

WESCOAL HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 2005/006913/06)

Share code: WSL

ISIN: ZAE000069639

("Wescoal")

Arnot Opco Proprietary Limited ("Arnot Opco") signs a ten-year Coal Supply Agreement ("CSA") with Eskom Holdings SOC Limited ("Eskom")

Shareholders are referred to the voluntary SENS update of 28 July 2021, referring to the imminent restart of the Arnot Mine, based in Middelburg, Mpumalanga, and the joint efforts of the management teams of Wescoal and Arnot Opco, in which Wescoal holds 50% shareholding through its subsidiary Wescoal Mining Proprietary Limited, to secure long-term coal offtake contracts.

Wescoal is pleased to inform shareholders that Arnot Opco has entered into a long-term CSA with Eskom to supply coal for the next ten years from Arnot Mine. The CSA award marks the conclusion of months of negotiations with the power utility, which commenced mid-2020 following Arnot Opco incorporation.

The initial transaction between Arnot Opco and Exxaro Coal Mpumalanga Proprietary Limited ("ECM") in 2019 was heralded as "one-of-its-kind" by the South African regulatory authorities and was spearheaded by retrenched ECM Arnot Mine employees, Innovators Resources Proprietary Limited in partnership with Wescoal.

Arnot Opco will deliver coal to Eskom's Arnot power station through conveyor belts. This method of delivery will minimise costs for both the power utility and the mining company.

The signing of the CSA is a big boost for Arnot Opco, its employees and Middelburg's neighbouring community, where it operates and will result in joint-economic growth as part of Arnot Opco's shared value model.

The first delivery to Eskom is expected during the 2021 calendar year as previously communicated to the market.

12 August 2021

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

IR Advisor

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