

EXXARO RESOURCES LIMITED

Incorporated in the Republic of South Africa

(Registration Number: 2000/011076/06)

JSE share code: EXX

ISIN: ZAE000084992

ADR code: EXXAY

Bond Code: EXX04

ISIN No: ZAG000160326

Bond Code: EXX05

ISIN No: ZAG000160334

(“**Exxaro**” or the “**Company**”)

FORCE MAJEURE AND RENEGOTIATION NOTIFICATION FROM TRANSNET FREIGHT RAIL

Exxaro shareholders are hereby advised that on 8 April 2022 Transnet SOC Limited (acting through its Transnet Freight Rail Division) (“TFR”) served subsidiaries of Exxaro, being Exxaro Coal (Proprietary) Limited and Exxaro Coal Mpumalanga (Proprietary) Limited, with letters stating that, due to circumstances beyond TFR’s reasonable control, it has been unable to perform a substantial part of the services it contracted to perform. TFR believes that those circumstances will continue to detract from its ability to perform for at least the next six months and that TFR was and remains under force majeure.

Relying on certain force majeure provisions contained in the long term rail transportation agreements (“Agreements”), TFR notified that those Agreements for the transportation of coal to the Richards Bay Coal Terminal (“RBCT”) have terminated. Similar notices have also been issued to other coal exporting parties with long term rail transportation agreements.

TFR has expressed the intention to finalise new 5-year agreements with affected parties by 30 June 2022. TFR indicated that during this period Exxaro’s allocated capacity will remain in effect until a new agreement is concluded and that it will continue to render transport services to Exxaro in terms of its standard conditions of carriage.

After consultation with its legal advisers, Exxaro is of the view that the events relied upon by TFR do not constitute force majeure events, that the Agreements did not terminate, and TFR’s reliance on any purported termination is invalid.

However, Exxaro and the other coal exporting parties are engaging with TFR and other stakeholders to discuss this matter and to seek a mutually acceptable resolution. Both Exxaro and TFR have expressed the intention to negotiate in good faith in order to address the issues of concern to TFR. The potential impact on Exxaro cannot be determined until finalisation of the negotiations, which may result in amendments to the Agreements.

Enquiries:

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14 April 2022

Lead Sponsor to Exxaro Resources Limited

Absa Corporate and Investment Bank, a division of Absa Bank Limited



Joint Equity Sponsor to Exxaro Resources Limited
Tamela Holdings Proprietary Limited

