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Vedanta Resources plc
Change in Government Duties

Vedanta Resources plc ("Vedanta") notes that in today's Indian Budget, the Government of India announced several changes that will impact the company. Import duties on metals were brought closer to those in other ASEAN countries and had largely been anticipated.

Import duties on aluminium, copper and zinc were reduced from 15% to 10%, on lead from 15% to 5% and on alumina from 20% to 10%. These duties only impact domestic sales and for the year to 31 March 2005 the reductions will have no material impact. The decline had already been included in our assumptions for the year ending March 2006.

Corporate tax has been reduced from 35% to 30%, though there has been an increase in a corresponding surcharge and some reductions in capital allowances. It is anticipated that the impact of this will be broadly neutral.

The budget was strongly supportive of further spending on infrastructure and encouraging investment in the mining industry.

Anil Agarwal, Chief Executive Officer of Vedanta Resources plc, commented, "We welcome this progressive budget. The reduction in duties is part of a general trend of liberalisation to stimulate growth and demand in the Indian economy. The focus on infrastructure and incentives for capital investment should also lead to strong long term demand for all our metals and gives a healthy background for our extensive programme of capacity expansion".

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Notes to Editors:

Vedanta is a London listed diversified metals and mining group. Our principal operations are located throughout India, with further operations in Zambia and Australia. The major metals produced are aluminium, copper, zinc and lead.