

## **Exxaro Resources Limited (“Exxaro”) and Transnet SOC**

### **Media Release**

**03 October 2017**

### **EXXARO REACHES COAL AGREEMENT WITH TRANSNET ON WATERBERG TO RICHARDS BAY COAL TERMINAL**

South African-based diversified resources company, Exxaro Resource Limited, have signed a coal export transportation agreement with Transnet which will increase coal volumes from Waterberg to Richards Bay Coal Terminal.

The 10-year agreement between Exxaro and Transnet will allow for the transportation of a total of 7,8 million tonnes (Mt) of export coal, of which 3Mt will come from the Waterberg once all the projects are ramped up, the two companies announced earlier today.

Commenting on the signing of the Agreement, Mxolisi Mgojo, Chief Executive Officer of Exxaro said: “Exxaro is proud to be developing the Waterberg area in collaboration with Transnet. This is an exciting milestone for Exxaro and is a realisation of our vision to contributing to the unlocking of the Waterberg, thus creating jobs and powering economic development in South Africa. As such, we will be investing 50% of our R20bn coal capex programme over the next five years in coal in the Waterberg area.”

Transnet has a proven track record in building rail capacity and expanding export rail performance in the Waterberg area and across South Africa. This Agreement is testament to healthy public-private partnerships. It will also enable Transnet to increase rail infrastructure capacity to service both domestic and export markets from the Waterberg area, Mgojo added.

The new contract will also see the collapse of the old agreement between Transnet and Exxaro Resource Limited.

This fresh agreement comes at the time when the Transnet’s Waterberg Programme is in full swing with plans to complete the second phase of the project in March 2019.

The Waterberg upgrade phase two will grow export rail capacity to 6Mt through incremental upgrades of the existing rail networks and yards using additional loops, while maintaining the existing axle load, electrical upgrades and improved train control systems.

The agreement is a key contribution to the Waterberg expansion programme earmarked in the National Development Plan (NDP) as a strategic coal mining area and national asset to growing the South African economy.

Welcoming the signing of the agreement, Siyabonga Gama, Transnet Group CEO said: “We are pleased with reaching a key milestone with Exxaro to improve rail infrastructure in the Waterberg area which includes the strengthening and expansion of the Waterberg Link (the Lephalale Line). We are a key enabler to growing the South African economy and are playing our role in developing more rail capacity and unlocking the capacity of the Waterberg region to domestic and export markets.”

Exxaro’s signing of the long-term agreement with Transnet will enable the GG6 expansion of the Grootegeluk operation in the Waterberg area that requires rail capacity to Richards Bay Coal Terminal.

The signing of the contract comes on the foot of the completion of first phase in the Waterberg Expansion Programme in 2016 which included a 1.8km passing loop which enables 100-wagons trains to cross without disrupting other rail operations on the line.

**Ends**

**Editor’s note:**

**About Exxaro:**

Exxaro is a South African-based Black empowered diversified mining company listed on the JSE and included in the Responsible Mining Index. Our portfolio of coal operations includes mines in Mpumalanga and Limpopo supplying to Eskom, other domestic markets and the export markets. Our investment portfolio also includes a 50% interest in Cennergi Pty Ltd, a joint venture with Tata Power, which has developed two wind farms with a combined generation capacity of 229MW (10% of the currently installed capacity of South Africa’s Renewable Energy Independent Power Producer Procurement Programme (REIPPPP).

**For more information visit [www.exxaro.com](http://www.exxaro.com)**

**About Transnet**

Transnet is South Africa’s State-owned freight transport and logistics company and is the custodian of rail, ports and pipelines.

At Transnet, we are uniquely positioned to provide integrated, seamless transport solutions for our customers in the bulk and manufacturing sectors.

Our infrastructure and services are intended to benefit South Africa as well as the Southern African Development Community (SADC) as a whole, facilitating economic, domestic, regional and global activity. We conduct all our business in terms of our values, ensuring that in everything we do, Transnet builds, delivers, innovates and cares.



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**Enquiries:**

Mzila Mthenjane

Executive Head: Stakeholder Affairs

Tel: +27 12 307 4481

Mobile: +27 83 417 6375

Email: [mzila.mthenjane@exxaro.com](mailto:mzila.mthenjane@exxaro.com)

**Issued on behalf of Transnet Group Chief Executive, Mr Siyabonga Gama.**

By: Molatwane Likhetho, Spokesperson.

011 308 2458/083 300 9586

[Molatwane.likhetho@transnet.net](mailto:Molatwane.likhetho@transnet.net)

**For urgent queries**, contact Nompumelelo Kunene

011 308 2384/081 046 6087

[Nompumelelo.kunene2@transnet.net](mailto:Nompumelelo.kunene2@transnet.net)