



Basil Read Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration Number: 1984/007758/06)  
Share Code: BSR ISIN: ZAE 000029781  
("Basil Read" or "the Company")

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## **DISPOSAL OF 100% OF THE ISSUED SHARE CAPITAL AND SALE CLAIMS IN BASIL READ ENERGY (PTY) LTD ("BRE") BY A WHOLLY OWNED SUBSIDIARY OF BASIL READ HOLDINGS LIMITED ("BASIL READ") TO TEWA POWER (PTY) LTD AND AFRICAN PIONEER ENERGY (PTY) LTD ("PURCHASERS")**

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### **INTRODUCTION**

Shareholders are advised that Basil Read Limited (a wholly owned subsidiary of Basil Read) and BRE have entered into a sale of shares and claims agreement (the "Sale Agreement") with TEWA Power (Pty) Ltd ("TEWA Power") and African Pioneer Energy (Pty) Ltd ("APE") (TEWA Power and APE are herein referred to as "the Purchasers") in terms of which the Purchasers have acquired all of the issued share capital of BRE from Basil Read Limited for a total purchase consideration of R70 million (the "Transaction").

### **RATIONALE FOR THE SALE AGREEMENT AND USE OF PROCEEDS**

Basil Read announced to shareholders on 27 August 2014 that it had developed an 18-month turnaround strategy which involved the critical evaluation of the various businesses and assets in the group into core and non-core categories. As part of this process, BRE was determined to be non-core and was earmarked for disposal. The net proceeds from the Transaction will be applied towards the reduction of debt and capital management initiatives.

### **BACKGROUND TO THE PURCHASERS**

The Purchasers are APE, being a 100% owned Broad-Based Black Economic Empowerment private company in South Africa with interests in food, gaming and energy sectors; and TEWA Power, being a renewable energy company that develops, owns and operates renewable energy projects in South Africa.

### **BACKGROUND TO BRE**

BRE currently owns operating and developmental assets in the renewable energy sector. The projects in which BRE is the registered and beneficial owner include:

- a) 25% of the issued share capital of 3 Energy Renewables (Pty) Ltd (registration number: 2011/102847), being a facilities management company providing management, technology diagnostic and technical services to renewable energy power plants;
  - b) 23% of the issued share capital of Rubicept (Pty) Ltd (RF) (registration number: 2011/123905/07), being the 27 megawatt Van Stadens Wind Farm in the Eastern Cape has been in commercial operation since Feb 2014;
  - c) 75% of the issued share capital of Rooikat Hydropower (Pty) Ltd (registration number: 2013/169682), being a development company for the 22 megawatt Run-of-River Hydro Project; and
  - d) 52% of the issued share capital of Meerkat Hydropower (Pty) Ltd (registration number: 2013/169671/07), being a development company for the 18 megawatt Run-of-River Hydro Project.
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## KEY TERMS OF THE TRANSACTION

### • Sale Agreement

In terms of the Sale Agreement, the Purchasers acquired the entire issued share capital of BRE (the "Sale Shares") as well as all claims which Basil Read has against BRE on the effective date of the Transaction (the "Sale Claims"), being 25 September 2015.

The Purchasers acquired the Sale Shares for an amount of R1 000 and the Sale Claims for an amount of R69, 999, 000.00, which equates to a total purchase price of R70 million payable in cash on a pro rata basis of 75% by APE and 25% by TEWA Power.

The purchase price was paid by the Purchasers on the effective date of the Transaction out of immediately available cash.

### • Other Terms

APE has irrevocably and unconditionally agreed to grant Spilled Water Renewable Energy (Pty) Ltd (registration number: 2009/009153/07), an option to acquire 50% of the Sale Claims and 50% of the Sale Shares for a purchase consideration of R35, 000, 000.00 payable in cash, which option shall be capable of being exercised at any time within 40 business days from the effective date of the Transaction, after which such option shall lapse and have no further force or effect.

Limited guarantees, indemnities and warranties were provided by Basil Read, which are normal for a transaction of this nature.

### • Effective Date of the Transaction

The effective date of the Transaction was 25 September 2015. There are no outstanding conditions precedent to the Transaction.

## PROFIT AND NET ASSET VALUE ATTRIBUTABLE TO BRE

The value of the net assets of BRE as per the most recently published unaudited results of Basil Read, for the six months ended 30 June 2015 is R42.6 million. The losses attributable to the net assets of BRE for the six months ended 30 June 2015 is R2.1 million.

## CATEGORISATION OF THE TRANSACTION

The Transaction constitutes a Category 2 disposal for Basil Read under the provisions of Section 9 of the Listings Requirements of the JSE Limited.

## RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are further advised that discussions for the potential disposal of Spraypave (Pty) Ltd are still ongoing and if successfully concluded may have a material effect on the price of the Company's securities.

Accordingly, shareholders are advised to continue to exercise caution when dealing in the Company's securities until a full announcement is made.

Johannesburg | 29 September 2015



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St John Capital



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