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6 January, 2004

Vedanta Resources plc

Acquisition of 4.98% of Sterlite Industries (India) Limited

Vedanta Resources plc is pleased to announce that it has completed the purchase of 1.79 million shares in Sterlite Industries (India) Limited (representing 4.98% of Sterlite's existing share capital) from the Sterlite Employee Welfare Trust at an average price of INR 1477 per share.

Vedanta's direct ownership of Sterlite increases from 55.1% to 60.1% as a result of this transaction. Vedanta's effective interest in Sterlite has increased from 60.8% to 65.8%. This purchase does not have a material impact on the cash position of Vedanta under UK GAAP. The transaction further advances Vedanta's stated strategy of releasing the value contained within the current group ownership structure.

This transaction has been undertaken prior to the completion of two recently announced initiatives;

- The issue of bonus shares in the ratio of 1 new share for every 1 existing Sterlite share; and
- A rights issue in the ratio of 3 new shares for every 10 existing shares of the enlarged Sterlite share capital to raise at least INR 14 billion (c. USD300m).

Peter Sydney-Smith, Vedanta Finance Director, says:

"We are increasing our ownership of Sterlite which will boost attributable earnings. This purchase and the proposed rights issue demonstrate that Vedanta is moving swiftly to implement its stated strategy of maximising the value inherent in the existing corporate structure."

This announcement is not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration. No public offering of the securities referred to herein will be made in the United States.

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