

Thungela and Transnet conclude amendment to the Long-Term Agreement

THUNGELA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

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LSE Share Code: TGA

ISIN: ZAE000296554

Tax number: 9111917259

('Thungela' and, together with its affiliates, the 'Group')

THUNGELA AND TRANSNET CONCLUDE AMENDMENT TO THE LONG-TERM AGREEMENT

On 14 April 2022, Thungela issued an announcement on SENS and RNS informing the market that

Transnet SOC Ltd, acting through its Transnet Freight Rail Division ("Transnet"), had notified Coal Export

Parties ("CEPs") on 8 April 2022 that a number of circumstances beyond Transnet's reasonable control

would continue to detract from Transnet's ability to perform at its contracted rail capacity for at least the

next six months and that accordingly Transnet believed that it was under Force Majeure.

Transnet also

expressed a view that these circumstances actuated a termination right of the existing Long-Term

Agreement ("LTA"), which Transnet desired to exercise.

Thungela, as well as other CEPs, rejected Transnet's view that it was entitled to terminate the LTA but

committed to engage in negotiations with Transnet in order to negotiate a deed of amendment to the LTA

for the balance of the tenure of the LTA (which expires on 31 March 2024).

Thungela and Transnet have now reached agreement on the deed of amendment, which was concluded

with the following outcomes:

- Transnet has declared a minimum contractual rail capacity of 60Mt for its financial year ending

March 2023, which will be reviewed by Transnet on a six-monthly basis with a view to

increasing
this.

- Agreement on the rail tariff escalation to be applied as from 1 April 2022 for the balance of the tenure of the LTA. Performance and underutilization ("take or pay") penalties, in revised form, will continue to be applied.

Thungela management is appreciative of Transnet's constructive engagement in the negotiations, during which time bulk coal rail services and export sales continued. The conclusion of the deed of amendment, and the spirit of collaboration between Transnet and Thungela in achieving this, is encouraging. At this stage, however, Thungela does not believe that these developments will have a material impact on the Group's operational outlook which was published as part of its interim results for the six months ended 30 June 2022 announced on SENS and RNS on 15 August 2022.

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