



MERGER NOTICE NO 12: 2016

THE PROPOSED ACQUISITION OF ADDITIONAL SHARES IN MORUPULE COAL MINE LIMITED BY THE GOVERNMENT OF THE REPUBLIC OF BOTSWANA.

Pursuant to section 56(1) of the Competition Act [CAP 46:09], the Competition Authority has received a merger notification for the proposed acquisition of additional shares in Morupule Coal Mine Limited ("MCM") by the Government of the Republic of Botswana ("GRB"), leading to 100% shareholding.

The proposed transaction involves the unbundling of Debswana Diamond Mining (Pty) Ltd ("Debswana")'s shareholding in MCM. Debswana is a partnership between GRB and De Beers Group and its primary objective is diamond mining and associated processes. GRB's current indirect beneficial shareholding in MCM will be converted into a direct equity interest and GRB will acquire De Beer's indirect shareholding in MCM. Post-transaction, GRB will solely own MCM, and transfer the entire shareholding in MCM to another entity solely owned by GRB, Minerals Development Company Botswana (Pty) Ltd ("MDCB"). MDCB is a wholly owned subsidiary of GRB incorporated under the Laws of the Republic of Botswana and was established as a special purpose vehicle for this transaction. Post-implementation, MDCB will directly hold all of the issued shares in MCM.

MCM, a wholly owned subsidiary of Debswana is a company incorporated under the Laws of the Republic of Botswana and is situated in the outskirts of Palapye. MCM is engaged in the mining and supplying of coal.

According to section 57(3), of the Competition Act, "any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger".

The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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