



THE WATERBERG COAL COMPANY LTD

18 December 2015

ASX Limited
Level 40 Central Park
152 – 158 St George's Terrace
PERTH WA 6000

Attn: Ben Secrett

By email

Dear Ben

Request for Voluntary Suspension – The Waterberg Coal Company Limited

The Waterberg Coal Company Limited (**Company**) hereby requests an extension to its current voluntary suspension in the trading of its securities which is due to expire pre-open on Monday 21 December 2015.

In accordance with ASX Listing Rule 17.2, the Company advises that:

- (a) it is seeking the extension to the voluntary suspension to allow time to finalise a proposed third party funding arrangement to replace its existing funding facility (**Facility**) with Standard Bank of South Africa (**SBSA**) which was due for repayment on 9 April 2015 (as announced on 17 March 2015).
- (b) as advised to the market on 17 September 2015, the transaction contemplated with Sibanye Gold Limited (**Sibanye**) was subject to due diligence (legal, technical and financial), which was expected to be completed by end of November 2015.
- (c) Sibanye has advised that due diligence has been completed and that they are willing to consider pursuing the transaction however, the terms of the agreement with both the SBSA Noteholders, and the Company would need to be varied, which variation is currently under negotiation and subject to formal documentation and respective board approvals..
- (d) due to the Christmas/New Year seasonal break, it is considered that the negotiations, documentation and requisite board approvals will now be completed during February 2016.
- (e) it is contemplated that once the variation with the SBSA Noteholders has been documented a revised term sheet recording same will be entered into with all of the parties.
- (f) the replacement funding represents a significant transaction and the final terms of the proposal will impact the Company's ability to carry out its future objectives;
- (g) SBSA has previously advised that it will maintain the Facility as “on demand”, rolling daily basis, to give the discussions time to progress;
- (h) the Company is of the view that re-instatement of trading for its securities at this time is likely to be materially prejudicial to its ability to successfully complete the complex funding transaction contemplated which is critical to the Company's financial viability.
- (i) it expects the voluntary suspension to remain in place until the earlier of:
 - (A) the date that it has made an announcement in respect of its proposed funding arrangement; and
 - (B) commencement of trade on Monday 29 February, 2016;
- (j) it is not aware of any reason why the securities should not be suspended; and
- (k) is not aware of any other information necessary to inform the market about the suspension.

Yours faithfully

E L (Lee) Boyd
Company Secretary
The Waterberg Coal Company Limited