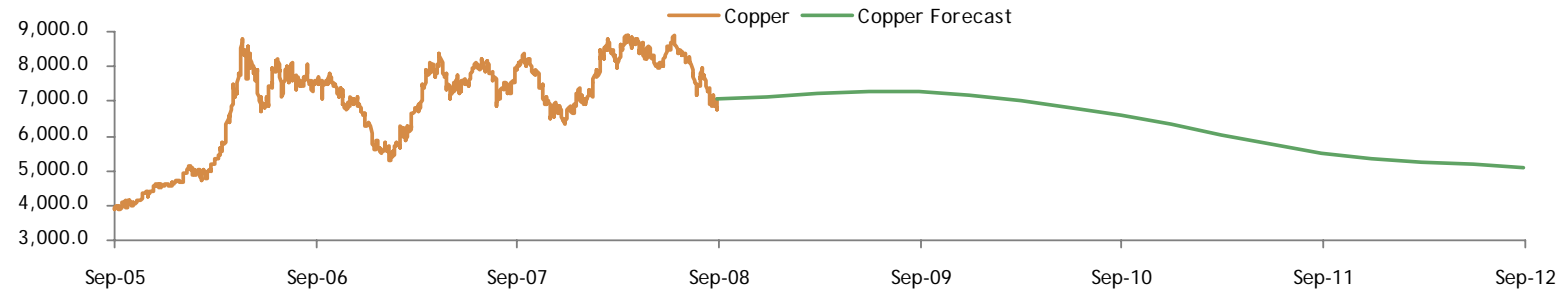
Downside

- China's emergence as a net exporter has led to price weakness despite consolidation and Federal Government intervention on slowing down expansion capacities
- Stricter regulation on structural safety are slowing the approval process for residential/commercial constructions starts in Japan

Source: Broker Reports, AME

Copper Overview

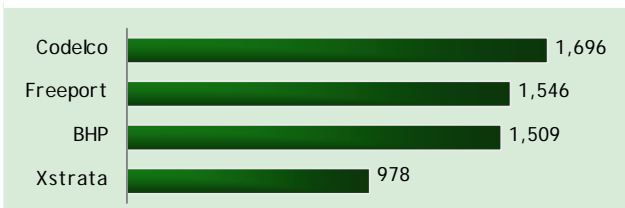
Commodity price (US\$/t)



Themes

- China's emergence as a major consumer of copper (most of which is imported) is now the major swing factor
- Supply disruption and production slippages have significantly constrained output in the recent past despite record prices
- DRC and Zambia could surprise on the production upside. However, issues related to royalty, political concerns and tax regime to impact industry fundamentals

Major mined copper producers (kt), 2008



Upside

- Development of China and India and the populations increasing demand for modern housing, cars and electronic goods to underpin copper demand in addition to the power sector
- China is structurally short copper with internal production limited by concentrate supply
- Global economic uncertainty and fund speculation to increase pricing volatility in the short-term

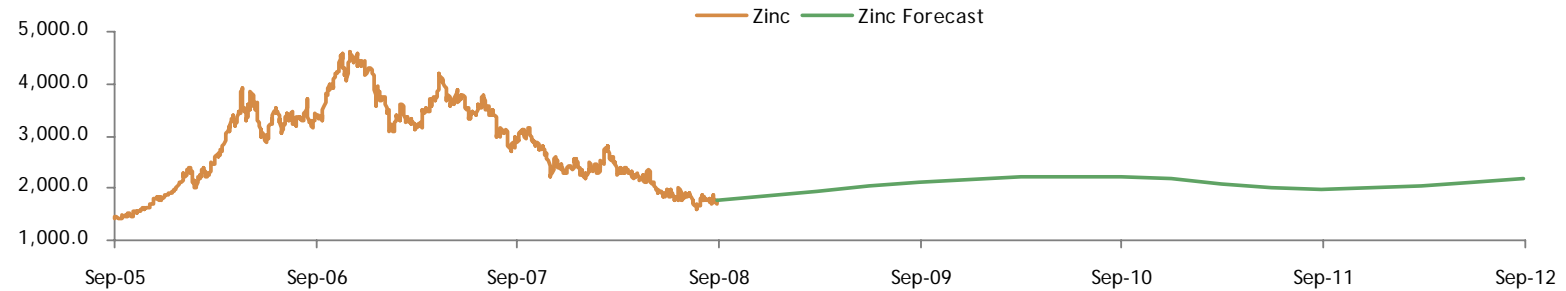
Downside

- Knock-on effect of the weakness in US demand combined with the number of new mine projects beginning production in the near term will see copper prices ease
- Weakness in cathode imports to China in the recent months
- Threat of substitution given current high price environment

Source: Broker Reports, AME

Zinc Overview

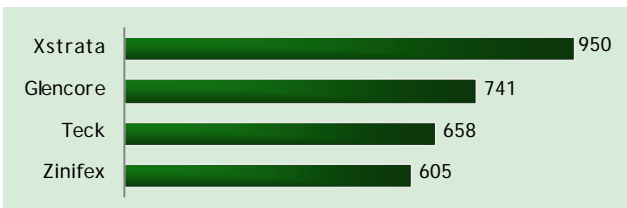
Commodity price (US\$/t)



Themes

- Chinese construction and automotive industries hold the key for zinc demand as capacities for coated sheets rise
- Recession in the US (second in line in terms of consumption to China) to negatively impact the market; European consumption patterns to marginally improve
- Conc. supplies are expected to ease as historic high price have restarted old mines and review projects that were on hold

Major mined zinc producers (kt), 2007

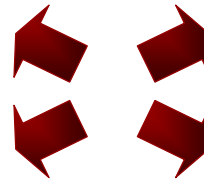


Upside

- Developing world's infrastructure development, construction and automotive industry continue to be the major demand drivers
- Buoyed by a strong Euro and a resilient automobile/construction offtake, Europe demand is likely to grow marginally
- China could possibly announce an export tariff on high-grade zinc exports. China expectation of reverting to importer and major mines nearing the end of the lifecycle to support prices from 2011

Downside

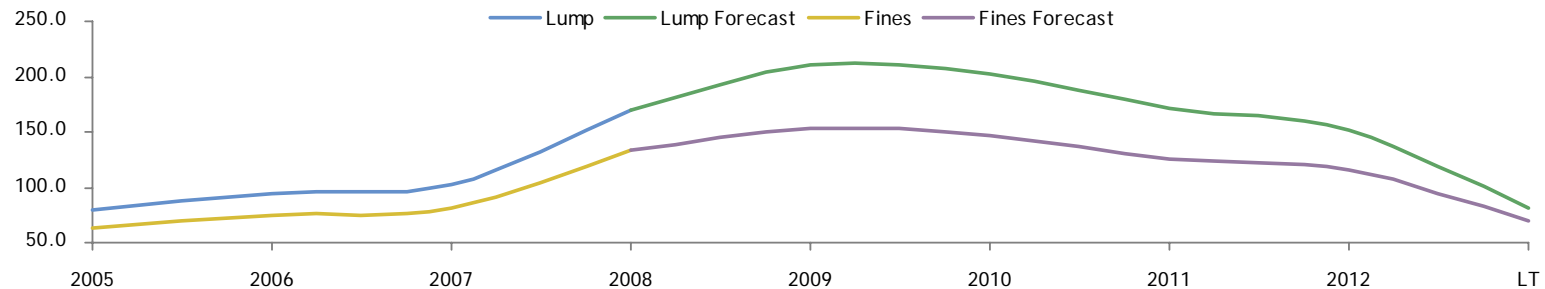
- Period of deep inventory draining supply shortfall has ended and surplus will become even more apparent with mine production from China, Latin America, Europe, Australia and India
- Downturn in the US results in cuts in automobile output and a weak construction sector



Source: Broker Reports, AME

Iron Ore Overview

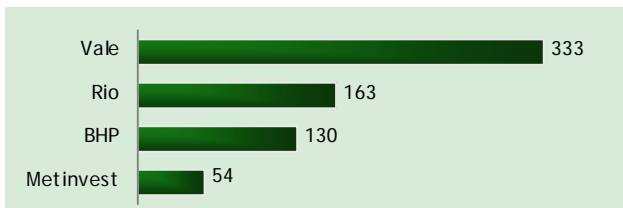
Commodity price (US\$/dmu)



Themes

- China has become a major importer of iron ore to feed its steel production growth which remains at elevated levels despite a marginal economic slowdown
- Current market dynamics continues to favour suppliers on the back of strong pricing and industry consolidation
- Steel industry participants increase M&A activities to fend off unprecedented price rise, going forward

Majors in the global seaborne trade¹ (mmt), 2008



Upside

- Industrialization and infrastructure growth in Asia, particularly China to positively impact the iron ore industry
- China's drive towards efficiency in steel production to increase reliance on imported ore as opposed to securing available local high impurity ores
- Industry continues to be price-makers, despite the recent entry of junior explorers with large scale prospective assets

Downside

- China's economic transition from high growth to steady growth to marginally impact steel production levels
- Numerous junior players are developing their assets, potentially adding substantial tonnage to the world export market
- Prices to remain robust with the possibility of a decline as the market transit towards a "closer" demand-supply balance

Source: Broker Reports, AME
 Note: ¹ Equity-basis