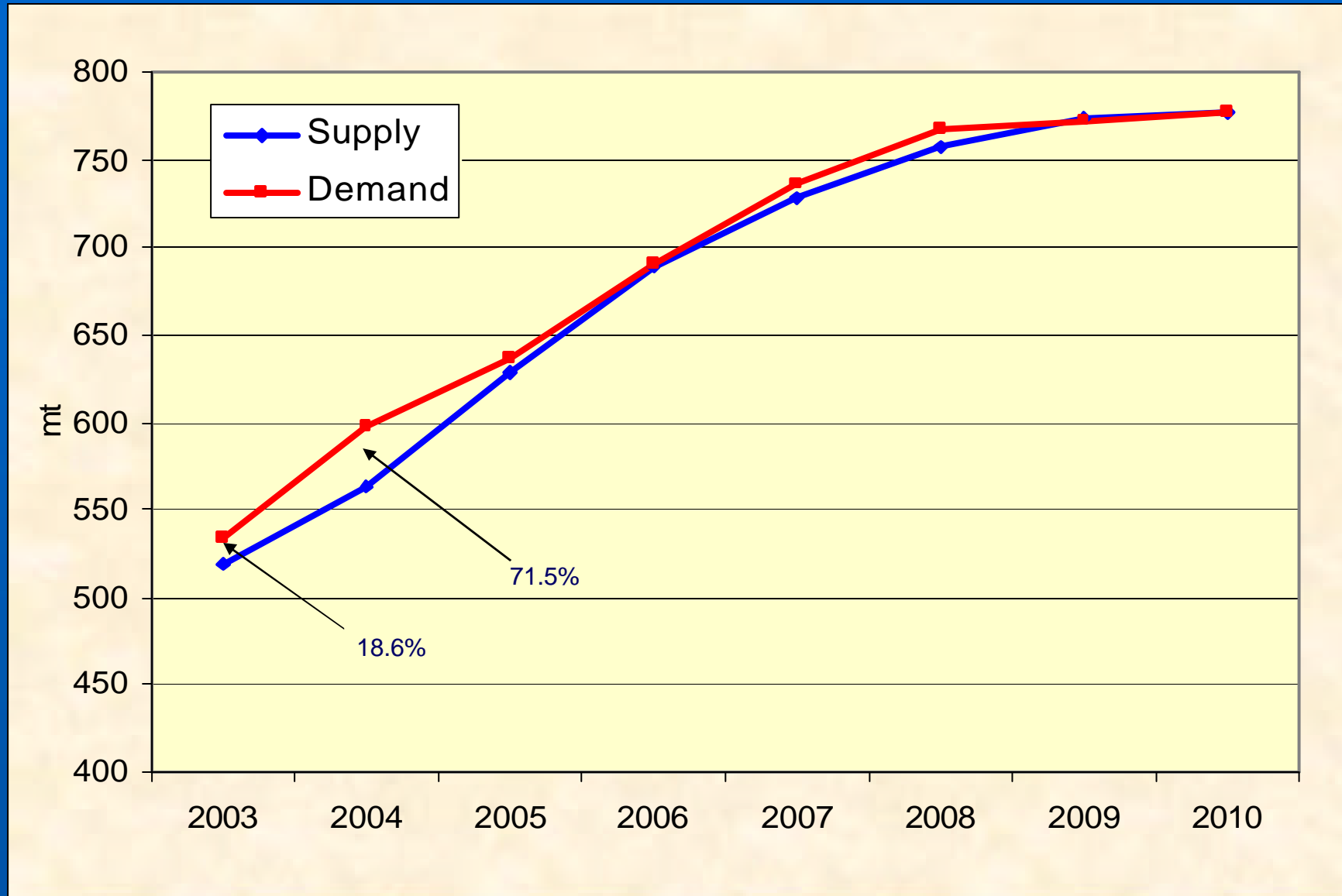

Deutsche Bank BRICS Metals and Mining Conference

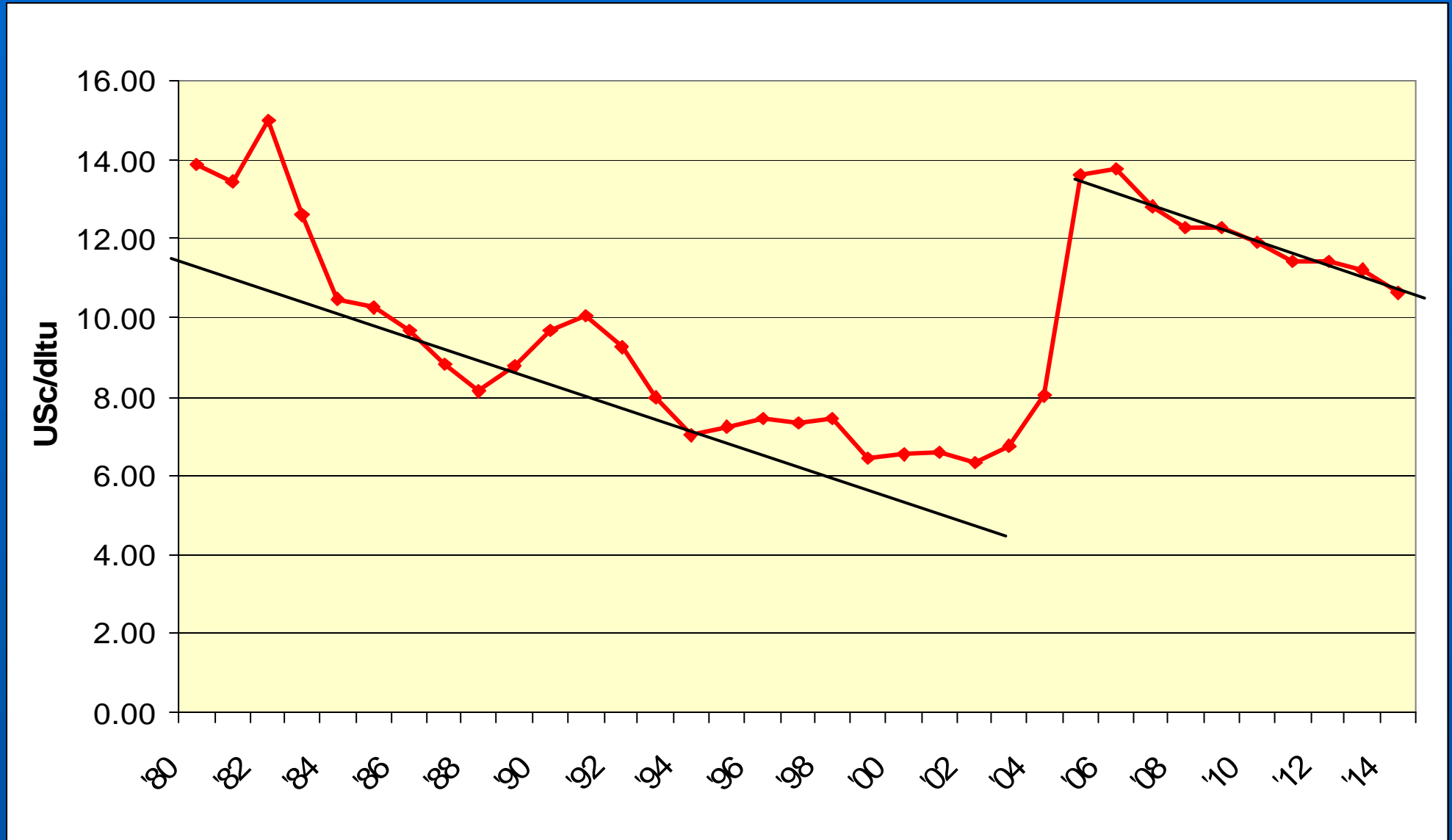


London, November 2005

Global Seaborne IO Supply/Demand



IO Pricing – Real US\$

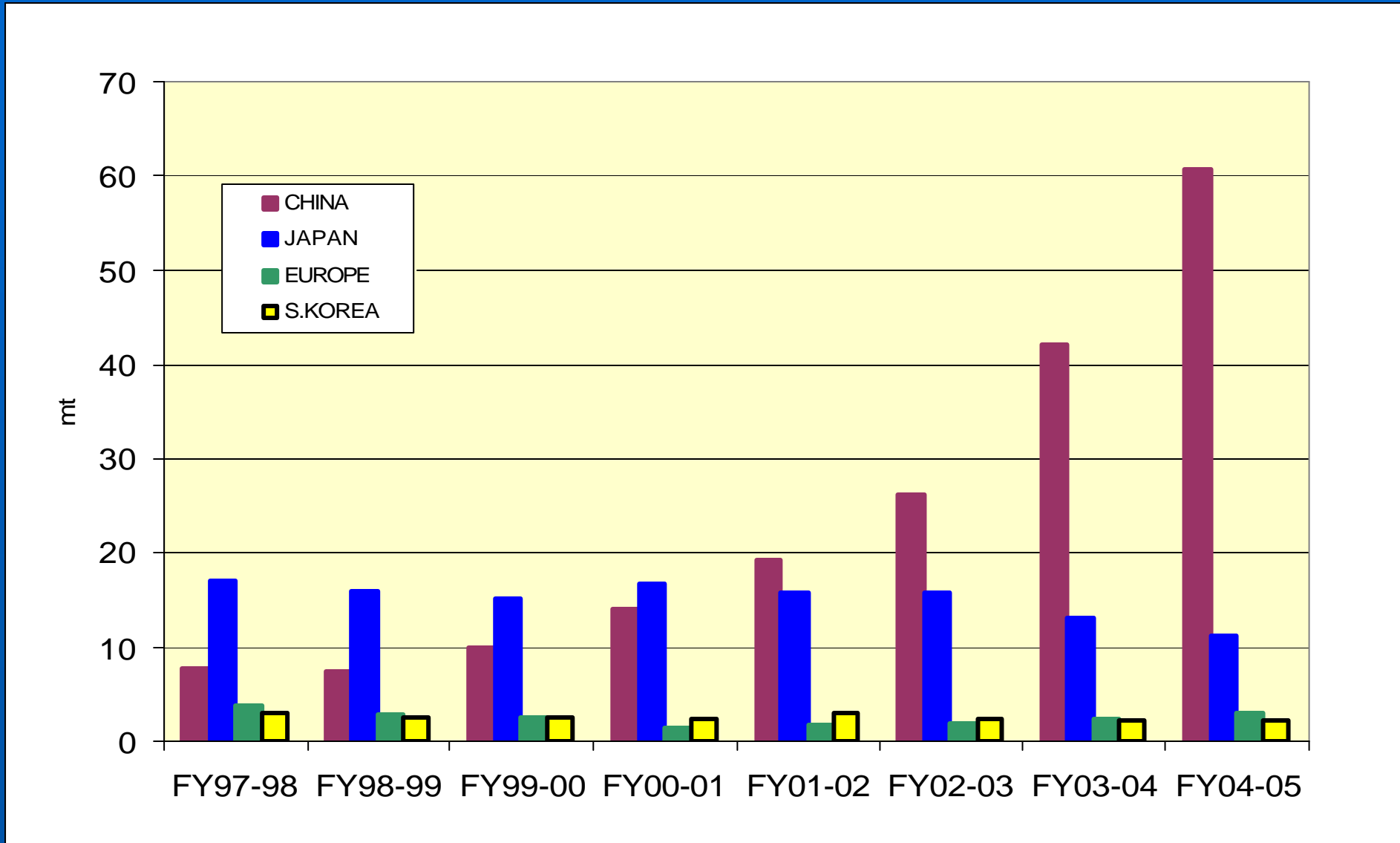


Indian IO Industry Today

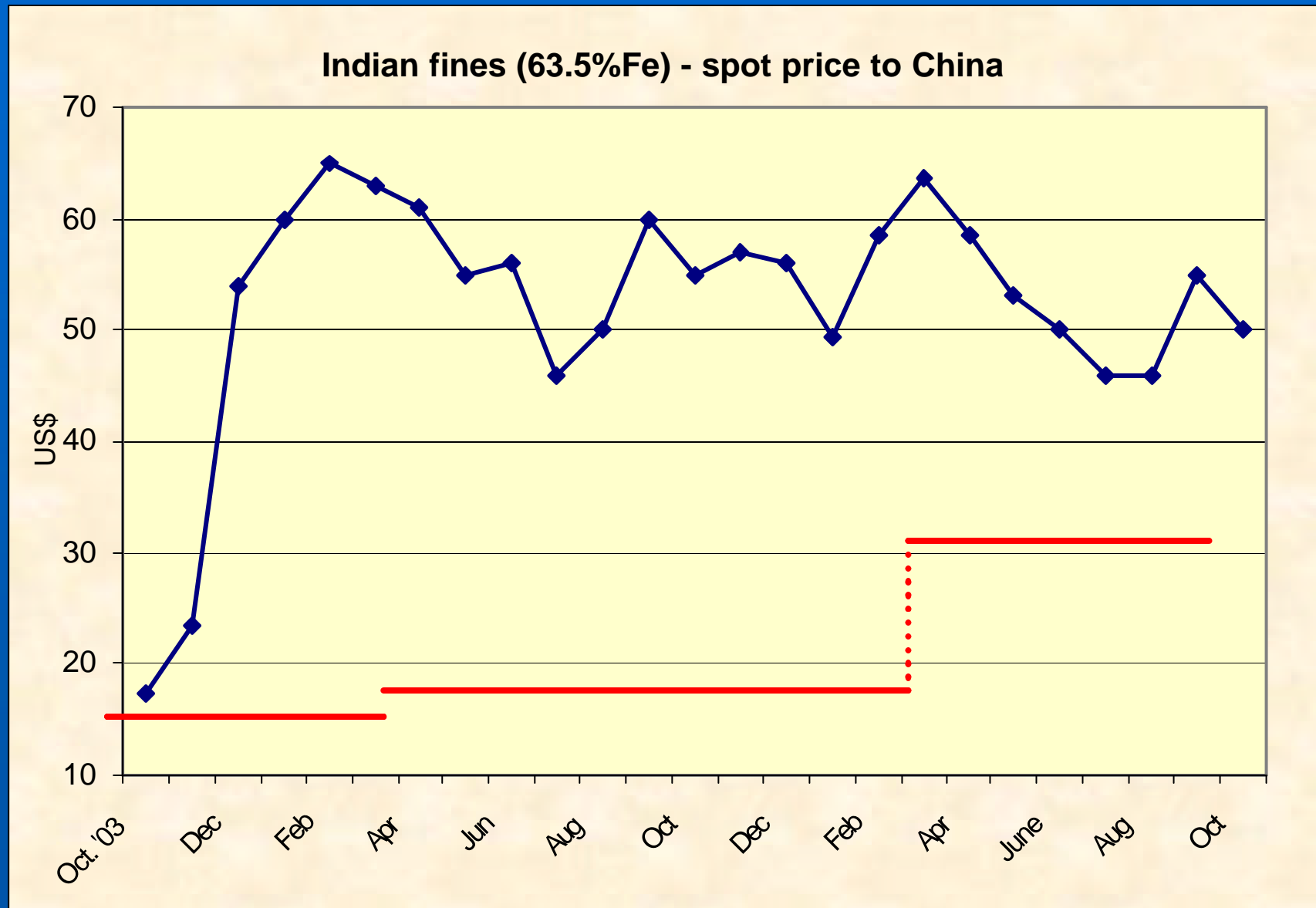


- **Not seen as stand alone industry**
- **Highly fragmented, small mines**
- **Large captive component**
- **Limited control over logistics**
- **No modern Capesize port**
- **Uncertain export policy**
- **Access to resources difficult**

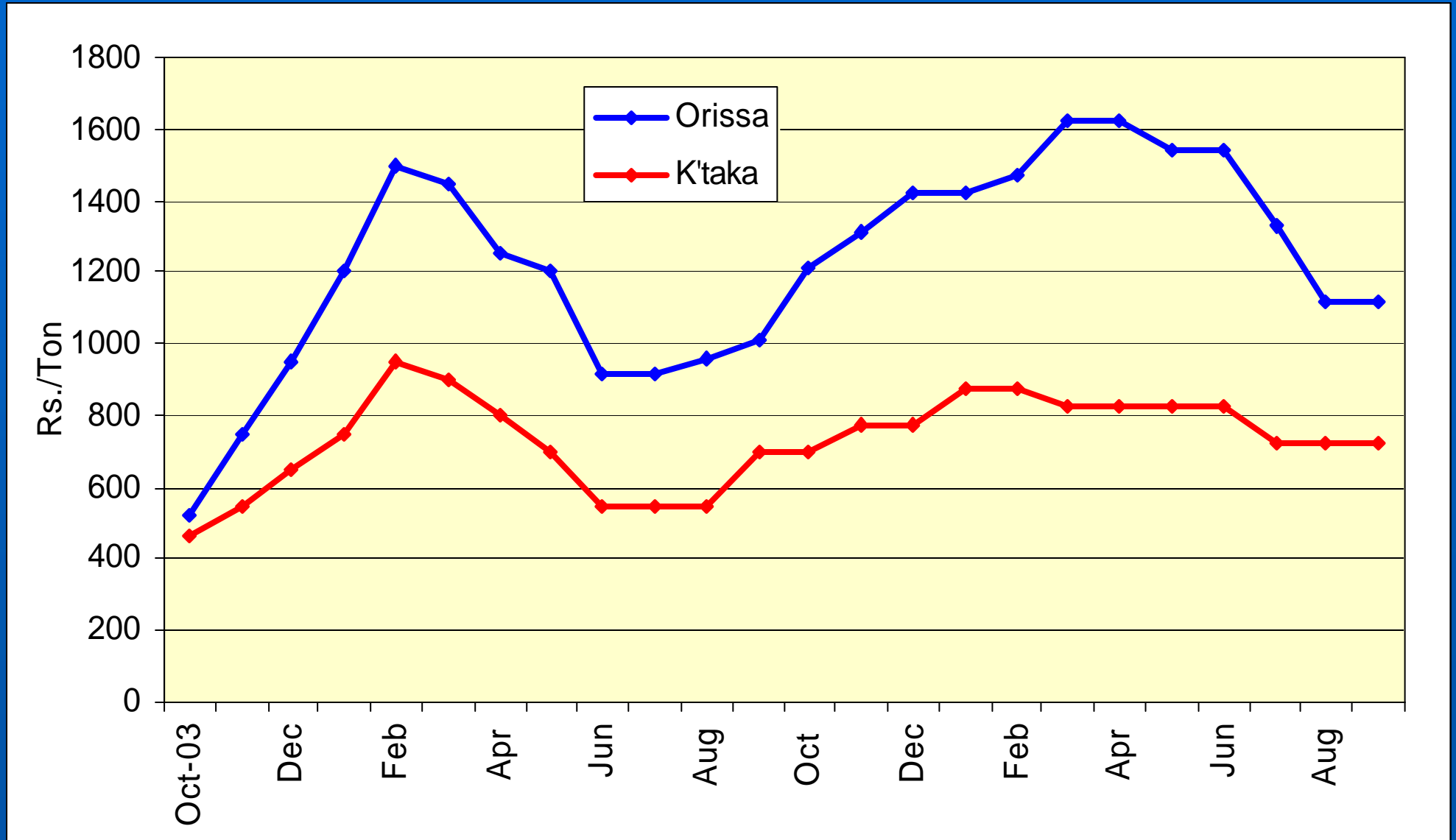
Indian IO Exports



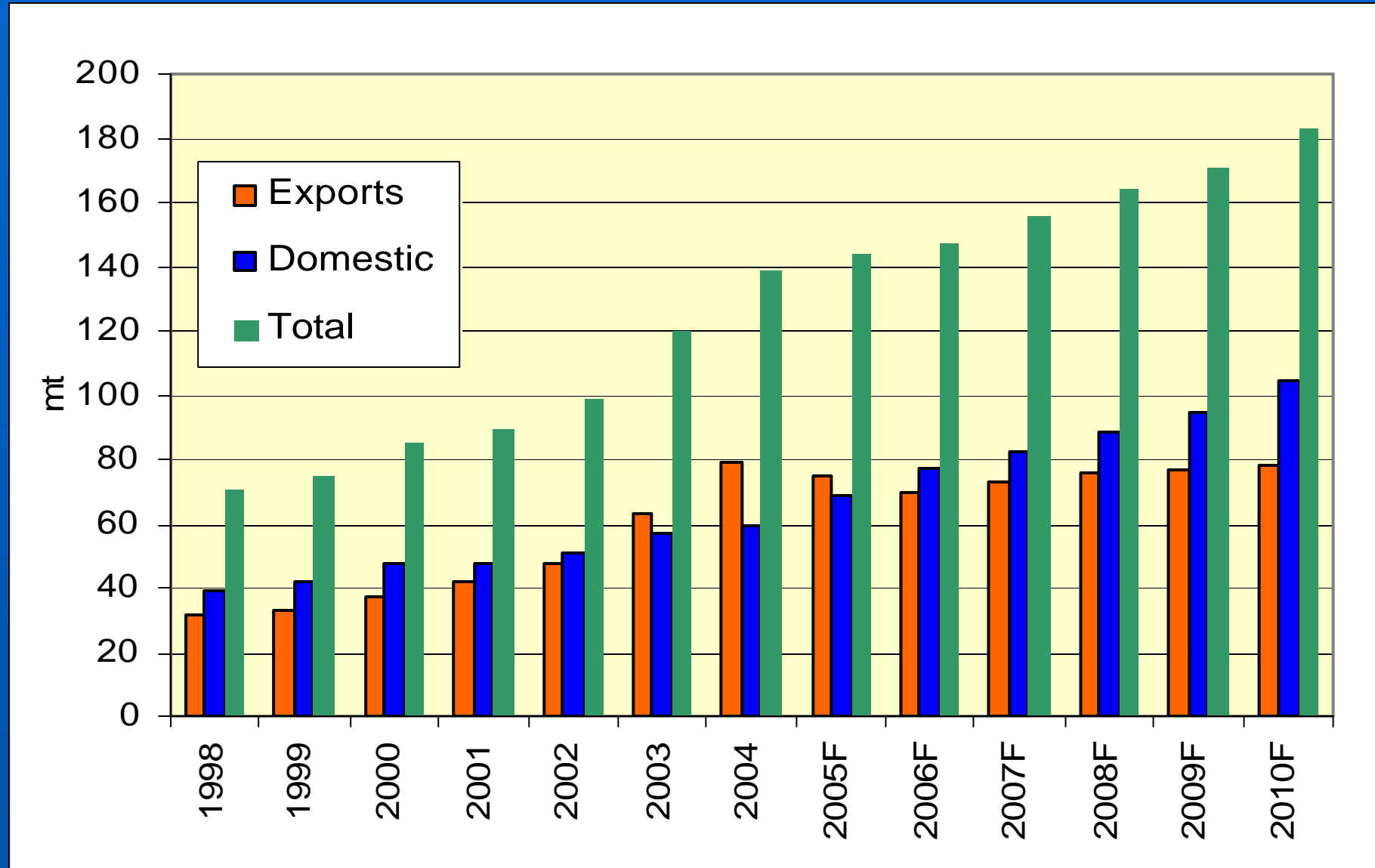
Indian IO Spot Prices



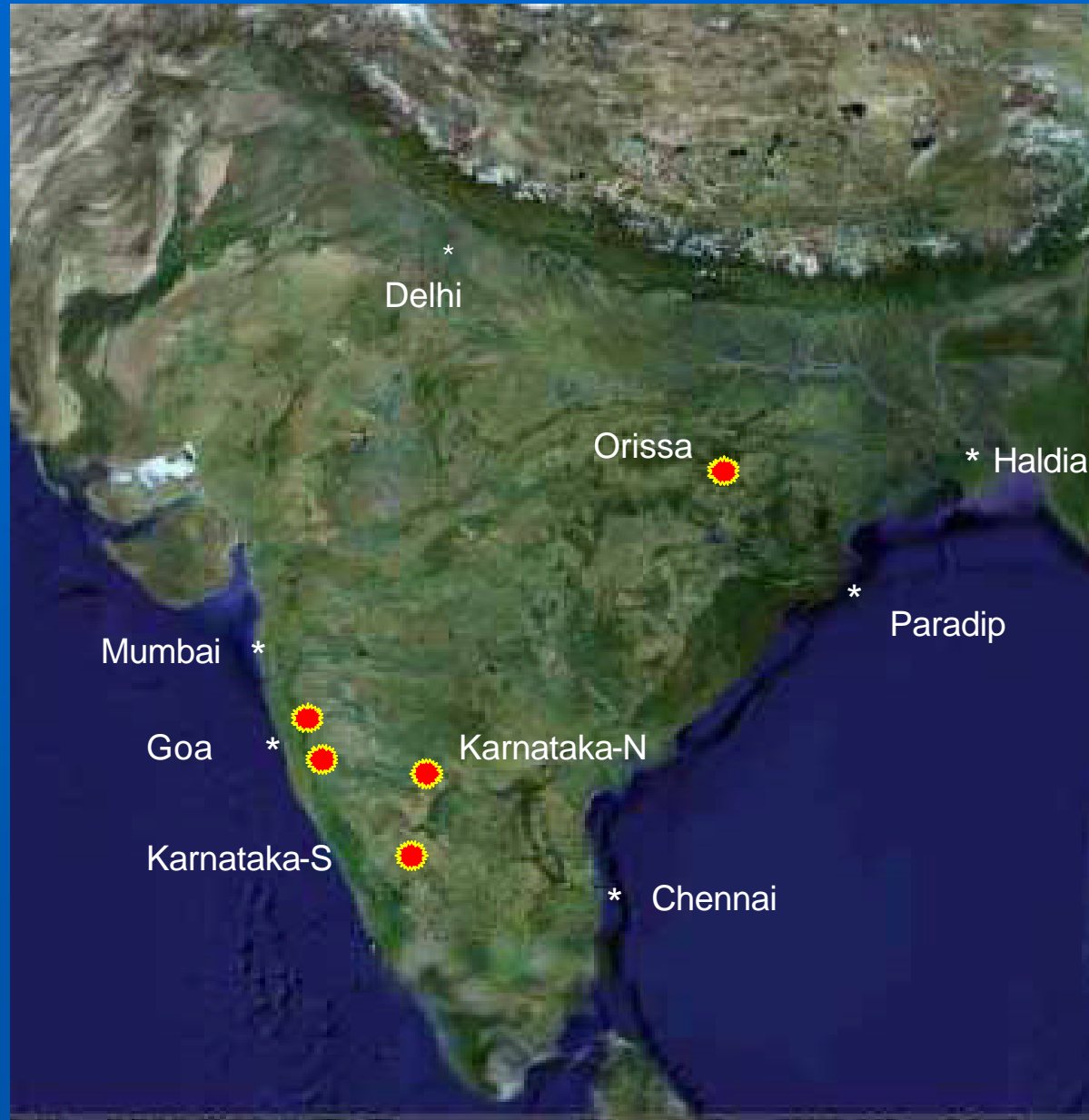
Indian Trucking Costs



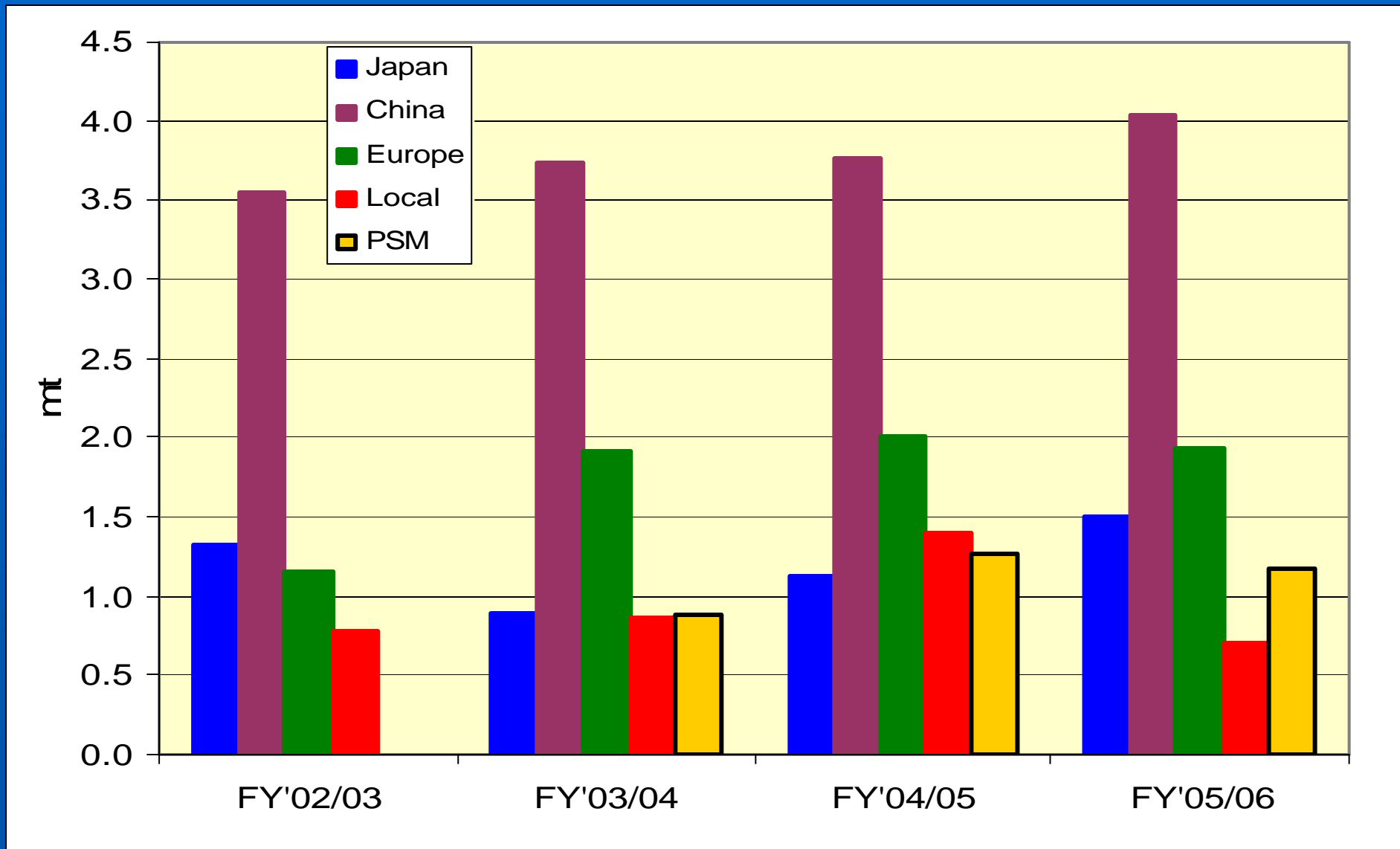
Forecast Indian IO Demand



Sesa Goa - Operations



Sesa Goa – IO Sales



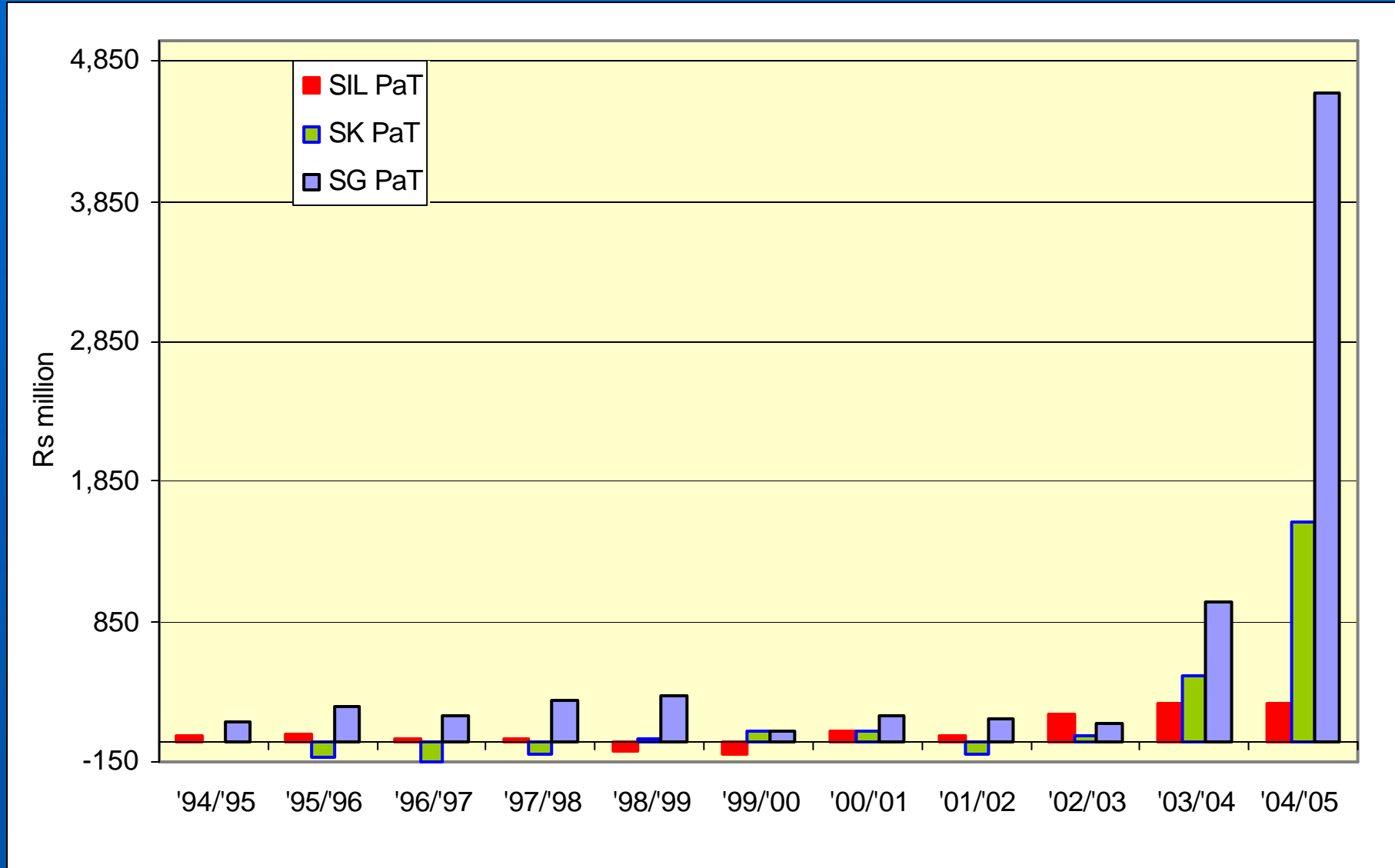


- **SKCC was 100% SGL subsidiary**
- **Merged with SGL April 1st, 2004**
- **MetCoke division operates coke battery**
- **Produces 280,000 t high quality coke**
- **Main customers SIL and foundries**
- **100% coal imported, mainly from Australia**
- **Currently retro-fitting compact charging**
- **Coke making technology being commercialised**



- **SIL unlisted company, SGL holds 88% equity**
- **SIL operates 2 mini BF's**
- **Produces 220,000 t high quality low SiO₂ PI**
- **Main customers auto casting foundries at Belguam & Colapure**
- **100% SK coke, 30% Sesa IO, rest purchased.**
- **Currently installing HBS**
- **Aim to merge with SGL April 1st, 2005**

Sesa Goa – Profit after Tax



Sesa Goa - Advantages



- Professional and highly regarded company
- Proximity to the fast growing Chinese market
- Goan river transport system and own transhipper
- IO, PI and coke counter cycles
- Debt free and cashed up
- In India, worlds 4th fastest growing economy.

Sesa Goa – Concerns



- **Cost pressure**
- **Australian and Brazilian mine expansions**
- **Access to new resources**
- **Infrastructure & logistics**

Indian IO resources



Indian IO resources - billion mt			
	Haematite	Magnetite	Total
Orissa	4.18	-	4.18
Jharkhand	3.28	-	3.28
Chattisgarh	2.28	-	2.28
Karnataka	1.32	3.84	5.16
Goa	0.73	1.31	2.04
Maharashtra	0.27	-	0.27
AP	-	0.12	0.12
Total	12.06	5.28	17.33

Potential for more is high

Indian Mineral Leases



- **Acquire a lease;**
 - ❖ **Directly apply**
 - ❖ **State gazettes.**
 - ❖ **Built a steel plant**
 - ❖ **Transfer.**



- **Granted lease needs clearances**
 - ❖ **Mining plan**
 - ❖ **Environmental clearance**
 - ❖ **Forest clearance**
 - ❖ **Tribal issues**



➤ **The problem – time**



- **High Level Committee under Shri Hoda, member Planning Commission**
 - ❖ **Review NMP & MMDR Act to encourage investment in mining**
 - ❖ **Streamline & simplify granting of RL/PL/ML**
 - ❖ **Speed up Forest & Environmental clearances**
 - ❖ **Prioritize infrastructure needs of mining sector**
 - ❖ **to examine captive mine allocation**
 - ❖ **to augment State revenues from the mineral sector**



- Rail, road, ports struggle to cope.
- Freight is high



- **Banspani – Daitari rail link early 2006.**
- **Hassan – Mangalore rail link upgraded**
- **Mangalore port + 3 mt mid '06**
- **Dhamra Port cleared**
- **Ennore delayed**
- **Own Your Own Wagons**

SESA GOA – Social Responsibility



- **Environment**
- **Health Programs**
- **Social economic development**
- **Education**



SESA GOA LIMITED
PRESENTATION TO POSCO OCTOBER 2005

Sesa Football Academy



Sesa Goa - Summary



- **Seaborne and Indian IO demand strong**
- **Sesa well placed to take advantage**
- **Sesa using recent profits to position itself at low end of cost curve in all businesses.**
- **Indian resource allocation being addressed.**



The End, Thank You