

11 July 2014

Chairman's Speech

Good morning ladies and gentlemen!

On behalf of the board of directors I extend a warm welcome to all of you for the 49th Annual General Meeting of Sesa Sterlite Limited.

Today in a way is a historic day, as Sesa Goa enters into its golden jubilee year while it reinvents itself as Sesa Sterlite Limited.

Strategic Perspective

The merger of Sesa Goa and Sterlite Industries was a natural evolution, which created India's premier and one of the world's largest diversified natural resources companies. Your company has operations across oil & gas, zinc-lead-silver, copper, iron ore, aluminum and commercial power and has presence across India, South Africa, Namibia, Ireland, Australia, Liberia, and Sri Lanka. The strength of our diversification can be seen from the strong set of financials delivered during this first year of the combined entity.

Your company has taken transformational significant steps through strategic organic and inorganic growth initiatives and is well positioned to capitalize on India's natural resource potential. The country's geology is similar to that of Australia and Africa. We are well endowed with minerals as well as oil and gas and among the top 5 to 7 nations in reserves of iron ore, bauxite, zinc and coal.

With our sustainability approach and value-focused strategy, we are well positioned to create greater opportunities for a rapidly transforming Indian economy. India is integral to our vision for sustainable growth.

As a nation, we can save \$300 billion of foreign exchange annually. The natural resources sector has the potential to add \$1 trillion to the economy and can generate significant new employment opportunities. Our operations have so far been contributing 0.6% to GDP and we aim to contribute 1%.

Reconstitution of the Board

Post the merger we announced management and board changes.

Mr. Tom Albanese took over as our Chief Executive Officer (CEO) from April 1, 2014. I am confident that his skills and experience in leading world class resource companies will be of

great value in supporting the strategic objectives of creating sustainable long term value for all our stakeholders.

During the year we also appointed 3 new Independent Directors:-

Mr. Naresh Chandra - Mr. Chandra served as India's Ambassador to the US and as Cabinet Secretary to the Government of India.

Ms. Lalita Gupte - former Joint Managing Director of ICICI Bank, and currently Chairperson of ICICI Venture Funds Management Company Limited.

Mr. Ravi Kant - Former Vice Chairman & Managing Director of Tata Motors Ltd.

Mr. Gurudas Kamath, the retired Chief Justice of the Gujarat High Court, continues on the board as an Independent and Non-Executive Director.

With these appointments, Sesa Sterlite now has a well-rounded Board, with members bringing a wealth of experience and diverse expertise covering strategy and operations for global businesses; international capital markets; public policy, law and corporate governance.

I warmly welcome them all to our Sesa Sterlite family.

I would like to acknowledge Mr. Kuldip Kaura, Mr. JP Singh and Mr. Ashok Kini, the outgoing directors of Sesa Goa and Mr. Gautam Doshi, Mr. Berjis Desai, Mr. Sandeep Junnarkar and Mr. AR Narayanaswamy, former directors of Sterlite Industries for their invaluable contribution.

I would also like to thank Mr. M.S. Mehta and Mr. P.K. Mukherjee for their outstanding leadership of the businesses.

We wish them the very best for their future.

Business and Financial Performance

Sesa Sterlite demonstrated that the fundamentals of our business remain strong. We have a diversified portfolio of assets that have cost-efficient operations which are highly productive and contribute significantly to India's energy security. We operate approximately 30% of India's crude oil production and have a market leadership position in the other commodities in which we operate.

For FY14, your company reported proforma revenues of over Rs. 72,000 crores and an EBITDA of over Rs. 25,000 crores. We have a strong balance sheet with cash and liquid investments of over Rs. 50,000 crores. We contributed Rs. 31,000 crore to Indian exchequer during the year.

I will now share with you the progress on each of the business segments.

Oil and Gas

In the Oil and Gas business at Cairn India, we delivered record gross operated production, which was up by 6% on a year-on-year basis. In March 2014, we successfully achieved the milestone production of 200,000 barrels of oil per day from the Rajasthan oil fields. During the year, we also crossed another major landmark of cumulative gross production of 200 million barrels of oil from Rajasthan.

We are carrying out the largest ever exploration and appraisal program undertaken in the history of Cairn India at Rajasthan. This exploration has already resulted in establishing over 1 billion barrels of hydrocarbons in place to the existing 4.2 billion boe. We continue our drilling program targeting a total of 7 billion barrels of in place resources.

We are now more confident than ever about the resource potential of this block and our ability to convert the resource base to production by applying world-class technology and talent.

Over the next three years, we are targeting a reserve replacement ratio of 150% based on our confidence in the exploration potential in Rajasthan, and in rapidly monetizing the discovered resources.

We are focused on execution of key development projects to deliver a CAGR of 7% to 10% in production over the next three years, from known discoveries.

Zinc

At our Zinc India operations, we had record mined metal and integrated metal production during the year, while we continued to maintain our lowest quartile global cost position.

Rampura Agucha, which is the world's largest zinc mine, is transitioning from open cast to underground mining. We are working towards this transition to take the mined metal capacity to 1.2 mtpa of zinc-lead metal by FY2017, from Rampura Agucha and the other mines. Our team is being reinforced by recruiting specialist expatriates for critical technical roles in these underground mines.

During the year, we also achieved a record silver production of 301 tonnes. We are focussed on increasing the silver production from our world class silver rich Sindesar Khurd mine.

In India, end demand for zinc in India remains strong with the galvanizing sector, which is delivering strong growth and this momentum is likely to continue as the country's investment in infrastructure drives demand. We currently hold an 89% share of Indian domestic market.

At our international Zinc business, we remain focused on maintaining production across all our assets, though one of them, Lisheen in Ireland, is nearing the end of its life. Feasibility studies

are under way at the Gamsberg deposit in South Africa, which is one of the world's largest undeveloped zinc deposits.

Globally, Zinc metal has strong fundamentals as several large zinc mines come to an end of their mine life and supply is likely to fall short of demand and we expect prices to rise.

Aluminum

We are the largest aluminum producer in India and our plants are strategically located in the bauxite and coal rich region of Eastern India. Aluminum, as you know, is the metal of the future as it is environmentally friendly and easily recyclable and often called the green metal.

We are working on securing captive feedstock for our alumina refinery. While we are engaged with the Government of Odisha for securing bauxite supply under the MOU, we are not seeking to source bauxite from Niyamgiri bauxite deposits without the consent of the local communities. We continue to maintain the 2nd quartile cost position on the global cost curve for aluminium with third party bauxite and alumina.

Primary aluminum demand is expected to grow by 6% per year till 2017, and is supported by the transport sector worldwide and substitutions in favor of aluminum. Domestically, investments in infrastructure and transport segments are also expected to boost demand. We currently have a 48% market share in India.

Iron Ore

India has the seventh largest reserves of iron ore in the world, and Goa as a region is not constrained by geology. We note that geological features at our Sonshi mine in Goa resemble those in Pilbara in Western Australia.

However, the iron ore industry in India has been facing challenging times. As you know Sesa Goa was the largest private sector exporter of iron ore prior to the mining ban. Proximity to the Inland waterways and port gives Goa mines a strong cost positioning. Goa's economy is significantly dependent on mining activities and we are working with the relevant authorities to resume operations in Goa.

At our Liberia iron ore projects, in western Africa, we have identified significant and potentially low-cost ore at all three locations. Initial studies indicate that these resources are easy to process and have potential for further enhancement with more exploration. We are currently engaged with the Government of Liberia on logistics solutions for transportation of ore.

Copper India

We have one of the most efficient and lowest operating cost custom copper smelters in the world. We currently have a 30% share of the domestic market. The demand for refined copper in India is expected to grow to 2 million tonnes by 2030, driven by investments in infrastructure project, development of power generation capacities and continued urbanization.

Power

We are one of the largest thermal power producers in India with a capacity of approximately 9,000 MW.

We expect the outlook for power sector to improve post completion of several steps being taken by the government to enhance fuel security, improve grid connectivity and the overall environment for power producers.

Sustainability and CSR initiatives

We believe that it is important for us to implement internationally recognized performance standards; accordingly we embed sustainable development into all aspects of what we do and work to support the communities where we operate, contributing to the development of our society.

We partner with the government's agenda for eradication of poverty, employment generation and infrastructure development. We strongly support childcare and women empowerment programmes. Our operations also make a valuable contribution to the social and economic development of communities in which we operate. We are also among the largest employers in various states of India and have around 71,000 direct and indirect employees. Our community programmes benefit over 3 million people. We have more than 250 partnerships with NGOs, local governments, academia and private hospitals.

Value Creation & the Path Ahead

The merger of Sesa Goa and Sterlite Industries was a major step forward in our journey to unlock value for shareholders of both the companies.

Our vision and strategy for the company remains: To build and grow a global diversified natural resources major.

As our capital intensive projects are nearing completion and we are ramping up production, we will continue to focus on deleveraging. We are working on low-risk projects at our high-margin businesses of oil & gas and zinc, which have significant cash generation from existing operations and cash balances.

India will continue to have strong demand of commodities with growing urbanization and favorable demographics. The country's abundant natural resources and the potential to build a world-class natural resource industry will not only provide raw material security to the country but will also create considerable employment and economic activity.

Acknowledgements

I commend and appreciate the confidence reposed in us by all our stakeholders. I thank our shareholders, management teams, business associates, regulatory authorities, the Government of India and the State Governments for their support and contributions.

On behalf of the Board of Directors, I deeply appreciate our employees for their hard work, dedication and team work towards achieving our company's goals.

Mr. Anil Agarwal, Chairman Emeritus, will continue to guide us in our quest for excellence.

Dear shareholders, on behalf of the Board of Directors and all at Sesa Sterlite Limited, I once again thank you for your confidence and support.

Thank you!

Note: Excerpts from the Chairman's speech at the 49th Annual General Meeting held on 11 July, 2014 at Goa. This does not purport to be a record of the proceedings of the Annual General Meeting.