

WESCOAL HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 2005/006913/06)

Share code: WSL

ISIN: ZAE000069639

("Wescoal")

KEATON ENERGY HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 2006/011090/06)

Share code: KEH

ISIN: ZAE000117420

("Keaton Energy")

JOINT ANNOUNCEMENT – SCHEME FINALISATION ANNOUNCEMENT RELATING TO THE OFFER BY WESCOAL TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARE CAPITAL OF KEATON ENERGY ("TRANSACTION")

Wescoal and Keaton Energy shareholders are referred to the joint firm intention offer announcement ("**Firm Intention Announcement**") published by Wescoal and Keaton Energy on 2 February 2017. Unless defined in this announcement or if the context dictates otherwise, capitalised terms used in this announcement have the same meanings as given in the Firm Intention Announcement.

1. Fulfilment of all the Scheme Conditions

Wescoal and Keaton Energy Shareholders are hereby advised that all the Scheme Conditions have now been fulfilled and that the Transaction is therefore unconditional.

As the Scheme is unconditional, the consideration payable by Wescoal to Keaton Energy Shareholders in terms of the timetable set out in paragraph 2.2 below will be R1.80 per Keaton Energy Share, settled partly in cash (R1.20 per Keaton Energy Share) and partly in Wescoal Shares. The Share Component will be settled by Wescoal in the ratio of 0.30 Wescoal Shares for every 1.00 Keaton Energy Share held.

2. Salient dates and times

Set out below are the remaining salient dates and times pertaining to the implementation of the Transaction for each of the Wescoal Shareholders and Keaton Energy Shareholders.

2.1 Salient dates and times for Wescoal Shareholders

2017	
Date of fulfilment of the Scheme Conditions	Tuesday, 20 June
Finalisation date announcement released on SENS	Tuesday, 20 June
Consideration Shares listed on the JSE from commencement of trade	Wednesday, 28 June
Scheme Consideration settled	Monday, 3 July

2.2 Salient dates and times for Keaton Energy Shareholders

2017	
Scheme finalisation announcement released on SENS	Tuesday, 20 June
Scheme finalisation announcement published in the press	Wednesday, 21 June
Last day to trade in Keaton Energy Shares in order to be recorded in the register on the scheme consideration record date	Tuesday, 27 June
Suspension of listing of Keaton Energy Shares from the JSE at the commencement of trading	Wednesday, 28 June
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements	Thursday, 29 June
Scheme consideration record date on which Keaton Energy Shareholders must be recorded in the register to receive the Scheme Consideration due to them	Friday, 30 June
Scheme implementation date - date of payment of the Scheme Consideration due to scheme participants, to be paid electronically or posted to certificated Keaton Energy Shareholders (if the form of surrender (<i>pink</i>) and documents of title are received by the transfer secretaries on or before 12:00 on the scheme consideration record date)	Monday, 3 July
Dematerialised Keaton Energy Shareholders to have their accounts held at their CSDP or broker debited with the Keaton Energy Shares and credited with the Scheme Consideration due to them	Monday, 3 July
Termination of listing of the Keaton Energy Shares from the JSE at the commencement of trading at 09:00	Tuesday, 4 July

In the joint announcement dated 2 June 2017, it was noted that Keaton Energy had received written objections from Keaton Energy Shareholders in terms of section 164(3) of the Companies Act (representing 0.58% of the Keaton Energy Shares present at the Scheme Meeting) (“**Dissenting Shareholders**”), which Dissenting Shareholders voted against the Scheme Special Resolution. In terms of section 164(4) of the Companies Act,

Keaton Energy sent notices on 15 June 2017 to each Dissenting Shareholder informing them that the Scheme Special Resolution has been adopted. Accordingly, in terms of section 164(7) of the Companies Act, the Dissenting Shareholders have until 14 July 2017 to make a demand that Keaton Energy pay them fair value for all of their Keaton Energy Shares in terms of section 164(5) of the Companies Act.

3. Keaton Energy responsibility statement

The Keaton Energy Independent Board accepts responsibility for the information contained in this announcement to the extent that it relates to Keaton Energy. To the best of their knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

4. Wescoal responsibility statement

The Wescoal Board accepts responsibility for the information contained in this announcement to the extent that it relates to Wescoal. To the best of their knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

Johannesburg
20 June 2017

Investment Bank, Corporate Advisor and Sponsor to Wescoal

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Legal Advisor to Wescoal

Edward Nathan Sonnenbergs Inc.

Corporate Advisor to Keaton Energy

Taurum Proprietary Limited

Legal Advisor to Keaton Energy

Werksmans Inc.

Sponsor to Keaton Energy

Investec Bank Limited