



**the dme**

Department:  
Minerals and Energy  
REPUBLIC OF SOUTH AFRICA

**DE BEERS**  
A DIAMOND IS FOREVER

## MEDIA RELEASE

### **South African government and De Beers partner to foster sustainable diamond industry**

**CAPE TOWN, 9 FEBRUARY 2007** – South Africa's Department of Minerals and Energy (DME) and global mining group De Beers today announced a ground breaking agreement heralding a new era of cooperation, aimed at creating an even more empowered and sustainable diamond mining and exploration industry in the country.

In terms of this agreement, it is the intention of both parties that, following full consultation with affected parties, the West Coast operations of Alexkor and De Beers Consolidated Mines' (DBCM) Namaqualand Mines will be amalgamated into a new, stand alone diamond mining company. This independent and empowered company will be well-positioned to capitalise on synergies that exist across both operations and will realise the full economic potential of the West Coast diamond mining industry. As a first step in this process, De Beers will be issuing, through a special purpose vehicle, a 20% stake in its Namaqualand Mines to the DME.

It is expected that the process of consolidating these assets will be concluded in 2008 and thereafter the option of a listing may be fully examined by the operator of this new company. It is not De Beers' intention to be the operator of this company and De Beers will dilute its stake over time.

Furthermore, as part of the agreement, De Beers will, with appropriate firewalls, make its management, technical expertise and assets available to the DME for the next three years to facilitate the start up of the State Diamond Trader. This further cements De Beers' commitment to play a constructive leadership role in the diamond industry by encouraging industry growth and facilitating broad BEE ownership and competition within the diamond sector in South Africa.

**MORE...**



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“Throughout our global operations, De Beers’ competitive advantage is in our ability to engage in real and lasting partnerships with governments, ensuring that diamonds continue to help diamond producing countries, like South Africa, to build a more prosperous future for themselves,” said Nicky Oppenheimer, Chairman of the De Beers Group.

De Beers remains focused on implementing its R2.2 billion capital investment programme in building new mines in South Africa. SASA (South African Sea Areas) Project and Voorspoed Mine in the Free State are expected to be operational in 2007 and 2008 respectively. Other capital investments in growth projects include significant investment in its world class assets, Finsch and Venetia Mines, as well as funding of new exploration activities to find the diamond mines of the future in South Africa.

“This announcement represents an important step forward for the communities along the West Coast, the people of South Africa and De Beers who will all benefit from a consolidated mining operation founded in the spirit of partnership,” said the Minister of Minerals and Energy, the honourable Ms Buyelwa Sonjica. The Minister further stated that she appreciates the spirit that the DME and the De Beers Group are building for the success of the diamond industry in South Africa. Minister Sonjica believes that this will have a positive impact on the South African diamond market.

David Noko, Managing Director of DBCM said, “In addition to our growth strategy, we intend to accelerate our transformation drive and continue to contribute to the development of a sustainable diamond industry in South Africa. This agreement will provide real opportunities for a new BEE company in the diamond sector to help meet Government’s aspirations for a transformed South African diamond industry.”

Ends.