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Sesa Denies Biased and Motivated Reports in Certain Sections of Media

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Goa, 14 October 2011: Certain sections of media (both electronic and print) have published reports making false and baseless allegations against Sesa Goa on account of alleged mining violations and political donations. Sesa Goa strongly objects to such reports which are false, motivated and baseless. It is unfortunate that such reports and allegations have been published without verifying factual details. Sesa Goa considers it necessary to reach out to all stakeholders and place before them correct factual position as below on these issues:

1. Excess Production:

It is unfortunate that allegations have been made against the Company for excess production without checking and / or understanding basic facts.

It remains a fact that the permission to extract 4 million tonnes of iron ore per annum from 'three sites' namely, TC nos. 126/53, 69/51 and 70/52, was operative until the year 2006-07; and from the year 2007-08, the permission has been enhanced to 7 million tonnes per annum from the same sites. And production in each year from the said sites has been within the permitted quantities. Any other figures of production allegedly to be in excess of the said permitted quantity are absolutely wrong and / or false / biased. At 'another site', namely TC 6/55, the production has never exceeded 5 lakh tonnes as per the environment ministry's limit.

2. Political Donations:

Like many other corporate houses in India, Sesa has indeed made donations to political parties but strictly in accordance with due process prescribed under law including the Companies Act and the Income Tax Act. It is a common practice among political parties to approach business houses for donations at different points of time. Sesa was no exception to this practice. Sesa has made donations to different political parties based on the requests received, after obtaining requisite approvals from its Board of Directors. These donations have been made by account payee cheques in the name of the political parties with full disclosures made in the Annual Report – which is available in the public domain (website) and also in the income tax returns of the Company. Therefore, political donations made are fully compliant with law and there has been no impropriety or lack of transparency in the whole process of political donations. It is extremely unfortunate that certain activists and sections of media are ascribing motives to such political donations.

Such reports which are based on incorrect, false and biased allegations are strongly denied and condemned. Sesa will expect all concerned to take corrective steps and publish accurate

reports. Sesa on its part likes to assure all of its stakeholders and members of general public that the company remains fully committed to carry out its business operations fully in compliance with law.

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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 more than five decades, Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has recently acquired 51% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated Iron Ore Project. Sesa is also into manufacturing pig iron and metallurgical coke, with a 0.28 mtpa metallurgical coke plant and a 0.25 mtpa 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