

Sesa Goa Limited Clarification on Lokayukta Report

02 August 2011

Goa, 02 August 2011: With reference to media reports regarding Sesa Goa Limited ("Sesa Goa" or the "Company") being named in the [Karnataka] Lokayukta report, the company wishes to clarify its stand and state the following.

The Company's name is referred in the Lokayukta report at three instances:

1. On Page No 25 of the report, serial no 16 & 25, it has been alleged that Sesa Goa exported 60,500 tonnes and 15,000 tonnes through two different vessels post the export ban. The names of the vessels mentioned in the report are not correct. These two quantities refer to two shipping bills which were part of the vessel MV Panamax 4. Against the shipping bill dated 10 August 2010 of 60,500 tonnes which was the loadable quantity of the ship, the actual quantity loaded was 45,500 tonnes and a short shipment of 15,000 tonnes was duly recorded by the customs against the said shipping bill. This quantity of 45,500 was from Sesa Goa mines, and processed through its EOU (Export Oriented Unit) plant. As there was insufficient quantity to load the ship fully (in view of the ban on transportation for export), Sesa bought 15,000 tonnes from the stockpile of another exporter after verifying all permit documents, filed a new shipping bill dated 13 August 2010 and then loaded that quantity onto the ship. Against this specific query, Sesa Goa has submitted all the relevant documents to the government months back.
2. On page 308, the report refers to a court case wherein Sesa Goa had filed a writ petition against the Union of India contesting an allotment of a mining lease to some other miner, which it believed should have been allotted to Sesa Goa on merit.
3. In the past, the company has made some shipments through Belikeri port and page 416 refers to the list of companies, suppliers and the stacks whose material is lying in Belikeri port. The list is for all ore lying in Belikeri port and Sesa Goa's ore lying at Belikeri port has been duly listed as having been transported from Sesa Goa's mines. The stack is lying intact, and has been reconciled against all valid transport documents duly verified by the authorities.

We reiterate that all our transactions are legally compliant, and will fully cooperate with the authorities for any further clarification required, if any.

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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.