Sentula MINING

www.sentula.co.za

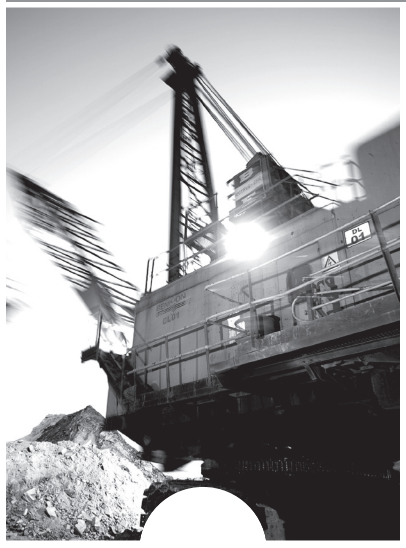
Incorporated in the Republic of South Africa (Registration number 1992/001973/06)
Share code: SNU ISIN: ZAE000107223 ("Sentula" or "the Company" or "the Group")

↓13% Revenue decreased to R1 175 million (2011: R1 345 million)

↑7% Adjusted HEPS* increased to 11,3 cents (2011: 10,6 cents)

*Adjusted for BBBEE share-based payment and transaction expenses of R16,4 million

REVIEWED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012



COMMENTARY

"Despite the considerable challenges being experienced in the South African mining sector, Sentula has continued to work at stabilising earnings from its local earthmoving entities in the face of considerable volatility. Sector specific economic and industrial action, in the local platinum industry, have led to a reduction in exploration expenditure, which in turn has resulted in an inevitable restructure and downscaling of the Group's South African exploration drilling business. The diversity of Sentula's earnings should nonetheless continue to support the resilience of the Group's underlying revenue base. The recently announced partnership with Thebe Mining Resources Proprietary Limited, as the Group's strategic broad-based black economic empowerment ("BBBEE") partner, in conjunction with the Anglo American Khula Mining Fund and Sentula's employee and community trusts, will enhance the preservation of current contracts and the award potential of new tender opportunities for the Group."

Robin Berry, CEO – Sentula Mining Limited

FINANCIAL REVIEW

- Revenue decreased by 13% to R1 175 million (2011: R1 345 million)
- Results from operating activities increased to R94 million (2011: (R420) million)
- Adjusted headline EPS* increased by 7% to 11,3 cents (2011: 10,6 cents)
- Headline EPS decreased by 20% to 8,5 cents (2011: 10,6 cents)
- Net asset value per share: 431 cents (March 2012: 418 cents)
- Tangible net asset value per share: 354 cents (March 2012: 343 cents)
- Debt to equity gearing ratio remained constant at 22% at September 2012, relative to the corresponding period

*Adjusted for the BBBEE share-based payment and direct transactional expenses of R16,4 million

The results for the six months to 30 September 2012 were impacted by the following post tax expenses:

- The depreciating Rand/Dollar exchange rate impacted positively on revenue from Geosearch's foreign operations and currency gains of R6,3 million were recognised;
- Expenses of R16,4 million associated with the first phase of the Group's BBBEE transaction;
- Legal and forensic costs of R4,4 million incurred in support of civil actions associated with the funds misappropriated in 2008 financial year;
- Losses of R24 million resulting from the early termination of the Vanggatfontein contract and the closure of Megacube's operations;
- Restructuring cost of R3,6 million associated with the downsizing of Geosearch's South African exploration drilling business;
- A provision of R9,5 million for possible inventory obsolescence in Geosearch; and
- A loss of R7,4 million realised on the sale of certain of Megacube's idle assets.

OPERATIONAL REVIEW

Sustainability

Safety track record

The Group's Classified Injury Frequency Rate of 0,18 per million man hours worked is an 83% improvement on the comparative prior period (1,09). Through the regular monitoring of leading performance indicators, Sentula, with its clients, continues to strive towards the goal of zero harm and the nurturing of a culture where a robust safety performance is regarded as a prerequisite and a competitive advantage.

Transformation

The recently concluded BBBEE transaction has resulted in the status of the company's underlying mining services businesses increasing to that of "level 4" contributor, with an effective 25,1% empowered ownership. The BBBEE transaction has also resulted in the 26% empowerment of Bankfontein's new order prospecting license.

The successful conclusion of these BBBEE transactions has already enhanced the Group's competitiveness, with respect to the tendering and retention of contracts in the South African mining sector.

Environment

During the period under review, the Group has embedded the monitoring of its carbon emissions against a baseline carbon footprint, for several of its core activities. Targets and initiatives to reduce the quantum and impact of emissions have been introduced across the Group.

Sentula Group companies have during this period met their objectives with respect to the International Standards Organisation accreditation of their safety, environmental and training systems.

Mining services

The provision of mining services remains the core of Sentula's business, with the four operating divisions and the five underlying businesses trading satisfactorily during the period under review. In spite of the volatility and challenges which are being experienced in the sector, the visibility of work remains reasonable for these businesses.

Continuing business units

Opencast mining operations

The period under review has been characterised by growing demand, but exacting trading conditions, as margins remained under pressure across the open cast contracting sector.

Benicon was awarded a contract at Anglo Platinum's Mologkwena mine in June 2012, which substitutes the terminated Vanggatfontein contract.

CCT was adversely impacted during the period under review by the regulatory delay in the commencement of the Spitzkop contract for Samancor. With final regulatory approvals for this mining operation in process, the company should thereafter be well positioned to deliver into future expectations.

JEF Drill and Blast has sustained its revenue and profit base during the period under review and remains positioned to deliver sustainable earnings, as it continues to diversify its commodity and counterparty exposure.

Exploration drilling

With the deteriorating economic fundamentals of the South African PGM industry, resulting in an abrupt reduction of exploration expenditure during the first half of the period under review, management has now completed a downsizing and restructuring of this part of the business. The depreciating Rand/ Dollar exchange rate during the six months did however, impact positively on Geosearch's revenue and margins. The scaling down of its South African operations has resulted in a shift in Geosearch's revenue split for the 2013 financial year of 15% and 85% for the domestic and foreign operations, respectively.

The significant geographical diversification of the Company's foreign businesses and the consolidation of its logistical hubs, has established a platform for future growth and operational efficiencies.

Crane hire

Ritchie sustained its performance during the period under review and maintained its level of profitability on a comparative basis. The results from this entity continue to be supported by its mix of cranes, strong competitive position in the eMalahleni/Middelburg geographical area and diversity of clientele in the coal mining, steel and power generation industries.

Discontinuing opencast mining services

Megacube

As a business, Megacube ceased operations during the period under review and through outright disposals, trade-in's and redeployment within the Group, will monetise the remaining plant and equipment amounting to R285 million.

The Keaton Energy Vanggatfontein contract was terminated in early July 2012, following the non-payment of the Company's May 2012 certificated invoice. The non-payment of the two subsequent remaining certificated invoices, has now resulted in the formulation of a contractual claim of R42 million against Keaton Energy. This claim is the subject of a legal process.

The retrenchment of all remaining Megacube employees was completed during the six-month period ended 30 September 2012.

Coal mining investments

Aligned with the strategy of unlocking the value inherent in the Group's portfolio of coal assets, Sentula has continued to assess opportunities to achieve this in the medium term while only incurring expenditure that maintains and enhances their value. Sentula is currently invested in five projects (three in South Africa, and one in each of Botswana and Zambia). The projects can be broadly described as mining operations, comprising of an operating mine, near development properties (those projects which could be operational within 18 to 24 months) and exploration areas.

Mining operations

Nkomati Anthracite's integrated water use license has now been issued. This was achieved after close co-operation between the mine's management and the Department of Water Affairs, in dealing with the outstanding issues for the award of the license. This will allow the mine to commence with the construction of water management infrastructure and the implementation of the water management plan. Current indications are that this process could be completed during the first quarter of the 2013 calendar year and for mining operations to commence shortly thereafter.

Near development properties

Sentula, through its joint venture investments, has been granted new order prospecting rights over portions of the farms Bankfontein and Schoongezicht, located in Mpumalanga. Exploration has been completed and mining right applications have been submitted for both of these properties.

Exploration drilling has been completed at the Mulungwa project in Southern Zambia. The third and final phase of the feasibility programme, which included resource estimation, completion of the environmental impact assessment, technical/mining investigations and financial modeling, has also been completed. A small scale mining license has been awarded and planning indicates that, subject to a viable feasibility study, development could commence in the short term.

Exploration areas

The Asenjo joint venture with Jonah Capital and Aquilla Resources, situated in Botswana, has continued exploration on its tenements. The value of the large resource base is expected to be unlocked through the construction of rail infrastructure to port facilities in either Namibia or Mozambique, the provision of which is enjoying renewed interest in the region. The timing of the requisite infrastructure investment remains a key risk, given the current remaining tenure to the tenements and the on-going exploration expenditure associated therewith.

PROGRESS ON LEGAL MATTERS

Following the announcement on 26 November 2010 of the civil judgment of R88 million against Casper Scharrighuisen by the South Gauteng High Court, a second judgment for R171 million and interest thereon of R124 million was obtained against Scharrighuisen on 5 April 2011, bringing the total civil judgments against him to R383 million. An order for the final sequestration of Scharrighuisen's insolvent estate was granted during July 2011 by the Western Cape High Court. Megacube lodged a claim of R393 million against Scharrighuisen's insolvent estate in September 2011. In terms of the Insolvency Act, the property of Scharrighuisen's spouse, Clasina Scharrighuisen, vests in the trustees of his insolvent estate. During November 2011, Clasina Scharrighuisen instituted an action against the trustees for an order releasing such property to her, which action is defended. During October 2011, the trustees of Scharrighuisen's insolvent estate launched an urgent application in the Western Cape High Court for an order preserving property/assets of Clasina Scharrighuisen and certain related entities, pending conclusion of the release action instituted by her. The application was successful and the order was granted on 24 August 2012. During September 2011, Megacube instituted an action in the Western Cape High Court against the trustees of the Marinvia Trust for payment of R34 million and interest, which action is defended. The extradition of Jason Holland and Casper Scharrighuisen and the pursuit of criminal proceedings against them for the misappropriation of funds from Megacube Mining in the 2008 financial year are in the hands of the National Prosecuting Authority. The Company will assist the prosecuting authorities to the extent required by them.

With the conclusion of the High Court actions against Scharrighuisen, the final sequestration of his insolvent estate and the conclusion of related proceedings, the Company's legal and forensic costs have materially reduced.

STRATEGIC REVIEW

The Group's strategic vision remains one of sustainable growth by being the preferred mining services provider across the African continent. Our strategy seeks to maximise the exploitation of opportunities identified in the provision of mining services in Southern Africa, and is further enhanced through the recently finalised broad-based black economic empowerment transactions. While exacting conditions are set to prevail in the South African mining sector, productivity and capital efficiency will remain an imperative.

Sentula remains well positioned to unlock the value inherent in its portfolio of coal investments and the Group's exposure to the coal and energy sector, as a service provider and proprietary investor, coupled with its diversified service offering, client base, mineral exposure and geographical spread will continue to provide a solid platform for developing the business into the future.

In the short term and despite the challenging economic environment, the Group will continue to drive the monetisation of its idle assets and its coal investments.

SUBSEQUENT EVENTS

Subsequent to the interim reporting date, Sentula released an announcement on 1 November 2012, in which Sentula's shareholder's ("Shareholders") are referred to the announcement released on the Securities Exchange News Service of the JSE Limited on Monday, 17 September 2012 and published in the press on Tuesday, 18 September 2012, which sets out the terms of the proposed empowerment of Sentula's Bankfontein coal project ("the Bankfontein Project"), held by Sentula's wholly-owned subsidiary Benicon Mining Proprietary Limited ("Benicon Mining") by introducing its existing empowerment consortium, Shanike Investments No 171 Proprietary Limited (RF) ("BEE Co") as a 26% shareholder in Benicon Mining ("the Transaction"). Shareholders are advised that the conditions precedent to the Transaction have now been fulfilled and accordingly the Transaction has been implemented in accordance with its terms.

BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 September 2012 have been prepared in accordance with IAS 34, 'Interim Financial Reporting', the South African Companies Act, 2008 (Act 71 of 2008), as amended and the Listings Requirements of JSE Limited.

The accounting policies adopted are consistent with those applied in the annual financial statements for the year ended 31 March 2012, except for those standards that become effective during the reporting period. The adoption of these standards had no effect on the results. This report was compiled under the supervision of the financial director, GP Louw CA(SA). The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2012, which have been prepared in accordance with International Financial Reporting Standards.

The directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and accordingly the condensed consolidated interim financial results have been prepared on a going concern basis.

INDEPENDENT REVIEW CONCLUSION

The condensed consolidated statement of financial position at 30 September 2012 and related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period have been reviewed by PricewaterhouseCoopers Inc. Their unmodified review report is available for inspection at the Company's registered office.

DIVIDENDS

The Board has decided not to declare an interim dividend for the period under review.

DIRECTORATE

Mr EHJ Stoyell resigned from the Board, with effect from 17 September 2012.

On behalf of the Board

Jonathan Best – Independent Non-executive Chairman
Robin Berry – Chief Executive Officer
Woodmead – 14 November 2012

Statement of financial position

R'000	Reviewed as at 30 September 2012	Reviewed as at 30 September 2011	Audited as at 31 March 2012
ASSETS			
Property, plant and equipment	**1 608 534**	2 289 047	1 545 934
Mineral rights	**410 761**	410 761	410 761
Intangible assets	**28 859**	27 590	27 220
Goodwill	**415 935**	413 906	412 709
Restricted investment	**8 693**	8 693	8 693
Deferred tax assets	**42 740**	19 576	34 869
Total non-current assets	**2 515 522**	3 169 573	2 440 186
Inventories	**335 350**	389 396	364 521
Trade and other receivables	**498 730**	519 018	468 870
Current tax receivable	**6 534**	6 052	12 507
Cash and cash equivalents	**126 247**	138 580	180 236
Total current assets	**966 861**	1 053 046	1 026 134
Assets classified as held-for-sale	**329 858**	41 477	389 315
TOTAL ASSETS	**3 812 241**	4 264 096	3 855 635
EQUITY AND LIABILITIES			
Equity			
Share capital and premium	**1 994 406**	1 994 406	1 994 406
Reserves	**461 466**	678 948	376 554
Total equity attributable to equity holders of the Company	**2 455 872**	2 673 354	2 370 960
Non-controlling interest	**46 819**	69 987	59 815
TOTAL EQUITY	**2 502 691**	2 743 341	2 430 775
Liabilities			
Loans and borrowings	**429 405**	491 685	488 695
Rehabilitation provision	**66 899**	66 900	66 899
Deferred tax liabilities	**308 059**	261 900	297 852
Total non-current liabilities	**804 363**	820 485	853 446
Trade and other payables	**264 037**	485 303	344 138
Loans and borrowings	**235 643**	180 901	220 316
Current tax payable	**5 507**	34 066	6 960
Total current liabilities	**505 187**	700 270	571 414
TOTAL LIABILITIES	**1 309 550**	1 520 755	1 424 860
TOTAL EQUITY AND LIABILITIES	**3 812 241**	4 264 096	3 855 635
Net asset value per share – excluding treasury shares (cents)	**431**	472	418
Tangible net asset value per share – excluding treasury shares (cents)	**354**	396	343

Income statement

R'000	Reviewed six months ended 30 September 2012	Reviewed six months ended 30 September 2011	Audited year ended 31 March 2012
Revenue	**1 175 252**	1 345 048	2 512 415
Results from operating activities pre-impairment and inventory write-off	**94 026**	149 844	201 578
Inventory write-off	**—**	(14 205)	(30 478)
Impairment of plant and equipment	**—**	(282 337)	(591 171)
Results from operating activities	**94 026**	(146 698)	(420 071)
Net finance charges	**(31 444)**	(33 959)	(63 821)
Fair value adjustment on interest rate hedge	**(2 011)**	(5 007)	(6 677)
Profit/(loss) before income tax	**60 571**	(185 664)	(490 569)
Income tax expense	**(31 256)**	(44 593)	(41 625)
Profit/(loss) for the period	**29 315**	(230 257)	(532 194)
Attributable to:			
– Owners of the Company	**42 306**	(224 943)	(516 703)
– Non-controlling interest	**(12 991)**	(5 314)	(15 491)
Basic and diluted earnings/(loss) per share (cents)	**7,3**	(38,7)	(88,9)
Shares in issue at the end of the period excluding treasury shares ('000)	**581 005**	581 005	581 005

Statement of comprehensive income/(loss)

R'000	Reviewed six months ended 30 September 2012	Reviewed six months ended 30 September 2011	Audited year ended 31 March 2012
Profit/(Loss) for the period	**29 315**	(230 257)	(532 194)
Other comprehensive income			
Foreign currency translation differences for foreign operations	**25 075**	39 660	28 000
Other comprehensive income for the period, net of tax	**25 075**	39 660	28 000
Total comprehensive income/(loss) for the period	**54 390**	(190 597)	(504 194)
Attributable to:			
– Owners of the Company	**67 381**	(185 283)	(488 703)
– Non-controlling interest	**(12 991)**	(5 314)	(15 491)

Operational segment reporting

The Group is organised into four major operating segments, namely opencast mining services, exploration drilling, crane hire, and coal mining. Megacube is disclosed under the "Opencast mining services" as a discontinuing business operation as it is in the process of being wound down. Benicon Opencast, CCT and JEF are included in the continuing operations. Equipment trading, spares and engineering is included in "Other". Segment performance is measured based on the segment profit before interest and income tax. Inter-segment revenue is priced on an arms length basis.

R'000	Continuing opencast mining services	Discontinuing opencast mining services	Total opencast mining services	Exploration drilling	Crane hire	Coal mining	Other	Consolidated
Reviewed six months ended 30 September 2012								
Total segment revenue	**711 996**	**67 388**	**779 384**	**442 835**	**33 785**	**449**	**25 721**	**1 282 174**
Inter-segment revenue	**90 165**	**1 578**	**91 743**	**—**	**267**	**—**	**14 912**	**106 922**
External revenues	**621 831**	**65 810**	**687 641**	**442 835**	**33 518**	**449**	**10 809**	**1 175 252**
Segment result	**49 825**	**37 168**	**86 993**	**48 761**	**17 681**	**(5 299)**	**(54 110)**	**94 026**
Reviewed six months ended 30 September 2011								
Total segment revenue	599 020	334 818	933 838	468 898	25 914	12 982	33 663	1 475 295
Inter-segment revenue	99 319	3 014	102 333	—	132	458	27 324	130 247
External revenues	499 701	331 804	831 505	468 898	25 782	12 524	6 339	1 345 048
Total segment results pre-impairment	23 088	64 436	87 524	98 763	12 631	(6 833)	(56 446)	135 639
Impairment	(3 095)	(279 242)	(282 337)	—	—	—	—	(282 337)
Segment result	19 993	(214 806)	(194 813)	98 763	12 631	(6 833)	(56 446)	(146 698)

Statement of changes in equity

R'000	Share capital	Share premium	Employee share incentive reserve	Treasury shares	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 March 2011	5 866	2 014 438	42 426	(25 898)	(53 403)	874 105	2 857 534	75 301	2 932 835
Loss for the period	—	—	—	—	—	(224 943)	(224 943)	(5 314)	(230 257)
Other comprehensive income for the period	—	—	—	—	39 660	—	39 660	—	39 660
Transactions with owners, recorded directly in equity									
Share-based payments	—	—	1 103	—	—	—	1 103	—	1 103
Share options forfeited	—	—	(6 284)	—	—	6 284	—	—	—
Balance at 30 September 2011	**5 866**	**2 014 438**	**37 245**	**(25 898)**	**(13 743)**	**655 446**	**2 673 354**	**69 987**	**2 743 341**
Loss for the period	—	—	—	—	—	(291 760)	(291 760)	(10 177)	(301 937)
Other comprehensive loss for the period	—	—	—	—	(11 665)	—	(11 665)	5	(11 660)
Transactions with owners, recorded directly in equity									
Share-based payments	—	—	1 031	—	—	—	1 031	—	1 031
Share options forfeited	—	—	(1 702)	—	—	1 702	—	—	—
Balance as at 31 March 2012	**5 866**	**2 014 438**	**36 574**	**(25 898)**	**(25 408)**	**365 388**	**2 370 960**	**59 815**	**2 430 775**
Profit for the period	—	—	—	—	—	42 306	42 306	(12 991)	29 315
Other comprehensive income for the period	—	—	—	—	25 075	—	25 075	(5)	25 070
Transactions with owners, recorded directly in equity									
Share-based payment empowerment transaction	—	—	12 531	—	—	—	12 531	—	12 531
Option premium on empowerment transaction	—	—	5 000	—	—	—	5 000	—	5 000
Balance as at 30 September 2012	**5 866**	**2 014 438**	**54 105**	**(25 898)**	**(333)**	**407 694**	**2 455 872**	**46 819**	**2 502 691**

Statement of cash flows

R'000	Reviewed six months ended 30 September 2012	Reviewed six months ended 30 September 2011	Audited year ended 31 March 2012
Cash flows from operating activities	**65 846**	150 648	229 485
Cash generated by operations	**122 533**	201 056	319 156
Interest paid	**(31 347)**	(33 048)	(62 377)
Income taxes paid	**(25 340)**	(17 360)	(27 294)
Cash flows from investing activities	**(82 237)**	(91 135)	(140 905)
Purchase of property, plant and equipment	**(127 483)**	(98 847)	(291 600)
Proceeds from disposal of property, plant and equipment	**39 107**	12 197	156 708
Capitalised exploration expenditure	**(55)**	(1 772)	(2 212)
Additions to assets held-for-sale	**—**	(3 698)	(6 833)
Proceeds from empowerment subscription	**5 000**	—	—
Interest received	**1 194**	985	3 032
Cash flows from financing activities	**(43 964)**	(31 829)	4 596
Loans raised	**67 974**	—	147 335
Loans repaid	**(111 938)**	(31 829)	(142 739)
Net (decrease)/increase in cash and cash equivalents	**(60 355)**	27 684	93 176
Effects of changes in foreign exchange rates	**6 366**	22 664	(1 172)
Cash and cash equivalents at beginning of the period	**180 236**	88 232	88 232
Cash and cash equivalents at end of the period	**126 247**	138 580	180 236

Reconciliation of headline earnings

R'000	Reviewed six months ended 30 September 2012	Reviewed six months ended 30 September 2011	Audited year ended 31 March 2012
Net profit/(loss) for the year attributable to owners of the Company	**42 306**	(224 943)	(516 703)
Adjust for:			
Profit on disposal of plant and equipment	**(403)**	—	(2 464)
Loss on disposal of plant and equipment	**7 380**	2 303	54 621
Impairment of plant and equipment	**—**	282 337	591 171
Scrapping of assets	**—**	4 625	—
Tax effect of above adjustments	**59**	(2 806)	(508)
Headline earnings attributable to ordinary shareholders	**49 342**	61 516	126 117
Headline earnings per share (cents)	**8,5**	10,6	21,7

Directors: JG Best*(Chairman), RC Berry (Chief Executive Officer), GP Louw (Financial Director), PP Modisane, CJPG van Zyl*, DR Zihlangu*, KW Mzondeki*, RB Patmore* *Independent Non-executive

Company Secretary: GM Chemaly

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 PO Box 61051 Marshalltown. 2107. Tel (011) 370-5000

Investor Relations Advisers: College Hill **Sponsor:** Merchantec Capital **Auditor:** PricewaterhouseCoopers Inc.

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