



WESCOAL Staff Newsletter



Season's greetings from the Chairman and CEO

"The holiday season is upon us and is a time for family, friends, rest and relaxation. 2012 presented its various challenges and because we have such a committed team of people, they were overcome. The Christmas break is the time for reflection and rejuvenation to come back more committed than ever. For those travelling on long journeys, we trust you will do so safely.

Enjoy the holiday season and everything of the best for 2013."

Robinson Ramaite and Andre Bojé

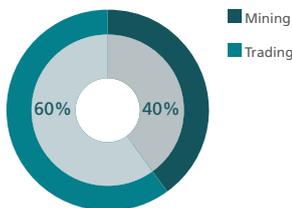
Wescoal interim results 2012

▲ Revenue up **4.2%** to
R351.4 million
(2011: R337.1 million)

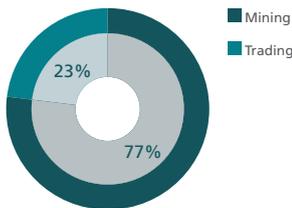
▼ HEPS down **5.5%** to
6.9 cps
(2011: 7.3 cps)

Cash reserves
R36 million

Contribution to revenue



Contribution to EBITDA



The challenges during the period under review included increasing costs of coal production, diesel price increases and transportation sector strike action, the latter affecting delayed deliveries of diesel and explosives to Wesco as well as impeding coal deliveries to Eskom. Intibane Colliery is on track to deliver coal during Q1 2013 that will substantially reduce the cost of production as the strip ratios at Intibane Colliery are 1,5:1 (Khanyisa 4:1). The increased fuel price will be addressed through efficiencies and post the transporters strike action, Wesco is pleased to announce that deliveries of coal to Eskom resumed to normal levels during October 2012.

Mining division

The mining division continues to focus on supplying quality product to Eskom. These results would have been in line or exceeded the previous six month period had it not been for the countrywide strike action. In this newsletter you will find a CV on Dutch Botes, the chief executive officer for Wesco Mining (Pty) Ltd, appointed to ensure the successful development of the Mining division and investigation into the possible extension of the life of Khanyisa by alternative mining methods and the acquisition of adjacent properties.

Trading division

The division delivered excellent results due to the division's focus to increase margins in a tight market. As Wesco's Mining divisions brings additional mining assets, such as Intibane on line, so too will the Trading division benefit through access to additional product for the inland market.

Additional corporate news/a community update

Wesco revised its mission and vision which we proudly carry through into 2013.

- Our vision is to be the leading junior coal miner with a sustainable resource base and a coal trading operation.
- Our mission is to mine, process and market coal and related coal products.

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We welcome staff participation and remind you to forward photos, news and contributions to:

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For last year's words belong to last year's language, and next year's words await another voice. And to make an end is to make a beginning.

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TS Eliot, "Little Gidding"

Wescoal – A performance driven team through the implementation of a staff incentive scheme from 2013 onwards

"I have yet to find the man, however exalted his station, who did not do better work and put forth greater effort under a spirit of approval than under a spirit of criticism." – Charles Schwab (Industrialist)

Wescoal management is pleased to inform staff that with the commencement of 2013, so too will begin a staff incentive scheme

aimed at enhancing a performance-based culture across the Group. The incentive scheme will underlie a culture where performance is nurtured, expanded and rewarded.

The business objective is set to achieve the doubling of profits and tonnages which will be rewarded with double pay.

A series of Key Performance Indicators and measure have been set up by the HR department and Wescoal would encourage staff to visit HR for greater clarification on how rewards are measured.

Double profits and double tonnage

Double pay



Participating in the community again

As part of our social and community responsibility Wescoal donated top soil to the Witbank Technical School. The school is in the process of upgrading its hockey field and was short of top soil. Four truck loads of soil were delivered to assist in the quick development of the field for the children.

Wescoal continues to support the Balmoral Primary School

Wescoal is assisting the school in the upgrade of a parking area at the school for the 3 000 people expected to attend a Steve Hofmeyer Show.



Wescoal extends an opportunity to 4th year occupational therapists

"Dear Wescoal management and staff

On 6 August 2012 we had the privilege to visit your Khanyisa mine. This was a very valuable experience since it gave us insight into what exactly the mining process entails. As occupational therapists we require an in-depth knowledge of various occupations, job titles and job descriptions. We need this knowledge so that if it ever happens that a person gets injured/disabled, whether the accident occurred on the actual mine or an accident outside the mine, we will be able to rehabilitate that person so that he can return to work as soon as possible after the injury occurred.

The abovementioned process is called vocational rehabilitation and this is a continuous and coordinated process of rehabilitation that involves the provision of vocational services such as vocational guidance, vocational training and selective placement and this ultimately enables an injured/ill/disabled person to secure and retain suitable employment. This work visit helped us, as health professionals, establish

and identify what cognitive, physical, social and psychological requirements are necessary in various occupations in such work setting.

We would like to thank you for allowing us to visit your mine. Your time and kindness are truly appreciated and we had a very enlightening experience. The knowledge we obtained from our visit at your mine will definitely be useful in our careers going forward.

Kind regards

Carli Janse van Rensburg and Clarissa van Tonder
(4th year occupational therapy students – University of Pretoria)"



See what **Wescoal** was up to on **Casual Day** in support of **charity**, once again

The Krugersdorp staff dressed up for Casual Day 2012 with the theme "P", Priest, Pope, Party Clown, Policeman, Pirate, Pajamas, Pink Ladies, Paris Hilton, Princess Fairy, Pimp, Pocahontas and Pilot.



Thank you to Matthews who doubled up as photographer and gardener

Wishing all the **October, November and December babies** a very happy birthday

October	November	December
N Schafer	BO Makatu	E Caleni
TS Carelse	GF Vilakazi	PA Ntuli
JT Tamako	G Coetsee	E Strydom
KJ Monyele	PS Ntuli	FS Vilakazi
AC Lottering	ZP Nlongwane	T van Gaalen
GJ Prinsloo	GM Boyes	NG Maseko
FC Cronje	GJ Harmse	VM Dladla
ME Mahlangu	LT Rapholo	JJ Janse van Rensburg
P Mbonani	JM Mngwandi	MS Phakathi
LN Moopisakoma		DZ Ngcobo
JH van Rhyn		MM Delport
TM Khumalo		BS Tamako
A El Hennawy		
PJ Andrew		
BA Nkosi		
DM Pase		
JM Barnard		

Welcome to **Dutch Botes**, **CEO** of Wescoal Mining

Wescoal extends a warm welcome to Dutch, who with effect from 1 October 2012, assumed the position of CEO of Wescoal Mining. Dutch is a qualified mining, electrical and mechanical engineer who has over 34 years of experience in the mining sector having previously held the position of Chief Executive Officer at Umcebo Mining, a significant junior coal mining house. Whilst in his position at Umcebo Mining, Dutch successfully brought a total of six new coal mines to production including an underground operation at Klippan Colliery.

Prior to joining Umcebo Mining, Dutch was general manager at various BHP Billiton Energy Coal South Africa operations including Middelburg Mines, Khutala Colliery, Optimum Colliery, Koornfontein Mines and Delmas Colliery. For a period, he was general manager of Hotazel Manganese Mines, an operation consisting of an underground and opencast mine, with various processing plants including a sinter operation.

His appointment is in line with Wescoal's strategy of expanding its mining capabilities, with its stated intention to increase its current production to four million tons per annum by 2015/2016. The Board and staff of Wescoal welcome Dutch and wish him a long and fruitful working relationship with Wescoal.



WESCOAL MINING



Approach the New Year with resolve to find the opportunities hidden in each new day.

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Michael Josephson

A warm welcome is also extended to...

Werner du Preez (32) who is married to Belinda and they have a little boy Ashton who is six years old and a keen Blue Bull's Supporter! Werner spends his spare time with his family and at the gym. Werner is his son's Hero! He began working at Khanyisa on 3 September 2012 as an Engineering Supervisor. Shortly thereafter Belinda was transferred to the Witbank office during October 2012. Wescoal welcomes the Du Preez family to Witbank!

Mrs Margaret Kgotle is the new cleaning lady at the Wescoal head office and we wish her well for her tenure at Wescoal.

In loving memory

It is with great sadness that we report on the passing of three staff members. John, Victor and Joel will be fondly remembered by all at Wescoal.

		
John Moziba	Nkosi Joel Vusi	Victor Butuelezi
7 Aug 1967 – 24 Sep 2012	5 May 1973 – 11 Oct 2012	23 Dec 1979 – 3 Jun 2012

Snow at Witbank Khanyisa

– 7 August 2012



Snow at Benoni Depot

– 7 August 2012



Wedding bells

Our mechanic Gert Strydom married Lorraine on 30 June 2012. We believe that they will be very happy and prosperous as they make a new life together.



Who says rugby is just for young lads?

Martin Bartle showed the youngsters that rugby can still be played competitively at any age. Well done Martin you still have it in you!



Martin

Profiling our staff...

Jenny van Aswegen – In May 2004 a recruitment company arranged an interview for me at Chandler Coal. I can remember that day as if it was yesterday. The wooden floors and pictures on the ceilings captured my attention as I was guided to Mrs Bojé's office and the next day was asked to meet Mr Bojé, after which I was offered the position of Creditors Clerk – I began working for Chandler on 14 June 2004.

We were only a handful of staff; Andre Bojé, Gerrie Coetzee, Georg Botha, Louise Bojé, Wilma Jacobs, Carien Lottering, Celest van Zyl and Pauline Nkola. Piet van Rensburg joined in February 2005.

In 2005 a new project, the administration of the Wescoal Mining Washing Plant became my responsibility and like a child I watched it grow. Louise Bojé took me under her wing and taught me everything I needed to know, including the opportunity to study.

In 2008 the company gave me the opportunity to take over Chandler Coal's accounting and payroll – another huge challenge. At the 2010 year-end function I received the "Energizer Bunny" award. Although older and "heavier" I am still as energetic and passionate about my work and the company as ever! I enjoy what I do and love the company and the people, despite our growth, we are still a family!

Carien Lottering – Carien began working at Chandler on 26 February 2001 as a Debtors Clerk and was promoted to Logistics Manager during October 2006. She has been with the company for 11 years. As Logistics Manager, Carien plays a vital role in the successful execution of orders and has mastered the supply chain procedure by being hands-on and by building and nurturing long-term relationships with most of Chandler's major customers.

Her energetic nature and ability to work well with people makes her a successful supply chain coordinator. It is her duty to place the orders with the suppliers and follow through the logistic procedure ensuring that invoices are correctly processed and that Chandler customers are satisfied. Quotes, queries, pricing and customer liaison are all part of her duties, but it is Carien's spontaneous laugh that adds a little flavour to the office in Krugersdorp.

Carien and Jenny, we would like to take this opportunity to thank you both for the extra hours that you put in and that extra mile that you always go! You are appreciated!

