



## Media Release

29 August 2023

### **THUNGELA ANNOUNCES COMPLETION OF TRANSACTION TO ACQUIRE CONTROLLING SHAREHOLDING IN THE ENSHAM COAL MINE**

Earlier this year Thungela announced that it will acquire a majority shareholding interest in Sungela Holdings, which in turn will acquire an 85% interest in the Ensham Business.

Thungela is pleased to announce that all conditions precedent relating to the acquisition have now been fulfilled and that the Transaction has become unconditional. The effective date of completion will be 31 August 2023, and Thungela will assume operational control of the Ensham Business from 1 September 2023.

The acquisition of the Ensham Business is a significant step in Thungela's strategy to pursue geographic diversification. The Transaction will also allow the Group to leverage its core capabilities in a commodity and mining method which it understands well, while providing access to new markets and to the Newcastle export coal price.

Based on Ensham's performance up to completion, the mine is expected to produce approximately 2.7Mt of export saleable production (on a 100% basis, at an average quality of 5,850 kcal/kg) in 2023, at an FOB cost of between USD110 and USD120 per tonne.

The terms of the Transaction remain unchanged, save for the fact that the Co-investors are required to apply not less than 90% (previously 70%) of all distributions received from Sungela Holdings to service the Co-investors Mezzanine Loans and that the term of the Loans is revised to 18 months (previously 4 years).

The Transaction was structured to enable Sungela to benefit from the economics of the Ensham Business (subject to certain limits) during the period between 1 January 2023 and the date of completion. The determination of the economic benefit will be finalised over a period of up to three months following completion. The Transaction is also subject to customary working capital adjustments upon completion.

Thungela CEO, July Ndlovu, commented on the Transaction: "We are delighted to welcome our colleagues from Ensham into the Thungela family as they continue to build on a proud history of safe production in the Bowen Basin region of Queensland. We look forward to learning from them and also to sharing our knowledge.

“Thungela is proud to have concluded a landmark Transaction with Idemitsu, a responsible and reputable owner with well-established processes and systems. The Transaction delivers on our purpose to responsibly create value together for a shared future, and we will continue to support existing regional communities while also delivering superior returns for the Group’s shareholders.”

*Capitalised terms used in this announcement shall bear the same meanings as those defined in the SENS and RNS announcements dated 3 February 2023.*

## **ENDS**

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### ***Editor’s note:***

**Thungela**, which means “to ignite” in isiZulu, is a leading South African thermal coal business, focused exclusively on thermal coal production. It is one of the largest pure-play producers and exporters of thermal coal in South Africa based on aggregate coal reserves and marketable coal production.

The Group owns interests in and produces its thermal coal predominantly from seven mining operations, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Mafube Coal Mining (operating the Mafube colliery) and Butsanani Energy (owning the independently operated Rietvlei colliery) which consist of both underground and opencast mines located in the Mpumalanga province of South Africa.

Thungela’s operations are among the highest quality thermal coal mines in South Africa by calorific value.

Thungela also holds a 50% interest in Phola, which owns and operates the Phola Coal Processing Plant, and a 23% indirect interest in Richards Bay Coal Terminal (RBCT). RBCT

is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91 Mtpa.

Thungela is committed to operating in a sustainable way to ignite value for a shared future, to the benefit of the communities in which it operates, its employees, shareholders and society as a whole.