

ESOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1994/000732/06)

JSE code: ESR

ISIN: ZAE000184669

("Esor" or "the company")

FIRM INTENTION ANNOUNCEMENT BY GEOMER INVESTMENTS TO MAKE A MANDATORY OFFER TO THE SHAREHOLDERS OF ESOR**1. Introduction**

The shareholders of Esor are hereby advised that Geomer Investments Proprietary Limited ("Geomer Investments") has acquired 42 683 901 ordinary shares, representing approximately 11.70% (net of treasury shares) in the issued share capital of Esor from Mr Kamal Parabhu Natha ("Natha Acquisition"), such that the entire beneficial interest of Geomer Investments in the issued share capital of Esor is 154 715 952 shares.

Prior to the Natha Acquisition, Geomer Investments owned 112 032 051 ordinary shares in Esor representing a shareholding of approximately 30.70% (net of treasury shares). The Natha Acquisition has resulted in Geomer Investments increasing its shareholding in Esor to 42.39%. Geomer Investments is in a position to exercise voting rights over its entire shareholding in Esor.

2. Mandatory offer

As a result of the Natha Acquisition, in terms of Section 123 of the Companies Act, Act No. 71 of 2008, as amended, (the "Companies Act") Geomer Investments has increased its shareholding and voting power in Esor to more than 35% and is obligated to make a mandatory offer to all Esor shareholders to acquire all of the ordinary shares of Esor, other than those that it already owns (the "Offer Shares"), on the terms set out in paragraph 3 below (the "Mandatory Offer").

Geomer Investments has notified the board of directors of Esor of its obligation to proceed with the Mandatory Offer. The Offer is an affected transaction as defined in section 117(1)(c) of the Companies Act and, accordingly, will be regulated by the Companies Act, the Companies Regulations and the Takeover Regulation Panel ("TRP").

3. Terms of the Mandatory Offer

Under the terms of the Mandatory Offer, Geomer Investments shall acquire each Offer Share for R0.38 (38 cents), which is equal to the highest consideration paid, by Geomer Investments for an ordinary share in the issued share capital in Esor in the 6 months prior to the expected opening date of the Mandatory Offer.

4. Rationale for the Mandatory Offer

As mentioned above, Geomer Investments is obliged to make the Mandatory Offer. Geomer Investments does not anticipate any change to the nature of Esor's business following the Mandatory Offer.

5. Concert parties

Geomer Investments hereby advises Esor shareholders that Wheatfield Estate Foundation Trust ("Wheatfield"), which owns 230 000 ordinary shares of Esor, representing approximately 0.06% (net of treasury shares) in the issued share capital of Esor, is deemed to be a concert party in terms of regulation 84 of the Companies Regulations, 2011 (the "Companies Regulations").

Neither Geomer Investments nor Wheatfield, hold any options to purchase any additional ordinary shares of Esor.

6. Irrevocable undertakings

The following Esor shareholders, which collectively hold 52 849 867 ordinary shares of Esor, have provided irrevocable undertakings not to accept the Mandatory Offer:

Shareholder	Number of Esor shares	Percentage of Esor shares owned ¹
The Esor Broad Based Share Ownership Scheme	21 012 250	5.76%
Mr Bernard Krone	10 000 000	2.74%
Esor Construction Proprietary Limited	9 231 762	2.53%
Rapidough Properties 471 CC	4 800 000	1.32%
Mr Willem Deon Nel	4 742 655	1.30%
Mr Warren Clifford Van Der Vyver	2 017 950	0.55%
Mr Wessel Cornelius Van Zyl	815 250	0.22%
Wheatfield Estate Foundation Trust	230 000	0.06%

(1) Based on outstanding number of shares of Esor of 364 941 418, excluding treasury shares of 30 244 012.

No Esor shareholder has provided any irrevocable undertaking to accept the Mandatory Offer.

7. Posting of circular and Mandatory Offer period

7.1 Posting of Mandatory Offer circular

The circular to shareholders setting out the terms of the Mandatory Offer ("Mandatory Offer Circular") is expected to be posted to shareholders on or about 2 November 2016.

7.2 Mandatory Offer Period

The Mandatory Offer is expected to open on or about 3 November 2016, being one business day after the expected posting date of the Mandatory Offer Circular and will be open for a minimum period of 30 business days as per Regulation 102 of the Companies Act ("Initial Offer Period").

The Mandatory Offer is subject to a number of conditions precedent including the need potentially for approval from the Competition Authorities.

Geomer Investments has approached the Competition Authorities in order to obtain approval to acquire the entire shareholding in Esor it does not already own so that the Mandatory Offer can be declared unconditional.

In the event this approval has not been obtained prior to the date that the Mandatory Offer is expected to open, the following process will be followed in respect of the Mandatory Offer:

- The decision as to whether Geomer Investments definitively requires Competition Authority Approval to implement the Mandatory Offer as a result of Geomer Investments obtaining control of Esor, will be made 20 business days after the date the Mandatory Offer opens. (The period between the date the Mandatory Offer opens and 20 business days after such opening date being the ("Finalisation Period").
- Should Competition Authority Approval be obtained during the Finalisation Period, the Mandatory Offer will be declared unconditional and implemented to the extent of the number of acceptances received.
- Should there be no need for Competition Authority Approval at the end of the Finalisation Period, the Mandatory Offer will be declared unconditional and implemented to the extent of the number of acceptances received.
- If during the Finalisation Period Competition Authority approval is required and such approval has not been obtained, the Initial Offer Period will be extended to accommodate this process ("Extended Offer Period") subject to the approval of the TRP in terms of Regulation 103.
- If during the Extended Offer Period the requisite Competition Authority approval is received, the Mandatory Offer shall be declared unconditional and as per Regulation 105 of the Companies Act, remain open for a further 10 business days.
- If during the Extended Offer Period the Competition Authority approval is no longer required, the Mandatory Offer shall be declared unconditional and as per Regulation 105 of the Companies Act, remain open for a further 10 business days.
- If during the Extended Offer Period the Competition Authority approval is not obtained or is declined, the Mandatory Offer will not be implemented.

Notwithstanding the decision regarding the requirement for Competition Authority approval, the period in relation to the Mandatory Offer will not be affected but will remain open for the statutory period of 30 business days provided in Regulation 102 and Geomer Investments will continue to acquire shares in Esor until the closing date of the Mandatory Offer whether such closing happens after 30 business days as per the Initial Offer Period or at the end of the Extended Offer Period.

8. Conditions precedent

The Mandatory Offer is subject to the approval and consent from all relevant regulatory authorities required to implement the Mandatory Offer, which shall include the approval of the TRP by way of the issuance of the requisite compliance certificate and the Competition Authorities.

9. Funding of the Mandatory Offer

Investec Bank Limited has furnished the TRP with the requisite guarantee that Geomer Investments has sufficient cash resources and/or facilities to undertake the Mandatory Offer.

10. Appointment of independent board and independent expert

An independent sub-committee of the board of directors of Esor which shall be comprised of at least 3 directors of Esor (the "Independent Board") will be formed for the purposes of considering the Mandatory Offer in accordance with the requirements of the regulations of the Companies Act.

The Independent Board shall be required to appoint an independent expert as per regulation 110 of the Companies Act to advise and report to the Independent Board on the Mandatory Offer by way of a fair and reasonable opinion.

The full report of the independent expert as well as the opinion of the Independent Board on the Mandatory Offer will be included in the Mandatory Offer Circular to be posted to Shareholders.

11. Responsibility statement

Geomer Investments and to the extent that the information relates directly to Esor, the board of directors of Esor, accept responsibility for the information contained in this firm intention announcement. To the best of their respective knowledge and beliefs, the information contained in this firm intention announcement is true and nothing has been omitted which is likely to affect the importance of the information.

Germiston
21 October 2016

Corporate Advisor and Sponsor
Vunani Corporate Finance