

EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

Registration Number: 2000/011076/06

JSE share code: EXX

ISIN: ZAE000084992

ADR code: EXXAY

("Exxaro")

EXXARO RECEIVES FORCE MAJEURE NOTIFICATION FROM ESKOM

Exxaro shareholders are hereby advised that Eskom Holdings SOC Limited ('Eskom') served a subsidiary of Exxaro, Exxaro Coal (Proprietary) Limited, with letters calling force majeure on the coal supply agreements in place for the supply of coal to the Medupi and Matimba power stations. As indicated in the letters received, this will be applicable for the period starting at 16 April 2020 until one month after national lockdown has been completely lifted. The effect of the letters received by Exxaro, is that Eskom will not be taking the full contractually agreed tons of coal for the aforesaid period.

After consultation with its legal advisers Exxaro, is of the view that this event does not constitute force majeure as stipulated in the coal supply agreements, as the power stations are still capable of supplying power. Exxaro will vigorously defend its position in this matter and take the necessary action.

Exxaro is also of the view that this communication from Eskom is not in accordance with the spirit of the call by President Ramaphosa, requesting businesses to continue paying contractors.

Exxaro will engage with Eskom to discuss this matter and seek a mutually acceptable resolution. As Eskom has not indicated the extent of the reduced coal offtake, the potential impact on Exxaro cannot be quantified until discussions with Eskom have been finalised.

SE VAN LOGGERENBERG
GROUP COMPANY SECRETARY

20 April 2020

Sponsor

Absa Bank Limited, acting through its Corporate and Investment Banking Division



POWERING POSSIBILITY