

19th August 2020

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VEDANTA RESOURCES LTD ANNOUNCES PRICING OF BOND OFFERING

Vedanta Resources Limited (“VRL”) hereby announces the successful pricing of senior secured bonds. The issue size was US\$1.4bn, comprising 3-year amortizing bonds, with an annual coupon rate of 13% (the “Bonds”). Funds from the Bond issuance will primarily be used to support the intended offer to buy out the equity shares of Vedanta Limited (“VDL”) that are held by public shareholders (as defined under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended (“Delisting Regulations”). The issuance size was increased to US\$1.4bn from initial indication of US\$1.0bn in order to provide VRL with additional flexibility to also redeem a portion of its US\$670mm outstanding 2021 bonds (the “2021 Bonds”). Upon completion of all payment obligations as required under the Delisting Regulations, any balance funds available shall be used to fund either (a) a potential tender offer of the 2021 Bonds at par or (b) a repayment of the 2021 Bonds at maturity.

The Bond issuance follows the commitments for US\$1.75bn that VRL had received earlier for a 3 month term loan facility taking the total amount of debt raise to US\$3.15bn across global debt markets. This completes VRL’s planned fund-raising programme in preparation for the proposed delisting of its subsidiary, VDL as we believe this is the maximum incremental leverage we can consider in our capital structure.

The proceeds of the Bonds will be deposited into an offshore escrow account pending a successful conclusion of the bidding process under the Delisting Regulations resulting in delisting of VDL’s shares and will be used to redeem the Bonds in the event that the delisting is unsuccessful by a certain long-stop date; the bank debt package will also be unwound in the event of an unsuccessful delisting. The proposed financing package will support a fair offer to shareholders while balancing the needs of VRL’s debt providers and other stakeholders.

VRL will at the appropriate times take the necessary steps to proceed with the delisting offer as required under the Delisting Regulations.

The Bonds are being offered and sold in a private offering to qualified institutional buyers under Rule 144A of the U.S. Securities Act and non-US persons outside the United States under Regulation S under the U.S. Securities Act. Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation of the Bonds on the SGX-ST. Admission for the listing and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the offering, Vedanta or the Bonds.

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About Vedanta

Vedanta Resources Limited, together with its subsidiaries (“Vedanta”), is a globally diversified metals and mining, oil and gas and power generation company and its businesses are principally located in India. Vedanta also has operations in Zambia, Namibia, South Africa, the United Arab Emirates, Japan, South Korea and Taiwan, and a workforce of over 76,000 people worldwide. Vedanta is primarily engaged in oil and gas, zinc, copper, iron ore, lead, silver, steel, aluminium, commercial power generation, glass substrate, and port operation businesses.

To access the Vedanta Sustainable Development Report 2019, please visit <https://www.vedantaresources.com/VedantaDocuments/VedantaSDR2018-19.pdf> For more information on Vedanta Resources, please visit www.vedantaresources.com

General

Neither this announcement nor the electronic transmission thereof constitutes or forms part of (a) an offer to sell or an invitation of an offer to buy securities in or into the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) or in any other jurisdiction or (b) an offer to buy or the solicitation of an offer to sell the 2021 Bonds. Securities may not be offered or sold in the United States or to U.S. persons absent registration or an exemption from registration.

This announcement is neither an offer to sell nor the solicitation of an offer to buy the Bonds and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

This announcement is directed only at persons (i) outside the United Kingdom; (ii) that have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (iii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order or (iv) to whom this announcement may otherwise be directed without contravention of the Financial Services and Markets Act 2000 (all such persons together being referred to as “relevant persons”). This announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

Nothing in this announcement nor the electronic transmission thereof shall be construed as, and under no circumstances shall this announcement nor the electronic transmission thereof constitute, an offer to sell the Bonds to the public as defined in the Mauritius Securities Act 2005.

Neither this announcement nor the electronic transmission thereof shall form an offer document or a prospectus or a private placement offer cum application letter or an offering circular or an information memorandum under the Indian Companies Act, 2013. This document has not been and will not be registered as a "prospectus" with any Registrar of Companies in India and no such document will be circulated or distributed to any persons in India.

Disclaimer

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