

Exxaro Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number 2000/011076/06)
JSE share code: EXX ISIN: ZAE000084992
ADR code: EXXAY
("Exxaro")

EXXARO CASH OFFER TO AFRICAN IRON LIMITED SHAREHOLDERS AND LISTED OPTION HOLDERS

The attention of shareholders is drawn to the joint announcement released by Exxaro and African Iron Limited ("African Iron") (ASX:AKI) on the Australian Securities Exchange (the "Joint Announcement") that the parties have executed a Takeover Bid Implementation Agreement under which Exxaro (via a wholly-owned subsidiary) is offering all African Iron shareholders A\$0.51 cash per share (to be increased to A\$0.57 per share should Exxaro acquire 75% or more of the fully diluted share capital of African Iron), and all African Iron listed option holders A\$0.31 cash per listed option (to be increased to A\$0.37 per listed option if Exxaro acquires 75% or more of the fully diluted share capital of African Iron), subject to certain conditions ("Offers"). The Offers will remain open for acceptances until 5pm Perth time on 14 February 2012 (unless extended).

The Offers are recommended unanimously by the African Iron board of directors in the absence of a superior proposal. Furthermore, each African Iron director that holds African Iron shares intends to accept the share offer (in the absence of a superior proposal) with respect to all shares owned or controlled by them within six business days of the offer opening. Exxaro has also entered into a pre-bid acceptance agreement with African Iron's largest shareholder, Cape Lambert Resources Limited ("Cape Lambert") (ASX:CFE), pursuant to which Cape Lambert has agreed to accept the offer within five days of the offer opening (unless a higher competing bid is announced before such time) in respect of 19.99% of African Iron's current shares on issue.

The full details of the Offers are contained in the Joint Announcement released today on the Australian Securities Exchange. The acquisition by Exxaro, as a result of the Offer, would fall below the threshold for a Category 2 transaction as defined in terms of the JSE Limited Listings Requirements, and accordingly this announcement is voluntary.

African Iron is an Australian-listed and domiciled iron ore development company working on the exploration and evaluation of the Mayoko and Ngoubou-Ngoubou projects, located in the Republic of Congo ("RoC") in central West Africa. African Iron's projects are located in the Niari Prefecture approximately 300km north-east of Pointe-Noire on the Atlantic Ocean. African Iron's key asset is its 92% interest in the Mayoko iron ore project ("Mayoko" or "Mayoko Project"). The Mayoko Project currently has a JORC compliant mineral resource of 121 million tonnes of iron ore, consisting of a hematite cap of direct shipping ore ("DSO") at 55% Fe and beneficiable DSO ore at 41% Fe. The Mayoko Project represents a near term development opportunity in an emerging iron ore province in central West Africa with an existing underutilised, heavy haulage mineral railway passing within 2km of the main prospect and terminating at the port of Pointe-Noire. African Iron's second iron ore opportunity is its 85% interest in the 944km² Ngoubou-Ngoubou Authority to Prospect, which is contiguous with Mayoko. For further information on African Iron, please visit www.africanironlimited.com.

The Offers are consistent with Exxaro's stated objective of expanding into the iron ore sector. Exxaro believes the fundamentals of iron ore are positive in the medium- to long-term and has in-house expertise and experience in mining bulk ore commodities. Exxaro has been actively pursuing opportunities to increase its exposure in iron ore and believes this operation in the RoC, an iron ore development frontier, provides an attractive platform for further growth in the commodity.

Sipho Nkosi, the CEO of Exxaro, said: "African Iron's assets provide an excellent match to Exxaro's stated objective of gaining operational exposure in iron ore. African Iron represents a reasonably sized opportunity, which will allow Exxaro to leverage its bulk commodity and iron ore expertise. At the same time the Offers allow African Iron shareholders the opportunity to realise an attractive cash price at a considerable premium to the market value."

About Exxaro

Exxaro Resources Limited is a diversified South African-based mining company, listed on the JSE Limited (JSE: EXX) with a market capitalisation of approximately R61.8 billion.

Exxaro mines, extracts and processes a range of minerals and metals, including coal, mineral sands and base metals primarily in South Africa, Australia and China. As one of the largest South African coal producers, with capacity now approaching 48 million tonnes per annum and the third-largest global producer of mineral sands products, Exxaro is a significant participant in the coal and mineral sands markets. Exxaro has a 20% interest in the Sishen Iron Ore Company, a subsidiary of JSE listed Kumba Iron Ore Limited, which operates the Sishen and Thabazimbi mines in South Africa.

Further information on Exxaro can be found at www.exxaro.com

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Sole financial advisor to Exxaro

Investec Bank (Australia) Limited and Investec Bank Limited

Legal advisors

Gilbert + Tobin

Transaction sponsor

Investec Bank Limited

Sponsor to Exxaro

Deutsche Securities (SA) (Proprietary) Limited