



ASX Code: IKW

23 January 2013

Company Announcements Office
Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

Ikwezi Mining enters into off-take agreement with Vitol

Ikwezi Mining Limited (ASX: IKW, Ikwezi Mining or Company) is pleased to announce that it has entered into an off-take agreement with the Vitol group of Companies (Vitol). Vitol will purchase a total of 3.96 Mt of coal from Ikwezi at a combination of fixed and API4 Richards Bay linked pricing over a three year period. The 3.96 Mt represents the full, scheduled production of the first stage of the Ntendeka Colliery. The agreement is subject to Ikwezi putting in place a funding facility within a three month timeframe to bring its Ntendeka Colliery into production.

Ikwezi MD David Pile said: "This agreement formalises the support given to us by Vitol and demonstrates their confidence in our projects. The partnership with Vitol provides Ikwezi access to Vitol's extensive marketing network and represents an important milestone for Ikwezi as the Ntendeka Colliery is brought into production.

Bob Finch, Head of Vitol Coal said: "Building on our relationship with Ikwezi management, we look forward to this strategic partnership as the Ntendeka Colliery comes online. The agreement underpins the development of this promising resource and reaffirms our commitment to the South African coal mining industry."

About Ikwezi

Ikwezi Mining Ltd is focused on the exploration and development of coal projects in South Africa. Ikwezi has a 70% stake in the Ntendeka Colliery and a 60% interest in the Dundee, Acorn and Assegai projects. The Ntendeka Colliery is located in the KwaZulu-Natal coal fields, has an existing JORC-compliant resource of approximately 221 Mt and is in close proximity to rail and port infrastructure.

About Vitol.

The Vitol Group was founded in 1966 in Rotterdam, the Netherlands. Since then the company has grown significantly to become a major participant in world energy markets and is now the world's largest independent energy trader. Its trading portfolio includes crude oil, oil products, lpg, LNG, natural gas, coal, power, metals and carbon emissions. Vitol trades with all the major national oil companies, the integrated oil majors and the independent refiners and traders. Globally Vitol trades around 6 million barrels of crude oil and products per day and revenues in 2011 were \$297 billion.

In addition to its trading business and its 50% share in the storage and terminals business, VTTI, with 13 terminals on five continents with around 8 million cubic metres of storage, Vitol has an exploration and production business which includes interests in Ghana, Cameroon, Kazakhstan, Russia and Azerbaijan. It also currently owns and operates over 150kba in 3 refineries and a thermal coal mine in British Columbia, Canada, as well as 40% of Vivo Energy, which operates fuels and lubricants marketing businesses under the Shell brand in 13 countries in Africa.

Further details on Vitol are available on www.vitol.com

For further information contact:

David Pile

Managing Director

Tel: +27 11 994 8900

Email: david@ikwezi.co.za

For personal use only