

enX Group media release

16 March 2015 – for immediate release

enX Group announces a proposed R211m equity capital raising and BBBEE transaction as prelude to expansion drive

Johannesburg 16 March 2015 – Publicly traded industrial energy company enX Group has announced details of an intended R211m equity capital raise and Broad Based Black Economic Empowerment (BBBEE) transaction. The transaction, once concluded, will significantly strengthen its financial and liquidity position and empowerment credentials as it seeks out growth opportunities and increased business with government, parastatals and others requiring a strong BBBEE scorecard. The transaction will improve enX's BBBEE shareholding from approximately 2% to 26.5%.

The company, formerly trading as Austro Group before a name change at the beginning of this year, said the transaction would facilitate its drive to grow its earnings and asset base and further its commitment to transform into a truly empowered company.

In terms of a notice published today, an empowerment consortium called Caplev will subscribe for 140,6 million new enX shares at R1.50 per share to give it a 25.01% shareholding in enX. The subscription price is a 19% discount to the 30-day average price from 18 November 2014 when pricing was agreed, and a 40% discount against the 30-day average price from the date of the announcement.

Caplev, whose shareholding is held 70% by black shareholders, including 20% black women shareholders, will raise the majority of the R211million required from a third party funder.

Caplev will be spearheaded by Paul Baloyi, chairman of Basil Read Holdings, non-executive director of Bidvest Bank, Old Mutual South Africa and Hudaco, and former chief executive of the Development Bank of Southern Africa; Nombulelo Moholi, a non-executive director of Anglo Platinum, Old Mutual Emerging Markets and Woolworths, and former chief executive of Telkom and Paul O'Flaherty, chief executive of ArcelorMittal South Africa and former finance director of Eskom. Baloyi and O'Flaherty are currently both non-executive directors of enX Group.

The transaction is a 9 year deal and Caplev has given enX customary undertakings regarding conflicts of interest and maintenance of its empowerment credentials. In addition, Caplev has committed to introduce a broad-based empowerment grouping within the 24 month period following the conclusion of the transaction.

"The transaction is a major mile stone in the development of the Group. The additional capital together with trusted, seasoned and business-minded empowerment partners are critical ingredients for us to deliver on our growth drive," the company said.

"The transaction would position enX as a young empowered publicly traded energy company and we believe make enX a more attractive suitor for businesses we wish to acquire. It would also lock in and incentivise key directors of the company."

The transaction is subject a number of conditions, including shareholder and regulatory approval. Further details are to be announced in circular to shareholders, which will also give the date of the general meeting to consider the transaction and related issues.

For further information, please contact:

Paul Mansour,
Chief Executive, enX Group
072 286 3897