

Minergy lists low-cost coal project on BSE

Gaborone, 27 April 2017 – Shares in Minergy Limited were listed on the Botswana Stock Exchange today following the raising of BWP 72 million through a private placement.

The shares were listed to raise development funding for the company's wholly owned subsidiary, Minergy Coal (Pty) Ltd who owns the Masama Coal Resource, located in the south-western corner of Botswana's Mmamabula coalfield. Minergy plans to build an opencast coal mine with the potential to produce 2,4 Mtpa within 16 -18 months of the BSE listing. The company will focus on delivering high quality coal to the regional market, including Botswana and South Africa, and possibly the export market.

Minergy CEO, Andre Boje, accompanied by Minergy chairman Mokwena Morulane, CFO Morné du Plessis and members of the Board of Directors and Executive Management to the listing function, marked the occasion as "a great day for Minergy which marks the beginnings of a resurgence in the Botswana coal industry and Minergy will be the second producer in the country." Furthermore, Boje says that "together with government and other industry players, Minergy will look to address the logistical challenges facing the coal industry in Botswana."

"We are pleased to be listing on the Botswana Stock Exchange, we are in good company, and as a responsible corporate citizen, we are committed to skills development and training and giving back to the communities in which we operate." The company has further plans to list on the JSE in the latter half of 2017 or early 2018.

In the initial capital raising, BWP72 million was raised by means of private placement. The total investment needed to develop the 347 Mt high-quality coal resource covering 120km² will be in the region of BWP200 million.

Boje says an investment in the company offers shareholders an opportunity to invest in an anticipated cash generative coal mining operation which presents a platform for further growth and creation of shareholder value. "Assessments of the Masama Coal Project completed to date indicate that it will be capable of generating commercially attractive returns which would enable the company to pay attractive dividends."

Boje says coal will continue to play a major role in delivering energy access and security for a long time to come. "The International Energy Agency forecasts that coal will remain the largest single source of electricity generation until 2040. Coal still makes up 41% of global electricity generation and 29% of primary energy demand," he says.

Against this background, and given the fact that the Masama coal reserve can be mined at low cost and low risk, it offers investors the potential of attractive returns and future expansion opportunities in foreign based earnings.

Minergy's low cost competitive advantage lies in its shallow coal seams which allow extraction through opencast method at low strip ratios which will more than make up for any potential logistics disadvantages.

The Masama Coal Mine is expected to generate significant free cash flow. This should present an opportunity to pay attractive dividends once the company is profitable and generates the required free cash flow. It will also enable the company to consider various opportunities for growth in the future.

“We expect that all Environmental Impact Assessments, feasibility studies and the approval of our mining license will be in place by the second quarter of 2018, with production commencing in 2018,” Boje says.

The listing of Minergy and the development of the Masama Coal Project hold significant benefits for Botswana. “Management have appointed local managers and board members and job creation in Botswana will be significant. In addition, the listing on the Botswana Stock Exchange means that the people of Botswana will have another option into which to invest directly,” Boje concludes.

-Ends-

NOTE TO EDITORS:

Minergy Limited is the holding company of the Minergy Group and the development of the Masama Coal Project represents the first step in Minergy’s strategy of becoming a mid-tier Southern African coal mining, trading and energy company.

Management has significant mine development and operational experience and a wide range of expertise underpinned by strategic and practical knowledge of coal and energy markets in the region and internationally. Complete corporate structures with a functioning board, including local representation, executive management, an operations manager and a local full time manager are all in place.

Main shareholders in the company are Minergy Mineral Resources with 60,51%, African Alliance with 19,95% and Kgori Capital (previously Afena Capital) with 11,08%.

Minergy Limited

Andre Bojé (Chief Executive Officer)

Tel: +27 (0)82-894-5832

Email: andre@minergy.co.za

Issued and released by:

Keyter Rech Investor Solutions

Vanessa Rech

Tel: +27 (0)87-351-3814 or cell: +27 (0) 83-307-5600

Email: vrech@kris.co.za

Website:

www.minergy.co.za