



LABAT AFRICA LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1986/001616/06)

("Labat" or "the Company")

ISIN Code: ZAE 000018354 Share code: LAB

COMPLETION OF CONDITIONS PRECEDENT RELATING TO THE ACQUISITION OF FORCE FUEL PROPRIETARY LIMITED ("FORCE FUEL"), PARTIAL WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

The Board of Directors is pleased to announce that the conditions precedent mentioned in the announcement dated 30 May 2018 have been met with the signing of the formal agreement relating to the acquisition of 100% in Force Fuel, other than the issue and listing of the consideration shares, which is in process. The effective date for the acquisition is currently 1 September 2018 to align with Labat's year end being end of August each year.

One of the conditions of the acquisition was the securing of working capital facilities for Force Fuel to enable the business to meet the demand for growth and which should enable Force Fuel to achieve the higher levels of turnover previously achieved as the working capital requirements had been strained due to application of cash flows to long term obligations.

Labat is pleased to announce that it had secured a R50 million facility for Force Fuel. This has already resulted in a large increase of Force Fuel's revenue from the recent turnover levels of R49 million per month.

The Company is busy securing further facilities at more favorable rates which will further contribute to the growth and expansion of the business.

Accordingly, the cautionary announcement is withdrawn in relation to Force Fuel.

Labat remains in discussions relating to other acquisitions, which, if successfully concluded, may have a material effect on the price of the Company's securities. Accordingly, shareholders are reminded to exercise caution when dealing in the securities of the Company until further announcements are made.

Johannesburg

24 July 2018

Sponsor

Arbor Capital Sponsors Proprietary Limited

