CLARIFICATION REGARDING THE INTER-CONDITIONALITY PROVISIONS RELATING TO THE PROPOSED EARLY CONVERSION TRANSACTION

1. INTRODUCTION
1.1 Shareholders are referred to the update announcement released on the Securities Exchange News Service ("SENS") of the JSE Limited ("JSE") on Thursday, 10 February 2011 ("10 February 2011 announcement") wherein Blue shareholders were advised, inter alia, of the following:
1.1.1 the proposed R50 million Blue BEE Transaction;
1.1.2 the publication of the pro forma financial effects of the previously announced Early Conversion, RenAsset Conversion, Pinebridge Specific Issue, together with the pro forma financial effects of the Blue BEE Transaction; and
1.1.3 the posting of the circular to Blue shareholders dated 10 February 2011 containing details of the Early Conversion, RenAsset Conversion, Pinebridge Specific Issue and the Blue BEE Transaction ("Circular") and incorporating a notice of general meeting convening a shareholder’s meeting to be held at 09h30 on Friday, 25 February 2011 at the registered office of the Company ("Notice of General Meeting").

1.2 The Early Conversion, RenAsset Conversion, Pinebridge Specific Issue and the Blue BEE Transaction are collectively referred to in this announcement as the "Transaction".

2. CLARIFICATION REGARDING THE INTER-CONDITIONALITY PROVISIONS
2.1 Blue shareholders are referred to paragraph 4 of the 10 February 2011 announcement and to paragraph 3.6 of the Circular, and are hereby advised that, for purposes of approving the various resolutions contained in the Notice of General Meeting, paragraphs 3.6.1 and 3.6.2 of the Circular relating to the inter-conditionality of the Transaction are hereby deleted and replaced with the following new paragraphs:

“3.6.1 Shareholders are advised that the Transaction as a whole is inter-conditional on the Pinebridge
Specific Issue, the RenAsset Conversion and the Early Conversion being implemented, and that should the required shareholder approvals not be obtained for any of the aforementioned conversions, the Transaction as a whole will not be capable of being implemented (save for ordinary resolution number 8).

3.6.2 However, should the required shareholder approval not be obtained for the implementation of the Blue BEE Transaction, the implementation of the Pinebridge Specific Issue, the RenAsset Conversion and the Early Conversion may proceed, provided the required shareholder approvals for these aforementioned conversions are obtained.

2.2 The reason for such amendment is that, in terms of the Pinebridge Amendment Agreement, Blue is not permitted to implement either the Early Conversion or the RenAsset Conversion unless the Pinebridge Specific Issue is also implemented.

3. CIRCULAR AND NOTICE OF GENERAL MEETING
As advised in the 10 February 2011 announcement, Blue shareholders are reminded that the Circular which incorporates the Notice of General Meeting was posted to Blue shareholders on Thursday, 10 February 2011.

Pretoria
16 February 2011

Designated adviser to Blue
Grindrod Bank Limited

Financial adviser to Blue
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