



Vedanta Resources plc
16 Berkeley Street
London W1J 8DZ
Tel: +44 (0) 20 7499 5900
Fax: +44 (0) 20 7491 8440
www.vedantaresources.com

23 January 2006

**THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION, DIRECTLY OR
INDIRECTLY, TO US PERSONS OR IN OR INTO THE UNITED STATES,
CANADA, AUSTRALIA, OR JAPAN**

Vedanta Resources plc announces the launch of US\$ 725 million Convertible Bonds due 2026

Vedanta Resources Plc ("Vedanta") announced today the launch of US\$ 725 million convertible bonds due 2026 (the "Bonds"). In addition, Barclays Bank PLC has been granted an option to increase the issue size by an additional US\$ 125 million. The Bonds will be issued by Vedanta Finance (Jersey) Limited (the "Issuer") and guaranteed by Vedanta.

The proceeds of the issue will be applied towards refinancing subsidiary indebtedness, Vedanta's capital expenditure programme including the Jharsuguda aluminium smelter project and for other general corporate purposes.

The twenty-year Bonds, with an investor put option on 21 February 2013, are convertible into US dollar denominated exchangeable redeemable preference shares of the Issuer. These preference shares will be automatically exchanged for ordinary shares in Vedanta, which will be represented by depositary receipts, so that holders will, on conversion of the Bonds, receive depositary receipts, without voting rights. The conversion price is expected to be set at a premium of between 48% to 55% to the volume weighted average price (from launch to pricing) of the ordinary shares of Vedanta on the London Stock Exchange (LSE). The Bonds are expected to price today and closing is expected on or about 21 February 2006.

It is intended that an application will be made for the Bonds to be listed on the Professional Securities Market (PSM) of the London Stock Exchange and for the depositary receipts to be listed on the Euro MTF of the Luxembourg Stock Exchange or in each case, another recognised market or stock exchange.

Barclays Capital is the Sole Bookrunner and Lead Manager for the offering.

For further information, please contact:

Sumanth Cidambi
Associate Director – Investor Relations
Vedanta Resources plc

sumanth.cidambi@vedanta.co.in
Tel: +91 22 5646 1531

Douglas Decker
Barclays Capital

douglas.decker@barcap.com
Tel: +44 20 7773 8302

Robin Walker
Finsbury

robin.walker@finsbury.com
Tel: +44 20 7251 3801

About Vedanta Resources plc

Vedanta Resources plc is a London listed diversified metals and mining group. Its principal operations are located throughout India, with further operations in Zambia and Australia. The major metals produced are aluminium, copper, zinc and lead. For further information, please visit www.vedantaresources.com.

Disclaimer

THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO ANY US PERSON (AS DEFINED IN REGULATIONS UNDER THE US SECURITIES ACT OF 1933, AS AMENDED ("REGULATIONS"). THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES, NOR SHALL THERE BE ANY OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL. THE SECURITIES MENTIONED IN THIS ANNOUNCEMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED IN THE UNITED STATES UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES IN THE UNITED STATES.

THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM OR (II) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR TO WHOM THIS ANNOUNCEMENT MAY OTHERWISE BE DIRECTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PRESS RELEASE RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ADDITION, IF AND TO THE EXTENT THAT THIS ANNOUNCEMENT IS COMMUNICATED IN, OR THE OFFER OF THE SECURITIES TO WHICH IT RELATES IS MADE IN, ANY EEA MEMBER STATE THAT HAS IMPLEMENTED DIRECTIVE 2003/71/EC (TOGETHER WITH ANY APPLICABLE IMPLEMENTING MEASURES IN ANY MEMBER STATE, THE "PROSPECTUS DIRECTIVE"). THIS ANNOUNCEMENT AND THE OFFER ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN THAT MEMBER STATE WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE (OR WHO ARE OTHER PERSONS TO WHOM THE OFFER MAY LAWFULLY BE ADDRESSED) AND MUST NOT BE ACTED ON OR RELIED ON BY OTHER PERSONS IN THAT MEMBER STATE.

STABILISATION FSA/ICMA. BARCLAYS CAPITAL WILL BE THE STABILISING MANAGER

THIS ANNOUNCEMENT 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," 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 THAN THOSE EXPRESSED IN OUR FORWARD-LOOKING STATEMENTS. WE DO NOT UNDERTAKE TO UPDATE OUR FORWARD-LOOKING STATEMENTS.