



# Sesa Goa Limited



Delivering  
**Growth**  
Long term value  
**Sustainability**

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This presentation 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.”

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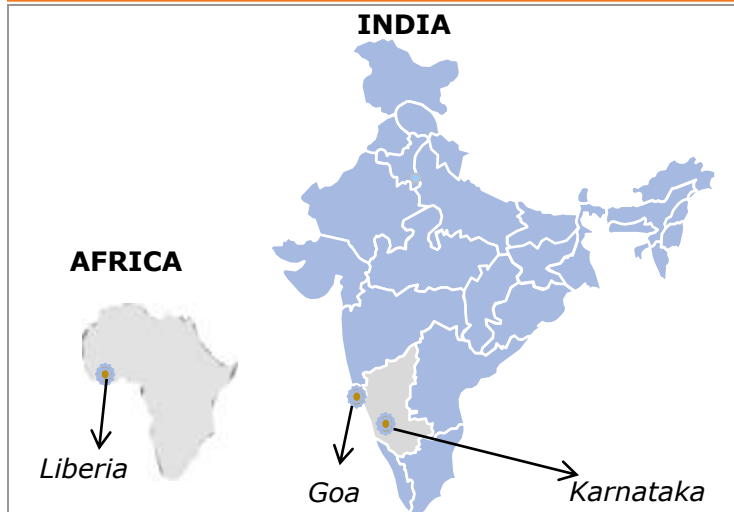
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# Sesa Goa Limited

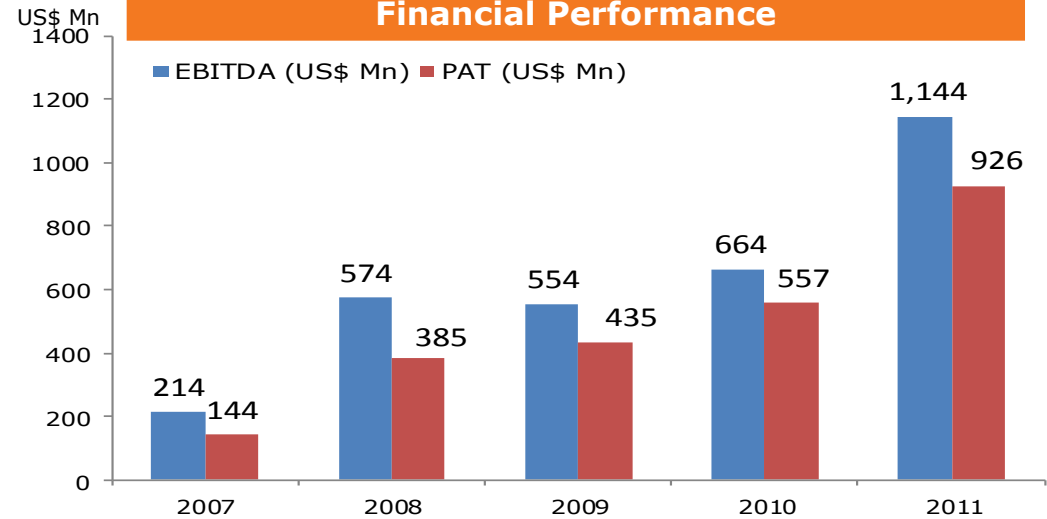
## Leading Iron ore Producer

- India's largest private sector producer exporter of Iron Ore
- Operations spread across India and in Africa (next iron ore hub)
- Interest in Oil & Gas with an investment in Cairn India Ltd - holds 20% stake
- Over 4,600 employees, including +700 professional

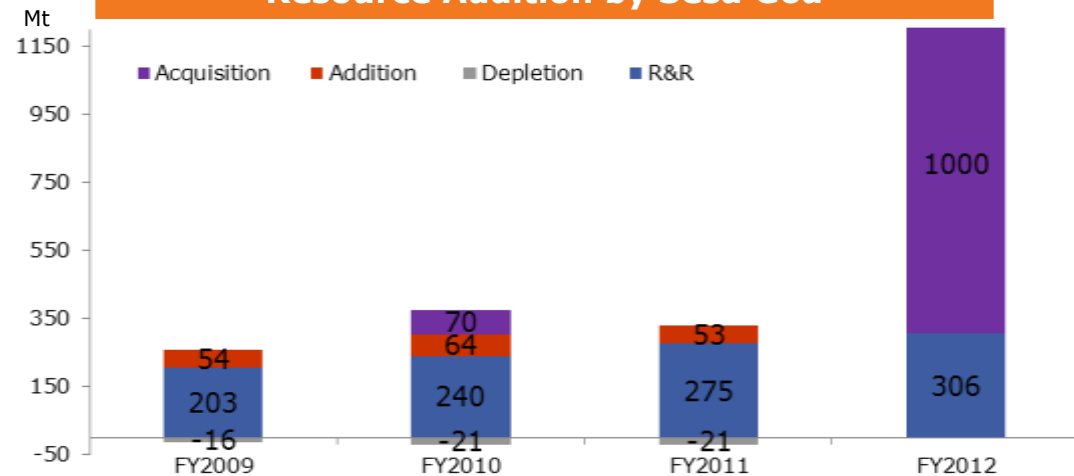
## Our Operations



## Financial Performance



## Resource Addition by Sesa Goa



Note 1. Total R&R numbers of FY2011 excludes Orissa  
 Note 2. Estimated addition of 1000 mt in FY2012 (~330 mt of saleable ore) in Liberia and excluding new find in the year to be Certified under JORC and disclosed

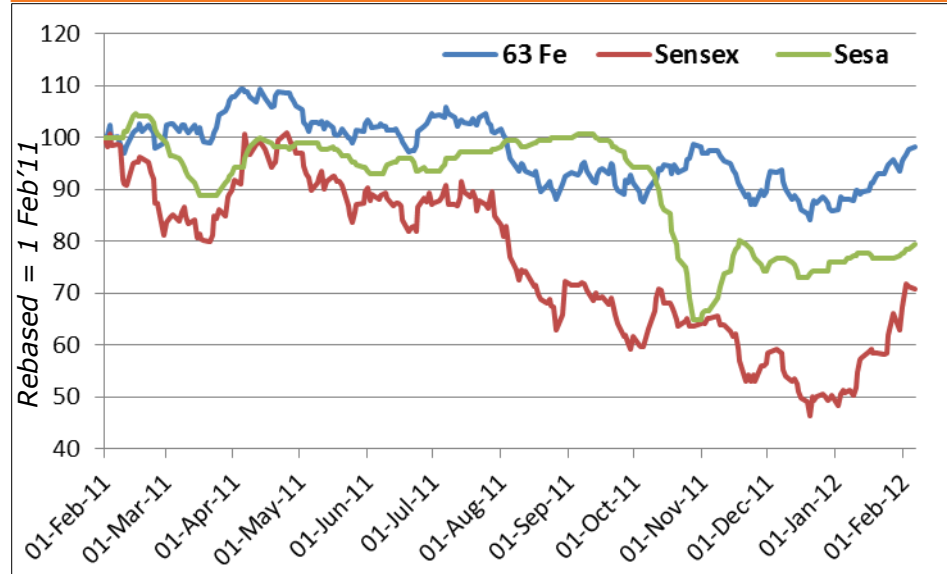
# Recap - 2011-12

## Challenges

- **Karnataka**
  - Export Ban since end July 2010, Blanket ban on mining since 25 Aug 2011
  - CEC\* submitted its final report
  - Recommended conditional restart of mining
  - Next hearing is expected in Mid March, 2012
- **Goa**
  - Shah commission was appointed by Ministry of Mines to look into the illegal mining in Pan India basis
  - The investigation in Goa has been completed
  - Final report of the commission expected
- **Logistics Constraint**
  - Transport time restriction in Goa
  - Capacity enhancement to ameliorate bottlenecks
- **Expansions**
  - Environmental Clearances for Goa and Karnataka mining on hold
  - Pig Iron and Met Coke expansions nearing completion
- **Export Duty**
  - Increased to 30% on both lumps and fines from 20%
- **MMDR Bill**
  - Proposed additional cost towards contribution to District Mineral Foundation burden equal to 100% royalty

\*CEC - Central Empowered Committee

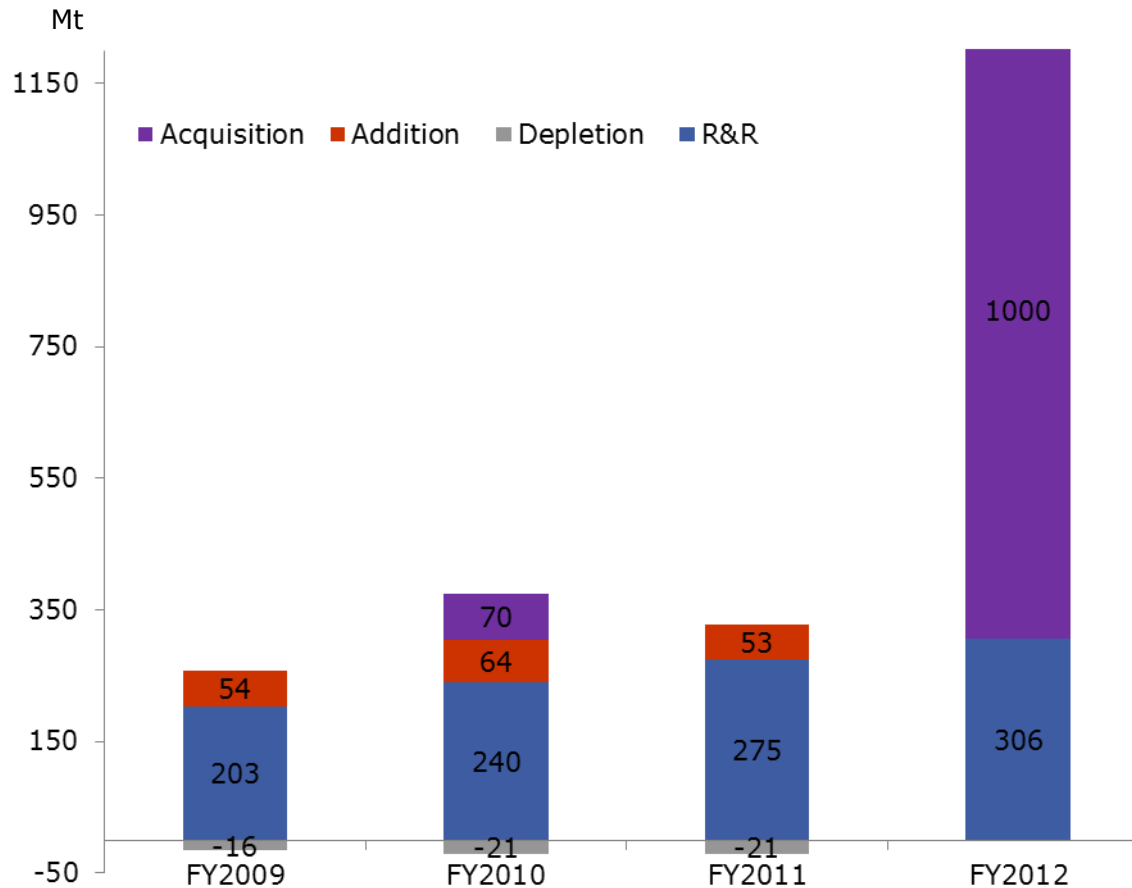
## Share Performance vs Sensex vs Iron ore price



## Creating growth avenues

- Establishing foothold in West African region through acquisition of 51% stake in Western Cluster Limited, Liberia
- Strategic investment - Holding 20% stake in Cairn India Ltd
- Agreed to acquire 100% equity stake in Goa Energy Private Limited ("GEPL") which owns a 30 MW waste heat recovery power plant in Goa

# Resource Addition



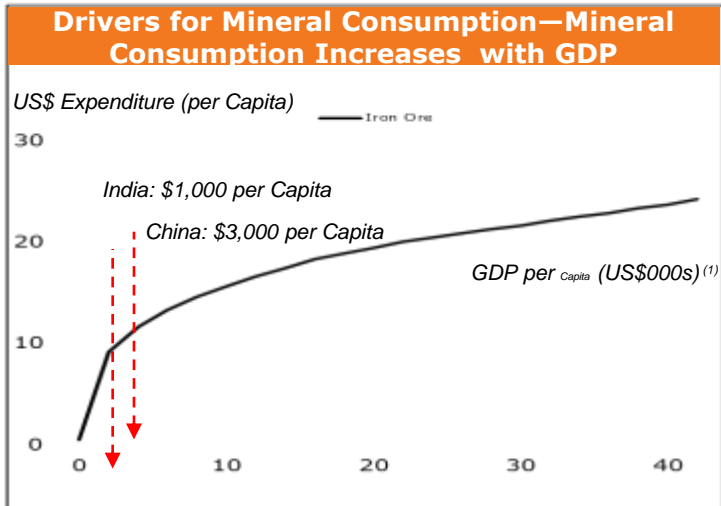
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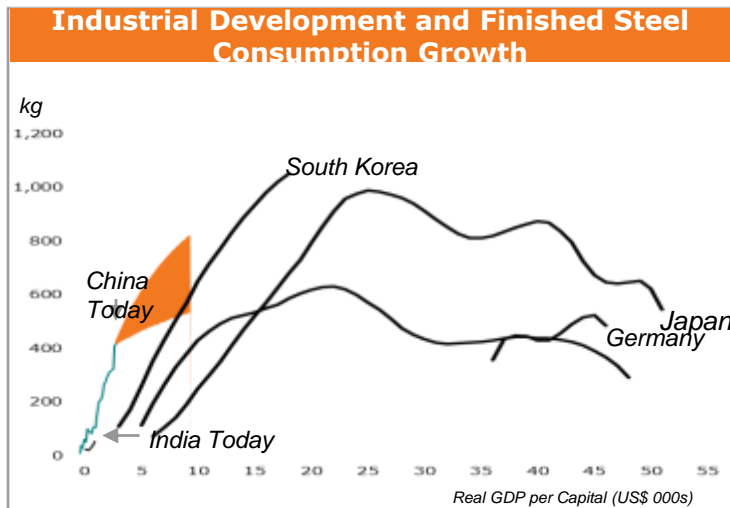
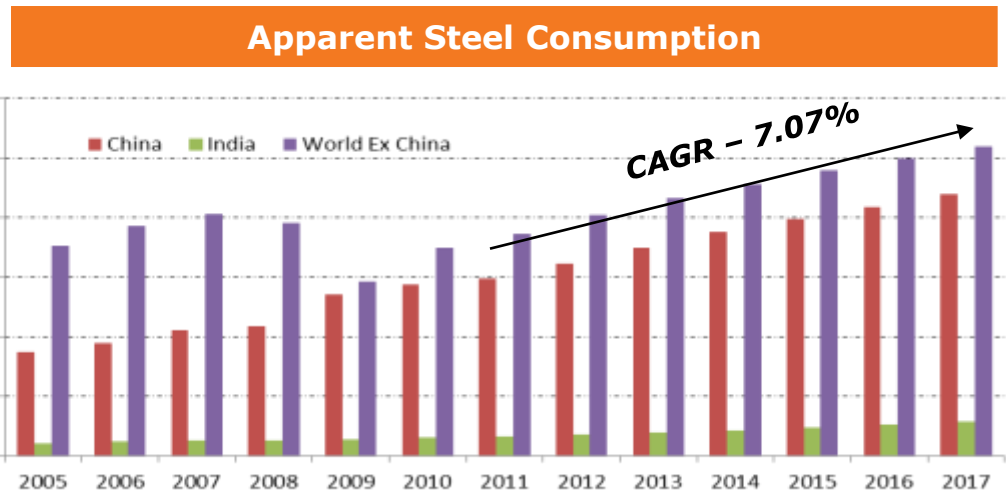
## Focused on exploration

- Reserves & Resources (R&R) as on 31 March 2011 (Goa and Karnataka): 306 million tonnes
- Continue to Exploration at existing mines
- Additional ~1.0 billion tonnes of R&R through asset acquisition in Liberia (WCL).
- Aeromagnetic Survey completed in WCL; promising preliminary results
- Innovative techniques used for systematic exploration
  - Geophysical surveys & Ore body Modeling used to aid drill targeting
  - Resource modeling, optimal mine planning (short & long-term) through mining software

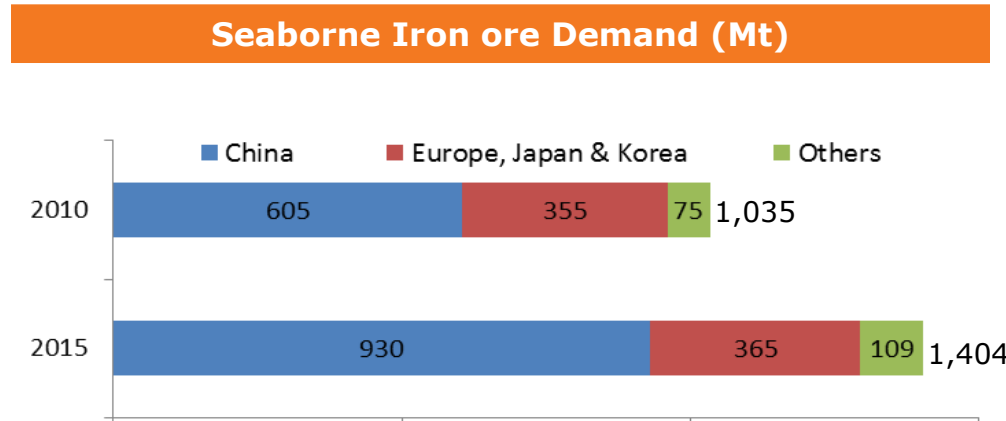
# Robust Demand Ahead



Sources CRU Quarterly Reports (January 2008); Brook Hunt Aluminium Metal Service (February 2008); IISI—Steel Statistical Yearbook (December 2007); World Bank (World Development Indicators Online Database, February 2008)

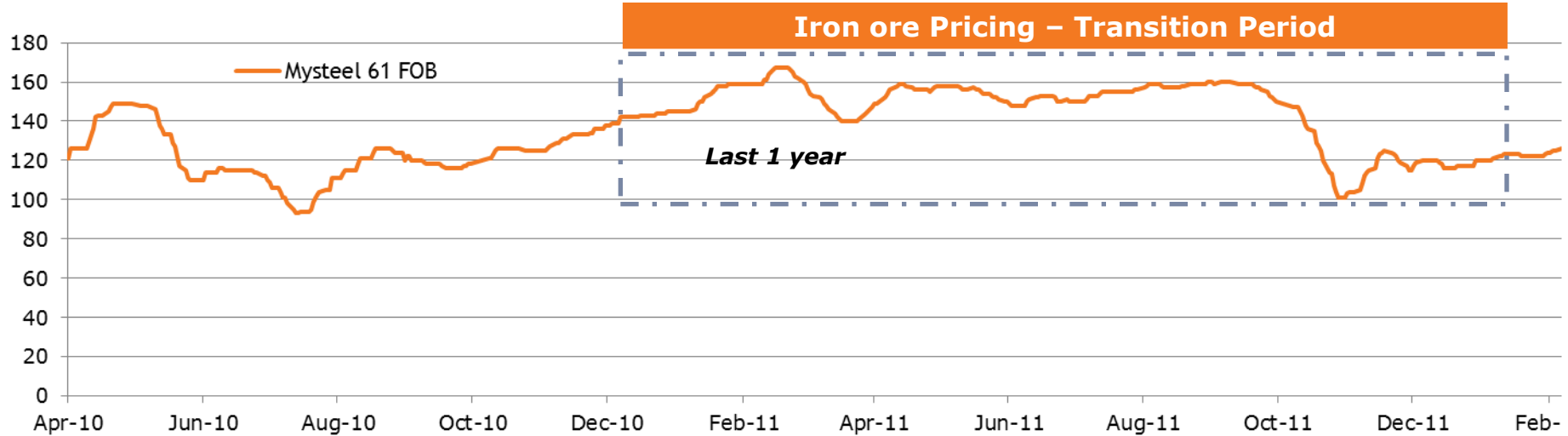


Possible Path Range for China by 2025 — China/India Steel Intensity — Other Country Steel Intensities



Source: Metalitics, Secondary Research

# Market Price Dynamics



Source: Mysteel

### **Iron ore prices:**

- Iron Ore spot prices were stable and remained at a high level during first half of the current fiscal year.
- Spot Prices witnessed a drop from mid Sept. until end of Oct. due to weak iron ore demand across the world
- Since November, the sentiment improved and normal purchasing activities returned in China allowing a partial bounce back in iron ore spot prices.

### **Indian Market scenario:**

- Iron ore exports from India is reducing this year due to export ban in Karnataka, logistic difficulties in Goa/ Orissa and a more negative environment for iron ore exporters (increase in export duty, high railway freight, etc).

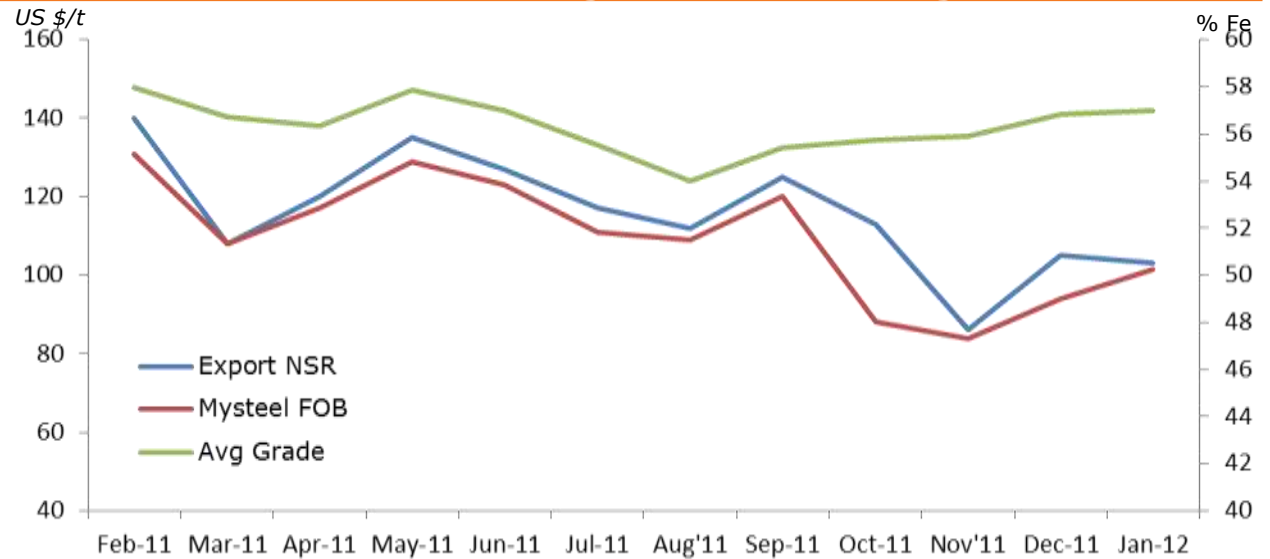
### **Transition of iron ore pricing**

- Major seaborne suppliers has moved its Contract prices from quarter lag to shorter term pricing systems
- Similar trend was followed by smaller players in the industry.

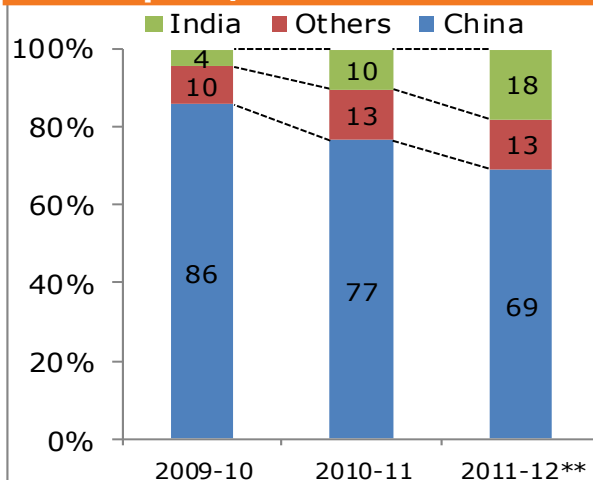
# Market Strategy

- Strategic Shift to Fixed Quantity Index linked contracts
  - Secured Quantities
  - Index linked prices
- Increasing CFR Mix
  - Better Supply Chain control
  - Improved realisations vis a vis FOB sales
- Overall Shift in Sales mix towards short term pricing mechanisms with Export Realisations (prior to Export duty) tracking Spot prices

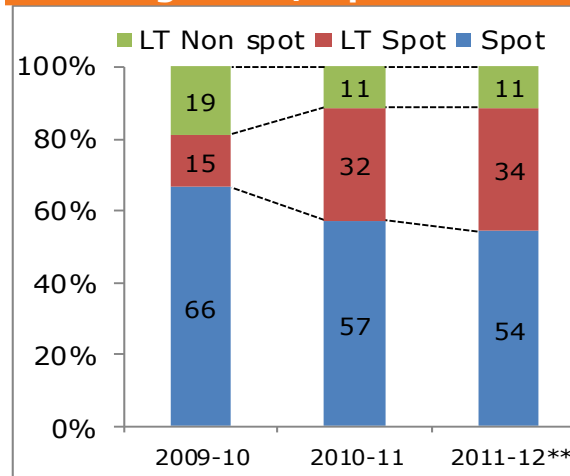
**Index Movement vs Avg. Realization vs Avg. Grade**



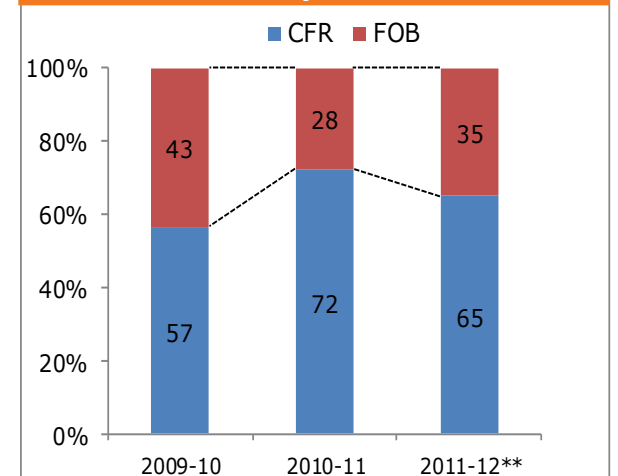
**Export / Domestic Mix**



**Long Term / Spot Mix\***



**CFR/FOB**



\* LT SPOT indicates Long term Quantity contracts with Prices linked to index

\*\*Indicate estimates for FY 2011-12



# ***Western Cluster Iron Ore Project, Liberia***

# Western Cluster Limited - Liberia

## West Africa - the next Major Iron Ore hub

- 34bn tonnes of Iron Ore resources identified in West Africa
- Potential to develop into a 100 mtpa Iron Ore exporting region
- Major players already secured their presence in this region

## Entry into Liberia

- 51% stake acquired in WCL Liberia
- 1bn tonnes R&R across 3 deposits, close to coast
- 2 existing piers and stacking area at port
- Existing railway bed - line of 70-140km to be laid

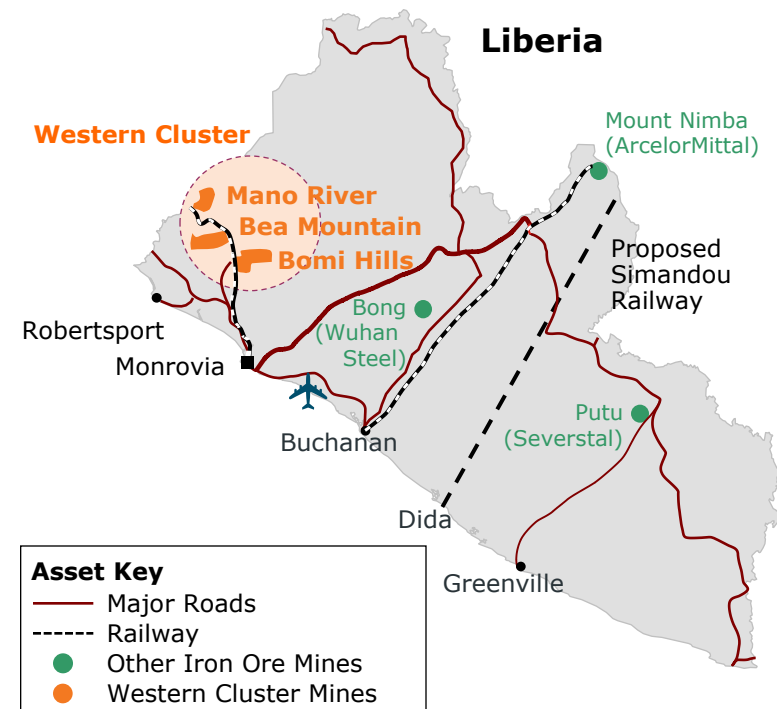
## Plans

- MDA approved by Legislature, applied for exploration permits
- Feasibility study underway
- Targeting first shipment in FY2014

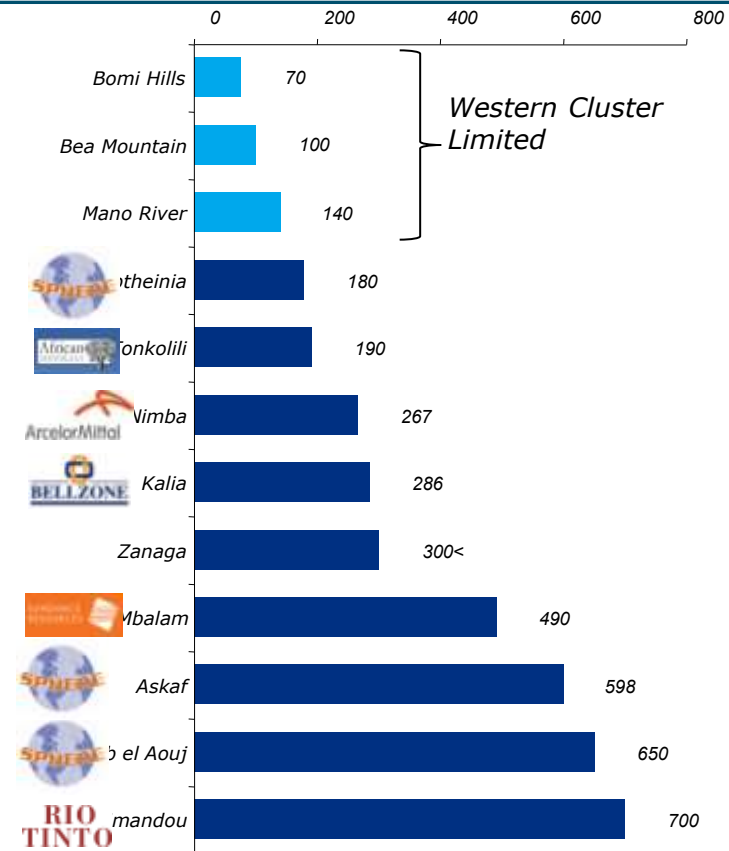
## WCL Liberia

Asset	Type	R&R
Mano River	Brownfield	80mt
Bea Mountain	Greenfield	923mt
Bomi Hills	Brownfield	50mt

Distance key(km) 0 50 100



# Favourable Logistics - a big advantage for Sesa

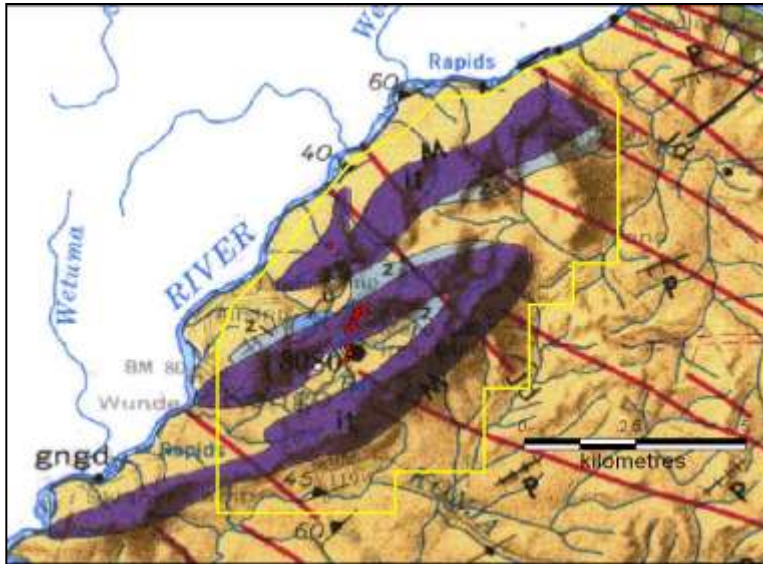


Source: Secondary Research, broker research.

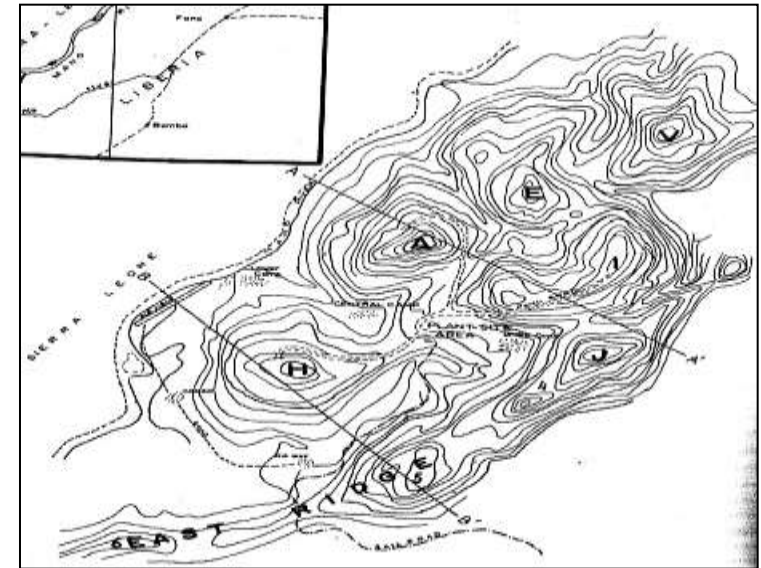
- All three deposits within 70-140 km from Sea
- Time & cost advantage
- Existing port infrastructure: Priority rights to two Piers at Monrovia port
- Rights to rebuilt existing rail line to port

# Asset Overview - Geological Maps

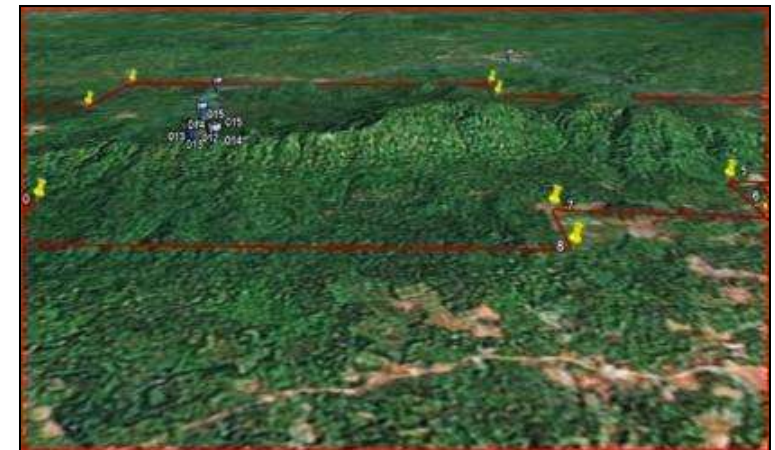
Map showing Iron Ore as purple band in Manoriver concession



Seven Iron Ore hills in Manoriver concession



Geological Map along with Concession boundary of Bea Mountain Iron formation Ridge of Bea Mountain within concession



# Asset Overview - Mine & Port

## Mines - Mano River, Bea Mountain and Bomi Hills



*Old Pit of Mano River*



*Bea Mountain*



*Bomi Hills*

## Port - Current infrastructure available, Monrovia port piers and Stacking area



*Monrovia Port Pier 1*

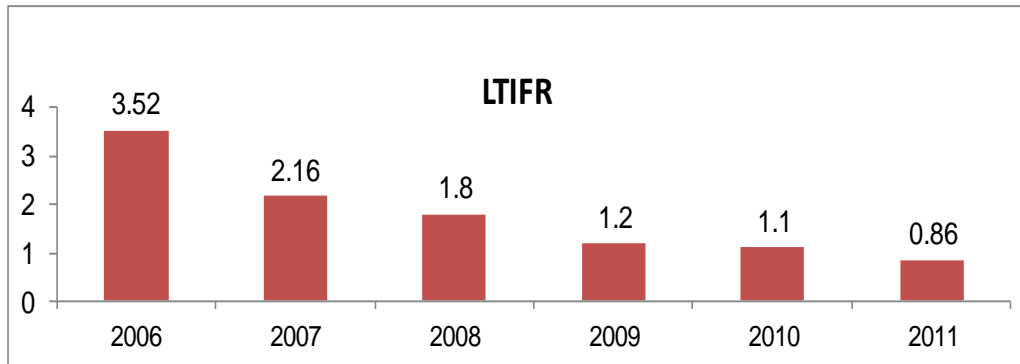


*Monrovia Port Pier 2*



*Stacking area at Monrovia Port*

# Sustainable Development

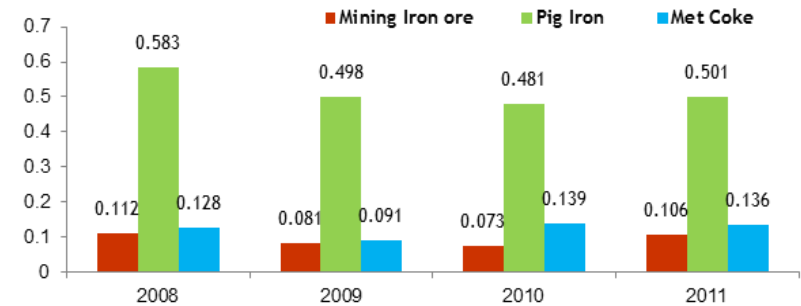


- *Sesa Goa is committed to sustainable development and all its operational sites have ISO 9001, ISO 14001, OHSAS 18001 certification & SA 8000\**
- *High quality management team; employees and local community relations is a key part of our success*
- *Sesa Goa has a approach to best practice in health, Safety, Environmental and corporate social responsibility*
- *Commitment to continuing the strong relationships with all our stakeholders going forward*

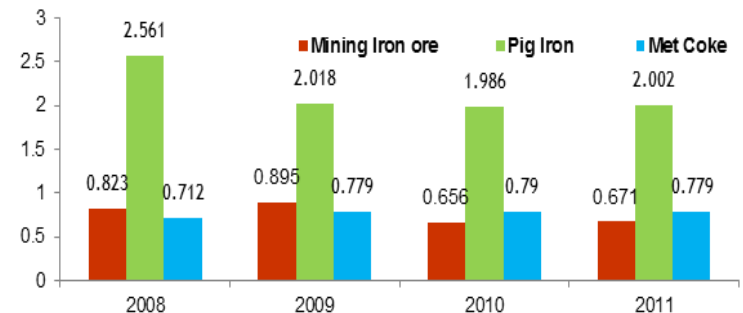
\*except SA 8000 for SRL operations  
LTIFR – Lost Time Injury Frequency Rate

## Focus on important parameters

### Specific energy consumption (GJ/t)



### Specific water consumption (KL/t)



# Sanquelim - Reclaimed Mine Site....

***Biggest mine of Goa in late 80's is now an abode for various species***



***Mining can indeed change the face of the earth – Mining responsibly is our way of life***

# Corporate Social Responsibility



## Sesa Community Dev. Foundation

*"SCDF represents Sesa Goa's social focus. This foundation runs Sesa Technical School which provides technical training to local students and Sesa Football Academy which nurtures future footballers from Goa."*



## Need Based Intervention

*"We initiate need based CSR measures in and around our operations. Local residents and key stakeholders are encouraged to approach us with concepts, projects, developmental programmes and initiatives."*



## Mineral Foundation of Goa

*Sesa Goa is one of the founder members and the largest contributor to Mineral Foundation of Goa, an NGO which addresses environmental & social issues in mining belt of Goa."*



## Other Initiatives

*"We also focus on the development of the areas on different fronts like education, health, agriculture, alternative livelihood, infrastructure, sanitation etc. "*

*Sesa Goa – touching lives of thousands of persons directly & indirectly through its Continuous CSR efforts and strives to benefit many more ....*



# CSR - Project Summaries

Health	Beneficiaries (appx.)	Other Important Projects	Beneficiaries (appx.)
- Community Medical Centers – 12	1,54,299	- <b>Gram Nirman</b> Redevelopment of villages with NGO	12,200
- Mobile Health Unit – 2	10,922	- <b>Alternate Livelihood Project</b> Creation of livelihood opportunities With UAS, Dharwad	6,000
- Health & Awareness Camps	16,400		
- Neuro-Rehab Center – 1	960		
Education	Beneficiaries (appx.)		
- Vedanta Computer Education Programme	85,300	- <b>Women Empowerment (SHG)</b>	500
- Sesa Football Academy	141	- <b>Back to Farming</b> Reviving the paddy fields	500
- Sesa Technical School	861	- Distribution of seeds & fertilizers	500 families
- Educational Aid to School children	50,000	- <b>Special Projects</b>	
- Manthan – A school based intervention for promoting adolescent health and improving educational outcomes	2,600	- Drinking water project	5,700
- Sesa Dyananjyoti Scholarship Scheme	57 Schools, Goa	- ~1,100 acre brought under water shed Development	4 villages
- Aganwadi and Balwadi	4000	- Distribution of smokeless biomass stove	700

# Summary

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India's largest private sector producer exporter of Iron ore, operations spread across India and Africa

Strong focus on exploration

Low cost producer

Strong balance sheet

Committed to sustainable development

# Unearthing the future™