



Anoj Singh, Group Chief Financial Officer

Mr Guan Lian

China Development Bank South Africa Working Group
 China Development Bank
 18 Fuxingmennel Street
 Xicheng District
 Beijing
 China
 100037

Dear Mr Lian,

Meeting: Transnet SOC Limited and China Development Bank (CDB)

Your email of 31 March 2015 addressed to Mr Molefe regarding the above mentioned subject has reference.

With all due respect, Mr Molefe addressed the letter to your very honorable President of CDB and consequently we would appreciate a response from your President to which Mr Molefe will respond. In this context I will respond to your concerns raised.

We terminated the proposed funding proposal from CDB in October 2014 due to the high cost of funding to Transnet, however this was with the view that we would continue working together to find a solution to the cost of funding.

Accordingly, I personally met with your Ms Helen and Mr Ren in December 2014 in Beijing to update them on the progress made to find a solution to the cost of the cross currency swaps and also wanted CDB to address the cost of funding. In addition the President of the Republic of South Africa and the Minister of Finance met with the Chairman of CDB to address the cost for funding from CDB. This meeting was also attended by Mr Molefe. Ms Helen and Mr Ren were also aware of this engagement.

Subsequently, to the above, we then formally addressed with CDB the cost of funding and we received a formal response from CDB in February 2015. So the clear intentions from Transnet as demonstrated above has always been that we will pursue the funding proposal from CDB at an appropriate time and at an appropriate cost and these sentiments have been continuously conveyed to CDB in the various interactions with you.

As stated in our letter to your President we have found a potential solution for the cost of the cross currency swaps and wanted to also demonstrate the seriousness of pursuing a proposed loan from CDB.

Transnet SOC Ltd
 Registration Number
 1990/000900/30

Carlton Centre
 150 Commissioner
 Street
 Johannesburg
 2001

P.O. Box 72501
 Parkview, Johannesburg
 South Africa, 2122
 T +27 11 308 3001
 F +27 11 308 2638

Directors: LC Mabaso (Chairperson) B Molefe* (Group Chief Executive) Y Forbes GJ Mahlalela PEB Mathekgwa N Moola ZA Nagdee VM Nkonyane
 MR Seleke SD Shane BG Stagman PG Williams A Singh* (Group Chief Financial Officer)
 *Executive

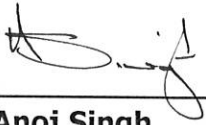
www.transnet.net

Group Company Secretary: ANC Ceba

I would also like to remind you that Transnet has alternative options of funding these locomotive purchases but given our commitments made in the MOU signed between CDB and Transnet, which is a commitment to our respective Governments and our BRICS leaders, we remain steadfast in fulfilling this commitment. However if CDB is of the view that these commitments are not relevant and not necessary to fulfil then please inform us accordingly so that we can find alternative funding sources and also inform our Government accordingly.

Consequently I would request that you urgently confirm that we can meet with your team early next week to conclude a possible funding solution.

Kind regards,



Anoj Singh

Group Chief Financial Officer

Date: 01/04/15