

**PRESS RELEASE****SHANDUKA GROUP INCREASES SHAREHOLDING IN SHANDUKA COAL**

**14 December 2011, Johannesburg;** Shanduka Group, today announced that it has increased its shareholding in Shanduka Coal from 30% to 50.01%, which will result in Shanduka sharing control of Shanduka Coal with Glencore International plc.

“The decision to increase our shareholding in Shanduka Coal is in line with our strategy of expanding our investment in the coal sector and becoming more operationally involved. Glencore has been our partner in the South African coal sector since 2005. This transaction results in a win-win for both parties, and our partnership remains strong,” says Phuti Malabie, CEO of Shanduka Group.

Shanduka Group will invest R370m and also inject some of its other coal assets (specifically its 30% shareholding in Kangra Coal) to increase its shareholding in Shanduka Coal. In addition, Shanduka Group has committed R200 million for the development of future coal projects over the next five years. This should see more jobs being created going forward.

Founded in 2005 by Shanduka Group and Glencore International plc, with the purpose of consolidating the junior coal mining space, the business has since grown into a substantial South African mining company and employs some 2 800 employees. Shanduka Coal’s operating mines comprise Graspan Colliery, Middelburg Townlands Colliery and Springlake Colliery. In addition, the company has access to substantial coal resources, which are in different stages of evaluation and development. Shanduka Coal currently produces approximately 7 million tonnes of saleable coal per annum, which is sold to Eskom and the domestic and international markets.

The transaction remains subject to a number of conditions, including approvals from the Competition Commission and the Department of Mineral Resources.

“Despite current global uncertainties, the outlook for coal remains robust. Our continued investment in the South African mining industry is indicative of the value we see in its prospects,” concludes Malabie.

**About Shanduka**

The Shanduka Group is an African black owned and managed investment holding company established in 2001. For more information please visit [www.shanduka.co.za](http://www.shanduka.co.za).

**Contact:****Maureen Mphatsoe**

Shanduka Group

Email: [MMphatsoe@shanduka.co.za](mailto:MMphatsoe@shanduka.co.za)

Tel: +27 11 305 8900 / Mobile: 083 386 9693

**Thandi Moticoe**

Fleishman-Hillard

Email: [Thandi.moticoe@fleishman.co.za](mailto:Thandi.moticoe@fleishman.co.za)

Tel: +27 11 548 2091 / Mobile: +27 71 600 2429