

## SERITI WELCOMES SOUTH32 ANNOUNCEMENT CONFIRMING EXCLUSIVE NEGOTIATIONS IN RESPECT OF ACQUISITION OF SAEC

**Johannesburg, 22 August 2019:** Seriti Resources welcomes the announcement by South32 Limited that, following a comprehensive and competitive bid process, the companies have entered into exclusive negotiations regarding the sale and acquisition of South32's South Africa Energy Coal (SAEC) business.

As confirmed by South32, Seriti's offer includes an up-front cash payment with a deferred payment mechanism whereby both companies will share in any commodity price upside for an agreed period. The operational experience and sector expertise that Seriti would bring to these assets offers a strong base for the long-term sustainability of SAEC, to the benefit of all stakeholders.

Mike Teke, CEO of Seriti, comments: "This is an exciting step forward for Seriti, and we look forward to continued engagement with South32 as we work together towards concluding a binding agreement. Should a sale agreement be reached, these assets would become a further important anchor of Seriti's domestically focused coal business. This would be a further significant investment in the South African mining sector by South African investors, backed by a proven track record of responsible operation."

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### **NOTES TO EDITORS:**

#### **About Seriti:**

Seriti is a broad-based, 91% black-owned and controlled coal mining company. Seriti, through its operating subsidiary, Seriti Coal Pty Ltd, currently operates three large-scale, opencast and underground thermal coal mines, the New Vaal, New Denmark and Kriel mines, which it acquired from Anglo American, as well as various life extension coal

resources and closed collieries. Together with its partners, Seriti intends to develop its New Largo project into a large-scale, opencast coal mine capable of providing the base load fuel requirements for Kusile Power Station.

Seriti is co-owned by four anchor shareholders – Community Investment Holdings (CIH), Masimong, Zungu Investments (Zico) and Thebe. It is Seriti's philosophy that 10% of its equity be ring-fenced equally for the benefit of employees and communities through employee and community trusts.

As a responsible South African coal miner, Seriti has a proven track record in the acquisition, operation and development of large-scale opencast and underground coal mines. Guided by experienced board and management teams, Seriti maintains a principle focus on its long-term commitment to the domestic market and, in particular, the reliable provision of coal to Eskom.

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