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Sesa Goa Limited
To acquire 51% stake in Western Cluster Limited, Liberia

06 August 2011

Highlights

- Sesa Goa has agreed to acquire 51% stake in Western Cluster Limited, Liberia ("**WCL**") for a cash consideration of US$ 90 million;
- WCL will develop the Western Cluster Iron ore project in Liberia which includes development of iron ore deposits, necessary transportation and shipping infrastructure for export of iron ore. ("**Project**");
- With this acquisition, Sesa Goa will become a significant player in the upcoming West African Iron Ore hub;
- WCL has attractive mining assets having long mine-life with access to potential iron ore resources of over 1 billion tonnes (~330 mt Saleable Product) and close proximity to existing port infrastructure and access to land for railway corridor.

Goa, 06 August 2011: Sesa Goa Limited ("**Sesa Goa"**), a majority-owned subsidiary of Vedanta Resources plc ("**Vedanta**"), the London-based FTSE 100 metals and mining group announces that they have signed a definitive Share Purchase & Operation Agreement with Elenilto Minerals & Mining LLC, Delaware ("**Elenilto**"), under which Sesa Goa has agreed to acquire 51% of the outstanding common shares of WCL (which is the Project Company) for a cash consideration of US$90 million. WCL is a wholly owned subsidiary of Elenilto which is the winner of a bid for the development of the Western Cluster iron ore deposits pursuant to a tender floated by Government of Liberia ("**GOL**"). WCL will carry out the development of Project as per the provisions of a Mineral Development Agreement ("**MDA**") executed with the GOL. Sesa's acquisition of the 51% majority stake in WCL is subject to ratification of the MDA by Legislature of Liberia.

WCL is a logical and strategic fit with Sesa's existing iron ore business and is expected to create significant long term value for all shareholders through:

- Leveraging Vedanta and Sesa's proven mining and project management skills to develop and optimize WCL's mines and plants;
- Access to attractive mining assets with long life having potential iron ore resources in excess of 1 billion tonnes together with significant upside opportunity; and
- Establishing a strong presence in the upcoming iron ore hub catering to seaborne iron ore trade.

"We are highly delighted with this opportunity to consolidate our Iron Ore business. The Western Cluster Project presents an excellent opportunity for developing a large integrated mining operation and establish our presence in Liberia and Africa" said **Mr. P.K. Mukherjee**, Managing Director, Sesa Goa.

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About Sesa

Sesa is India's largest producer and exporter of iron ore in the private sector. The company is a majority owned and controlled subsidiary of Vedanta Resources plc, the London listed FTSE 100 diversified metals and mining major. For over five decades, Sesa has been involved in iron ore mining, beneficiation and exports. Over the last two decades, it has diversified into the manufacture of pig iron and metallurgical coke. Sesa has mining operations in Goa and Karnataka while it also operates a 280,000 TPY metallurgical coke plant and a 250,000 TPY pig iron plant in Goa.

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events and may be interpreted as 'forward looking statements' within the meaning of applicable laws and regulations. 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. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the steel, pig iron and met coke industry – global or domestic or both, significant changes in political, economic, business, competitive or regulatory environment in India or key markets abroad and from numerous other matters of national, regional and global scale including but not limited to natural calamity, tax laws, litigations, Government policies and regulations, fluctuations in interest and or exchange rates of Indian Rupee, etc. Any forward-looking information in this press release has been prepared on the basis of a number of assumptions, which may prove to be incorrect. This press release should not be relied upon as a recommendation or forecast by Sesa Goa Ltd. The views expressed herein 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 or reliability of this information. We do not undertake to update our forward-looking statements.