

## **PRESS RELEASE**

### **Menar Holding to acquire Kangra Coal in expansion drive**

Fast-growing mining investment company Menar Holding has entered into an agreement to buy a majority stake in Kangra Coal, which owns assets in Mpumalanga and KwaZulu- Natal, for US\$28m.

The purchase of 70% stake from Madrid-listed energy giant Gas Natural Fenosa (GNF), which trades as Naturgy, is subject to regulatory approval and the finalisation of discussions about pre-emptive rights held by the 30% owner Izimbiwa Coal Investments.

If approved, the acquisition will add to Menar Holding's growing portfolio and diversified geographical location of assets. Menar owns Zululand Anthracite Coal (ZAC) it acquired from Rio Tinto, turned into a profitable business and saved jobs that were at risk.

Menar Holding's managing director, Vuslat Bayoglu, said the willingness of the Spanish giant to sell the assets came at the right time as his strategy to grow through acquisition as well as organically by investing in existing operations was taking shape. Bayoglu said: "We have the right set of skills and a proven track record to operate coal mines in challenging environments. We have cultivated these over many years and we are confident that this acquisition is in the best interest of all stakeholders – our shareholders, workers and government."

Particularly exciting for Bayoglu was that purchase of Kangra Coal will give Menar Holding a strategic stake in Richards Bay Coal Terminal, world's largest coal terminal. He said: "We have over the years gradually increased our exports. It makes strategic sense for us to gain access to Richards Bay Coal Terminal. It's good for our company and it's good for job creation. We are ready to contribute to President Cyril Ramaphosa's vision of turning mining into a sunrise industry."

Kangra Coal owns 2,3% stake in Richard's Bay Coal Terminal and has a right to export a total of 1, 6 million tonnes of coal annually. On the 27th of June 2018 Naturgy, formerly Gas Natural Fenosa announced the deal in a Madrid Stock Exchange market disclosure.