

ESOR LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1994/000732/06)
JSE code: ESR
ISIN: ZAE000184669
("Esor")

RIGHTS OFFER DECLARATION ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcement released on SENS on Wednesday, 26 October 2016 ("Proposed Rights Offer Announcement"), wherein it was announced that Esor intended to raise up to R37.54 million by way of an underwritten renounceable rights offer ("Rights Offer"), in terms of which Esor will offer a total of 98 796 357 shares ("Rights Offer Shares") in Esor to shareholders. Further details of the Rights Offer are set out below.

2. USE OF PROCEEDS

Shareholders are referred to the Proposed Rights Offer Announcement and the announcement released on SENS on 10 October 2016 relating to the acquisition by the Company of Tuboseal Services Proprietary Limited and the Business Assets and Operations from Tuboseal Proprietary Limited ("the Acquisition").

The full proceeds from the Rights Offer will be used to repay a credit facility that was made available to Esor to fund the Acquisition by Geomer Investments Proprietary Limited ("Geomer Investments"), a material shareholder of Esor.

3. SALIENT TERMS OF THE RIGHTS OFFER

3.1 INTRODUCTION

Qualifying Esor shareholders are hereby offered the right to acquire 25 Rights Offer Shares for every 100 Esor shares ("Shares") held on the record date ("Record Date") at a subscription price of 38 cents per Rights Offer Share.

The Record Date for purposes of determining which shareholders are entitled to participate in the Rights Offer is **Error! Reference source not found.**

Upon issue, the Rights Offer Shares will rank pari passu in all respects with the existing ordinary Shares.

The letters of allocation ("Letters of Allocation") in respect of the Rights Offer will be listed on JSE Limited ("JSE") on **Error! Reference source not found.** under JSE share code ESRN and ISIN ZAE000237913.

3.2 MINIMUM SUBSCRIPTION

The Rights Offer is not conditional on any minimum subscription being obtained.

3.3 EXCESS APPLICATIONS FOR RIGHTS OFFER SHARES

No applications for excess Rights Offer Shares will be allowed.

4. UNDERWRITING AGREEMENTS

Esor has entered into an underwriting agreement with Geomer Investments, in terms of which Geomer Investments will fully underwrite the Rights Offer up to the total amount of 98 796 357 Rights Offer Shares, which equates to a maximum underwriting commitment of up to R37.54 million.

In terms of the underwriting agreement, the underwriting fee will be 1.5% of the underwriting commitment and will be settled in cash and is only payable on fulfilment of the underwriting commitments by Geomer Investments.

5. SHAREHOLDER COMMITMENTS

Esor shareholders holding 41 289 262 Shares representing 10.45% of the issued share capital of Esor, have irrevocably undertaken to renounce their rights in terms of the Rights Offer to Geomer Investments.

6. FOREIGN SHAREHOLDERS

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and in such circumstances, any circular and accompanying form of instruction in terms of the Rights Offer, where applicable, are distributed for information purposes only.

7. SALIENT DATES AND TIMES

The proposed salient dates and times in respect of the Rights Offer are set out below:

2017

Rights Offer declaration data announcement released on SENS	Friday, 20 January
Rights Offer finalisation announcement released on SENS	Thursday, 26 January
Last day to trade in Esor Shares in order to participate in the Rights Offer	Tuesday, 31 January
Listing of and trading in the Letters of Allocation on the JSE under JSE code ESRN and ISIN ZAE000237913	Wednesday, 01 February
Esor Shares commence trading ex-rights on the JSE at 09:00 on	Wednesday, 01 February
Circular and form of instruction posted to certificated shareholders	Thursday, 02 February
Record Date for determination of shareholders entitled to participate in the Rights Offer	Friday, 03 February
Rights Offer opens at 09:00 on	Monday, 06 February
Holder of dematerialised Shares will have their accounts at their CSDP or broker automatically credited with their Letters of Allocation on	Monday, 06 February
Holder of certificated Shares will have their Letters of Allocation credited to an electronic register at the transfer secretaries of Esor on	Monday, 06 February

Rights Offer circular posted to dematerialised Shareholders	Tuesday, 07 February
Last day to trade Letters of Allocation on the JSE	Tuesday, 14 February
Maximum number of Rights Offer Shares listed and trading therein commences on the JSE	Wednesday, 15 February
Record Date for Letters of Allocation	Friday, 17 February
Rights Offer closes at 12:00 on	Friday, 17 February
Payment to be made and form of instruction to be lodged with the transfer secretaries of Esor by certificated shareholders by 12:00 (See Note 5 below)	Friday, 17 February
Rights Offer Shares issued and posted to shareholders in certificated form on or about	Monday, 20 February
Dematerialised shareholders' accounts updated and debited by CSDP or broker (in respect of payment for Rights Offer Shares)	Monday, 20 February
Results of Rights Offer announced on SENS on	Monday, 20 February

Notes:

1. Dematerialised shareholders are required to notify their duly appointed CSDP or broker of their acceptance or otherwise of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between such shareholder and their CSDP or broker.
2. All times indicated are South African times unless otherwise stated.
3. Share certificates may not be dematerialised or rematerialised between **Error! Reference source not found.** and **Error! Reference source not found.**, both days inclusive.
4. The CSDP / broker accounts of dematerialised shareholders will be automatically credited with Esor Rights Offer Shares to the extent to which they have accepted the Rights Offer. Share certificates will be posted, by registered post at the shareholders' risk, to certificated shareholders in respect of the Rights Offer Shares which have been accepted.
5. CSDPs or brokers effect payment in respect of dematerialised shareholders on a delivery versus payment method.

8. CONDITIONS PRECEDENT

The implementation of the Rights Offer remains subject to the fulfilment of the following conditions:

- approval being obtained from the JSE for the circular in respect of the Rights Offer; and
- approval being obtained from the JSE for the application for listing of the Letters of Allocation and the application for listing of the Rights Offer Shares.

9. FINALISATION ANNOUNCEMENT

It is anticipated that the finalisation announcement for the Rights Offer will be released on SENS on Thursday, 26 January 2017.

Germiston
20 January 2017

Sponsor and corporate advisor
Vunani Corporate Finance