

VEDANTA UPDATE ON KCM ARBITRATION

28 October 2019, Lusaka: Further to our statement of 23 August 2019 (South Gauteng High Court refuses ZCCM leave to appeal) Vedanta Resources can confirm that the arbitration process related to Konkola Copper Mines (KCM) is ongoing.

The KCM Shareholders Agreement between Vedanta Resources and ZCCM-IH (and the Government of Zambia) provides that disputes between the parties shall be dealt with by way of arbitration. On 21 May 2019, ZCCM-IH issued a petition to wind up KCM, and was granted an ex parte order by the Lusaka High Court to appoint Mr Milingo Lungu as provisional liquidator of KCM.

On 24 July 2019, the South African High Court granted Vedanta Resources' application for an injunction in support of the arbitration agreement in the KCM Shareholder Agreement and ordered that the application for the winding up of KCM be withdrawn. Neither ZCCM-IH nor the Provisional Liquidator have thus far complied with that injunction, and thus are considered to be in contempt of court.

Vedanta and ZCCM-IH are now following the arbitration process, as envisaged in the Shareholders Agreement. Arbitration is a confidential process and the parties have been advised that they are not permitted to say anything further about that process. Vedanta continues to pursue its rights under the Shareholders Agreement and has confirmed its willingness to provide financial support for KCM.

Notwithstanding the current legal and arbitration processes currently underway in Zambia, South Africa and under UNCITRAL Arbitration Rules, Vedanta is determined to seek resolution through dialogue and constructive engagement with the Government of Zambia and ZCCM-IH.

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