

Corporate News from 9 January 2017

HMS Bergbau AG expands activities in South Africa

- ▲ **Exclusive marketing agreement with Shumba Energy**
- ▲ **Memorandum of understanding signed**
- ▲ **Access to approx. 2 billion tonnes of high-quality coal**
- ▲ **First deliveries expected in 2019**

Berlin, 9 January 2017: HMS Bergbau AG, one of Germany's leading independent commodity trading and marketing companies, has significantly expanded its operating activities in South Africa through its wholly owned subsidiary HMS Bergbau Africa (Pty) Ltd. By signing a memorandum of understanding (MoU) with Shumba Energy, Botswana, HMS Bergbau will get access to over two billion tonnes of high-quality coal. The agreement sets out the principles for exclusive marketing of the coal through the HMS Bergbau AG international partner network. Both companies expect the production to begin in 2019.

Heinz Schernikau, founder and CEO of HMS Bergbau AG: *"We are delighted to wrap up another exclusive marketing agreement in South Africa, which will result in a significant expansion of our operating activities in this region. Once again our global marketing network and wealth of expertise in commodities logistics, as well as the group's international standing as a reliable trading partner, proved its worth in the conclusion of this agreement. Besides expanding business volume in South Africa, we also expect positive effects and improvements in terms of our position on the international coal market."*

Mashale Phumaphi, Managing Director of Shumba Energy, commented: *"Despite political pressure to support non-fossils, we believe that the global long-term outlook for thermal coal demand is promising, driven by the industrialisation of emerging economies and the need to secure reliable and cost-effective base load power supply. The signed MoU, which introduces a credible and experienced partner, is a welcome step towards exploring the export market. We look forward to developing a long lasting relationship with HMS Bergbau."*

The Management Board

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About HMS Bergbau AG:

Berlin-based HMS Bergbau AG is one of the leading independent raw materials marketing and trading companies in Germany, specialising in the international purchase and sale of coal and raw materials such as ore, fertilizers and cement products. Its customers include renowned energy producers and other industrial consumers worldwide, with whom it works closely to provide raw materials. HMS Bergbau AG is active primarily in Asia, Africa and Europe and also develops first-class raw material resources. Through its Polish subsidiary Silesian Coal Sp. z o.o., the company also has licences to explore coal reserves in Silesia. HMS Bergbau AG has also sold the coal products of IchorCoal N.V. for a considerable time and concluded a number of new supply agreements in 2015, particularly in Asia. HMS Bergbau AG also handled complex transport solutions for its customers. The company was established in 1995 and is listed on Germany's Frankfurt Stock Exchange in the Entry Standard segment.

About Shumba Energy:

Shumba Energy is an energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE:SHUMBA) and the Stock Exchange of Mauritius (SEM:SHCL). Shumba Energy has over the last couple years progressed from an exploration company to a development company and sits on over 2 billion tonnes of thermal coal. As a major industry player, Shumba Energy's mission is to satisfy the growing energy demand in the SADC region as a result of chronic power shortages. For Shumba "Powering the Future" means addressing chronic power shortages head-on and supplying energy to affected southern African countries in a sustainable and cost effective manner. Established in 2011, Shumba now owns a significant portion of advanced energy projects in Botswana and is uniquely positioned with its strategy to develop energy projects that are unaffected by the volatility of global commodity prices.