



# SACOIL HOLDINGS LIMITED

Formerly SA Mineral Resources Corporation Limited  
 Registration No 1993/000460/06  
 ISIN Number ZAE000127460  
 Incorporated in the Republic of South Africa  
 ("Sacoil Holdings" or "the Company")

## REVIEWED PROVISIONAL RESULTS FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2009

INCOME STATEMENT	Reviewed Eight months to 28 February 2009 R 000's	Audited Twelve months to 30 June 2008 R 000's
Revenue	20,802	21,810
Cost of sales	(16,395)	(16,960)
Gross profit	4,407	4,850
Operating costs	(7,850)	(9,957)
Loss from operations	(3,443)	(5,107)
Share based payment expense	(23,754)	-
Impairment losses	(383)	(5,159)
Realised gain on insurance claim	-	501
Investment income	557	327
Interest paid	(93)	(78)
Loss before tax	(27,116)	(9,517)
Taxation	-	-
Loss after tax	(27,116)	(9,517)
Weighted average number of shares ('000's)	313,292	167,593
Loss per share (cents)	(8.66)	(5.68)
Diluted loss per share (cents)	(8.64)	(5.68)
<b>Reconciliation of headline earnings:</b>		
Loss attributable to shareholders	(27,116)	(9,517)
Realised gain on insurance claim	-	(501)
Impairment loss on revaluation of property, plant and equipment	-	5,159
Headline loss	(27,116)	(4,859)
Headline loss per share (cents)	(8.66)	(2.90)
Diluted headline loss per share (cents)	(8.64)	(2.90)

BALANCE SHEET	28 February 2009 R 000's	30 June 2008 R 000's
<b>Assets</b>		
<b>Non-current assets</b>	7,709	5,230
Property, plant and equipment	4,838	5,230
Loans receivable	2,871	-
<b>Current assets</b>	40,369	46,792
Loans receivable	27,867	27,867
Inventory	2,048	1,454
Trade accounts receivable	2,628	3,731
Sundry accounts receivable	970	1,920
Cash & cash equivalents	6,856	11,819
<b>Total assets</b>	48,078	52,022
<b>Equity &amp; liabilities</b>		
<b>Equity attributable to equity holders</b>	41,064	44,426
Stated capital	83,726	83,726
Accumulated loss	(66,416)	(39,300)
Share based payment reserve	23,754	-
<b>Non-current liabilities</b>	3,209	3,129
Long term liabilities	2,503	2,503
Provision for environmental rehabilitation	706	626
<b>Current liabilities</b>	3,805	4,467
Accounts payable	3,537	3,546
Sundry accounts payable	268	921
<b>Total equity &amp; liabilities</b>	48,078	52,022
Number of shares in issue ('000)	313,292	313,292
Net asset value per share (cents)	13.11	14.18

CASH FLOW STATEMENT	Eight months to 28 February 2009 R 000's	Twelve months to 30 June 2008 R 000's
<b>Cash utilised in operations</b>	(2,951)	(4,177)
Cash generated from/(utilised) in movements in working capital	796	(1,925)
(Increase) in inventories	(594)	(982)
Decrease/(increase) in accounts receivable	2,053	(3,052)
(Decrease)/increase in accounts payable	(663)	2,109
<b>Cash utilised in operating activities</b>	(2,155)	(6,102)
Investment income	494	327
Interest paid	(93)	(78)
<b>Net cash flows from operating activities</b>	(1,754)	(5,853)
<b>Net cash flows from investing activities</b>	(19)	(180)
<b>Net cash flows from financing activities</b>	(3,190)	17,687
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,963)	11,654
<b>Cash and cash equivalents at the beginning of the period</b>	11,819	165
<b>Cash and cash equivalents at the end of the period</b>	6,856	11,819

STATEMENT OF CHANGES IN EQUITY	Eight months to 28 February 2009 R 000's	Twelve months to 30 June 2008 R 000's
<b>Stated capital</b>		
Opening balance	83,726	3,743
- Transfer from share premium	-	27,152
- Shares issued for cash	-	54,148
- Expenses written off against stated capital	-	(1,318)
Closing balance	83,726	83,726
<b>Share premium</b>		
Opening balance	-	27,152
- Transfer to stated capital	-	(27,152)
Closing balance	-	-
<b>Accumulated loss</b>		
Opening balance	(39,300)	(29,783)
Net loss for the year	(27,116)	(9,517)
Closing balance	(66,416)	(39,300)
<b>Share based payment reserve</b>		
Opening balance	-	-
Share based payment expense	23,754	-
Closing balance	23,754	-

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The reviewed provisional financial statements of the group for the eight months ended 28 February 2009 have been prepared in compliance with International Financial Reporting Standards (IFRS), IAS 34 and the South African Companies Act 1973. The accounting policies and method of measurement and recognition applied in preparation of these financial statements are consistent with those applied in the group's most recent audited annual financial statements for the previous year. They have been prepared on a going concern basis. Where appropriate, comparatives for cost of sales were reclassified to provide a more accurate gross profit.

All monetary information and figures presented in these financial statements are stated in thousands of Rand (R'000), unless otherwise indicated.

### 2. Auditors review

The provisional financial statements have been reviewed by the company's auditors, Moore Stephens MWM. Their unmodified review opinion is available for inspection at the company's registered office.

### 3. Change of year end

In order to comply with the requirements of Section 293 of the Companies Act the board resolved to change the year end of the Company to the last day of February to coincide with that of its holdings company Encha Capital (Proprietary) Limited. The Company therefore reports to shareholders on results for the eight months to 28 February 2009.

### 4. Commentary on the Results

A loss of 8,66 (2008: 5,68) cents, a diluted loss of 8,64 cents, a headline loss of 8,66 (2008: 2,90) cents, a diluted headline loss of 8,64 cents and a net asset value of 13,11 (2008: 14,18) cents per share were reported. Included in the loss for the eight months are corporate head office costs in relation to current and future anticipated corporate actions in an amount of R2,9 million. The 1,07 cent decrease in the net asset value is mainly due to these costs being expensed as well as the impairment loss on the revaluation of loans receivable.

Sale of products from the Greenhills plant increased due to an increase in export sales as well as increased orders for Manganese Oxide. Despite significant increases in the costs of raw materials and consumables, the plant managed to maintain its margins but the lag effect of cost increases to customers still negatively impacted gross profits.

During November 2008 expenses paid by Sacoil Holdings on behalf of Pioneer Coal Limited ("Pioneer") in an amount of R1.19 million were debited to a loan account. A further loan was made in December 2008, in an amount of R2 million. The purpose of these loans is to provide Pioneer with seed capital to set up the company as a coal exploration company. Pioneer Coal shall not be obliged to pay interest for a period of one year ("initial period") from the date that Pioneer Coal is granted a listing by the JSE Limited. Should the loan not be repaid in full by the end of the initial period, interest on the loan amount will become payable from the day that a listing is granted. Included in the loss for the eight months is a fair value loss in the amount of R0,4 million in relation to these loans.

Loans advanced to Divine Inspiration Group (Proprietary) Limited ("DIG") and South Africa Congo Oil Company (Proprietary) Limited ("South Africa Congo Oil Company"), totalling R27,9 million have been reclassified as current financial assets. These loans are secured by pledges and sureties normal for transactions of this nature.

Upon conclusion of the Sacoil transaction, the indebtedness of DIG to Sacoil Holdings under the relevant loan agreement will be set-off against the indebtedness of South Africa Congo Oil Company Holdings to DIG under the Sacoil agreement. The indebtedness of South Africa Congo Oil Company to Sacoil Holdings under the relevant loan agreement will be capitalised to the value of the exploration and evaluation asset on conclusion of the transaction.

At a general meeting of shareholders held on 21 November 2008, 41 986 136 share options were granted to the directors of Sacoil Holdings. In compliance with IFRS 2 - Share based payments, the options were valued, on the grant date, at R23,8 million using the Black - Scholes valuation model for non-dividend paying shares. As no vesting conditions are attached to these options, a share based payment expense of R23,8 million is included in the loss for the eight months ended 28 February 2009.

### 5. Investment in South Africa Congo Oil Company (Proprietary) Limited

Further to previous announcements regarding the Company's investment in South Africa Congo Oil Company (Pty) Limited ("the transaction") and as noted in the interim results announcement dated 25 March 2009, the date for fulfilment of the conditions precedent to the agreements referred to therein has been extended to 31 July 2009. The last condition outstanding is the receipt of a Presidential Decree from the President of the Democratic Republic of the Congo. Following meetings with the relevant authorities, the directors are confident this condition will be fulfilled by 31 July 2009.

### 6. Conditional acquisition of coal exploration assets and proposed unbundling of shares in Pioneer Coal Limited

It was announced on 15 December 2008 that the directors of Sacoil Holdings have finalised proposals in terms of which Pioneer Coal Limited ("Pioneer Coal"), a newly formed company, will issue 313 291 612 ordinary shares to Sacoil Holdings at a price of R0,001 per share which shares will be distributed to Sacoil Holdings' shareholders by way of an unbundling, following which Pioneer Coal would, subject to certain conditions precedent, including completing a due diligence investigation and the raising of sufficient capital, acquire certain coal exploration companies.

The due diligence process will be completed shortly. The capital raising process is still underway but proceeding satisfactorily, following which Sacoil Holdings will begin the process of the unbundling.

On the basis that the Pioneer shares will be unbundled to Sacoil Holdings shareholders immediately after the shares have been issued to Sacoil Holdings, the results of Pioneer have not been consolidated into the results of Sacoil Holdings for the period under review.

### 7. Dividend

The board has resolved not to declare any dividend to shareholders for the period under review.

### 8. Future direction

Sacoil Holdings' current operating business remains that of manufacturing manganese sulphate powder, manganese sulphate solution and manganese oxide at its plant near Graskop in Mpumalanga, referred to as the Greenhills plant.

The focus of the Company has however shifted to that of an integrated Oil and Gas company. The Company is in the process of evaluating various value adding acquisition opportunities and considering additions to its financial and technical resources base which will be announced to shareholders in due course.

### By order of the board

#### Melinda van den Berg

Fusion Corporate Secretarial Services (Proprietary) Limited  
 Company secretary

Johannesburg  
 29 May 2009

**Directors:** RJ Linnell (Chairman), C Bird\*, BH Christie\*, RT Vela (Executive)\* (\*British)

**Registered office:** 119 Rosen Office Park, 37 Invicta Road, Midrand, 1685

**Registered postal address:** P.O. Box 8439, Halfway House, 1685

**Transfer secretaries:** Link Market Services SA (Proprietary) Limited

**Company secretary:** Melinda van den Berg - Fusion Corporate Secretarial Services (Proprietary) Limited

**Corporate Advisers:** Lonsa Corporate Finance (Proprietary) Limited

**Sponsor:** Sasfin Capital (a division of Sasfin Bank Limited)