



MATUSON ASSOCIATES

Date: 21 May 2015

Dear Sirs

RE: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) (“Evraz”) REQUEST FOR CONSENT TO AN EXTENSION IN RESPECT OF THE PUBLICATION OF THE BUSINESS RESCUE PLAN OF EVRAZ IN TERMS OF S150(5) OF THE COMPANIES ACT, NO 71 OF 2008 (“the Act”)

Introduction

1. We address this letter to you as the joint business rescue practitioners of Evraz (“the practitioners”).
2. In terms of s150(5) of the Act:

“The business rescue plan must be published by the company within 25 business days after the date on which the practitioner was appointed, or such longer time as may be allowed by-

(a) the court, on application by the company; or

(b) the holders of a majority of the creditors’ voting interests.”
3. The practitioners were appointed on 15 April 2015. In the circumstances, the business rescue plan of Evraz (“the plan”) must be published on or before 22 May 2015.
4. For the reasons set out below, the practitioners require an extension for the publication of the plan in terms of section 150(5)(b) of the Act.

The reasons for the request for an extension in respect of the publication of the plan

5. As advised at the first meeting of creditors, business rescue entails the development and implementation of a plan that either:
 - 5.1. rescues the company by restructuring its debt and equity in a manner that maximises the likelihood of the company continuing its existence on a solvent basis (“part A”); or
 - 5.2. if the aforesaid is not possible, results in a better return for the company’s creditors or shareholders than would result from the immediate liquidation of the company (“part B”).



6. The practitioners will initially pursue a rescue in terms of part A.
7. The practitioners are pleased to confirm that we have secured post commencement funding from the Industrial Development Corporation (“IDC”) and are in the process of finalising the terms thereof. This funding from the IDC is a clear demonstration to the stakeholders, including employees and creditors that the South African Government is fully committed to support the rescue given the important strategic role of Highveld.

The IDC provided the support to afford the Practitioners the required time to ensure that the most appropriate long term partners are secured for Highveld. The Business Rescue Practitioners are embarking on a process to ensure that this objective is met and require the time to conclude this process.
8. The practitioners accordingly require an extension to **Monday, 31 August 2015**, for the publication of the plan.
9. In this regard, the practitioners are pleased to advise that the first meeting of the creditors’ committee was convened on 20 May 2015 whereat the above was discussed. At this meeting, the practitioners obtained unanimous consent from the creditors’ committee to the aforesaid extension for the publication of the plan.
10. The practitioners now hereby request your consent to an extension to **Monday, 31 August 2015**, for the publication of the plan.
11. Kindly vote for or against the extension, as requested above, via email to lschapiro@matusonassociates.co.za before 15:00 on **Friday, 22 May 2015**.
12. If the practitioners are unable to obtain the requisite consent, the practitioners will be obliged to apply to the High Court in terms of s150(5)(a) of the Act for an extension. The aforesaid, however, will incur unnecessary costs, which the practitioners wish to avoid.

Yours faithfully

PIERS MARSDEN AND DANIEL TERBLANCHE



The Joint Business Rescue Practitioners of Evraz