



Waterberg Group & Sibanye Terminate Discussions

On 17 September 2015 The Waterberg Coal Company Limited (**Waterberg** or **Company**), Firestone Energy Limited (together the **Waterberg Group**) and Sibanye Gold Limited (**Sibanye**) issued separate announcements advising of having entered into a non-binding term sheet (**Term Sheet**) in relation to a debt refinancing and equity participation transaction whereby it was proposed that Sibanye would acquire the secured convertible notes in Waterberg held by Standard Bank of South Africa Limited (and other participants) and provide working capital of AU\$8.5 million via a loan that was to be subsequently converted into equity within the Waterberg Group (the **Equity Transaction**).

The conditions precedent of the Equity Transaction were, inter alia, as advised by Sibanye:

1. completion of a detailed due diligence;
2. Sibanye being granted a coal offtake agreement with the Waterberg Group; and
3. completion, in good faith, of the definitive Equity Transaction agreements.

For some nine months the Waterberg Group and Sibanye have been in discussions based on completion of the Equity Transaction generally in accordance with the Term Sheet.

On 24 February 2016 Sibanye submitted a conditional offer (the **Offer**) which had been approved by their board. The Offer is materially different from the Equity Transaction, as originally contemplated, to one whereby Sibanye proposes to acquire the assets of the Waterberg Coal Project.

The Offer required the Waterberg Group to formally accept the Offer by 0700 hours (UTC+2) today; approximately 24 hours after receipt of the Offer.

Given material change to the nature of the transaction set out in the Offer, there has been insufficient time for a full and considered evaluation of the impact on the Waterberg Group and to engage with the appropriate stakeholders.

As a result of the inordinately short period of time to provide the requisite approvals by the deadline today, Sibanye have terminated the discussions.

The directors are disappointed that the transaction with Sibanye as contemplated will not proceed. As a result, the Waterberg Group will proceed with discussions with other parties who have indicated their desire to provide funding and participate in the Waterberg Coal Project.

Directors are now fully devoted to fast tracking the discussions with a view to formulating a suitable refinancing proposal (**Proposal**) to take to shareholders.

Until the material terms of an alternative Proposal have been determined and released the Company intends to request that its voluntary suspension on ASX and JSE continues. (see attached request)

Stephen Miller
Managing Director and CEO
The Waterberg Coal Company Limited

ASX Release

25 February 2016

**THE WATERBERG COAL
COMPANY LIMITED**

ABN 64 065 480 453

Registered office

Level 2
1 Walker Avenue
West Perth WA 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
Managing Director & CEO

E-mail

info@waterbergcoal.net

Directors

Dr Mathews Phosa
Chairman

Stephen Miller
Managing Director & CEO

Lee Boyd
Director & Company Secretary

ASX / JSE Symbol

WCC



THE WATERBERG
COAL COMPANY LTD

25 February 2016

ASX Limited
Level 40, Central Park
152 – 158 St George's Terrace
PERTH WA 6000
Attn: Ben Secrett

Dear Ben,

Request for Voluntary Suspension – The Waterberg Coal Company Limited

The Waterberg Coal Company Limited (the **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 29 February 2016.

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

- a. as advised to the market on 17 September 2015, the financing and equity participation transaction contemplated with Sibanye Gold Limited (**Sibanye**) was subject to due diligence and entering into a set of definitive transaction agreements;
- b. on 24 February 2016, Sibanye presented an offer to the Company, which had materially varied from that originally contemplated, and allowed little more than 24 hours for its acceptance at 1.00pm today Perth time.
- c. as announced today, the Company did not have sufficient time to fully evaluate the impact of the offer nor engage with key stakeholders, particularly with Standard Bank of South Africa (**SBSA**), within the time frame allowed. As a consequence, Sibanye has terminated discussions.
- d. the extension to the voluntary suspension is to allow time to advance discussions with SBSA and alternative third parties who have indicated a willingness to provide replacement funding arrangements to replace its existing funding facility (**Facility**) with SBSA which was due for repayment on 9 April 2015 (as announced on 17 March 2015);
- e. SBSA is aware of Sibanye's action and has not withdrawn its previously advised preparedness to maintain the Facility as an "on demand" rolling daily basis to give the discussions time to progress;
- f. the replacement funding represents a significant transaction and the final terms of a proposal will impact the Company's ability to carry out its future objectives;
- g. 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;
- h. it expects the voluntary suspension to remain in place until the earlier of:
 - i. the date that it has made an announcement in respect of its proposed new funding arrangement; and
 - ii. commencement of trade on Monday 28 March 2016;
- i. it is not aware of any reason why the securities should not be suspended; and
- j. 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