Anglo American completes sale of Eskom-tied thermal coal operations in South Africa

Anglo American plc (“Anglo American”) confirms completion of the sale of its Eskom-tied domestic thermal coal operations in South Africa (the “Operations”) to Seriti (the “Transaction”). The consideration payable for the Operations as at 1 January 2017 is ZAR2.3 billion (approximately US$164 million).

Mark Cutifani, Chief Executive of Anglo American, said: “We are pleased to have completed the sale of our Eskom-tied domestic thermal coal operations in South Africa to Seriti. This transaction continues the reshaping of our global asset portfolio based on value and the optimal deployment of capital, while realising value for our shareholders and ensuring reliable supply of coal to Eskom.”

Norman Mbazima, Deputy Chairman of Anglo American South Africa, commented on the Transaction: “We believe the conclusion of the sale to Seriti, a broad-based, majority black-owned and controlled South African mining company, represents a major step change in transformation in the coal (and broader mining) sector, reinforcing Anglo American’s longstanding track record, and commitment to, economic empowerment and sustainable transformation.”

The Operations consist of the New Vaal, New Denmark and Kriel collieries, as well as four closed collieries.

For further information, please contact:

**Media**

**UK**

James Wyatt-Tilby  
[james.wyatt-tilby@angloamerican.com](mailto:james.wyatt-tilby@angloamerican.com)  
Tel: +44 (0)20 7968 8759

Marcelo Esquivel  
[marcelo.esquivel@angloamerican.com](mailto:marcelo.esquivel@angloamerican.com)  
Tel: +44 (0)20 7968 8891

**South Africa**

Pranill Ramchander  
[pranill.ramchander@angloamerican.com](mailto:pranill.ramchander@angloamerican.com)  
Tel: +27 (0)11 638 2592

Ann Farndell  
[ann.farndell@angloamerican.com](mailto:ann.farndell@angloamerican.com)  
Tel: +27 (0)11 638 2786

**Investors**

**UK**

Paul Galloway  
[paul.galloway@angloamerican.com](mailto:paul.galloway@angloamerican.com)  
Tel: +44 (0)20 7968 8718

Trevor Dyer  
[trevor.dyer@angloamerican.com](mailto:trevor.dyer@angloamerican.com)  
Tel: +44 (0)20 7968 8992

Sheena Jethwa  
[sheena.jethwa@angloamerican.com](mailto:sheena.jethwa@angloamerican.com)  
Tel: +44 (0)20 7968 8680
Notes to editors:

Seriti
Seriti Coal Proprietary Limited, the purchaser, is a wholly owned subsidiary of Seriti Resources Holdings Proprietary Limited ("Seriti"). Seriti is a broad-based, majority HDSA-owned and controlled South African mining company, established with the aim of preserving and operating strategic energy assets for the benefit of South Africa and its people. Seriti is owned jointly by four strategic “anchor” shareholders, namely Masimong Group Holdings Proprietary Limited ("Masimong"), Thebe Investment Corporation ("Thebe"), Zungu Investments Company Proprietary Limited ("ZICO") and Community Investment Holdings Projects ("CIH Projects"). Seriti’s management team will be led by Mike Teke who has extensive mining experience through the acquisition, operation and development of Optimum Coal Mines and Koornfontein Mines which produced approximately 10Mtpa of saleable domestic and export thermal coal and the development of other large scale thermal coal projects. Seriti intends to provide meaningful equity participation for management, employees and communities in its structure.

Anglo American
Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world’s developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products to our customers around the world.

As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders and for the communities and countries in which we operate – creating sustainable value and making a real difference.

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