

Zambia Copper Investments Limited
(Registered in Bermuda)
JSE code: ZCI
ISIN: BMG988431240
("ZCI" or "the company")

CAUTIONARY ANNOUNCEMENT REGARDING EXERCISE OF VEDANTA CALL OPTION

The Directors of ZCI wish to inform shareholders that Vedanta Resources plc ("Vedanta") has given notice that it is exercising its call option in terms of the Vedanta Call Option Deed ("the Deed"). Shareholders will recall that the Deed gives Vedanta the right to purchase the remaining 28.4% of Konkola Copper Mines plc ("KCM") shares held by ZCI through its wholly owned subsidiary, ZCI Holdings S.A. The key terms of the call option were fully described in the circular posted to shareholders on 11 October 2004, regarding the recommended introduction of Vedanta as a strategic equity partner in KCM, and repeated on page 6 of the 2004 ZCI annual report.

The terms of the Deed stipulate that the parties shall have an initial period of 10 business days within which to attempt to reach agreement on the option exercise price. In the event that the parties are unable to reach agreement on the option exercise price within this period, the price shall be determined by an independent investment bank to be appointed either by agreement between Vedanta and ZCI, or in the absence of such agreement, by the auditors of KCM.

In the event that Vedanta is unwilling to pay the option exercise price, it shall not be required to proceed with the associated purchase of ZCI's KCM shares.

The ZCI Board is dealing with the exercise of the Vedanta call option in terms of the procedures set out in the Deed. Given the early stage of negotiations, the ZCI Board is unable to provide an accurate estimate of the time period for the process to be completed. The ZCI Board undertakes to provide regular updates to shareholders on all significant developments as and when they occur. Accordingly, ZCI shareholders are advised to exercise caution when dealing in ZCI's securities until a detailed announcement is made.

Bermuda
2 September 2005

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)