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Investor Presentation  
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**» Disclaimer**

All statements in this presentation, other than historical facts, that address exploration activities and mining potential are forward-looking statements. Although Keaton Energy believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not in any way be construed as guarantees of future performance. Factors that could cause developments to differ materially from those expressed include exploration results, technical analysis and lack of availability to the company of necessary capital to progress its projects. The company is subject to specific risks inherent in the exploration and mining business and general economic and business conditions.

## » Vital statistics

- Established 2006
- Coal exploration, development and mining
- SA-domiciled
- JSE-listed
- Robust pipeline of projects and prospects
  - 200Mt resource
- 18-month fast-track to first production
  - Klip Colliery
- Second project in early stages of development
  - Vangatfontein (previously Delmas)
- Medium-term saleable production target: 2Mtpa
- Financing: R400 million raised, first quarter 2008
  - R366 million in treasury – cautious management of cash
- Strategy aligned with market conditions and outlook

## » Strategy

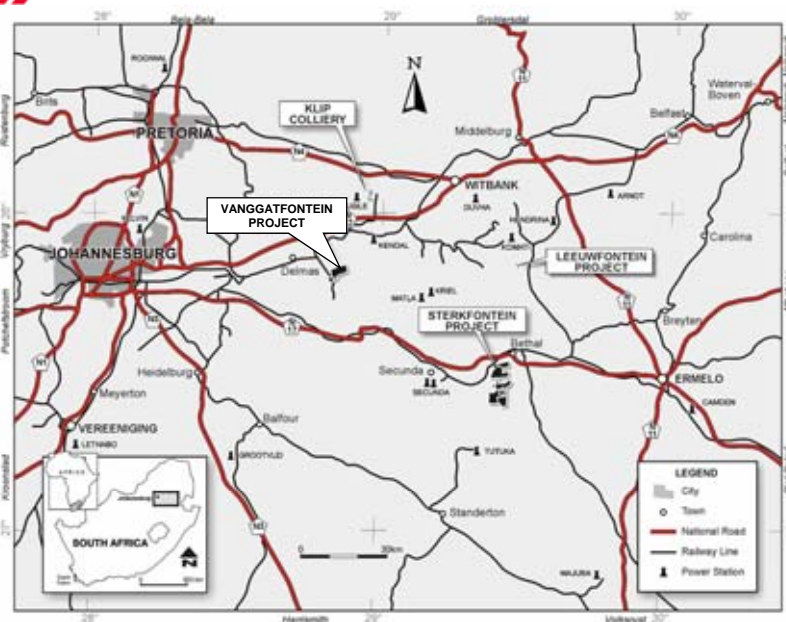
- Two tiers
  - long-term, long-life resource-intensive projects
    - Vangatfontein
    - Sterkfontein
  - short-term, low-resource intensity, flexible projects
    - Leeuwfontein
    - Braamspruit
    - Klip Colliery – short-life, cash-generative operation now undergoing rehabilitation

## » Aligned with market conditions and outlook

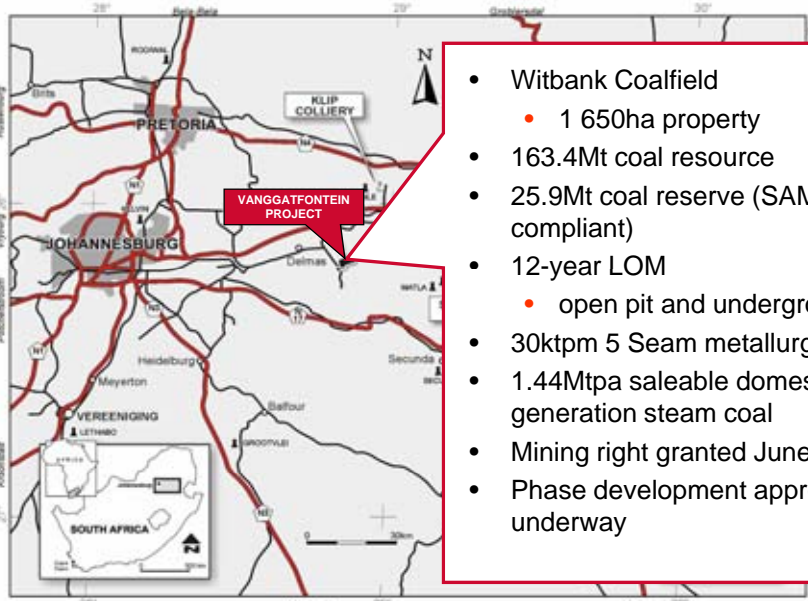
- Robust domestic pricing currently for 5 Seam metallurgical coal
  - short supply, strong demand
  - first priority is mining of Vanggatfontein 5 Seam
- Eskom steam coal contracts currently under negotiation
  - second priority is mining of Vanggatfontein 2 and 4 Seams
- Export prospects very good in the longer term
  - third priority is Sterkfontein



## » Project locations



## » Vanggatfontein

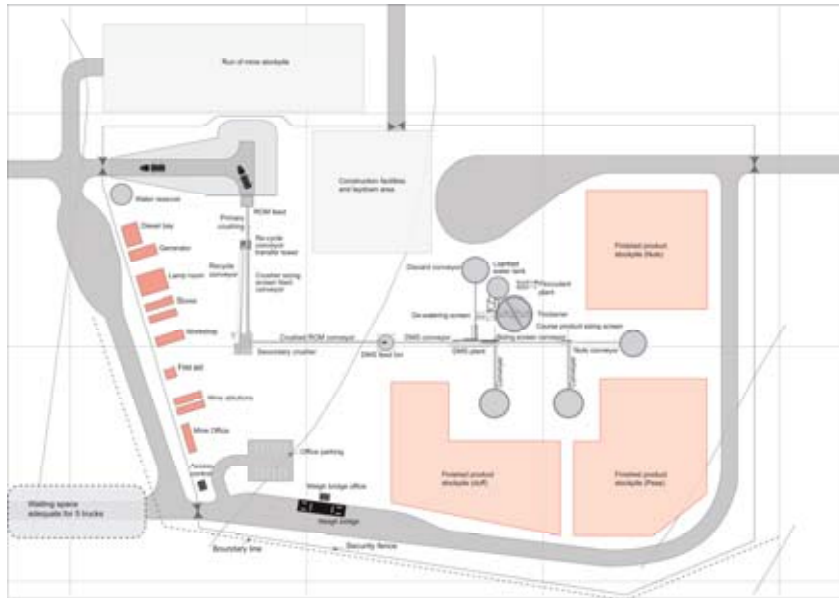


- Witbank Coalfield
  - 1 650ha property
- 163.4Mt coal resource
- 25.9Mt coal reserve (SAMREC-compliant)
- 12-year LOM
  - open pit and underground
- 30ktpm 5 Seam metallurgical coal
- 1.44Mtpa saleable domestic power generation steam coal
- Mining right granted June 2009
- Phase development approach underway

## » Phase 1: 5-Seam Project



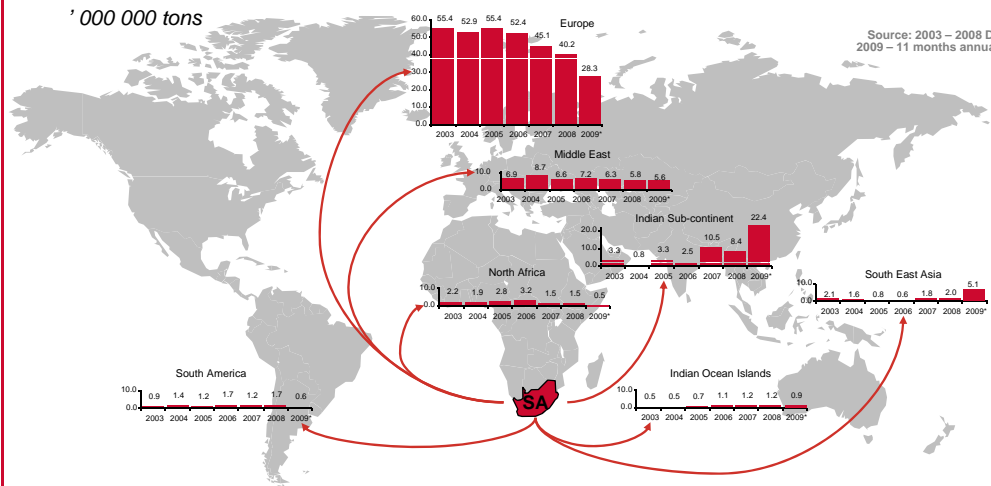
## Phase 1: 5-Seam Project



## SA coal export markets 2004 – 2008/9

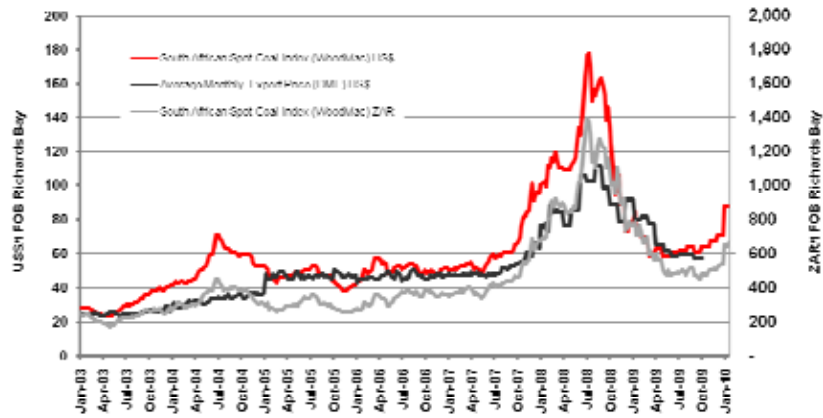
'000 000 tons

Source: 2003 – 2008 DME  
2009 – 11 months annualised



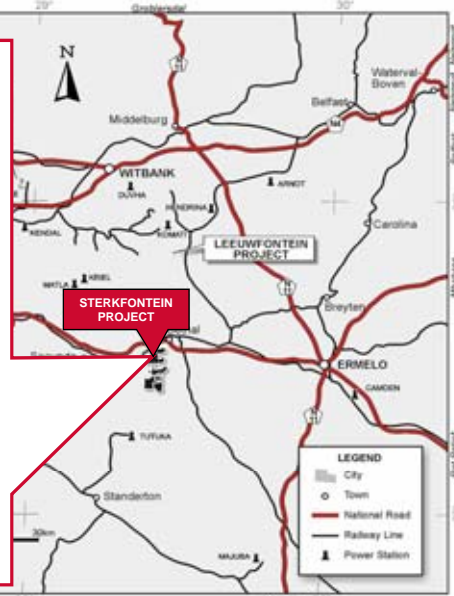
- Exports to India in 2009 exceeded 22Mt, well ahead of 2008

## » Coal export prices

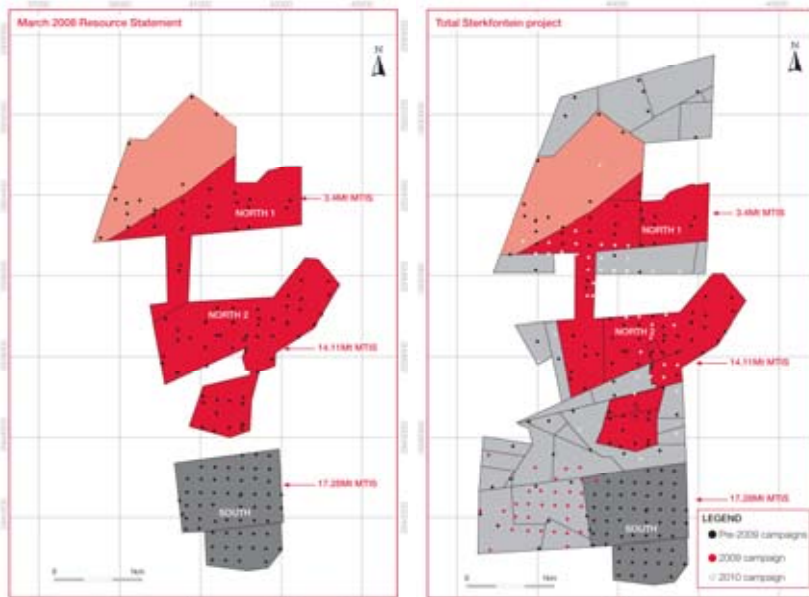


## » Sterkfontein

- Highveld Coalfield
  - 6 835ha property
- Currently 34Mt coal resource
- 50% export coal
- 33% domestic steam coal
- Phase 1 additional drilling completed
- Phase 2 additional drilling in progress
- Underground operation envisaged
  - two shaft complexes

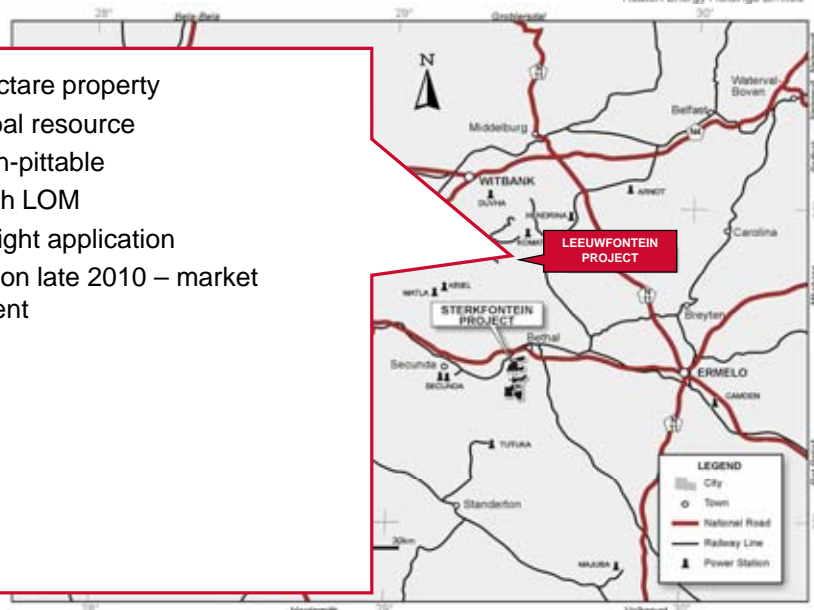


## » Sterkfontein extension

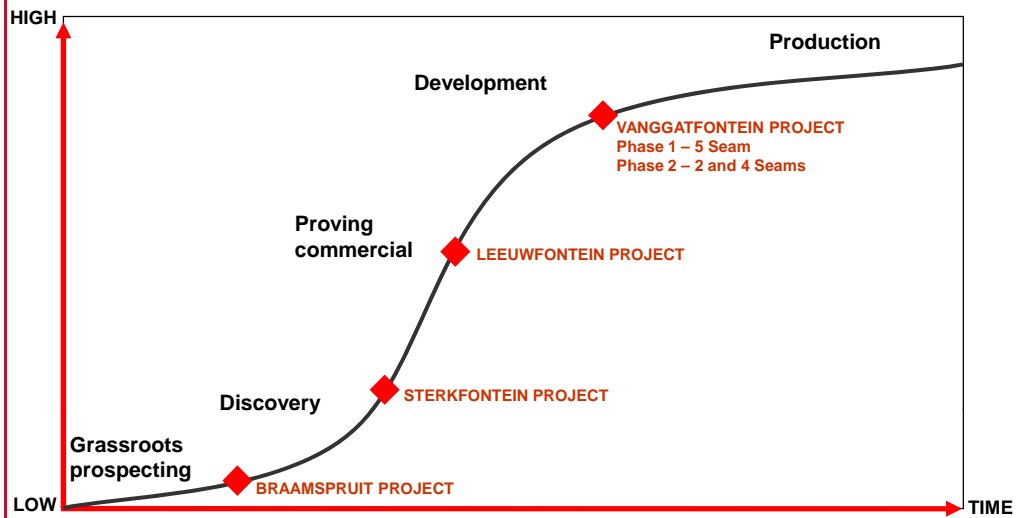


## » Leeuwfontein

- Nine-hectare property
- 922kt coal resource
  - open-pittable
- 18-month LOM
- Mining right application
- Production late 2010 – market dependent



## Multiple value curve positions



## Financial summary

Interim results for six months to 30 September 2009

- Healthy cash balance of R366 million
- Klip Colliery – stockpiles sold for R8 million
- Profit for period of R3.9 million
  - basic earnings per share of 2.7 cents
  - headline earnings per share of 3.4 cents

## » Why invest?

- Sound market fundamentals
- Sensible strategy
  - in synch with market conditions and outlook
- Excellent mix of long- and short-term projects
- Adequate cash for now
- Experienced management team

