

India could benefit from an improved exploration infrastructure

- Tom Albanese, Group CEO, Sesa Sterlite Limited says government should encourage private sector investment in exploration of natural resources with proper policies
- Sesa Sterlite Limited believes creation of physical & digital exploration infrastructure, auctions based licensing system, and a clear tenure, taxation and royalty system could revive investor sentiment in mining
- At ASSOCHAM's 'India Mining Summit', Minister of State for Steel and Mines, Mr. Vishnu Deo Sai said the Government was according due importance to improving the investment climate and addressing sustainability issues in the mining industry.

New Delhi, 08 August 2014: The India Mining Summit on 'Investment Climate & Sustainability Issues' organized by The Associated Chambers of Commerce and Industry of India at the Grand Hyatt Hotel in New Delhi today saw a host of luminaries and veterans from the mining sector and associated industries, as well as Government representatives, present their views on improving the investment climate while simultaneously tackling sustainability issues.

Addressing the gathering, **Minister of State for Steel and Mines, Mr. Vishnu Deo Sai** said the Government was according due importance to the issues under discussion, viz., improving the investment climate and addressing sustainability issues in the mining industry.

Referring to the issues confronting India and its mining industry during his keynote address, **Mr. Tom Albanese, Group CEO, Sesa Sterlite Limited** said, "India's exploration infrastructure needs to grow to meet the supply challenges created by its aspirational youth who expect more for their families. Against this backdrop, India needs to mine like Australia to supply the raw materials that could boost China-type manufacturing expansion to support higher domestic Indian consumption."

Mr. Albanese further said, "India should encourage private sector investments in exploration and the Government needs to work with the private sector in building its exploration infrastructure through proper policies. This will encourage private investment and 'risk capital' to take the 'chance' of finding additional resources. This process is akin to research and development in other sectors with all its concomitant uncertainties. But with the private sector bearing the costs and failure risks, they must have secure rights ensuring adequate reward for their efforts and investments. This could also be achieved by encouraging public private partnerships in mapping natural resources that would help identify and plan for harnessing India's mineral potential to promote national development."

He further elaborated that in the 1950s and 60s Australia had estimated iron ore resources of barely 350 million tonnes. The Australian Government to 'preserve' iron ore for national 'betterment' banned its exports. Lifting of the ban and encouragement of exploration later produced great success, leading to the discovery of phenomenal resources and higher steel production. Continuous exploration in Australia has boosted production by billions of tonnes. Australia today exports more ore than it thought it had in the 1950s, with new ore reserves being discovered each year. **Mr. Albanese** emphasized that India too could benefit from a similar approach by boosting exploration.

Such steps were imperative against the backdrop of fiscal deficits and inflationary pressures that have affected the Indian economy during the past few years, which have been exacerbated by a ban on mining in some Indian states, causing immense shortfalls in revenues and royalties.

Concluding his address, **Mr. Albanese** said, “Nationally significant exploration and mining sectors that have developed in Australia, Canada, Chile and Peru are powerful evidence about the success of this approach and I sincerely believe that this too could be the game-changer for India.”

Other dignitaries during the inaugural session included Mr Anup K Pujari, Secretary (Mines), Government of India, Mr. Suresh Prabhu, Chairman, Advisory Group for Integrated Development of Power, Coal and Renewable Energy, Government of India; Mr. Jamil Hares, Dy. Minister of Mines and Petroleum, Islamic Republic of Afghanistan; Mr. Ramesh Tipirneni, Country Manager, Caterpillar India; Mr. Sandeep Jajodia, Vice President and Mr. D S Rawat, Secretary General, ASSOCHAM.

The other speakers also stressed the importance of improving investments to ensure sustainable technologies were employed in all mining operations. This would ascertain that India’s development agenda was not hindered, while mitigating and reducing the environmental impact of mining.

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About Sesa Sterlite Limited (SSL)

Sesa Sterlite Limited (Formerly known as Sesa Goa Limited) is a leading global diversified natural resources company, whose business primarily involves exploring, extracting and processing minerals and oil & gas. SSL produces oil & gas, zinc, lead, silver, copper, iron ore, aluminum and commercial power and has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and Sri Lanka. Sustainability is at the core of SSL’s strategy, with a strong focus on health, safety and environment and on enhancing the lives of local communities.

SSL is a subsidiary of Vedanta Resources Plc, a London-listed company. SSL is listed on the Bombay Stock Exchange and the National Stock Exchange in India and has ADRs listed on the New York Stock Exchange.

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