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Declaration of a capitalisation award with a cash dividend alternative

Notice is hereby given that the directors of AECI have resolved to issue fully paid ordinary shares in the Company as a capitalisation award to ordinary shareholders ("the capitalisation award").

Ordinary shareholders will be entitled as an alternative to the capitalisation award, in respect of all or part of their shareholding, to elect to receive a cash dividend of 28 cents per ordinary share ("the cash dividend alternative"), which will be paid only to those ordinary shareholders who elect in respect of all or part of their shareholding, on or before 12:00 on Friday, 2 October 2009, to receive the cash dividend alternative. Shareholders not electing to receive the cash dividend alternative in respect of all or part of their shareholding will, by default, be issued with fully paid ordinary shares in terms of the capitalisation award.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the JSE Limited, the relevant dates for the capitalisation award/cash dividend alternative are as follows:

	2009
Last day to trade to participate in the capitalisation award on	Friday, 25 September
Shares trade "ex" the capitalisation award on	Monday, 28 September
Listing of the maximum number of new ordinary shares that may be taken up in terms of the capitalisation award on	Monday, 28 September
Last day to elect to receive the cash dividend alternative (by 12:00), failing which the capitalisation award will be received on	Friday, 2 October
Record date to participate in the capitalisation award on	Friday, 2 October
Payment of the cash dividend alternative to shareholders who have elected to receive the cash dividend in respect of all or part of their shareholding on	Monday, 5 October
New shares issued and posted or participant or broker accounts credited regarding the shares to be issued to shareholders who have not elected to participate in the cash dividend alternative in respect of all or part of their shareholding on	Monday, 5 October
The maximum number of new shares listed in terms of the capitalisation award, adjusted to reflect the actual number of shares issued in terms of the capitalisation award on or about	Tuesday, 6 October

Shares may not be dematerialised or rematerialised between Monday, 28 September 2009 and Friday, 2 October 2009, both days inclusive.

The above dates and times are subject to change. Any changes will be published on the Securities Exchange News Service (SENS) and in the press.

The number of capitalisation shares to which shareholders are entitled will be determined in the ratio that 28 cents per ordinary share bears to the 30-day volume-weighted average price for the Company's share, to be determined no later than Wednesday, 16 September 2009. Details of the ratio will be published on SENS no later than Thursday, 17 September 2009 and in the press the following business day.

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a shareholder's entitlement to new ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction will be rounded up to the nearest whole number, where the fraction is greater than or equal to 0.5 and rounded down to the nearest whole number, where the fraction is smaller than 0.5.

A circular relating to the capitalisation award and the cash dividend alternative will be posted to certificated shareholders on or about Monday, **31 August 2009**.

Note: Dematerialised shareholders are required to notify their duly appointed participant or broker of their alternative in terms of the capitalisation award in the manner and at the time stipulated in the agreement governing the relationship between shareholders and their participant or broker.

By order of the Board

EA Rea
Acting Company secretary

Woodmead, Sandton
27 July 2009

AECI LIMITED
(Incorporated in the Republic of South Africa)
(Registration No. 1924/002590/06)
Share code: AFE ISIN No.: ZAE000000220
("AECI" or "the Company")

The logo for AECI Limited, featuring the letters 'AECI' in a large, bold, serif font. A small black circle is positioned above the letter 'I'.