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If you have sold or otherwise transferred all your Shares in Vedanta Resources plc, please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

The distribution of this document and any accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.



**VEDANTA RESOURCES PLC**

*(Incorporated and registered in England and Wales No. 04740415)*

Proposed entry into 41 revenue sharing contracts with the Government of India  
and  
Notice of General Meeting

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**Your attention is drawn to the letter from the Chairman which is set out on pages 2 to 6 of this document and recommends you to vote in favour of the resolution to be proposed at the General Meeting referred to below. You should read the whole of this document when considering what action you should take in connection with the General Meeting.**

Notice of a General Meeting of the Company, to be held at 10.00 a.m. on 19 September 2018 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 17 September 2018. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish. Voting directions and proxy appointments may be completed electronically and details are given in the Notice of General Meeting set out at the end of this document.

Lazard & Co., Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is solely providing sponsor services (as such term is defined in the FCA Glossary) to Vedanta Resources plc in connection with the Transaction and, apart from any responsibilities and liabilities (if any) which may be imposed on Lazard & Co., Limited by the FSMA or the regulatory regime established thereunder or any other applicable regulatory regime, will not be responsible to anyone other than Vedanta Resources plc for providing the protections afforded to its clients or for providing advice in connection with the Transaction. To the fullest extent permitted by applicable law or regulation (including under FSMA or the regulatory regime established thereunder), neither Lazard & Co., Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard & Co., Limited in connection with this document, any statement contained herein, the Transaction or otherwise.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b> <sup>1</sup>	<b>Expected time/date</b>
Latest time for receipt of Forms of Proxy or CREST proxy instructions for the General Meeting	10.00 a.m. (London) on 17 September 2018
Voting record time for the General Meeting	10.00 a.m. (London) on 17 September 2018
General Meeting to approve the Transaction	10.00 a.m. (London) on 19 September 2018

1. The dates included in this timetable are indicative only and may be subject to change.

## PART I - LETTER FROM THE CHAIRMAN OF VEDANTA RESOURCES PLC



*(Incorporated and registered in England and Wales Registration No. 04740415)*

*Directors:*

Anil Agarwal: Executive Chairman  
Navin Agarwal: Executive Vice Chairman  
Srinivasan Venkatakrishnan: Chief Executive Officer  
Geoffrey Green: Non-Executive Director  
Edward Story: Non-Executive Director  
Deepak Parekh: Non-Executive Director  
Ravi Rajagopal: Non-Executive Director  
Katya Zotova: Non-Executive Director

*Registered Office:*

5th Floor  
6 St. Andrew Street  
London  
EC4A 3AE

3 September 2018

*To Shareholders and, for information only, to holders of options under the Vedanta share option schemes*

Dear Shareholder,

**Proposed entry into 41 revenue sharing contracts with the Government of India  
and  
Notice of General Meeting**

**Introduction**

On 29 August 2018, Vedanta Resources plc ("**Vedanta**" or the "**Company**") announced that its subsidiary Vedanta Limited had been successfully awarded 41 exploration blocks in sedimentary basins throughout India (the "**Blocks**") pursuant to the Indian Open Acreage Licensing Policy ("**OALP**") at a total aggregate bid cost of US\$551 million (the "**Transaction**"). The OALP is a government-led initiative organised by the Directorate General of Hydrocarbons of the Government of India ("**GoI**").

The GoI is a related party of Vedanta by virtue of it holding substantial equity interests in Vedanta's subsidiaries, Hindustan Zinc Limited ("**HZL**") and Bharat Aluminium Company Limited ("**BALCO**"). As at 31 August 2018 (being the latest practicable date prior to the publication of this document), the GoI held a 29.5 per cent. interest in the issued ordinary share capital of HZL and a 41.0 per cent. interest in the issued ordinary share capital of BALCO. The Transaction is therefore classified under the Listing Rules as a related party transaction and, given its size, is conditional, amongst other things, on the approval of Shareholders. Accordingly, a General Meeting is to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA at 10.00 a.m. on 19 September 2018 for the purposes of seeking such approval, and a notice convening the General Meeting, at which the Resolution will be proposed, is set out at the end of this document. To the best of the knowledge and belief of the Company, neither the GoI nor any of its associates hold(s) any shares in the Company and will not be entitled to vote on the Resolution.

The purpose of this document is to: (i) explain the background to and reasons for the Transaction, (ii) explain why the Board considers the Transaction to be in the interests of Shareholders as a whole, and (iii) convene the General Meeting to obtain Shareholder approval for the Transaction.

**Background to and reasons for the Transaction**

The Board believes that the Transaction complements the Group's existing strategy to focus on production growth. The OALP is the first major auction of hydrocarbon blocks to take place in India since 2010 and provides an opportunity for the Group to acquire new acreages from available areas in

the sedimentary basins of India. The objective of licensing the Blocks is to acquire fresh seismic data and drill exploration wells to establish resources and reserves of oil and/or gas.

### **The OALP**

Vedanta Limited has been awarded the Blocks pursuant to the OALP. The OALP provides an opportunity to acquire acreages from available areas in the sedimentary basins of India.

The OALP is a two-stage competitive bidding process with a revenue sharing model. An interested company can place an early expression of interest for certain blocks following which the GoI then invites bids from other parties. Based on the expressions of interest submitted by various companies, 55 blocks were offered for bidding. Vedanta Limited submitted bids in all 55 blocks and has been awarded 41 Blocks.

Further details of the OALP can be found in Part III (*Description of the Transaction*).

### **Principal terms and conditions of the Transaction**

The Blocks awarded to Vedanta Limited comprise 33 onshore blocks and eight offshore blocks:

#### *Onshore Blocks:*

- 11 Blocks in Assam-Arakan Basin
- 7 Blocks in Rajasthan Basin
- 9 Blocks in Cambay Basin
- 3 Blocks in Krishna Godavari Basin
- 2 Blocks in Himalayan Foreland and Ganga Valley
- 1 Block in Kutch-Saurashtra Basin

#### *Offshore Blocks:*

- 3 Blocks in Kutch-Saurashtra Basin
- 2 Blocks in Krishna Godavari Basin
- 2 Blocks in Cauvery Basin
- 1 Block in Mumbai Basin

Vedanta Limited will enter into 41 separate revenue sharing contracts ("**RSCs**") with the GoI to effect the Transaction. The RSCs will be entered into either prior to (and conditional on) shareholder approval being obtained, or subject to shareholder approval having first been obtained.

Each RSC will be made on the same structure, but will vary in accordance with the different size and economic details of each Block. A licence permitting exploration, development and production operations of all types of hydrocarbons will be granted pursuant to the terms of the relevant RSC in relation to each Block. Vedanta Limited has committed to completing a minimum work programme within the first three consecutive years following the later of (i) the date of signing the applicable RSC; (ii) the date of issue of the licence by the GoI; or (iii) the date from which the licence is made effective by the GoI, subject to any extension which may be available.

The exploration period shall consist of two phases: (i) the Initial Exploration Phase; and (ii) the Subsequent Exploration Phase. In total, the exploration period will be a duration of six years for all Blocks, subject to any extension granted. The development and production period of each contract will be a maximum of 20 years from the date of grant of the petroleum mining lease following discovery of previously unknown deposits of hydrocarbons and approval of the relevant field development plan, subject to any extension granted.

The bid cost of US\$551 million represents Vedanta Limited's total committed capital expenditure on the Blocks for the committed work programme during the exploration phase and will be satisfied in cash using the Group's existing cash resources. It is expected that this capital expenditure will occur over a period of approximately three to four years. Failure to fulfil part or all of the committed work programme requirements in respect of any Block will result in liquidated damages being payable by Vedanta Limited to the GoI (the "**Damages**"). The Damages are specified in each individual RSC as set financial amounts that Vedanta Limited will be required to pay for each part of the committed work that is not undertaken. The aggregate of all Damages potentially payable under the RSCs is US\$309 million, though this will be lower if work is partially completed.

Vedanta Limited will share a specified proportion of the net revenue from each Block with the GoI from the onset of production. Pursuant to the RSCs, the average (unweighted) revenue share for the Blocks shall be 33 per cent. for the initial two years in the case of onshore Blocks, three years in the case of shallow water Blocks or five years in the case of deep and ultra deep water Blocks. Following these initial periods, the revenue share payable to the GoI shall vary depending on the amount of revenue received.

Further details on each RSC and Block can be found in Part III (*Description of the Transaction*) of this document.

### **Risks relating to the Transaction**

The Directors believe that the principal risks in relation to the Transaction include the following:

- Vedanta Limited's exploration programme may not generate commercial discoveries. The early stages of an exploration period of a licence are commonly the most risky. Drilling oil and gas wells is speculative, costly and may not result in successfully drilling, completing or developing oil or gas in sufficient quantities to be profitable or commercially viable. There is no certainty that there will be a return on the Group's investment and some or all of the Blocks may never be developed. A failure of Vedanta Limited to bring productions into operation would reduce the sources of revenues available to the Group and could have a material adverse effect on its business, operations, financial condition and prospects.
- The exploration for, and the development and production of, oil, gas and other natural resources is technically challenging and involves a high degree of risk. The operations of Vedanta Limited on the Blocks may be disrupted by a variety of risks and hazards which are beyond the control of Vedanta Limited, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, political unrest and conflicts, unusual or unexpected geological formations, flooding, earthquake and extended interruptions due to inclement or hazardous weather conditions, explosions and other accidents. These risks and hazards could also result in damage to or destruction of property, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.
- Failure to satisfy the committed work programme in respect of any Block will result in Damages being payable by Vedanta Limited to the GoI. If Vedanta Limited does not satisfy any of the committed work programme requirements in any of the Blocks, the aggregate of all Damages payable under the RSCs is US\$309 million. The total Damages payable will be reduced if the contracted work is partially completed. The payment of Damages could negatively impact the Group's financial condition and prospects and would mean the Group would fail to realise the anticipated benefits of the Transaction.

### **General Meeting**

A notice convening the General Meeting, to be held at 10.00 a.m. on 19 September 2018 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to seek Shareholders' approval for the Transaction.

Notice of 14 clear days has been given in accordance with the provisions of the Companies Act 2006 and the resolution approved by shareholders at the Company's Annual General Meeting held in 2017

permitting the calling of general meetings by the Company on short notice. The Directors believe it is necessary to hold the General Meeting as soon as possible to ensure there are no unnecessary delays in connection with the completion of the Transaction.

### **Action to be taken**

You will find enclosed a Form of Proxy for use at the General Meeting or at any adjournment thereof. Whether or not you intend to be present at that meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by 10 a.m. on 17 September 2018. Completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

Online voting is open to all shareholders and you can register your vote electronically by accessing the registrar's website [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To vote electronically you will need to use the specific meeting Control Number, SRN and PIN that has been provided to you. CREST members who wish to appoint a proxy or proxies for the General Meeting through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

### **Further information**

Shareholders should consider further information contained in Parts II (*Presentation of Information*) to IV (*Additional Information*) of this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

The results of the votes cast at the General Meeting will be announced as soon as possible once known through a Regulatory Information Service and on the Company's website.

### **Financial advice**

The Board, which has been so advised by Lazard & Co., Limited, consider the terms of the Transaction as described herein to be fair and reasonable as far as Shareholders are concerned. In providing its advice to the Board, Lazard & Co., Limited has taken into account the Board's commercial assessment of the Transaction.

### **Offer for Vedanta**

On 31 July 2018 Volcan Investments Limited ("**Volcan**") announced a firm intention to make an offer (the "**Offer**") for the remaining Shares in the Company that it does not already own. Volcan is ultimately beneficially owned by the Anil Agarwal Discretionary Trust. Subsequently, on 3 August 2018 Volcan published an Offer document to the Shareholders setting out the terms and conditions to which the Offer is subject (the "**Offer Document**").

As further described in the Offer Document, a committee comprising Vedanta's independent directors (who comprise all of the Board other than myself and Navin Agarwal) (the "**Independent Committee**") has recommended that Shareholders accept the Offer. As announced on 3 September 2018, the Offer has become unconditional in all respects, is being extended and will remain open for acceptances until further notice.

The Chairman has informed the Independent Committee that Volcan is supportive of the Transaction and intends to vote in favour of the Resolution in respect of its beneficial holding amounting (as at 31 August 2018, being the latest practicable date prior to the publication of this document) to 187,488,102 voting Shares in aggregate, representing approximately 66.51 per cent. of the Company's current issued ordinary share capital (68.60 per cent. of the voting rights in issue). Volcan has also given its formal written consent to the Transaction for the purposes of Rule 21.1(c)(ii) of the City Code on Takeovers and Mergers (the "**Takeover Code**").

For the avoidance of doubt, the Resolution is being proposed in order to ensure compliance with the Listing Rules requirements relating to related party transactions. The Transaction does not require Shareholder approval under the Takeover Code given that Volcan has, for Takeover Code purposes, given its separate written consent.

**Recommendation**

The Board considers the Transaction to be in the best interests of Shareholders as a whole.

Accordingly, the Board recommends that Shareholders vote in favour of the Resolution.

Yours faithfully

Anil Agarwal  
Chairman



## **PART II – PRESENTATION OF INFORMATION**

### **1. Introduction**

The contents of this document should not be construed as legal, financial or tax advice. Shareholders should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

### **2. No Profit Forecast**

No statement in this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for any member of the Group as appropriate.

### **3. Forward-Looking Statements**

Certain statements contained in this document constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Shareholders should specifically consider the factors identified in this document, which could cause actual results to differ, before making any decision whether to vote in favour of the Resolution. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, economic downturn and the Group's ability to implement expansion plans. These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules sourcebook, MAR, the London Stock Exchange, applicable law or relevant regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

### **4. Rounding**

Certain figures included in this document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts is due to rounding.

### **5. Time**

All references in this document to time are to London time unless stated.

### **6. Exchange Rates**

Save as otherwise indicated, references in this document to US\$ amount(s) have been converted from INR to US\$ by reference to the prevailing spot rate of exchange of INR 70.8020 per US\$1 as at 31 August 2018.

### **7. Definitions**

Capitalised terms used in this document have the meanings ascribed to them in Part V (*Definitions*) of this document.

### **8. Publication on Website**

A copy of this document, together with all the information incorporated into this document by reference to another source, is available on the Company's website at [www.vedantaresources.com](http://www.vedantaresources.com).

For the avoidance of doubt, the contents of any websites referred to in this document (including the Company's website) are not incorporated into and do not form part of this document.

## **PART III – DESCRIPTION OF THE TRANSACTION**

### **1. The OALP**

The OALP involves two distinct stages.

#### **1.1 Expression of interest stage**

Under the OALP, a bid round is held twice a year, starting on 1 July and 1 January of every year, with parties able to make an 'expression of interest' submission for a block until 15 November and 15 May of each year, respectively. Certain procedures must be followed and documents submitted in order for the expressions of interest to be compliant with the OALP, including:

- data must be purchased from the National Data Repository or the GoI in respect of the area for which the expression of interest is to be submitted;
- technical documentation describing the prospects of the area must be provided;
- the appropriate fees must be submitted at the same time as submitting the expression of interest:
  - a non-refundable application fee of US\$ 1,000;
  - depending on the size of the block, a participation bond of up to US\$2 million in the form of a bank guarantee valid for a period of twelve months; and
- information on the bidder.

#### **1.2 Bidding stage**

A Notice Inviting Offers ("NIO") for competitive bidding is published immediately after the finalisation of the expression of interest stage. Blocks are offered for bidding and the deadline for submitting bids generally closes three months from the time the NIO is published. The following criteria is used by the GoI to decide on the winning bid for each block:

- there is a five per cent. weightage given to the company who submitted the expression of interest in respect of a particular block earliest;
- there is a 45 per cent. weightage given to technical aspects, including the minimum work programme commitment which comprises 2D/3D seismic imagery processing, other surveys, exploration wells, coring and other analysis; and
- there is a 50 per cent. weightage to the revenue share offered to the GoI. When submitting a bid, a company is required to quote two separate revenue share percentages (as explained in paragraph 2.4 of this Part III below). The bidder that offers the highest value of revenue share to the GoI scores the highest mark in relation to this parameter.

The blocks will be awarded once approval is granted by the Cabinet Committee which is constituted by the GoI. The time from submission of the bid to approval takes approximately six to eight weeks.

### **2. Blocks awarded to Vedanta Limited**

Vedanta Limited has been awarded 41 Blocks through the OALP, comprising 33 onshore and eight offshore blocks:

#### **2.1 Onshore Blocks**

- 11 Blocks in Assam-Arakan Basin
- 7 Blocks in Rajasthan Basin
- 9 Blocks in Cambay Basin
- 3 Blocks in Krishna Godavari Basin

- 2 Blocks in Himalayan Foreland and Ganga Valley
- 1 Block in Kutch-Saurashtra Basin

## 2.2 Offshore Blocks

- 3 Blocks in Kutch-Saurashtra Basin
- 2 Blocks in Krishna Godavari Basin
- 2 Blocks in Cauvery Basin
- 1 Block in Mumbai Offshore Basin

## 2.3 Summary of blocks awarded to Vedanta

- **Assam Basin (11 Blocks)**

Assam foreland basin is one of the most prolific petroliferous basins in India. It is mainly oil bearing with an exploration success ratio above 40 per cent. and a significantly large (5-17 billion barrels) prognosticated resource. The Group's strategy is to acquire under-explored acreages, in areas with proven hydrocarbon producing pools with low to moderate subsurface and low surface risks. Vedanta Limited submitted bids for all 19 blocks on offer in this area and has been awarded 11 blocks.

- **Rajasthan Basin (7 Blocks)**

Rajasthan is a prolific rift basin which has low surface risks and existing infrastructure. Cairn India originally had acreage over the entire basin in 1995. However, 72 per cent. of the area has since been relinquished pursuant to terms of the relevant production sharing contract. There remains significant potential in these areas. Apart from the extension of existing hydrocarbon pools, there is potential of new hydrocarbon pools with different styles of trap geometries. The Group has ongoing operations in this area and infrastructure is in place within this basin. Vedanta Limited has won seven blocks, adjoining to its current RJ-ON-90/1 block.

- **Cambay Basin (9 Blocks)**

Cambay Basin is a rift basin, situated south of the Rajasthan basin. It is a highly prolific basin with around 3.5 BBL oil equivalent discovered resources. There is untapped potential in the northern and central parts of the basin. The Group's strategy is to acquire blocks and also to explore Paleocene age rock formations similar to those being explored by the Group at the Rajasthan basin but which are poorly explored in the Cambay Basin.

Research suggests that the northern blocks appear to be geologically more similar to the Rajasthan basin than the Cambay Basin, and therefore may be the southernmost extension of the Rajasthan basin. The remaining blocks are located in the central part of the basin and comprise vertically stacked hydrocarbon pools from the Miocene to Paleocene ages, close to major discoveries like Gandhar. Vedanta Limited has won nine blocks in this basin.

- **Krishna Godavari Basin (5 Blocks)**

Krishna Godavari is a prolific passive margin basin which has low surface risks and an existing infrastructure. Apart from the extension of existing hydrocarbon pools in three-way fault closures, a particular type of hydrocarbon pool geometry, there is a potential large upside in the new prospects that can open up new opportunities in the basin. The Group has ongoing operations in this area and infrastructure is in place within this basin. Vedanta Limited made successful bids for three onshore blocks, and one shallow-water block and one deep-water block.

- **Himalayan Foreland and Ganga Valley (2 Blocks)**

Himalayan Foreland and Ganga Valley are under-explored frontier basins in India, where no commercial discovery has been made previously. Only a few structural traps have been identified in

sparse moderate quality 2D seismic data. Vedanta Limited submitted successful bids for both of the offered blocks.

- **Kutch-Saurashtra Basin (4 Blocks)**

Kutch-Saurashtra is one of the lesser explored basins in India where the petroleum system is proven at multiple stratigraphic levels. Numerous stratigraphic and structural traps have been identified in sparse moderate quality 2D seismic data. Based on the Group's technical evaluation, Vedanta Limited submitted, and has won, bids for all four blocks.

- **Cauvery Basin (2 Blocks)**

Cauvery basin is an intra-cratonic rift basin, producing hydrocarbon from multiple stratigraphic levels starting from the basement to the Eocene-Oligocene age. The basin has a relatively low resource base and is dominated by gas. The exploration effort is mainly concentrated in the onshore and shelfal areas of the basin. Vedanta Limited submitted bids for all three blocks on offer and has won two blocks.

- **Mumbai Offshore Basin (1 Block)**

Mumbai offshore is a prolific passive margin basin with existing infrastructure. The Mumbai High Field is the largest offshore field in India. There are opportunities for near field exploration and also for finding new plays. Vedanta Limited submitted bids for both blocks available and was successful in one block.

## 2.4 Terms of the RSCs

Vedanta Limited will enter into the RSCs with the GoI to effect the Transaction. The RSCs will be entered into either prior to (and conditional on) shareholder approval being obtained, or subject to shareholder approval having first been obtained.

Each RSC will have similar terms and conditions as set out below and contain a single licence to explore and extract hydrocarbons. The exploration period shall consist of two phases: (i) the Initial Exploration Phase; and (ii) the Subsequent Exploration Phase. The exploration period will be for six years for all Blocks.

The Initial Exploration Phase shall consist of:

- an initial period of three consecutive years with a provision for a single extension of up to one year for Blocks falling onshore or in shallow water; and
- an initial period of three consecutive years with a provision for two extensions of up to one year each in case for Blocks falling in deep water or ultra deep water.

The Subsequent Exploration Phase shall consist of:

- a maximum of three consecutive years with a provision for a single extension of up to one year for Blocks falling onshore or in shallow water; and
- a maximum of three consecutive years with a provision for two extensions of up to one year in each case for Blocks falling in deep water or ultra deep water.

The duration of the development and production period of each RSC will be for a maximum of 20 years from the date of grant of the lease. It may be extended for up to a further 10 years or any such other period as mutually agreed based on the economic size of the field. Exploration is allowed throughout the term of the RSC.

There will be revenue sharing provisions payable monthly from the onset of production and the revenue share payable to the GoI shall vary for each Block. Should Vedanta Limited fail to pay to the GoI the relevant revenue share on or before the last day of each month, interest shall be payable for the period of delay at the LIBOR rate plus two per cent. If Vedanta Limited fails to pay the revenue share to the GoI within 30 days of the payment date, this will be considered a material breach of the RSC.

As part of Vedanta Limited's bid for the Blocks, it was required to submit a percentage share of revenue to be offered to the GoI at the 'lower revenue point', being US\$50,000 per day (the "**LRP**"), and another percentage share of the revenue to be offered to the GoI at the 'higher revenue point', being US\$7 million per day (the "**HRP**"), in relation to each Block. The percentage share of the revenue offered by Vedanta Limited at the LRP and HRP in relation to each Block are shown in the table below.

Pursuant to the RSCs, the revenue share for each Block shall be the percentage of revenue share at the LRP for the initial two years in the case of onshore Blocks, three years in the case of shallow water Blocks or five years in the case of deep and ultra deep water Blocks. Following these initial periods, the revenue share payable to the GoI shall vary depending on which of the following categories applies:

- if the daily net revenue received by Vedanta Limited in respect of a Block is less than or equal to the LRP, the percentage share of revenue offered at the LRP for that Block shall be payable;
- if the daily net revenue received by Vedanta Limited in respect of a Block is equal to or more than the HRP, the percentage share of revenue offered at the HRP for that Block shall be payable;
- if the daily net revenue received by Vedanta Limited in respect of a Block is higher than the LRP but lower than the HRP, the revenue share shall be calculated in accordance with the following formula:

$$\text{Revenue share} = X + [(Y-X) \times (R-LRP) / (HRP - LRP)]$$

Where:

X is equal to the revenue share percentage offered to the GoI at the LRP

Y is equal to the revenue share percentage offered to the GoI at the HRP

R is the average daily net revenue

A minimum work programme to be completed within the initial three consecutive years is applicable, subject to any extension which may be available.

There is no compulsory relinquishment after expiry of the Initial Exploration Phase. However, the contractor will have an option to relinquish the entire Block or part thereof after completion of the committed work programme.

The table below summarises the key terms of each Block:

No.	Name of Block	Licence period (years)	No. of wells <sup>(1)</sup>	2D line km. <sup>(2)</sup>	3D square km. <sup>(3)</sup>	Bid cost (US\$ million) <sup>(4)</sup>	Damages <sup>(5)</sup> (US\$ million)	Revenue sharing	
								% of revenue share at LRP	% of revenue share at HRP
Assam basin									
1	AA-ONHP-2017/1	6 + 2	12	0	715	38.5	18.6	36	99
2	AA-ONHP-2017/2	6 + 2	4	0	73	10.6	5.4	36	99
3	AA-ONHP-2017/3	6 + 2	4	0	268	13.1	6.3	37	99
4	AA-ONHP-2017/4	6 + 2	8	0	839	35.6	14.2	37	99

5	AA-ONHP-2017/5	6 + 2	4	0	758	19.6	8.8	40	99
6	AA-ONHP-2017/6	6 + 2	0	50	0	0.1	0.1	30	99
7	AA-ONHP-2017/8	6 + 2	1	1100	300	11.5	5.5	30	99
8	AA-ONHP-2017/9	6 + 2	0	50	0	0.1	0.1	30	99
9	AA-ONHP-2017/11	6 + 2	3	0	785	17.9	7.7	35	99
10	AA-ONHP-2017/14	6 + 2	0	50	0	0.1	0.1	30	99
11	AA-ONHP-2017/15	6 + 2	1	1100	300	11.5	5.5	30	99
Cambay basin									
12	CB-ONHP-2017/1	6 + 2	7	0	1490	28.4	16.2	41	99
13	CB-ONHP-2017/2	6 + 2	5	0	317	12.8	7.8	25	99
14	CB-ONHP-2017/3	6 + 2	4	0	83	6.1	5.4	45	99
15	CB-ONHP-2017/4	6 + 2	4	0	95	5.5	5.5	35	99
16	CB-ONHP-2017/5	6 + 2	0	0	50	0.5	0.25	41	99
17	CB-ONHP-2017/6	6 + 2	2	0	19	2.4	2.6	35	99
18	CB-ONHP-2017/7	6 + 2	9	0	1335	25.3	17.9	35	99
19	CB-ONHP-2017/10	6 + 2	2	1100	1000	17.4	10.3	38	99
20	CB-ONHP-2017/11	6 + 2	0	50	0	0.1	0.1	30	99
Rajasthan basin									
21	RJ-ONHP-2017/1	6 + 2	15	0	542	33.5	21.5	45	99
22	RJ-ONHP-2017/2	6 + 2	11	0	1072	33.9	19.1	31	99
23	RJ-ONHP-2017/3	6 + 2	11	0	1430	32.1	20.9	30	99
24	RJ-ONHP-2017/4	6 + 2	6	0	1087	21.9	12.9	30	99
25	RJ-ONHP-	6 + 2	16	0	917	27.2	24.6	37	99

	2017/5								
26	RJ-ONHP-2017/6	6 + 2	11	0	925	28.8	18.4	45	99
27	RJ-ONHP-2017/7	6 + 2	0	60	0	0.15	0.15	30	99
Krishna Godavari basin									
28	KG-DWHP-2017/1	6 + 4	0	50	0	0.1	0.1	30	99
29	KG-ONHP-2017/1	6 + 2	2	1000	400	10.6	7.0	30	99
30	KG-ONHP-2017/2	6 + 2	0	50	0	0.1	0.1	30	99
31	KG-ONHP-2017/3	6 + 2	0	60	0	0.2	0.2	30	99
32	KG-OSHP-2017/1	6 + 2	6	0	177	41.3	19.8	25	99
Cauvery basin									
33	CY-OSHP-2017/1	6 + 2	0	50	0	0.075	0.05	30	99
34	CY-OSHP-2017/2	6 + 2	2	1100	1000	22.9	9.1	30	99
Kutch-Saurashtra basin									
35	GK-ONHP-2017/1	6 + 2	0	50	0	0.1	0.1	30	99
36	GK-OSHP-2017/1	6 + 2	1	1100	1000	19.1	5.9	20	99
37	GS-OSHP-2017/1	6 + 2	0	50	0	0.1	0.1	30	99
38	GS-OSHP-2017/2	6 + 2	3	0	674	21.4	10.8	31	99
Mumbai basin									
39	MB-OSHP-2017/2	6 + 2	0	50	0	0.1	0.1	30	99
Himalayan Foreland and Ganga Valley									
40	GV-ONHP-2017/1	6 + 2	0	50	0	0.1	0.1	30	99
41	HF-ONHP-2017/1	6 + 2	0	50	0	0.1	0.1	30	99
<b>Total</b>			<b>154</b>	<b>7220</b>	<b>17,651</b>	<b>550.925</b>	<b>309.45</b>		

Notes:

1. Number of wells available at each Block for drilling



- 2 and 3. Two dimensional line kilometre and three dimensional square kilometre are both types of seismic imagery.
4. Bid cost is the capital expenditure expected on each Block during the exploration phase.
5. Liquidated damages is the amount payable by Vedanta Limited should it walk away from the Transaction in relation to that particular Block.

## 2.5 **Liquidated Damages**

Pursuant to the terms of the RSCs, failure to satisfy the committed work programme in respect of any Block will result in the Damages being payable by Vedanta Limited to the GoI. This is to incentivise Vedanta Limited to carry out the work agreed in the RSCs. The Damages are specified in each individual RSC as set financial amounts that Vedanta Limited would be required to pay should they not undertake the work promised. For example, failure to produce a 3D seismic image of a square kilometre specified in a RSC would incur a set financial penalty and the aggregate penalty from all work not undertaken across the 41 RSCs would comprise the total Damages. If Vedanta Limited does not satisfy any of the committed work programme in any of the Blocks, the aggregate Damages payable to the GoI will be US\$309 million, which is the maximum possible amount of Damages. If only part of the work is undertaken then the Damages will be less than this amount and if all the contracted work is completed then Vedanta Limited will not be liable to pay any Damages. There is no guarantee that all or any of the Blocks will be developed.

## PART IV – ADDITIONAL INFORMATION

### 1. Company address

The registered office of the Company is located at 5th Floor, 6 St. Andrew Street, London, EC4A 3AE. The head office of the Company is 16 Berkeley Street, London W1J 8DZ (telephone number +44 (0)20 7499 5900).

### 2. Major Shareholders

2.1 So far as the Company is aware, as at 31 August 2018 (being the latest practicable date prior to the publication of this document), the following persons had notifiable interests in three per cent. or more of the entire issued share capital of the Company:

Shareholder	Nature of holding	Number of Shares	Percentage of total voting rights
Volcan Investments Limited	Indirect	187,488,102	68.60
Standard Life Investment (Holdings Limited)	Indirect	16,159,239	5.91
Viktor Falk	Direct	8,340,408	3.05

### 3. Material Contracts of the Group

3.1 The material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group (a) in the two years immediately preceding the date of this document and which are, or may be, material to the Group or (b) contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document comprise:

#### (a) RSCs

Details of the RSCs are set out in Part III (*Description of the Transaction*) to this document.

#### (b) *Electrosteel Resolution Plan*

On 17 April 2018, Vedanta announced that the National Company Law Tribunal, Kolkata Bench, India had accepted the terms of a resolution plan (the "**Resolution Plan**") submitted by Vedanta Limited, in which the Company indirectly holds a 50.1 per cent. stake, to acquire Electrosteel Steels Limited ("**Electrosteel**") pursuant to a corporate insolvency resolution process implemented by way of the Indian Insolvency and Bankruptcy Code 2016.

Pursuant to the Resolution Plan, Vedanta Star Limited, a wholly-owned subsidiary of Vedanta Limited, ("**Vedanta Star**") subscribed for shares of Electrosteel, comprising approximately 90 per cent. of its issued share capital, for an aggregate amount of INR 1,805 Crores (US\$269.9 million) and provided additional funds of INR 3,515 Crores (US\$525.7 million) to Electrosteel by way of debt.

Pursuant to the Resolution Plan, a portion of the amount owed to the existing financial creditors of Electrosteel, amounting to INR 7,619.24 Crores (US\$1,139.5 million) was converted to equity shares of Electrosteel and then Electrosteel's share capital underwent a share capital reduction. Following the capital reduction, Vedanta Star subscribed for new shares of Electrosteel for INR 1,805 Crores (US\$269.9 million), which rank *pari passu* with the existing shares of Electrosteel. Vedanta Star also gave a loan of INR 3,515 Crores (US\$525.7 million) to Electrosteel by way of debt.

On 15 June 2018, Vedanta announced that Vedanta Star had been allotted 1,765,506,078 equity shares in Electrosteel pursuant to the Resolution Plan and now holds approximately 90 per cent. of the paid up share capital of Electrosteel. The remaining 10 per cent. of Electrosteel's share capital is held by Electrosteel's shareholders prior to the Resolution Plan and the financial creditors who received shares in exchange for the debt owed to them. The funds received by Electrosteel as debt and equity were used to fully settle the debts owed to its financial creditors, by payment of INR 5,320 Crores (US\$795.6 million).

#### (c) *Volcan Relationship Agreement between Vedanta, Volcan, Conclave and Anil Agarwal*

Volcan owns 68.60 per cent. of the total voting rights in Vedanta. Volcan is 100 per cent. owned and controlled by the Anil Agarwal Discretionary Trust (the "**Trust**"). Conclave PTC Limited ("**Conclave**") is the trustee of the Trust and controls all voting and investment decisions of the Trust. As a result, securities beneficially owned by Volcan may be regarded as being beneficially owned by the Trust and, in turn, by Conclave. Mr Anil Agarwal, the Executive Chairman of the Company and the Non-Executive Chairman of Vedanta Limited, may be deemed to have beneficial ownership of Shares that may be owned or deemed to be beneficially owned by Conclave.

The Company, Volcan, Conclave and Mr Anil Agarwal are parties to a relationship agreement (the "**Volcan Relationship Agreement**") which regulates the ongoing relationship between them to ensure that the Company carries on its business independently of Volcan and its direct and indirect shareholders, and their respective associates (the "**Volcan Parties**") as required by the Listing Rules and to ensure that transactions and relationships, including all matters that are the subject of the Shared Services Agreement (as described below), among the Volcan Parties are at arm's length and on a normal commercial basis.

The Volcan Relationship Agreement will terminate in respect of Volcan at such time as each of the Volcan Parties, acting individually or jointly by agreement, ceases to be a controlling shareholder of Vedanta for the purposes of the Listing Rules or if the Company is de-listed from the London Stock Exchange. The Volcan Relationship Agreement will terminate in respect of Conclave and Mr. Anil Agarwal if any of them individually or acting jointly ceases to be a controlling shareholder of the Company or Volcan.

(d) ***Shared Services Agreement***

The Company entered into a shared services agreement dated 5 December 2003 with Sterlite Technology Limited (the "**Shared Services Agreement**"), under which Sterlite (now Vedanta Limited) and the Company agreed to continue to provide Sterlite Technology Limited with certain advisory services on an ongoing basis consisting primarily of access to certain of the directors, officers and employees of the Group. The services are provided on an arm's length basis and at normal commercial terms.

(e) ***HZL call options***

On 11 April 2002, Vedanta Limited acquired a 26.0 per cent. interest in HZL from the GoI through its subsidiary, Sterlite Opportunities and Ventures Limited (which has since merged into Vedanta Limited). The GoI and Vedanta Limited subsequently entered into a shareholders' agreement to regulate, among other things, the management of HZL and dealings in HZL's shares (the "**HZL SHA**").

Under the HZL SHA, the GoI granted Vedanta Limited two call options to acquire all the shares in HZL held by the GoI at the time of exercise. Vedanta Limited exercised the first call option on 29 August 2003 and acquired an additional 18.9 per cent. on 12 November 2003, taking Vedanta Limited's interest in HZL to 64.9 per cent.

Prior to selling shares in HZL to a third party, either party must first issue a sale notice offering those shares to the other party at the price it intends to sell them to the third party. However, a transfer of shares, representing not more than 5.0 per cent. of the equity share capital of HZL, by the GoI to the employees of HZL is not subject to such right of first refusal by Vedanta Limited. The GoI has transferred shares representing 1.5 per cent. of HZL's share capital to the employees of HZL. The HZL SHA also provides that if the GoI proposes to make a sale of its shares in HZL by a public offer prior to the exercise of Vedanta Limited's second call option, then Vedanta Limited shall have no right of first refusal.

The second call option provides Vedanta Limited a right to acquire the GoI's remaining 29.5 per cent. shareholding in HZL, subject to the right of the GoI to transfer up to 3.5 per cent. of the issued share capital of HZL to employees of HZL, in which case the number of shares that Vedanta may purchase under the second call option will be reduced accordingly. The exercise price for the second call option will be equal to the fair market value of the shares as

determined by an independent appraiser. By a letter dated 21 July 2009, Vedanta Limited exercised the second call option. This is currently subject to litigation.

(f) ***BALCO call option***

On 2 March 2001, Vedanta Limited acquired a 51.0 per cent. interest in BALCO from the GoI. On the same day, Vedanta Limited entered into a shareholders' agreement with the GoI and BALCO to regulate, among other things, the management of BALCO and dealings in BALCO's shares (the "**BALCO SHA**"). The BALCO SHA provides that as long as Vedanta Limited holds at least 51.0 per cent. of the share capital of BALCO, it is entitled to appoint one more director to the board of BALCO than the GoI and is also entitled to appoint the managing director.

Under the BALCO SHA, if either the GoI or Vedanta Limited wishes to sell its shares in BALCO to a third party, the selling party must first offer the shares to the other party at the same price at which it is proposing to sell the shares to the third party. The other party shall then have the right to purchase all, but not less than all, of the shares so offered. If a shareholder does not exercise its right of first refusal, it shall have a tag along right to participate in the sale pro rata and on the same terms as the selling party, except that if the sale is by the GoI by way of a public offer, the tag along right will not apply. However, a transfer of shares representing not more than 5.0 per cent. of the equity share capital of BALCO by the GoI to the employees of BALCO is not subject to such right of first refusal by Vedanta Limited. The GoI also granted to Vedanta Limited an option to acquire the remaining shares in BALCO held by the GoI at the time of exercise.

The Group exercised this option on 19 March 2004. This is currently subject to litigation.

(g) ***Merger of Cairn India with Vedanta Limited***

Pursuant to a Scheme of Arrangement between Cairn India Limited ("**Cairn India**") and Vedanta Limited and their respective shareholders and creditors, which was approved by the National Company Law Tribunal, Mumbai bench on 23 March 2017 and by the regulatory authorities, Cairn India merged with Vedanta Limited with effect from 11 April 2017.

(h) ***Rajasthan PSC***

Vedanta Limited along with its subsidiary Cairn Energy Hydrocarbons Limited ("**CEHL**") is working in partnership with its joint operation partner ONGC in the Rajasthan Block. The Rajasthan block production sharing contract ("**Rajasthan PSC**") was signed on May 1995 between the GoI and a consortium consisting of ONGC and Shell India Production Development BV.

Cairn India acquired its interest in the Rajasthan PSC in three stages, eventually acquiring a 100 per cent. beneficial interest in the assets and liabilities as of May 2002 and acquiring legal title to this interest on 20 June 2003. Under the Rajasthan PSC, the GoI has an option to acquire a participating interest of 30 per cent. in any development area containing a commercial discovery. The GoI exercised their right in all three development areas, specifically, Development Area 1 in 2005, Development Area 2 in 2007 and Development Area 3 in 2009, acting through its nominee ONGC, and acquired a 30 per cent. participating interest. As of 31 March 2018, ONGC holds a 30 per cent. participating interest in the Rajasthan block, Vedanta Limited holds 35 per cent., and the remaining 35 per cent. interest is held by CEHL.

As per the terms of the PSC and permissions from the GoI, the crude oil, natural gas and condensate produced from the Rajasthan block is being sold to both public sector undertakings' refineries and private refineries.

The Rajasthan PSC established a management committee for the Rajasthan block which consists of four members, two of whom are nominated by and represent the GoI and the licensee, namely ONGC, taken together, and two of whom are nominated by and representing Vedanta Limited and CEHL. The management committee must unanimously approve annual work programmes, budgets, proposals for the declaration of a discovery as commercial, field

development plans, and the delineation of or additions to a development area, while all other matters only require a majority vote, provided that the majority vote includes the vote of the member representing the GoI.

The Rajasthan PSC is valid until May 2020, unless the PSC is terminated in accordance with its terms, but may be extended upon mutual agreement between the parties for up to five years, provided in case of commercial production of natural gas which is expected to continue beyond 2020, the PSC shall be extended for a period of 35 years from 15 May 1995. There is also a provision to further extend the PSC by agreement of the parties if production of crude oil or of natural gas is expected to continue after the relevant period. By way of a notification dated 7 April 2017, the Ministry of Petroleum and Natural Gas ("**MoPNG**") issued a policy for the grant of an extension to the production sharing contracts signed by the GoI awarding Pre-New Exploration Licensing Policy ("**Pre-NELP**") Exploration Blocks ("**Pre-NELP Extension Policy**"). The Pre-NELP Extension Policy defines the framework for granting extensions for Pre-NELP blocks and covers both the Rajasthan and Cambay fields. Pre-NELP Extension Policy, amongst others, provides for an enhanced share of profit petroleum of 10 per cent. for the GoI during the extended term of the PSC.

Vedanta and CEHL believe that as per the terms of the Rajasthan PSC, they are entitled to a 10 year extension on the same terms and conditions in case there is a commercial production of natural gas which is expected to continue beyond the present period of the PSC. Vedanta and CEHL have filed a writ before the Honourable Delhi High Court seeking necessary directions for the extension of the PSC, which has been allowed. The GoI has referred an appeal against the said order to the division bench of the Honourable Delhi High Court. Whilst admitting the appeal, the Court has directed GoI to take a decision on the extension of the RJ PSC within a period of two months in line with the Pre-NELP Extension Policy. Such extension will be subject to the final outcome of the ongoing proceedings.

The Rajasthan Block benefitted from a tax holiday of seven years from 2009 (being the year of commencement of commercial production in the Rajasthan Block) to 31 March 2016. However, during this seven year period, minimum alternate tax rules applied resulting in a taxation of book profits calculated in accordance with the generally accepted accounting principles used in India. Any minimum alternate tax paid can be carried forward for a total period of fifteen years from the year of credit and used to reduce corporate tax due in future years in excess of minimum alternate tax payable in those years.

(i) ***Ravva Block PSC for the exploration, development and production of the Ravva field***

The production sharing contract for the exploration, development and production of the Ravva block (the "**Ravva PSC**") was signed on 28 October 1994 between the GoI and a consortium consisting of ONGC, Videocon Industries Limited (formerly Videocon Petroleum Limited), Ravva Oil and Cairn Energy India Pty Limited (formerly known as Command Petroleum (India) Pty Limited) ("**Command Petroleum**") with Command Petroleum being designated as the operator. In 1996, Cairn Energy acquired Command Petroleum, including its interest in the Ravva block, and Cairn India became the operator.

As at 31 March 2018, Vedanta Limited holds a 22.5 per cent. participating interest in the Ravva block with the remaining interests currently held by ONGC (40 per cent.), Videocon Industries Limited (25 per cent.) and Ravva Oil (12.5 per cent.) (together the "**Ravva Joint Operating Partners**"). The production sharing contract is valid until 27 October 2019, unless the PSC is terminated earlier in accordance with its terms, but may be extended by GoI for a further period not exceeding five years, provided that in the event of commercial production of non-associated natural gas the PSC may be extended for a period not exceeding 35 years from date of signing. The MoPNG, through a notification dated 28 March 2016 issued a policy for the grant of an extension to the production sharing contracts signed by the GoI awarding small, medium sized and discovered fields to private joint ventures (the "**Ravva Extension Policy**"). The Ravva Extension Policy defines the framework for the granting of extensions and covers 28 small and marginal fields, including the Ravva field. The Ravva Extension Policy, amongst others, provides for an enhanced share of profit petroleum of 10 per cent. for the GoI during the extended term of the PSC. In terms of the Ravva Extension Policy, the JV partners have applied to the GoI seeking extension of the PSC by 10 years.

(j) ***Cambay basin production sharing contract***

Exploration, development and production of the Cambay basin block is governed by a production sharing contract between the GoI and a consortium consisting of ONGC, Tata Petrodyne Limited ("**Tata**") and Vedanta Limited, which was signed on 30 June 1998 and expires in 2023, unless the PSC is terminated earlier in accordance with its terms, but may be extended by the GoI for a further period not exceeding five years, provided that in the event of commercial production of non-associated natural gas, the PSC may be extended for period not exceeding 35 years from the date of signing.

By way of a notification dated 7 April 2017, the MoPNG issued a policy for the grant of extension to the production sharing contracts signed by the GoI awarding Pre-NELP exploration blocks. The Pre-NELP Extension Policy defines the framework for granting extensions for Pre-NELP blocks and covers both the Rajasthan and Cambay fields. The Pre-NELP Extension Policy, amongst others, provides for an enhanced share of profit petroleum of 10 per cent. for the GoI during the extended term of the PSC. The extension application for the CB Block shall be due for filing in 2021. Vedanta Limited's participating interest in the Cambay Basin joint operation consists of a 40 per cent. interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by ONGC (50 per cent.) and Tata (10 per cent.).

4. **Significant change**

There has been no significant change in the financial or trading position of the Group since 31 March 2018, being the date of the last audited financial statements of the Company.

5. **Consents**

Lazard & Co., Limited has given and not withdrawn its written consent to the inclusion of the references to its name in this document in the form and context in which such references are made.

6. **Confirmations required pursuant to Rule 27.2 of the Takeover Code**

Following the publication of the Offer Document on 3 August 2018, this document comprises a 'subsequent document' for the purposes of Rule 27.2 of the Takeover Code.

Save as disclosed in:

- (a) this document, in respect of the RSCs; and
- (b) the announcement dated 31 August 2018, in respect of the terms of the service contract appointing Mr Srinivasan Venkatakrisnan as Chief Executive Officer and a director of the Company,

there have been no changes in information disclosed in the Offer Document which are material in the context of the Offer Document and there have been no material changes to the matters listed in Rule 27.2(c)(i)-(xi) of the Takeover Code since the publication of the Offer Document.

Save in respect of the responsibilities taken by the Independent Committee pursuant to the paragraph below, the Directors, whose names are set out below, accept responsibility for the confirmations contained in this paragraph 6. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this paragraph 6 for which they have responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The members of the Independent Committee, whose names are set out below, accept responsibility for the confirmations contained in this paragraph 6 as regards Rule 27.2(c)(i) (*opinion on the offer*) and Rule 27.2(c)(ii) (*advice from the independent adviser*). To the best of the knowledge and belief of the members of the Independent Committee (who have taken all reasonable care to ensure that such is the case), the information contained in this paragraph 6 for which they have responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors and their respective positions are set out below:

- Anil Agarwal (Executive Chairman);
- Navin Agarwal (Executive Vice Chairman);
- Srinivasan Venkatakrishnan (Chief Executive Officer);
- Geoffrey Green (Non-Executive Director);
- Edward Story (Non-Executive Director);
- Deepak Parekh (Non-Executive Director);
- Ravi Rajagopal (Non-Executive Director); and
- Katya Zotova (Non-Executive Director).

The members of the Independent Committee and their respective positions are set out below:

- Srinivasan Venkatakrishnan (Chief Executive Officer);
- Geoffrey Green (Non-Executive Director);
- Edward Story (Non-Executive Director);
- Deepak Parekh (Non-Executive Director);
- Ravi Rajagopal (Non-Executive Director); and
- Katya Zotova (Non-Executive Director).

**7. Documents available for inspection and available information**

Copies of the following documents will be available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA and at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting:

- (a) the articles of association of the Company;
- (b) the consent of Lazard & Co., Limited referred to in paragraph 5 above; and
- (c) this document.

Date: 3 September 2018

## PART V – DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

"BALCO"	Bharat Aluminium Company Ltd;
"BALCO SHA"	the shareholders' agreement entered into between Vedanta Limited and the GoI on 2 March 2001;
"Blocks"	the 41 exploration blocks in sedimentary basins throughout India awarded to Vedanta Limited under the OALP;
"Cairn Energy"	Cairn Energy plc, a company incorporated in England & Wales, registered with the company number SC226712;
"Cairn India"	Cairn India Limited, a company incorporated in India;
"Command Petroleum"	Cairn Energy India Pty Limited (formerly known as Command Petroleum (India) Pty Limited);
"Conclave"	Conclave PTC Limited;
"CREST"	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear UK & Ireland Limited;
"Crore" or "Cr"	10 million;
"Directors" or "Board"	the directors of the Company as at the date of this document;
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA;
"Financial Conduct Authority" or "FCA"	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List of the FCA otherwise than in accordance with Part VI of FSMA;
"Form of Proxy"	the form of proxy relating to the General Meeting being sent to Shareholders with this document;
"FSMA"	the Financial Services and Markets Act 2000 of England and Wales, as amended;
"General Meeting"	the general meeting of the Company convened for 10.00 a.m. on 19 September 2018 (or any adjournment of it), notice of which is set out at the end of this document;
"GoI"	the Government of India;
"Group"	the Company and its subsidiary undertakings from time to time;
"HRP"	higher revenue point of US\$7 million per day;
"HZL"	Hindustan Zinc Limited;
"HZL SHA"	the shareholders' agreement as described in paragraph 3.1(e) of Part IV ( <i>Additional Information</i> ) of this document
"Independent Committee"	means a committee comprising the independent members of the Board;
"INR"	the lawful currency of India;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA (as amended from time to time);



"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"LRP"	lower revenue point of US\$ 50,000 per day;
"MAR"	the Market Abuse Regulation (2014/596/EU);
"NIO"	a Notice Inviting Offers under the OALP;
"Notice of General Meeting" or "Notice"	the notice of the General Meeting set out at the end of this document;
"OALP"	the Indian Open Acreage Licensing Policy;
"Offer"	the Offer by Volcan for the remaining issued and to be issued share capital of the Company not currently owned by Volcan;
"Offer Document"	the offer document to the Shareholders setting out the terms and conditions to which the Offer is subject dated 3 August 2018;
"ONGC"	Oil and Natural Gas Corporation Limited;
"Prospectus Rules"	the rules for the purpose of Part VI of FSMA in relation to offers of transferable securities to the public and the admission of transferable securities to trading on a regulated market (as amended from time to time);
"Rajasthan Block"	Block RJ-ON-90/1 in Rajasthan;
"Rajasthan Block PSC"	the production sharing contract dated 15 May 1995 between the GoI and a consortium consisting of ONGC and Shell India Production Development BV as amended from time to time;
"Ravva Joint Operation"	the joint operation between Cairn India, ONGC, Videocon Petroleum Limited and Ravva Oil in connection with the Ravva field as amended from time to time;
"Ravva PSC"	the production sharing contract dated 28 October 1994 between the GoI and a consortium consisting of ONGC, Videocon Petroleum Limited, Ravva Oil and Command Petroleum as amended from time to time;
"RSCs"	revenue sharing contracts;
"Resolution"	the resolution, relating to the approval of the Transaction, set out in the Notice of General Meeting;
"Shared Services Agreement"	the shared services agreement as described in paragraph 3.1(d) of Part IV ( <i>Additional Information</i> ) of this document;
"Shareholder(s)"	holder(s) of Shares from time to time;
"Shares"	ordinary shares of US\$0.10 each in the capital of the Company;
"Sterlite"	Sterlite Industrial (India) Limited, now merged with and into Vedanta Limited;
"Takeover Code"	the City Code on Takeovers and Mergers;
"Trust"	Anil Agarwal Discretionary Trust;
"Transaction"	the proposed entry into the RSCs for the Blocks;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US dollar" or "US\$"	the lawful currency of the United States of America;
"Vedanta" or the "Company"	Vedanta Resources plc;
"Vedanta Limited"	Vedanta Limited, a company incorporated in India;

"Vedanta Star"	Vedanta Star Limited, a wholly-owned subsidiary of Vedanta Limited;
"Volcan"	Volcan Investments Limited;
"Volcan Parties"	the Company, Volcan, Conclave and Mr Anil Agarwal, and their direct and indirect shareholders and respective associates (where applicable); and
"Volcan Relationship Agreement"	the agreement between the Company, Volcan, Conclave and Mr Anil Agarwal.

## NOTICE OF GENERAL MEETING

### VEDANTA RESOURCES PLC

*(Incorporated and registered in England and Wales, Registration No. 04740415)*

NOTICE is hereby given that a General Meeting of Vedanta Resources plc (the "**Company**") will be held at 10.00 a.m. on 19 September 2018 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution.

The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)).

### ORDINARY RESOLUTION

THAT the proposed Transaction (as described in the circular to shareholders of the Company dated 3 September 2018 of which this Notice forms part) be and is hereby approved and the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be authorised to take all such steps as may be necessary or desirable in connection with, and to implement and complete, the Transaction and associated matters with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are material in nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate.

By order of the Board

Deepak Kumar  
Company Secretary

3 September 2018

*Registered Office: 5th Floor, 6 St Andrew Street, London, EC4A 3AE*

## Notes:

### Voting at the General Meeting

1. It is intended that voting on the resolution at the General Meeting will be conducted on a poll, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the General Meeting and those lodged before the General Meeting are included in the results of the voting on a one share one vote basis.

### Proxies

2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("**Computershare**") (helpline number +44(0)370 707 1388). To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00 a.m. on 17 September 2018. If they are a CREST member, shareholders may use the electronic proxy voting service provided by Euroclear.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
5. For online voting, members may go to the following website: [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Shareholders will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on their proxy form and agree to certain terms and conditions. Shareholders may not use any electronic address provided in this notice of General Meeting or the form of proxy to communicate with the Company for any purposes other than those expressly stated.

### Nominated persons

6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

### Right to attend and vote

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 10.00 a.m. on 17 September 2018 or, in the event of any adjournment, at 10.00 a.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### **Total number of shares and voting rights**

9. As at 31 August 2018 (being the latest practicable date before publication of this Notice), the Company's issued share capital comprised 304,398,171 ordinary shares of US\$0.10 each, of which 273,286,360 carry voting rights in relation to all circumstances at general meetings of the Company. Of the remaining 31,111,811 ordinary shares of US\$0.10, 22,502,483 were held as treasury shares including 1,704,333 shares purchased by Gorey Investments Limited, an independent company and 6,904,995 were issued on the conversion of certain convertible bonds issued by one of the Company's subsidiaries. These 6,904,995 ordinary shares are held through a global depository receipt and, as a result, carry no voting rights. Therefore, the total voting rights in the Company as at 31 August 2018 were 273,286,360.

### **Instructions for electronic proxy appointment through CREST**

10. CREST members who wish to appoint a proxy or proxies through the Euroclear electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) no later than 10.00 a.m. on 17 September 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Corporate shareholders**

14. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

### **Right to ask questions**

15. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Company will not answer any questions which does not relate directly to the business of the General Meeting.

### **Communication**

16. You may not use any electronic address (within the meaning of Sections 333(4) of the Companies Act 2006) provided in this notice (or in any related documents, including the Chairman's letter and Proxy Form) to communicate with the Company for any purpose other than those expressly stated.

**Inspection of documents**

17. A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)).

**Company's registrars**

18. The Company's register of members is maintained by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. The shareholder helpline number is +44(0)370 707 1388.

**Registration**

19. Shareholders should note that doors to the General Meeting will open at 9.00 a.m. and registration will start at 9.30 a.m.

**Security**

20. Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the General Meeting. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman of the meeting may specify.
21. Persons who are not shareholders of the Company will not be admitted to the General Meeting unless prior arrangements have been made with the Company in writing. Investors holding shares through nominees are welcome to attend provided that they bring an original letter of representation from the nominee in order to gain entrance as a shareholder (unless the nominee has validly appointed the investor as its proxy).
22. We ask all those present at the General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.



