

ASX RELEASE
3 May 2013

**MEMORANDUM OF UNDERSTANDING FOR THE BENEFICIAL RENEGOTIATION OF
THE KANGWANE TRANSACTION HAS LAPSED**

On the 4 February 2014, Zyl entered into a Memorandum of Understanding (“**MOU**”) with its partners in the Kangwane Central Anthracite Project (the **Project**). The MOU sought to restructure the original transaction that was executed and announced on 13 December 2010 between Siyanda Resources (Pty) Ltd (“**Siyanda**”), Double Ring Resources (Pty) Ltd (“**Double Ring**”) and Opes Capital (Pty) Ltd (collectively the “**Partners**”).

The finalisation of the MOU was subject to the fulfilment of a number of conditions precedent by the 30 April 2013. The conditions precedent have not been fulfilled, the MOU has consequently lapsed and the original transaction remains valid and binding.

ZYL and its Partners are currently in negotiations in respect of a revised transaction. Zyl will update shareholders as to the outcome of such negotiations as they progress.

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About ZYL Limited

ZYL Limited is listed on the Australian Securities Exchange (ASX) and aims to become one of the world’s leading anthracite coal producers. The mission of ZYL is to develop high-margin metallurgical coal deposits for domestic and export markets. The Company’s flagship project is the Kangwane Central Project in South Africa, located close to rail, port, power and water infrastructure.

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