

**Johannesburg, South Africa  
28 January, 2015**

## **Glencore subsidiary considers closures at Optimum Coal Mine**

Glencore announced today (28 January 2015) that following a detailed review, its subsidiary, Optimum Coal Mines, is considering closing some of its operations in South Africa which would reduce its overall production in South Africa by at least 5 million saleable tonnes per annum (Mtpa).

The affected areas include the Optimum opencast operations, large portions of the coal processing plants, and associated support services.

The proposed closure of these operations would affect approximately 1070 employees.

The review was initiated as a result of the ongoing financial hardship at Optimum arising from difficult market conditions and the continued deterioration in the export coal price.

Optimum produces approximately 10 million tonnes of saleable coal per annum (50% Eskom and 50% export) from opencast areas and underground areas.

Optimum currently intends to retain the underground mining operations and sufficient processing capacity at Optimum to ensure the continued supply of coal to the Hendrina Power Station.

The affected operations would be placed on care and maintenance. If the economic conditions improve, the company will consider re-opening the operations.

Optimum has informed the Department of Mineral Resources and relevant unions of the potential closures. Optimum will now enter into a Section 189 process with the recognised unions and employees to determine the settlement for all affected employees. Optimum will ensure that the employee engagement process is conducted in line with applicable labour legislation. Where vacancies exist, Optimum will explore options for redeployment across the Glencore South African coal operations as well as putting in place support services for affected employees and their families.

Glencore continues to review all coal operations in the prevailing economic climate.

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**About Glencore**

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise of over 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. They also provide financing, logistics and other services to producers and consumers of commodities. Glencore employs around 200,000 people, including contractors.