

## ASX Release

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16 March 2015

**THE WATERBERG COAL  
COMPANY LIMITED**  
ABN 64 065 480 453

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

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**Contact:**

Mr Stephen Miller  
Executive Director/CEO  
Or

**Investor relations**  
in South Africa:  
Lawrie Mackintosh

**E-mail:**

info@waterbergcoal.com.au

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**Directors:**

**Dr Mathews Phosa**  
(Chairman)

**Stephen Miller**  
(Executive Director and  
CEO)

**Lee Boyd**  
(Director and Company  
Secretary)

ASX / JSE Symbol: WCC

## The Waterberg Coal Company Limited - Group Financing

As previously announced, the Standard Bank of South Africa (**SBSA**) Convertible Secured Facility (**Facility**) entered into between The Waterberg Coal Company Limited (**Company** or **Group**) and SBSA on 26 March 2013 had been extended from its maturity date of 9 October 2014 on an on-demand basis by mutual agreement. The Company has now received advice from SBSA in its capacity as facility and security agent for the Facility, seeking repayment of the outstanding principal and accrued interest in the amount of approximately A\$43 million by 9 April 2015.

The Company advises that it has been, and still is, in discussions with certain banks and funding agencies with respect to the funding required to retire the Group's indebtedness (which includes the Facility) and also to provide the capital required to develop the Export Project (which forms part of the broader Waterberg Coal Project (**WCP**)) and for general working capital. To this end the lead manager of the proposed banking syndicate, has commissioned an international mineral consultancy as its independent technical expert to produce a due diligence report for the purposes of credit committee approval and project funding.

As part of the funding requirements for the Export Project, the WCP Partners have now reached agreement in principle with an international power utility for that party to be the sole "off taker" of the export quality product accruing from the development. In principle commercial terms, product qualities and specifications have been agreed. As at today, the parties have commenced drafting a legally binding off take agreement. An off take agreement is a condition precedent for the drawdown of any funding to be provided by the project financiers.

Furthermore, the Waterberg Coal Project Partners have also reached an agreement in principle with an international mining and EPC contractor to contribute funding for the Group's working capital requirements.

Subject to completion of satisfactory funding arrangements as contemplated above, the Export Project is scheduled to commence production of export quality thermal coal during the 3<sup>rd</sup> quarter of 2016.

The Company has requested a trading halt for its securities from market pre-opening Tuesday 17 March 2015 until the earlier of commencement of trading on Thursday 19 March 2015 or when a relevant announcement regarding the Group's financing update is released to the market.



**Stephen Miller**

**Executive Director and CEO**

**The Waterberg Coal Company Limited**