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

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**RIGHTS OFFER DECLARATION AND FINALISATION ANNOUNCEMENT, TERMINATION OF THE  
KOORNFONTEIN SALE AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

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**1. Introduction**

Shareholders are advised that the contemplated sale of the Company's interest in the Koorfontein Coal Mine ("Koorfontein"), as announced on SENS on Monday, 12 October 2009 ("Koorfontein Sale"), will no longer take place at this time and that the board of directors of Sentula has accordingly decided to immediately proceed with the fully underwritten renounceable rights offer ("Rights Offer").

**2. Termination of the Koorfontein Sale**

Notwithstanding the successful conclusion of the due diligence investigation carried out by the potential purchaser on Koorfontein, the potential purchaser has notified Sentula that it will not be able to conclude the Koorfontein Sale within the agreed time period detailed in the offer. Accordingly, the Board has elected to terminate the Koorfontein Sale and proceed with the Rights Offer, the terms of which are set out below.

The Board will however continue with various initiatives to realise value from Sentula's proprietary coal portfolio, in order to continue to strengthen the company's balance sheet, improve liquidity in a volatile trading environment and to provide funding for future growth.

**3. Finalisation of the Rights Offer**

The Board, being cognisant of the implementation risk of the Koorfontein Sale and the Company's obligation to pay an amount of R400 million to its funding consortium by no later than 30 November 2009 elected in early October to secure underwriting for the Rights Offer to raise R501 920 340. As detailed in the SENS announcement released on Monday, 12 October 2009, the Company will undertake a fully underwritten renounceable Rights Offer, underwritten by Investec Bank Limited, acting through its Investec Principal Investments division.

In terms of the Rights Offer, 350 993 245 new ordinary shares of 1 cent each ("Rights Offer

Shares”) will be offered to Sentula shareholders at a subscription price of 143 cents per Rights Offer Share, in the ratio of 149 Rights Offer Shares for every 100 Sentula shares held. The subscription price of the Rights Offer was fixed in the abovementioned underwriting agreement during early October, by reference to the trading price of the Company’s shares during the preceding period. The Rights Offer was then delayed to allow the Company to pursue the Koorfontein Sale, but the lack of finality in the Koorfontein Sale has necessitated that the Company now launch the Rights Offer at the abovementioned price, which is the maximum price at which the Company can make the Rights Offer on a fully underwritten basis and raise the capital it requires.

All the documents required for the implementation of the Rights Offer have been approved by JSE Limited and registered by the Companies and Intellectual Property Registration Office (“CIPRO”).

All conditions precedent in respect of the Rights Offer and its underwriting by Investec Principal Investments have been fulfilled.

The senior debt funding consortium has agreed to extend the date for recapitalisation of the Company to 15 December 2009, in order to accommodate the Rights Offer process.

#### 4. Salient dates and times

	2009
Finalisation date	Friday, 6 November
Last day to trade in Sentula shares in order to settle trades by the record date for the Rights Offer and to qualify to participate in the rights offer ( <i>cum</i> entitlements)	Friday, 13 November
Listing and trading of letters of allocation on the JSE while shares trade ex rights commences at 09:00	Monday, 16 November
Record date for the Rights Offer at the close of business on	Friday, 20 November
<b>Rights Offer opens at 09:00 on</b>	<b>Monday, 23 November</b>
Rights Offer circular and form of instruction (where applicable) posted to shareholders	Monday, 23 November
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their entitlements	Monday, 23 November
Certificated shareholders will have their letters of allocation credited to an electronic register at the transfer secretaries	Monday, 23 November
Last day to trade in letters of allocation in order to settle trades by the close of the Rights Offer and participate in the Rights Offer at the close	Friday, 4 December

of business	
Last day for forms of instruction of certificated shareholders wishing to sell all or part of their entitlement to be lodged with the transfer secretaries by 12:00	Friday, 4 December
Listing and trading of Rights Offer Shares on the JSE commences at 09:00	Monday, 7 December
Record date for letters of allocation for purposes of determining the holders of letters of allocation that are entitled to subscribe for the Rights Offer Shares	Friday, 11 December
<b>Rights offer closes at 12:00 on</b>  Payment to be made and forms of instruction to be lodged by certificated shareholders with the transfer secretaries by 12:00 on (see note 2 below)	<b>Friday, 11 December</b>
Excess applications allocated	Monday, 14 December
Expected date from which CSDP/broker accounts are credited with Rights Offer Shares and debited with any payments due in respect of dematerialised Rights Offer Shares	Monday, 14 December
Rights Offer share certificates posted to certificated shareholders on or about	Monday, 14 December
Results of Rights Offer released on SENS	Monday, 14 December
Results of Rights Offer published in the press	Tuesday, 15 December
Refund cheques, if applicable, posted to certificated shareholders in respect of excess applications, on or about	Tuesday, 15 December

Notes:

1. All times referred to are local times in South Africa.
2. Dematerialised shareholders are required to inform their CSDP or broker of their instructions in terms of the rights offer in the manner and time stipulated in the custody agreement.
3. Share certificates may not be dematerialised or rematerialised between Monday, 16 November and Friday, 20 November 2009, both days inclusive.
4. Dematerialised shareholders will have their accounts at their CSDP automatically credited with their rights and certificated shareholders will have their rights credited to an account at Link Market Services.
5. CSDPs effect payment in respect of dematerialised shareholders on a delivery versus payment method.
6. The above dates and times are subject to amendment. Any variation to the dates and times will be released on SENS and published in the press.

## 5. Pro forma financial information

The unaudited pro forma income statement and balance sheet of Sentula, showing the effects of the rights offer, are included in Annexure 2 of the circular to be distributed to shareholders on or about 23 November 2009 ("the circular").

An independent reporting accountants' report on the unaudited pro forma income statement and balance sheet is included in Annexure 3 to the circular.

### *Unaudited pro forma financial effects*

The table below sets out the unaudited pro forma financial effects of the Rights Offer. The unaudited pro forma effects, which are the responsibility of the directors of Sentula, have been prepared for illustrative purposes only and, because of their pro forma nature, may not give a true reflection of Sentula's financial position, changes in equity and results of operations or cash flows. The unaudited pro forma financial effects are intended to provide information on how the Rights Offer may have affected Sentula's EPS, HEPS and NAV and TNAV per share measures for the 12 month audited period ended 31 March 2009, had they occurred on 1 April 2008 for income statement purposes and 31 March 2009 for balance sheet purposes.

The unaudited pro forma effects, which are the responsibility of the directors of Sentula, have been prepared for illustrative purposes only and, because of their pro forma nature, may not give a true reflection of Sentula's financial position, changes in equity and results of operations or cash flows.

The unaudited pro forma financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited results of Sentula for the 12 months ended 31 March 2009.

<b>Unaudited pro forma effects</b>	<b>Before the rights offer</b>	<b>Pro forma after the rights offer</b>	<b>Change %</b>
	<b>(cents)</b>	<b>(cents)</b>	
Basic EPS	121.1	55.6	(54)
Diluted EPS	121.1	55.6	(54)
Headline EPS	109.1	50.9	(53)
Diluted headline EPS	109.1	50.9	(53)
Adjusted EPS	84.9	41.3	(51)
Adjusted diluted EPS	84.9	41.3	(51)
NAV	984.0	450.8	(54)
TNAV	795.0	376.5	(53)
Shares in issue at end of the year (000)	235 566	586 559	149

Weighted average number of shares at end of the year (000)	230 012	581 005	153
Diluted weighted average number of shares at end of the year (000)	230 076	581 069	153

Notes:

1. The above EPS and NAV per share measures in the "Before the rights offer" column have been extracted without adjustment from the income statement and balance sheet included in the published audited results for the 12 months ended 31 March 2009.
2. The financial effects are calculated on the assumptions that:
  - R501.9 million is raised in terms of the rights offer; and
  - the rights offer shares were issued on 1 April 2008 for income statement purposes and on 31 March 2009 for balance sheet purposes.
3. It is assumed that the proceeds from the rights offer will be used to repay debt facilities and the resultant after tax interest expense saving is approximately R44.8 million based on an after tax interest rate of 9.6%. The interest expense saving adjustment is expected to have a continuing effect on Sentula.
4. Tax has been calculated based on the normal tax rate of 28% for the period.
5. The underwriting fees of R25.1 million and directly attributable transactions costs of R9.4 million are capitalised against the share premium account. Transaction costs relate to the fees paid to professional financial and legal advisers and compliance fees and are not expected to have a continuing effect on Sentula.
6. An adjusted EPS and diluted EPS figure has been presented which excludes the impact of impairments, amortisation of intangibles and other non-recurring items. This has been based on the adjusted headline earnings and on the same weighted average shares in issue as the basic EPS calculation.

## 6. Excess applications

Should there be excess Rights Offer Shares available for allocation after all Rights Offer Shares have been taken up in terms of the Rights Offer, these will be allocated equitably to those shareholders who have applied for additional Rights Offer Shares on the same terms and conditions as those applicable in terms of their entitlements.

## 7. Restrictions on the Rights Offer

The Rights Offer will not be open for acceptance by members of Sentula who are located or, residing in or have registered addresses in the United States of America, the European Economic area, Japan, Switzerland, Canada or other jurisdictions in which the Rights Offer cannot lawfully be made and in this regard, the approval of CIPRO in terms of section 142(2)(a) of the Companies Act, 1973 (Act 61 of 1973) has been obtained.

## 8. Withdrawal of cautionary announcement

Shareholders are accordingly advised that as negotiations in respect of the contemplated Koorfontein Sale have been terminated and the Rights Offer has been launched, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

Johannesburg

30 October 2009

Sponsor

Merchantec (Proprietary) Limited

Adviser on the Koornfontein sale

RFA Consulting (Proprietary) Limited

Corporate adviser

Investec Bank Limited

Underwriter

Investec Principal Investments, a division of Investec Bank Limited

Legal adviser

Werksmans Inc.

Independent reporting accountants

KPMG Inc.