

Thungela Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2021/303811/06)
JSE share code: TGA
LSE share code: TGA
ISIN: ZAE000296554
(‘Thungela’ or the ‘Company’ and together with its affiliates, the ‘Group’)

Chief Financial Officer’s Pre-close statement for the six months ending 30 June 2026

Dear Stakeholder

At Thungela, safety is central to everything we do, with a zero-harm mindset deeply embedded in our culture and every decision we make. We have operated a fatality-free business for 39 consecutive months and remain steadfast in keeping safety our top priority.

The health and well-being of our colleagues are prioritised across the business, including those at Thungela Marketing International in Dubai. We continue to monitor the impact of the ongoing conflict in the Middle East on our employees and the broader operating environment. To date, our operations have continued without any safety incidents or significant business disruptions.

Energy markets remain volatile as prices continue to respond to shifting sentiment around the protracted Middle Eastern conflict and the disruptions to shipping through the Strait of Hormuz. In recent weeks, Brent crude oil and gas prices traded in wide ranges which prompted brief sell-offs, based on reports of renewed US-Iran engagements, while also reaching multi-year highs on concerns that tensions could persist longer than anticipated.

During the conflict, an estimated 10 to 14 million barrels per day of oil and approximately one-fifth of global LNG supply were effectively displaced, supporting a higher floor for energy prices. Against this backdrop, oil has fluctuated between USD90 and USD118 per barrel, while European gas prices have moved more moderately - caught between tighter global LNG availability and softer near-term demand, partly supported by milder weather conditions.

Price movements have softened at times on signs of de-escalation and the current reopening of the Strait of Hormuz, which remains a critical artery for global energy flows.

While the Strait is presently open and shipments have resumed, markets remain sensitive to any potential disruption given its strategic importance.

Thermal coal markets broadly tracked the tone in oil and gas, initially strengthening on higher oil and European gas prices, before retracting later as energy prices softened. The Newcastle benchmark thermal coal price has tracked the higher energy market prices and remained firm to date. However, the Richards Bay benchmark thermal coal price did not accelerate at the same rate seen by the Newcastle benchmark thermal coal price, mainly as a result of the slowdown seen in Indian buying activity. Physical coal demand remained subdued, with end-users in India showing greater preference for cheaper, lower quality material, while other Asian importers favoured cheaper Russian and Colombian supply over South African and Australian higher quality cargoes. The protracted Middle East conflict has resulted in renewed buying from the Indian market and this has been supportive of the Richards Bay benchmark thermal coal prices seen over the most recent weeks.

In the first half of the year, export saleable production is expected to be approximately 6.3Mt in South Africa and approximately 2.0Mt at Ensham. Export saleable production in South Africa benefitted from improvements at Khwezela and a consistent strong performance at Mafube compared to the prior period. Zibulo experienced an increase in conveyor belt and support services challenges in the mining footprint that will be retired once all production is shifted to Zibulo North Shaft. We believe these challenges are transient and continue to receive the necessary operational and technical focus and therefore, remain confident in achieving the full year export saleable production guidance for the Group.

The following are the key insights into our performance for the period 1 January 2026 to 31 May 2026 (the year to date¹) and our expectations for the six-months ending 30 June 2026 (H1 2026¹).

- **The Richards Bay Benchmark coal price²** has strengthened in 2026, with an average of USD104.25 per tonne for the year to date, compared to USD89.53 per tonne for FY 2025¹ (H1 2025¹: USD91.78).
- **Discount to the Richards Bay Benchmark coal price** is approximately 16% for the year to date, compared to 16.6% for FY 2025 (H1 2025: 14.9%). The average realised export price for product sold through the Richards Bay Coal Terminal for the year to date is USD87.60 per tonne, compared to USD74.67 per tonne for FY 2025 (H1 2025: USD78.13). The discount is mainly driven by a lower quality sales mix, as a higher proportion of lower quality coal was railed from stockpiles.

- **Foreign exchange rate** volatility has had a material impact on the Group's financial performance. The US dollar has remained weak, largely driven by cyclical shifts in federal reserve monetary policies. The South African rand was stronger relative to the US dollar, trading at an average rate of R16.40 per dollar for the year to date, compared to R17.89 for FY 2025 (H1 2025: R18.39). This has resulted in an average realised export price of R1,437 per tonne for the year to date, compared to R1,336 per tonne for FY 2025 (H1 2025: R1,437).
- **Export saleable production in South Africa** is expected to be approximately 6.3Mt for H1 2026, compared to 6.4Mt in H1 2025. Together with the operational improvement initiatives at Zibulo and the traditionally stronger operational performance during the second half of the year, the export saleable production guidance of 13.0Mt to 13.6Mt remains appropriate.
- **Export sales for South Africa**, including third-party sales of approximately 0.7Mt, is expected to be approximately 7.5Mt for H1 2026, compared to 6.6Mt for H1 2025. The higher export sales was enabled by improved Transnet Freight Rail performance at an annualised run rate of approximately 60.8Mt as well as the utilisation of rail from coal export producers who did not have sufficient coal available to fully utilise their rail allocation.
- **FOB cost per export tonne excluding royalties for South Africa** for H1 2026 is expected to be marginally above the guidance range of between R1,320 to R1,370 per tonne, in line with lower export saleable production in H1 2026. However, for the full year, cost guidance remains appropriate as production run rates are expected to improve in the second half of the year.
- **The Newcastle Benchmark coal price**³ has averaged USD124.79 per tonne for the year to date, compared to USD105.37 per tonne for FY 2025 (H1 2025: USD102.51).
- **Discount to the Newcastle Benchmark coal price** has increased to 13.9% for the year to date, compared to a discount of 0.4% for FY 2025 (H1 2025: premium of 6.6%). The higher discount to the index is mainly due to fixed price tonnes negotiated prior to the stronger price environment impacted by the Middle East conflict. In addition, we have sold approximately 360kt under a fixed price contract which is invoiced at the FY 2025 contract price until the ongoing negotiations conclude in H2 2026. The average realised export price in Australia for the year to date was USD107.50 per tonne, compared to USD104.93 per tonne for FY 2025 (H1 2025: USD109.28).

- **Export saleable production at Ensham⁴** for H1 2026 is expected to be approximately 2.0Mt, compared to 1.6Mt in H1 2025. Production in H1 2025 was impacted by the more challenging geology which was transient. The export saleable production full year guidance of 3.9Mt to 4.2Mt remains appropriate.
- **Export equity sales for Ensham⁴** is expected to be approximately 2.0Mt for H1 2026, compared to 1.9Mt for H1 2025.
- **FOB cost per export tonne excluding royalties at Ensham** for H1 2026 is expected to be lower than the guidance range of R1,480 to R1,570 per tonne, mainly due to the impact of the stronger South African rand on the consolidation of the Australian operations. The full year cost guidance remains appropriate.
- **Capital expenditure for the South African operations** for H1 2026 is expected to be approximately R600 million. This consists of R500 million relating to sustaining capital and expansionary capital of R100 million. The full year guidance range of R700 million to R1,000 million for sustaining capital remains appropriate.
- **Sustaining capital expenditure at Ensham** for H1 2026 is expected to be approximately R250 million. The full year guidance range of between R500 to R700 million remains appropriate.

Portfolio optimisation in South Africa

Our South African portfolio has continued its transition, with Goedehoop North and Isibonelo mines reaching end of life. In line with our portfolio optimisation strategy, we have concluded the sale process of the Kleinkopje mining right at the Khwezela mining colliery and continue to progress the sale of Goedehoop North. The Kleinkopje transaction will result in a non-cash reduction of the environmental provisions of approximately R1.0 billion for the areas sold and is likely to benefit expected earnings in H1 2026. We will provide an update on the impact of the transaction on expected earnings prior to the release of the interim financial results.

Commitment to capital allocation framework

We expect net cash⁵ at 30 June 2026 to range between R5.9 to R6.1 billion. The net cash range includes approximately R1.0 billion of cash generated from foreign exchange derivatives.

The board reaffirms its commitment to the Company's dividend policy, which is to distribute a minimum of 30% of adjusted operating free cash flow⁶ to shareholders.

Furthermore, the board will consider an appropriate cash buffer which provides flexibility to prioritise shareholder returns and invest through the cycle.

We remain focused on safety and operational improvements and acknowledge the impact of other macro-economic factors on the business. Our robust balance sheet position continues to provide resilience and a solid foundation for long-term value creation.

The Group expects to release its interim results on 17 August 2026.

Deon Smith

Chief Financial Officer

Annexure A: Operational performance

Table 1: Export saleable production by operation

Export saleable production (Mt)	H1 2025 Actual	H1 2026 Forecast ⁷	% change
	(a)	(b)	(b-a)/a
South Africa	6.4	6.3	(2)%
Underground	4.7	4.1	(13)%
Zibulo	2.2	1.8	(18)%
Greenside	1.1	1.1	—%
Goedehoop ⁸	1.4	0.2	(86)%
Annea	0.1	1.0	900%
Opencast	1.7	2.2	29%
Khwezela	0.8	1.3	63%
Mafube	0.9	0.9	—%
Australia	1.6	2.0	25%
Ensham ⁹	1.6	2.0	25%
Total	8.0	8.3	4%

Table 2: Export sales

Export sales (Mt)	H1 2025 Actual	H1 2026 Forecast ⁷	% change
South Africa	6.4	6.8	6%
Underground	5.0	4.6	(8)%
Opencast	1.5	2.2	47%
Australia	1.9	2.0	5%
Ensham	1.9	2.0	5%
Underground	1.9	2.0	5%
Third-party¹⁰	0.2	0.7	250%
Total	8.5	9.5	12%

Footnotes

1. “Year to date” refers to the period from 1 January 2026 to 31 May 2026.
H1 2026 refers to the period from 1 January 2026 to 30 June 2026.
H1 2025 refers to the period from 1 January 2025 to 30 June 2025.
FY 2025 refers to the period from 1 January 2025 to 31 December 2025.
2. Richards Bay Benchmark price reference for 6,000kcal/kg thermal coal exported from the Richards Bay Coal Terminal.
3. Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia. The NEWC Index is the main price reference for physical coal contracts in Asia and is the settlement price for a significant volume of index-linked contracts.
4. Production at Ensham is crushed and screened before being sold into either the export or Australian domestic market. Sales into the Australian domestic market are at export parity prices and, as a result, all production at Ensham is considered to be export saleable production.
5. Net cash, an alternative performance measure, is cash and cash equivalents less restricted cash, which is cash held by the Group, that is not held at the discretion of the directors.
6. Adjusted operating free cash flow is net cash flows from operating activities less sustaining capex.
7. Based on the latest available management forecasts. Final figures may differ by $\pm$ 5%.
8. Export saleable production for Goedehoop includes approximately 243kt (2025: 283kt) attributable to the Nasonti operation.
9. Export saleable production for Ensham in H1 2025 includes 79kt purchased from Bowen.
10. Third-party sales reflect volumes purchased from operations not owned by Thungela.

Review of Pre-close statement

The information in this Pre-close statement is the responsibility of the directors of Thungela and has not been reviewed or reported on by the Group’s independent external auditor.

A trading statement will be released once the Group has reasonable certainty on the expected ranges for earnings per share and headline earnings per share and to the extent required by the JSE Listings Requirements.

Investor call details

A conference call and audio webinar relating to the details of this announcement will be held at 12:00 SAST on Tuesday, 30 June 2026. A recording of the audio webinar will be made available on the Thungela website on the same date – www.thungela.com/investors.

Conference call registration:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=6078558&linkSecurityString=11f4fe32e0>

Audio webcast registration:

<https://themediiframe.com/mediaframe/webcast.html?webcastid=7nNrMxz8>

Disclaimer

This announcement includes forward-looking statements. All statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and Reserve and Resource positions), are, or may be deemed to be, forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thungela or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Group assumes no responsibility to update forward-looking statements in this announcement except as may be required by law.

The information contained in this announcement is deemed by the Company to constitute inside information as stipulated under the market abuse regulation (EU) no. 596/2014 as amended by the market abuse (amendment) (UK mar) regulations 2019. Upon the publication of this announcement via the regulatory information service, this inside information is now considered to be in the public domain.

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