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Hindustan Zinc Announces Exploration Success

- Increase in reserves and resources by 28.7 million tonnes containing 4.0 million tonnes of zinc-lead metal, prior to depletion
- Increase in mine life by nearly four years
- Total reserves and resources now at 232.3 million tonnes containing 27.5 million tonnes of zinc-lead metal
- Rampura Agucha mine achieves landmark of crossing 100 million tonnes with certified reserves and resources of 107.3 million tonnes

Mumbai: Hindustan Zinc Limited (“HZL”) is pleased to announce that its ongoing exploration activities have yielded significant success with an increase of 28.7 million tonnes to its reserves and resources, prior to a depletion of 5.8 million tonnes in FY 2008. Contained zinc-lead metal has increased by 4.0 million tonnes, prior to a depletion of 0.6 million tonnes during the same period. Total reserves and resources at 31 March 2008 were 232.3 million tonnes containing 27.5 million tonnes of zinc-lead metal. The reserves and resources position has been independently reviewed and certified as per JORC standard.

The success of exploration has primarily been in the Sindesar Khurd and Rampura Agucha mines. The sustained exploration and aggressive drilling programme at Sindesar Khurd mine has successfully augmented the resource base to the current level of 37 million tonnes, making it the second largest ore body in HZL’s portfolio after Rampura Agucha, with potential for further additions, through ongoing exploration. In FY 2008, the drilling programme successfully increased the strike length, by 300 metres, to 1,600 metres averaging 5.8% zinc, 3.8% lead and 215 ppm silver.

At Rampura Agucha, 28,000 metres of drilling in 32 holes were carried out to outline mineralisation below a depth of 550 metres. Of these, 29 holes intersected ore widths with significant grades averaging 15.5% zinc and 2.0% lead. The combined reserves and resources at Rampura Agucha alone have been augmented to 107.3 million tonnes at 31 March 2008, achieving the landmark of crossing 100 million tonnes in reserves and resources.

The group’s exploration philosophy has been to replace every tonne of ore mined with at least one tonne of resource. HZL has dynamically increased its exploration focus, through a team of 40 geologists employing the latest geophysical, geochemical and GIS technologies and high speed deep drilling equipment. This has resulted in an addition of 110.7 million tonnes of reserves and resources, before depletion of 22.1 million tonnes, in the period from April 2003 to March 2008.

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About Hindustan Zinc Limited

HZL is India's only integrated producer of zinc and lead and among the world's leading integrated producers. Its metal production capacity is nearly 670,000 tpa with its smelter operations situated in Chanderiya, Debari and Visakhapatnam. HZL has zinc-lead mines in Dariba, Rampura Agucha, and Zawar. The company is a subsidiary of the NYSE listed, Sterlite Industries (India) Limited (NYSE: SLT) and London listed FTSE 100 diversified metals and mining major, Vedanta Resources plc.

Disclaimer

This press release contains "forward-looking statements" - that is, statements related to future, not past, events. 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." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.