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Vedanta Resources' subsidiary Hindustan Zinc to become World's Largest Integrated Zinc-Lead Producer

- Expanding capacity at HZL to 1,065,000 tpa, making it the largest integrated zinc-lead producer in the world and achieving stated capacity goal of 1 million tonnes per annum
- Silver production expected to increase to 500 tonnes per year
- Strong reserves and resources position of 232.3 million tonnes containing a total of 27.5 million tonnes of zinc-lead metal

Vedanta Resources plc's ("Vedanta") subsidiary, Hindustan Zinc Limited ("HZL") has announced expansion projects that will take its total integrated zinc-lead capacity to 1,065,000 tonnes per annum with fully integrated mining and captive power generation capacities, thereby making it the world's largest integrated zinc-lead producer by 2010. HZL will continue to maintain its superior cost leadership position among the zinc producers in the world. Two brownfield smelter projects, which will increase the production capacities of zinc and lead by 210,000 tonnes and 100,000 tonnes respectively, will be undertaken at Rajpura Dariba in Rajasthan, India.

HZL expects to increase its silver production from the current levels of approximately 100-120 tonnes per year to a level of approximately 500 tonnes per year in the form of silver and silver bearing residue. A large part of this increase would be from the Sindesar Khurd mine where silver occurrences are approximately at levels of 200 ppm and from the use of appropriate technology in the new smelters.

The expansion is supported by HZL's strong reserves and resources of 232.3 million tonnes containing 27.5 million tonnes of zinc-lead metal at 31 March 2008. The reserves and resources position have been earlier independently reviewed and certified as per the JORC standard.

To support the increased smelting capacities, HZL will expand its ore production capacity at the Rampura Agucha mine from 5 mtpa to 6 mtpa. Further, ore production at the Sindesar Khurd mine, the new star in HZL's mining portfolio, will be increased from 0.3 mtpa to 1.5 mtpa. HZL will also start mining activity at the Kayar mine which will have a production capacity of 0.3 mtpa.

In line with the group's philosophy of being a fully self reliant producer of power, a captive thermal power plant with a capacity of 160MW will also be set up at Rajpura Dariba.

The zinc and lead smelters as well as the 160MW captive power plant and the Rampura Agucha mine expansion will be complete by mid-2010. The expansions at the Sindesar Khurd and Kayar mines will be completed in phases by early 2012.

The total investment in these projects is estimated at \$ 900 million. This investment includes the cost of the smelters, captive power facilities, mine development and shaft sinking and other infrastructure. The expansion will utilise the same technology and project management skills that successfully delivered the Chanderiya II expansion project ahead of schedule.

For further information, please contact:

Sumanth Cidambi
Associate Director – Investor Relations
Vedanta Resources plc

sumanth.cidambi@vedanta.co.in
Tel: +44 20 7659 4732 / 91 22 6646 1531

James Murgatroyd
Robin Walker
Finsbury

Tel: +44 20 7251 3801

About Vedanta

Vedanta is a London listed FTSE 100 diversified metals and mining major. The group produces aluminium, copper, zinc, lead and iron ore and also commercial energy. Vedanta has operations in India, Zambia and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 30,000 employees globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information visit www.vedantaresources.com

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