

8 April 2008

ASX Code : CDS  
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## **SUPPLY OF COAL TO NEW ESKOM POWER STATIONS**

### **Key Points**

- **Granted Eskom Generation Division Vendor Number**
- **South African exchange control process continuing**

The directors of Comdek Limited (**Comdek**) are pleased to announce that Comdek has been granted an Eskom Holdings Limited (**Eskom**) Generation Division vendor number to allow it to supply coal to Eskom's new power stations.

Eskom is a state-owned electricity utility which generates, transports and distributes approximately 95% of South Africa's electricity. Eskom approached Comdek to apply for preferred supplier status of coal to Eskom's new power stations as part of their strategy to identify future coal supply.

Eskom's Generation Division produces most of South Africa's electricity from coal-fired stations producing low-priced electricity from low-cost coal. Its core function is to operate and maintain all Eskom's electricity generation plants.

Eskom selects potential suppliers from which it will buy coal based on quality, price and availability. At times other considerations are also taken into consideration. One example is support for Black Economic Empowerment (**BEE**). Comdek has signed an agreement to acquire Isicebi, a company that has the right to farm-in to three coal properties owned by BEE group, Lukale Mining Ltd (**Lukale**) in the Waterberg Coalfield area of South Africa.

Eskom has been investigating ways to solve the country's long-term electricity-generation needs including creating a new coal-fired power station in the Waterberg region.

The coal properties in which Isicebi has farm-in rights have an initial inferred resource of 415 million tonnes of thermal and coking coal which could make a significant contribution to supplying South Africa's future electricity requirements.

Although the Company is currently in an exploration phase, the Board believes that the acceptance by South Africa's largest electricity provider, for Comdek to supply coal from its properties is a significant step forward for these projects at this early stage.

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## **RBSA Approval**

The acquisition of Isicebi and entering into a Joint Venture agreement with Lukale and Umnotho We Sizwe Group (Pty) Ltd, to acquire an interest in, and to farm in to three coal licences held by Lukale, remains subject to and conditional upon the final approval of (or non-objection to) the transaction by the Reserve Bank of South Africa (**RBSA**). All additional documentation requested by the RBSA is now with the Bank. The process of seeking this approval is progressing.

Yours faithfully

**COMDEK LIMITED**

**SCOTT DOUGLAS**

**Executive Director**

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