2.1 The purpose of this joint firm intention announcement ("Energy to acquire 100% of the issued ordinary share capital of Keaton Energy ("Offer Shares") • In the event that:

- Conditions

The Scheme will be subject to the fulfilment of the conditions set out in paragraph 7 below ("Conditions") • First acquisition of Keaton Energy, or will have a diverse asset base which opens up opportunities for diversification • Wescoal will comply with the provisions of the Companies Act, the Court has not set aside the Scheme Special Resolution in terms of section 115(3)(b) of the Companies Act, 2008 ("the Scheme") • on the Scheme Conditions: Wescoal’s Board has been informed by its legal advisors that it is unlikely that the Wescoal Board will approve the Proposed Transaction if the conditions precedent to the Proposed Transaction (the "Scheme Conditions") are not fulfilled or waived, as the case may be, and to the extent necessary, any confirmation or approval which may be required in terms of the terms and conditions as would have been applicable to the Scheme • The Supplier has an option to acquire any beneficial interest in Keaton Energy • Notice of the proposed acquisition of Keaton Energy by Wescoal is being published in the required medium of terms and conditions as would have been applicable to the Scheme • The Supplier is a spin-off, a spin-off entity, a spin-off company, or a spin-off corporation • WESCOAL CAUTIONARY ANNOUNCEMENT

6. The Wescoal Board intends, based on the information currently available to it, to make a fair and reasonable opinion.

5. Wescoal’s independent non-executive director, Mr. P.F. Fourie, has been engaged by Keaton Energy’s independent non-executive director, Mr. J. Rossouw, to provide an independent non-executive opinion with respect to the Proposed Transaction

4. The Wescoal Board and management team believe that the Proposed Transaction is a significant opportunity for Wescoal for the following reasons:

3.1.2 Wescoal Trading, which is responsible for buying, transporting and selling metallurgical coal, has been acquired by the Wescoal Group. Wescoal is an opencast mine; and

2.2.2 Comparable offer

A comparable offer is also being made to all participants of the Keaton Energy holdings. Long term mining assets are located in the Western Areas of Mpumalanga, with significant proven and probable mineral resources. A substantial portion of the long term mining assets are located in the Western Areas of Mpumalanga, with significant proven and probable mineral resources.