



THE WATERBERG
COAL COMPANY LTD

Australian Securities Exchange
Level 8 Exchange Plaza
2, The Esplanade
Perth

JSE Limited
One Gwen Lane
Johannesburg
2196

29 January 2015

Cautionary Announcement

Please see attached a further cautionary announcement to be released to the Johannesburg Stock Exchange today in accordance with their requirements.

Yours sincerely

Lee Boyd
Company Secretary



THE WATERBERG COAL COMPANY LTD

The Waterberg Coal Company Limited
(Incorporated in Australia)
(Registration number ABN 64 065 480 453)
ASX: WCC | JSE: WCC | ISIN: AU000000WCC9
("WCC" or "the Company")

BUSINESS UPDATE AND FURTHER CAUTIONARY ANNOUNCEMENT

In accordance with JSE Listings Requirements, shareholders are referred to the announcement dated 12 December 2014 ("the 12 December Announcement") and are advised of the following:

1. The Eskom Project

As set out in the 12 December Announcement, discussions with Eskom remain ongoing to resolve the outstanding requirements in order to advance the Coal Supply Agreement ("CSA") discussions. These outstanding requirements include coal specification finalisation, final pricing, delivery dates and the provision to Eskom of a satisfactory due diligence report on the DFS. WCC seeks to resolve all outstanding requirements early in 2015.

2. The Convertible Secured Facility ("Facility")

As set out in the 12 December Announcement, the extension on the Facility remains on an on-demand basis. The revised balance of the Facility as at 17 October 2014, including accumulated interest, is A\$39.3m.

3. The Export Project - Definitive Feasibility Study ("DFS")

As previously advised, Ardbel were commissioned to produce a DFS on the viability of a standalone Export Project to be located in the south of the Waterberg Coal Project ("WCP") area. Stage I of the Export Project anticipates the build up to 2 million tonnes per annum of export product; with first coal to be produced during the 1st quarter 2016. Based on the draft DFS the DFS team are currently undertaking an optimisation exercise on the mine and production plan to increase production to 4 million tonnes of coal product over a six year period through adding additional plant modules. The work on this continues.

Based on the draft DFS and the optimisation exercise for the export project, the WCP partners are in discussions with certain Banks and potential coal offtake partners with respect to funding arrangements for the proposed Export Project development.

4. Further cautionary announcement

Shareholders are advised to continue to exercise caution when trading in the Company's securities until further announcements in regard to the above is made.

Stephen Miller
Director
The Waterberg Coal Company Limited
29 January 2015



THE WATERBERG
COAL COMPANY LTD

JSE Sponsor
The Standard Bank of South Africa Limited

Registered office:
Level 2, 1 Walker Avenue West Perth, Western Australia 6005
Australia
Tel: +61 8 9485 0888
Fax: +61 8 9485 0077

South African office:
Level 1, The Place,
1 Sandton Dr
Sandton, 2146
South Africa

Tel: +27 10 594 2240
Fax: +27 10 594 2253

Contact:
Mr Stephen Miller
Executive Director/CEO

Or

Investor relations in South Africa:
Bruce Tinney
+27 (83) 408 3028

E-mail:
info@waterbergcoal.com.au

Directors:
Dr Mathews Phosa (Chairman)
Stephen Miller
(Executive Director and CEO)
Lee Boyd
(Director and Company Secretary)