



Sesa Goa Acquisition of a Strategic Stake in Cairn India Limited

16 August 2010

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Key Transaction Terms



- Sesa Goa to acquire 20% of Cairn India for a total consideration of c. \$3bn, as part of a transaction with Vedanta
 - Open offer for 20% to Cairn India shareholders or through purchases from Vedanta/Cairn Energy
- Offer primarily funded from cash resources
- Vedanta plc to separately acquire 31% – 40% of Cairn India from Cairn Energy resulting in a total acquisition of between 51% – 60% by Sesa Goa and Vedanta
- Subject to necessary shareholder and regulatory approvals
- Immediately EPS accretive
- Expected to close by Q1 2011

Attractive Strategic Investment



- World class asset with significant growth potential
 - India's #2 private sector upstream oil company by reserves
 - Key producing asset substantially de-risked: potential to reach 25% of India's total oil production
 - Low cost producer: opex of \$5/bbl
 - Long life assets with ability to increase production plateau
- Participation in a controlling interest by Vedanta Group
- Will benefit from the value created as part of the Vedanta group
- Superior investment returns on surplus cash
- Immediate EPS enhancement
- Expansion programme to 50mmtpa unaffected by this transaction

Unique opportunity to partner with Vedanta in a world class oil asset

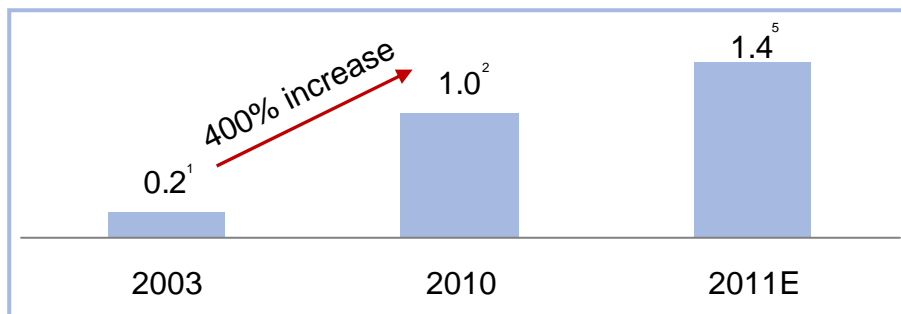
Strategic Rationale for Vedanta

- A unique investment: the Indian natural resources champion meeting the needs of a growing economy
- Leverages Vedanta's core skills
 - Complementary development and operating philosophy
 - Focus on delivery and cost
 - Unique position in Rajasthan
- Cairn India is a world class asset
 - Large, diverse resource base (>6.5bn boe) with substantial upside
 - Potential to produce 240,000+ bopd – c 25% of India's production
 - Low cost producer with strong cash flow generation
- Enhances and diversifies Vedanta's strong growth pipeline
- Earnings accretive

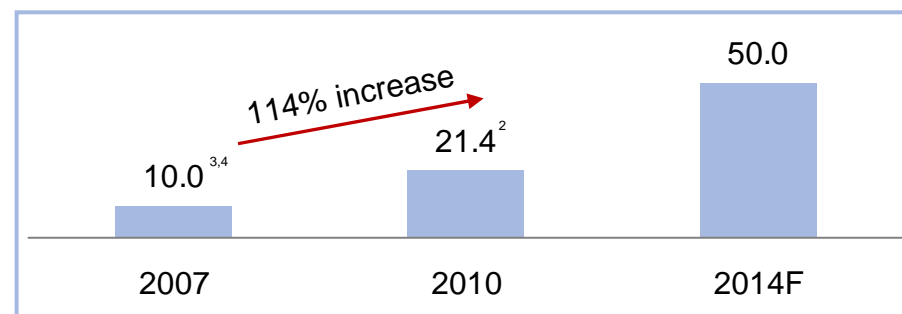
Vedanta's Track Record of Value Creation



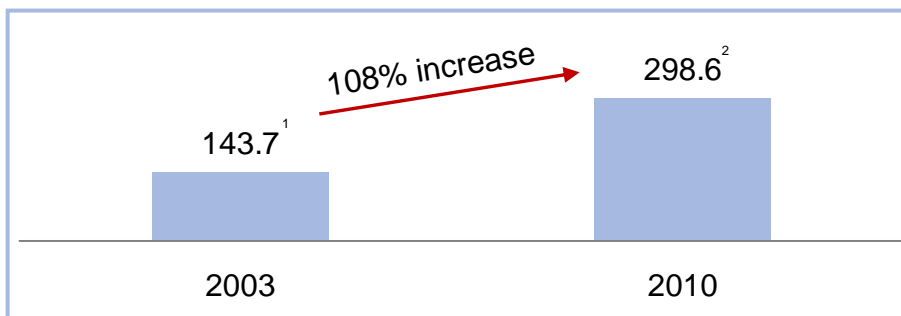
Capacity (mmtpa)



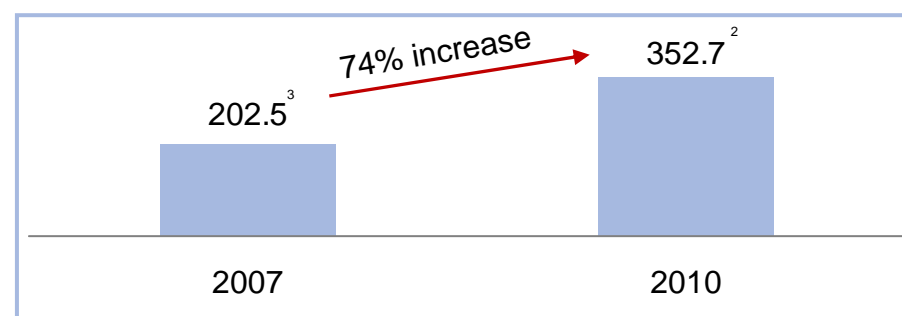
Production (mmtpa)



Reserves and resources (mmt)



Reserves and resources (mmt)



¹ Vedanta IPO prospectus

² Vedanta Annual Report 2010

³ Vedanta Annual Report 2008

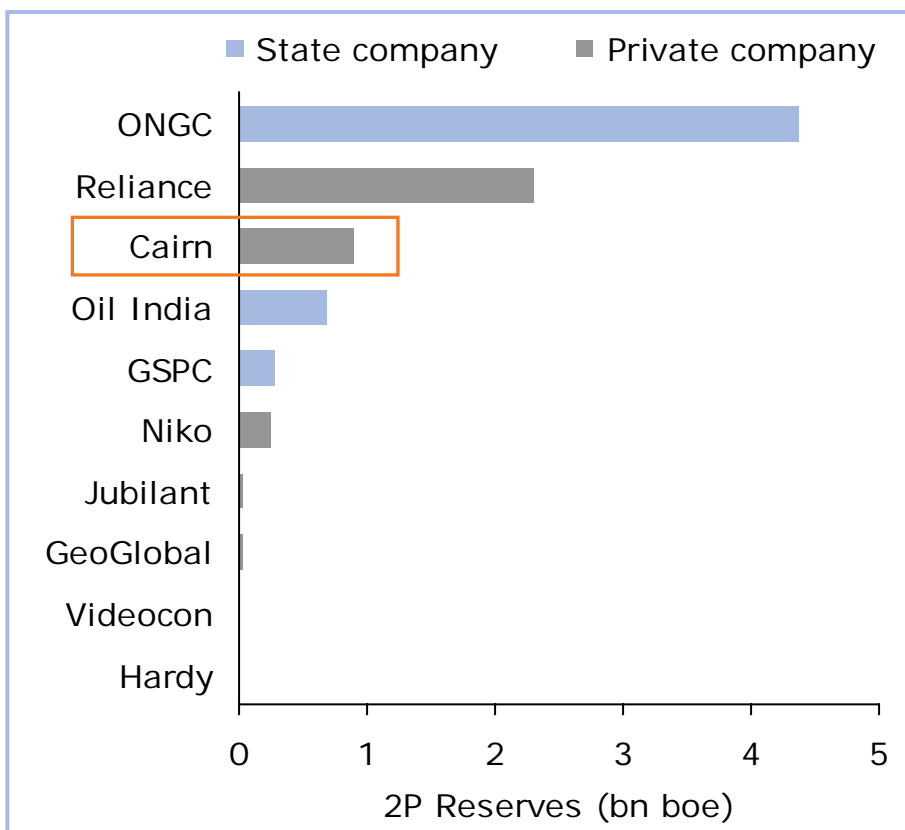
⁴ Represents production from May 2007 to Mar 2008 (11 months)

⁵ Includes 0.3mmtpa for Anglo Zinc

Acquisitions + efficiencies + exploration + expansion = value creation

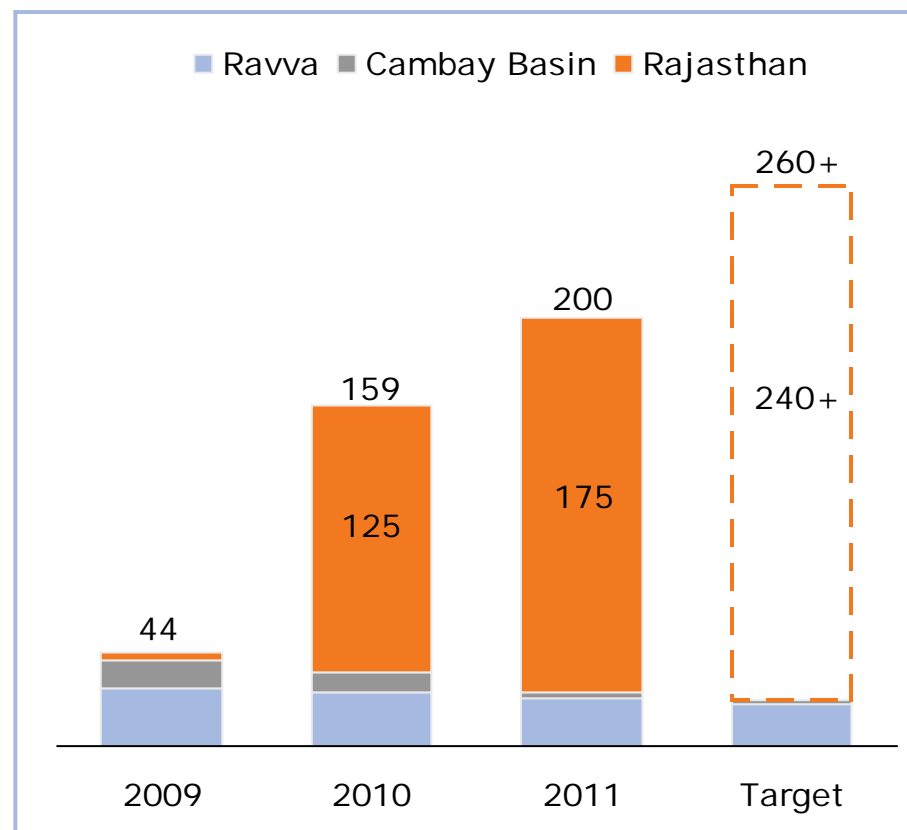
Cairn India: Scale and Growth

Top 10 Players (2P Indian Reserves, bn boe)



Source: Wood Mackenzie
Note: Cairn comprises 2P & 2C

Cairn India Production Profile ('000 boepd, Gross)



Source: Wood Mackenzie, Company data

An Indian oil major

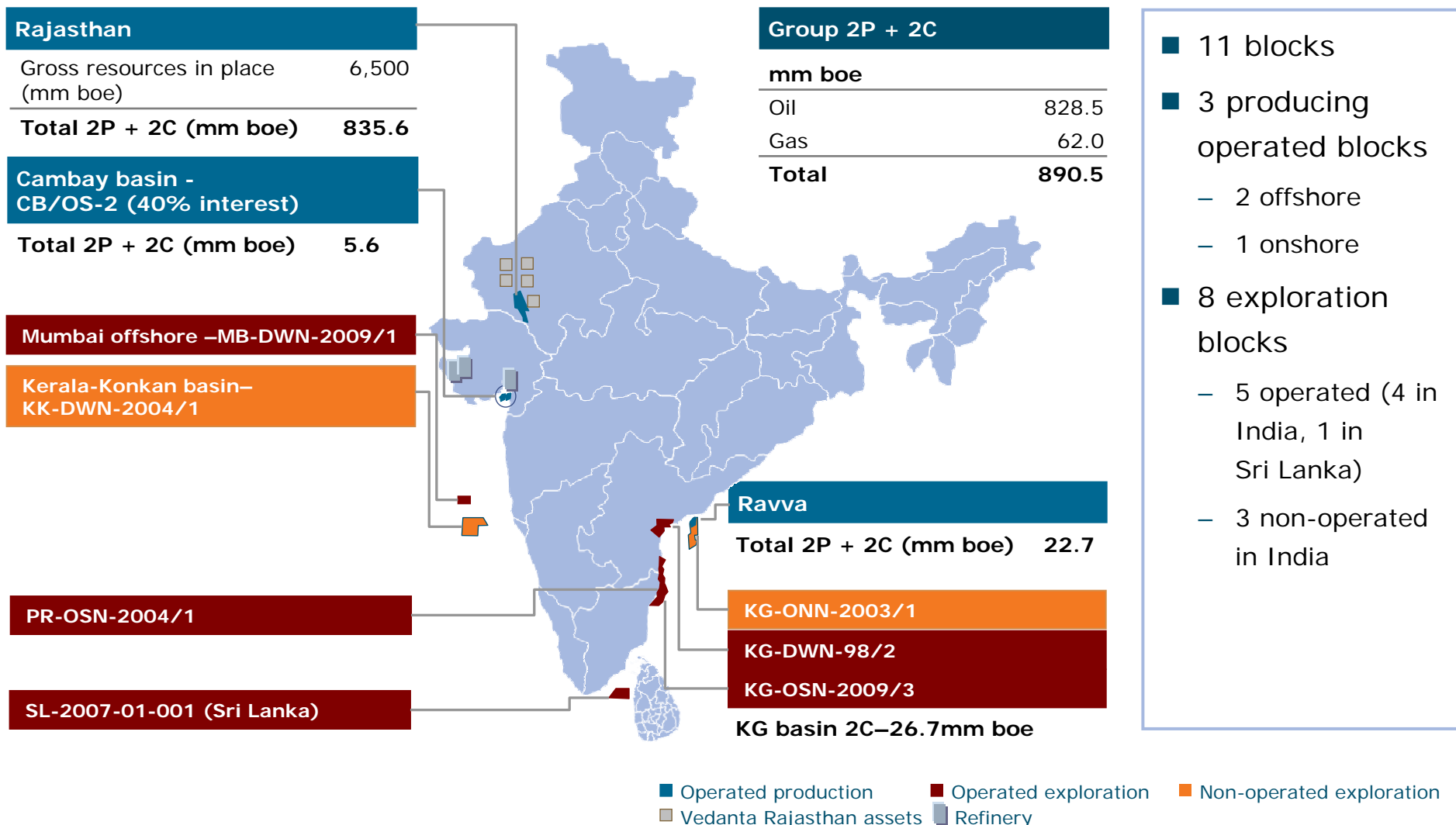
Cairn India Highlights



- Large resource base with significant growth potential
 - 2P reserves and 2C resources of 890mm boe¹
 - Estimated gross initial in place volumes of 6.5bn boe²
 - Significant near-term upside: potential for 300mm boe 2P reserves via EOR; 20 additional discoveries and over 35 prospects
- Key producing asset substantially de-risked
 - 125,000 bopd production in H2 2010, plan to reach at least 240,000 bopd
- Low cost producing assets
 - Low cost F&D platform (\$5/bbl), low opex (\$5/bbl)
- Deep skill sets in oil & gas
- High quality management team
- Unique position in Rajasthan
- Excellent HSE track record

¹ Group
² Rajasthan only

Cairn India's Asset Base



Note: All reserves and resources are Cairn India working interest

Unique and Highly Attractive Opportunity for Sesa Goa

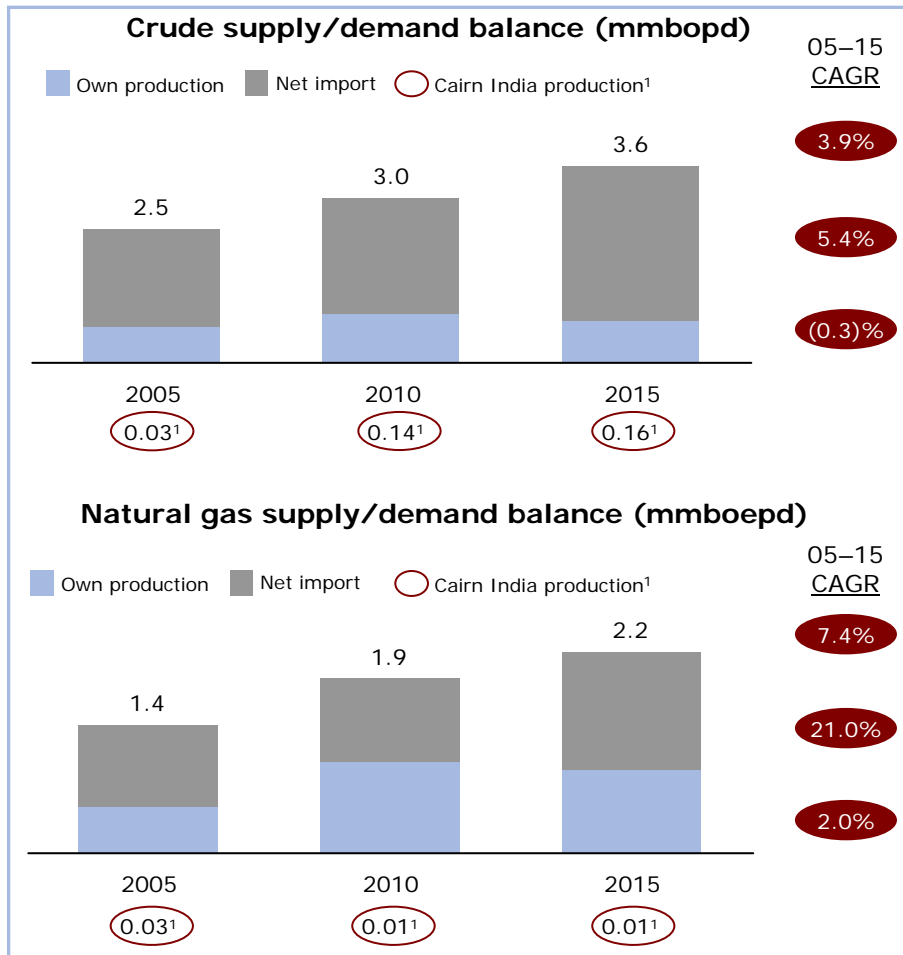


- Strategic investment in a world class asset
- Minority investment within a controlling stake
- Benefit from the value creation as part of Vedanta Group
- Superior investment returns
- Immediately EPS accretive
- Organic expansion programme to 50mmtpa unaffected
- Robust balance sheet

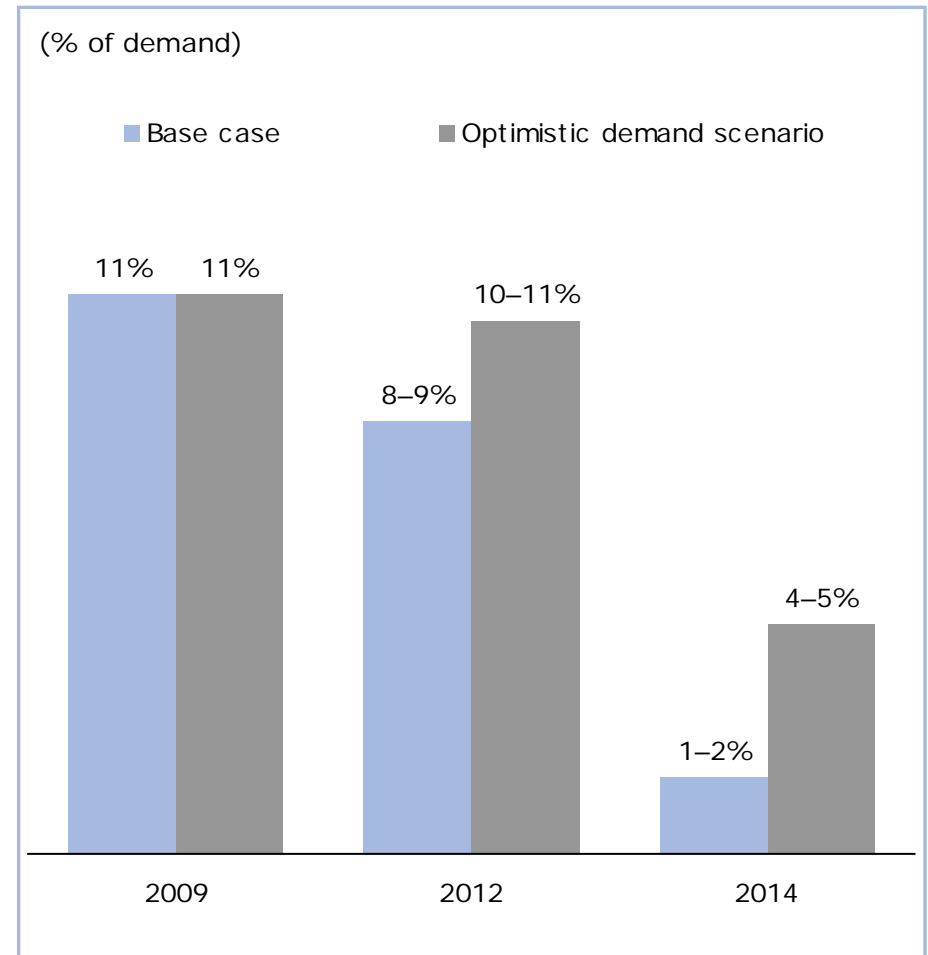
Appendix

India Energy Sector

Oil & gas supply demand mismatch



Projected electricity supply deficit



Source: Wood Mackenzie; FACTS; Energyfiles; McKinsey analysis
¹ Gross numbers; Forecasts based on Degolyer and MacNaughton estimates

Source: EPS, A.T. Kearney analysis

Cairn India Core Assets



Asset	2P + 2C (mm boe)	% stake	Partners	Operator	Onshore/ Offshore	Production (‘000 boepd) ¹
Rajasthan	836	70.0%	ONGC (30%)	Cairn	Onshore	>70.0
Ravva	23	22.5%	ONGC (40%), Videocon (25%), Ravva Oil (12.5%)	Cairn	Offshore	8.3
Gauri, Lakshmi (Cambay)	6	40.0%	ONGC (50%), Tata Petrodyne (10%)	Cairn	Offshore	5.4
KG-DWN- 98/2	27	10.0%	ONGC (90%)	ONGC	Offshore	N/A

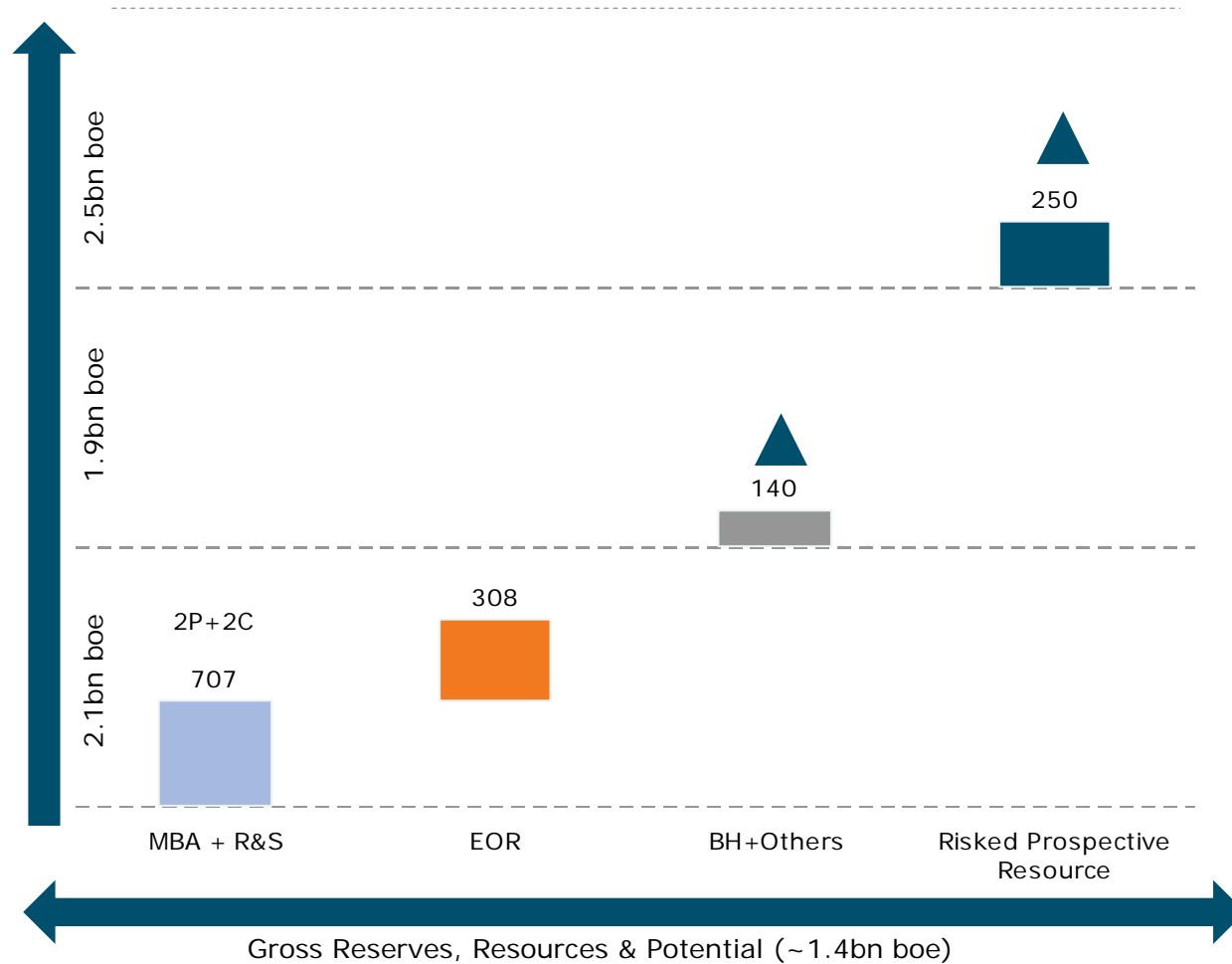
Source: Cairn India

¹ Actual FY2010 attributable production except for Rajasthan which is based on Cairn India investor presentation as at August 2010 (processing > 100,000 bopd)

Rajasthan Reserve and Resource Potential

Rajasthan

- Gross Initial in Place Volumes (~6.5bn boe)
- Potential for an additional 7bn boe based on global analogues
- 7 major untested plays identified
- Potential for unconventional (shale gas)



Source: Cairn India

Cairn India Exploration Portfolio Outside Rajasthan



East India basins	KG-ONN-2003/1 (Cairn India-49%; operator)	<ul style="list-style-type: none"> Five well exploration programme commenced in Q1 2010
	KG-DWN-98/2 (Cairn India-10%; operator-ONGC)	<ul style="list-style-type: none"> Northern area in appraisal phase Second and third appraisal wells drilling
	KG-OSN-2009/3	<ul style="list-style-type: none"> Block awarded in NELP VIII licensing round
	PR-OSN-2004/1 (Cairn India-35%; operator)	<ul style="list-style-type: none"> 811km² 3D seismic completed in Q1 2010 3 wells to be drilled in 2011
West India basins	KK-DWN-2004/1 (Cairn India-40%; operator-ONGC)	<ul style="list-style-type: none"> 300km² 3D seismic planned for 2010
	MB-DWN-2009/1	<ul style="list-style-type: none"> Block awarded in NELP VIII licensing round
Sri Lanka	SL-2007-01-001 (Sri Lanka) (Cairn India 100%; operator)	<ul style="list-style-type: none"> 1,750km² 3D seismic completed 3 leads confirmed in 2 plays, drilling planned in Q2 2011

Source: Cairn India

Cairn India Today



	FY2010	1Q 2011
Production (boepd)	24,957	44,812
Realised price (\$/bbl)	60.90	67.10
EBITDA (\$mm)	163	135
Net profit (\$mm)	222	62
Capex ¹ (\$mm)	934	177
Planned capex 2010–2011 (\$mm)		1,400
LTI Frequency Rate ²	0.26	N/A

¹ Rajasthan development capex only

² Data is for CY2009, source: Cairn Energy